

**COUNTY OF DICKENSON, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**COUNTY OF DICKENSON, VIRGINIA**  
**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2020**

---

**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

---

	<u>Page</u>
List of Elected and Appointed Officials .....	1

---

**FINANCIAL SECTION**

---

Independent Auditors' Report .....	2-4
Management's Discussion and Analysis .....	5-11

---

	<u>Exhibit</u>	<u>Page</u>
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
Statement of Net Position .....	1	12
Statement of Activities .....	2	13
Fund Financial Statements:		
Balance Sheet - Governmental Funds .....	3	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	4	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	5	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	6	17
Statement of Fiduciary Net Position - Fiduciary Funds .....	7	18
Notes to the Financial Statements .....		19-85

**Required Supplementary Information:**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund .....	8	86
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special Revenue Fund - Coal Road Tax Fund .....	9	87
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) .....	10	88
Schedule of Changes in Net Pension Liability and Related Ratios-Component Unit School Board (nonprofessional) .....	11	89
Schedule of Employer Contributions - Pension Plans .....	12	90
Notes to Required Supplementary Information - Pension Plans .....	13	91

**COUNTY OF DICKENSON, VIRGINIA**  
**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2020**

---

**TABLE OF CONTENTS (CONTINUED)**

---

**FINANCIAL SECTION (CONTINUED)**

---

<b>Required Supplementary Information:</b>	<b><u>Exhibit</u></b>	<b><u>Page</u></b>
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios		
Component Unit-School Board- Healthcare OPEB Plan .....	14	92
Notes to Required Supplementary Information - Healthcare OPEB Plan .....	15	93
Schedule of Employer's Share of Net OPEB Liability -		
Group Life Insurance Plan .....	16	94
Schedule of Employer Contributions - Group Life Insurance Plan .....	17	95
Notes to Required Supplementary Information -		
Group Life Insurance Plan .....	18	96
Schedule of School Board's Share of Net OPEB Liability -		
Teacher Employee Health Insurance Credit (HIC) Plan .....	19	97
Schedule of Employer Contributions -		
Teacher Employee Health Insurance Credit (HIC) Plan .....	20	98
Notes to Required Supplementary Information -		
Teacher Employee Health Insurance Credit (HIC) Plan .....	21	99
 <b>Other Supplementary Information:</b>		
Combining and Individual Fund Financial Statements and Schedules:		
Combining Statement of Fiduciary Net Position - Fiduciary Funds .....	22	100
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	23	101
Discretely Presented Component Unit - School Board:		
Balance Sheet .....	24	102
Statement of Revenues, Expenditures, and Changes in Fund Balances -		
Governmental Funds .....	25	103
Schedule of Revenues, Expenditures, and Changes in Fund Balances -		
Budget and Actual .....	26	104
	<b><u>Schedule</u></b>	<b><u>Page</u></b>
Supporting Schedules:		
Schedule of Revenues - Budget and Actual - Governmental Funds .....	1	105-110
Schedule of Expenditures - Budget and Actual - Governmental Funds .....	2	111-114

**COUNTY OF DICKENSON, VIRGINIA**  
**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2020**

---

**TABLE OF CONTENTS (CONTINUED)**

---

**FINANCIAL SECTION (CONTINUED)**

---

<b>Other Statistical Information:</b>	<b><u>Table</u></b>	<b><u>Page</u></b>
Government-wide information:		
Government-wide Expenses by Function.....	1	115
Government-wide Revenues .....	2	116
Fund information:		
General Governmental Expenditures by Function .....	3	117
General Governmental Revenues by Source .....	4	118
Property Tax Levies and Collections .....	5	119
Assessed Value of Taxable Property .....	6	120
Property Tax Rates .....	7	121
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita .....	8	122
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures.....	9	123

---

**COMPLIANCE SECTION**

---

	<b><u>Page</u></b>
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 <i>Government Auditing Standards</i> .....	124-125
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	126-127
Schedule of Expenditures of Federal Awards .....	128-129
Schedule of Findings and Questioned Costs.....	130-131

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## INTRODUCTORY SECTION

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## COUNTY OF DICKENSON, VIRGINIA

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### BOARD OF SUPERVISORS

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Peggy Kiser, Vice-chair Ron Peters	Josh Evans, Chair	Shelbie Willis Rhonda Sluss
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### COUNTY SCHOOL BOARD

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Rick Mullins, Vice-chair Jamie Hackney	Dr, Lurton Lyle, Chair	Jason Hicks Damon Rasnick
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### SOCIAL SERVICES BOARD

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Scott Stanley, Vice-chair Donald Rife	Charles Hay, Chair	Dean Rasnick Ginger Senter
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### PUBLIC SERVICE AUTHORITY BOARD

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Sam Edwards, Vice-chair Lurton Lyle	Zane Counts, Chair	Keith Deel Shelbie Willis
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### OTHER OFFICIALS

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Clerk of the Circuit Court .....	Richard Edwards
Commonwealth's Attorney .....	Josh Newberry
Commissioner of the Revenue.....	Mike Yates
Treasurer .....	Angela Rakes
Sheriff .....	Jeremy Flemming
Superintendent of Schools .....	Haydee Robinson
Director of Social Services .....	Susan Mullins
County Administrator .....	David Moore, Jr.

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## FINANCIAL SECTION

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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**Independent Auditors' Report**

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**To the Honorable Members of  
the Board of Supervisors  
County of Dickenson, 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 the County of Dickenson, Virginia, as of and for the year ended June 30, 2020, 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 did not audit the financial statements of the discretely presented component unit Industrial Development Authority, which represent 21%, 17%, and 14%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Industrial Development Authority, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, 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 Dickenson, Virginia, as of June 30, 2020, 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.

### ***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 5-11, 86-87, and 88-99 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 and other auditors 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 Dickenson, Virginia's basic financial statements. The introductory section, other supplementary information, and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on our consideration of the County of Dickenson, 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 Dickenson, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Dickenson, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox, Associates*  
Blacksburg, Virginia  
December 2, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the  
Board of Supervisors  
To the Citizens of Dickenson County  
County of Dickenson, Virginia

As management of the County of Dickenson, 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, 2020. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements.

### Financial Highlights:

- The assets and deferred outflows of resources of the County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,133,381 (net position). Of this amount, \$1,206,591 was considered unrestricted.
- The assets and deferred outflows of resources of the School Board component unit exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$25,761,157 (net position). Of this amount \$(32,993,674) was considered unrestricted.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$24,016,511. Of that amount, \$2,610,329 was considered unassigned, \$865,085 was considered committed, \$20,166,138 was considered restricted and \$374,959 was considered nonspendable.
- During the year, the County had governmental fund revenues that were \$2,571,269 less than expenditures.

### Overview of the Financial Statements:

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

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

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

Government-wide Financial Statements – The Government-wide Financial Statements are designed to provide the readers with a broad overview of the County’s finances in a manner similar to a private-sector business.

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

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

The Statement of Activities distinguishes functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Our governmental activities include general government, courts, public safety, sanitation, social services, education, cultural events, and recreation.

The Government-wide Financial Statements include not only the County of Dickenson, Virginia itself (known as the primary government), but also a legally separate school board for which the County of Dickenson, Virginia is financially accountable. The financial statements also include discretely presented component units that we do not control, but do exercise a significant financial relationship with. These discretely presented component units are the Public Service Authority and Industrial Development Authority.

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

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County’s near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains three individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Coal Road Tax Fund, and the School Construction Projects Fund of which all are considered to be major funds.

The County adopts an annual appropriated budget for its Governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Fiduciary funds – The County is the trustee, or fiduciary, for the County’s agency funds and expendable trust funds. We are responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County’s Government-wide Financial Statements because the County cannot use these assets to finance its operations. Fiduciary funds include the Special Welfare, Town of Clinchco, Town of Clintwood, Town of Haysi, Fringe Benefits, Dickenson County Behavioral Health Services, and EQT funds.

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 statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison and schedules related to pension and OPEB funding.

#### Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a County’s financial position. In the case of the County’s Primary Government, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$32,133,381 at the close of the most recent fiscal year.

A significant portion of the County’s net position, \$10,760,652 reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County’s net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County’s net position, \$20,166,138, is subject to restrictions on how it may be used. The remaining balance of net position was \$1,206,591.

The following tables summarize the County's Statement of Net Position and Statement of Activities for 2020 and 2019.

Statement of Net Position

	Governmental Activities 2020	Governmental Activities 2019
Current and other assets	\$ 33,834,453	\$ 36,968,705
Capital and other assets	27,650,069	28,691,559
Total assets	<u>\$ 61,484,522</u>	<u>\$ 66,660,264</u>
Deferred outflows of resources	<u>\$ 1,504,715</u>	<u>\$ 621,091</u>
Current and other liabilities	\$ 1,660,503	\$ 1,554,029
Long-term liabilities	22,321,949	22,772,245
Total Liabilities	<u>\$ 23,982,452</u>	<u>\$ 24,326,274</u>
Deferred inflows of resources	<u>\$ 6,873,404</u>	<u>\$ 7,579,405</u>
Net position:		
Net investment in capital assets	\$ 10,760,652	\$ 10,427,951
Restricted	20,166,138	18,403,339
Unrestricted	1,206,591	5,544,386
Total net position	<u>\$ 32,133,381</u>	<u>\$ 34,375,676</u>

## Statement of Activities

	Governmental Activities 2020	Governmental Activities 2019
Program revenues		
Charges for services	\$ 328,981	\$ 338,083
Operating grants and contributions	7,817,479	7,313,123
Capital grants and contributions	2,728,055	1,433,064
General revenues		
Property taxes	11,185,408	11,229,433
Other taxes	7,538,067	9,750,444
Revenue from use of money and property	17,486	21,464
Miscellaneous	146,498	37,065
Grants and contributions not restricted to specific programs	1,497,938	1,452,230
Total revenues	<u>\$ 31,259,912</u>	<u>\$ 31,644,906</u>
Expenses		
General government	2,594,258	1,681,546
Judicial administration	1,667,814	1,462,797
Public Safety	5,795,499	4,616,342
Public works	3,840,409	5,003,175
Health and welfare	6,943,896	6,789,722
Education	7,702,559	6,596,252
Parks, recreation and cultural	556,784	285,429
Community development	4,029,435	3,132,775
Interest on debt	371,553	529,741
Total expenses	<u>\$ 33,502,207</u>	<u>\$ 30,097,779</u>
Change in net position	<u>\$ (2,242,295)</u>	<u>\$ 1,547,127</u>

## Financial Analysis of the County's Funds

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

Governmental Funds – The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County’s net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$24,016,511; 84% or \$20,166,138 constitutes restricted fund balance, which is not available for current spending since it has been restricted by external parties such as grantors, laws or legislation; 2% or \$374,959 constitutes nonspendable funds or prepaid items; and 4% or \$865,085 constitutes committed fund balance, which represents amounts that have been committed by the Board of Directors for specific future uses. The remaining balance, \$2,610,329 or 11% is unassigned, meaning there are no restrictions placed on the funds. The general fund is the operating fund of the County. At the end of the current fiscal year, total fund balance of the general fund was \$3,850,373 of this amount \$374,959 was considered nonspendable, \$865,085 was considered committed, and \$2,610,329 was considered unassigned. The Coal Road Tax fund had restricted fund balances of \$12,212,051 and the School Construction fund had restricted fund balance of \$7,954,087.

Total governmental fund revenues decreased \$855,194 and expenses increased \$1,934,848 over prior year amounts. For fiscal year ended June 30, 2020, expenses exceeded revenues by \$2,571,269, as compared to the fiscal year ended June 30, 2019, revenues exceeded expenses by \$218,773, excluding other financing sources to help cover the extra expenditures.

#### General Fund Budgetary Highlights

There were some differences in expenditures between the original budget and the final amended budget for the current year.

#### Capital Assets and Debt Administration

Capital assets – The County’s investment in capital assets for its governmental funds activities as of June 30, 2020 amounts to \$27,650,069 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress.

Additional information on the County of Dickenson’s capital assets can be found in Note 13 of this report.



Long-term debt – At the end of the current fiscal year, the County’s primary government had total debt outstanding as follows:

Primary Government:		
Accrued leave	\$	476,927
Lease purchase agreement		494,836
Notes payable		16,889,417
Net Pension liability		4,451,376
Landfill post-closure costs		9,393
Total		<u>\$ 22,321,949</u>

Additional information on the County of Dickenson’s long-term debt can be found in Note 5 of this report.

#### Economic Factors

The June 2020 unemployment rate for the County of Dickenson, Virginia was 9.0%, which is an increase from a rate of 5.4% in June 2019. This is above the state’s average unemployment rate of 8.9% and below the national average rate of 11.1%.

#### Request for Information

This financial report is designed to provide a general overview of the County’s finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 293 Main Street, P.O. Box 1098, Clintwood, Virginia 24228.

## **Basic Financial Statements**

County of Dickenson, Virginia  
Statement of Net Position  
June 30, 2020

	Primary Government	Component Units		
		School	Public Service	Industrial
	Governmental	Board	Authority	Development
	Activities			Authority
<b>ASSETS</b>				
Cash and investments	\$ 23,189,985	\$ 2,345,825	\$ 3,001,236	\$ 166,545
Investments	410,468	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	7,951,178	-	-	-
Other local taxes receivable	316,036	-	-	-
Accounts receivable	-	36,080	230,135	-
Notes receivable	-	-	-	10,501,408
Other receivables	201,526	-	12,300	28,932
Due from primary government	-	-	79,562	-
Due from component unit	-	-	-	-
Due from other governmental units	1,390,301	716,392	-	21,479
Prepaid items	374,959	95,184	33,488	-
Restricted assets:				
Cash and cash equivalents	-	-	657,550	150,061
Capital assets (net of accumulated depreciation):				
Land	3,255,716	2,594,378	34,592	1,328,705
Buildings and improvements	23,061,842	54,919,614	226,368	14,974,380
Machinery and equipment	1,076,223	1,240,839	347,797	-
Infrastructure	-	-	35,827,442	-
Construction in progress	256,288	-	672,343	-
Total assets	\$ 61,484,522	\$ 61,948,312	\$ 41,122,813	\$ 27,171,510
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 1,504,715	\$ 3,820,801	\$ 172,913	\$ -
OPEB related items	-	1,219,022	-	-
Total deferred outflows of resources	\$ 1,504,715	\$ 5,039,823	\$ 172,913	\$ -
<b>LIABILITIES</b>				
Accounts payable	\$ 397,720	\$ 478,088	\$ 146,727	\$ 912
Accrued liabilities	67,174	1,447,663	-	-
Customers' deposits	-	-	319,257	-
Accrued interest payable	30,161	-	4,703	-
Unearned revenue	1,165,448	-	-	-
Long-term liabilities:				
Due within one year	1,814,716	813,859	463,172	742,498
Due in more than one year	20,507,233	34,717,361	7,420,494	14,714,165
Total liabilities	\$ 23,982,452	\$ 37,456,971	\$ 8,354,353	\$ 15,457,575
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 6,612,247	\$ -	\$ -	\$ -
Pension related items	261,157	3,218,148	28,899	-
OPEB related items	-	551,859	-	-
Total deferred inflows of resources	\$ 6,873,404	\$ 3,770,007	\$ 28,899	\$ -
<b>NET POSITION</b>				
Net investment in capital assets	\$ 10,760,652	\$ 58,754,831	\$ 29,814,155	\$ 11,263,123
Restricted				
Coal Road	12,212,051	-	-	-
School Construction	7,954,087	-	-	-
DSS Building	-	-	-	57,373
Economic Development	-	-	-	34,326
Agricultural Center	-	-	-	33,874
COVID-19	-	-	-	5,000
Debt service and bond covenants	-	-	338,293	158,800
Unrestricted	1,206,591	(32,993,674)	2,760,026	161,439
Total net position	\$ 32,133,381	\$ 25,761,157	\$ 32,912,474	\$ 11,713,935

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

County of Dickenson, Virginia  
Statement of Activities  
For the Year Ended June 30, 2020

		Net (Expense) Revenue and Changes in Net Position				
Functions/Programs	Program Revenues			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Industrial
					Governmental Activities	School Board
PRIMARY GOVERNMENT:						
Governmental activities:						
General government administration	\$ 2,594,258	\$ 4,248	\$ 278,657	\$ -	\$ (2,311,353)	\$ - \$ -
Judicial administration	1,667,814	81,409	576,687	-	(1,009,718)	-
Public safety	5,795,499	24,949	1,635,832	-	(4,134,718)	-
Public works	3,840,409	204,621	6,925	-	(3,628,863)	-
Health and welfare	6,943,896	-	5,319,378	-	(1,624,518)	-
Education	7,702,559	-	-	-	(7,702,559)	-
Parks, recreation, and cultural	556,784	13,754	-	-	(543,030)	-
Community development	4,029,435	-	-	2,728,055	(1,301,380)	-
Interest on long-term debt	371,553	-	-	-	(371,553)	-
Total governmental activities	\$ 33,502,207	\$ 328,981	\$ 7,817,479	\$ 2,728,055	\$ (22,627,692)	\$ - \$ -
Total primary government	\$ 33,502,207	\$ 328,981	\$ 7,817,479	\$ 2,728,055	\$ (22,627,692)	\$ - \$ -
COMPONENT UNITS:						
School Board	\$ 23,392,991	\$ 111,583	\$ 19,063,799	\$ -	\$ -	\$ -
Public Service Authority	3,510,131	2,980,139	-	319,953	-	(210,039)
Industrial Development Authority	1,337,467	-	-	316,495	-	(1,020,972)
Total component units	\$ 28,240,589	\$ 3,091,722	\$ 19,063,799	\$ 636,448	\$ -	\$ (210,039) \$ (1,020,972)
General revenues:						
General property taxes					\$ 11,185,408	\$ - \$ -
Other local taxes:						
Local sales and use taxes					815,881	-
Consumers' utility taxes					307,653	-
Consumption taxes					54,011	-
Vehicle registration withholding stops					23,050	-
Bank stock taxes					128,478	-
Hotel and motel room taxes					36,061	-
Coal severance taxes					5,235,452	-
Gas severance taxes					933,394	-
Moped ATV sales tax					4,087	-
Unrestricted revenues from use of money and property					17,486	-
Miscellaneous					146,498	2,432
Payments from County of Dickenson					474,633	93,466
Grants and contributions not restricted to specific programs					6,737,076	575,550
Total general revenues					1,497,938	1,240,585
Change in net position					20,385,397	3,084,307
Net position - beginning					(2,242,295)	2,063,335
Net position - ending					34,375,676	9,650,600
					22,767,057	31,965,195
					32,133,381	11,713,935
					25,761,157	32,912,474
					32,912,474	11,713,935

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

County of Dickenson, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2020

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and equivalents	\$ 3,659,517	\$ 11,777,907	\$ 7,752,561	\$ 23,189,985
Investments	286,906	123,562	-	410,468
Receivables (net of allowance for uncollectibles):				
Taxes receivable	7,951,178	-	-	7,951,178
Other local taxes receivable	178,851	137,185	-	316,036
Other receivables			201,526	201,526
Due from component unit	-	-	-	-
Due from other governmental units	1,148,969	241,332	-	1,390,301
Prepaid items	374,959	-	-	374,959
Total assets	<u>\$ 13,600,380</u>	<u>\$ 12,279,986</u>	<u>\$ 7,954,087</u>	<u>\$ 33,834,453</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 329,785	\$ 67,935	\$ -	\$ 397,720
Accrued liabilities	67,174	-	-	67,174
Unearned revenue	1,165,448	-	-	1,165,448
Total liabilities	<u>\$ 1,562,407</u>	<u>\$ 67,935</u>	<u>\$ -</u>	<u>\$ 1,630,342</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 8,187,600	\$ -	\$ -	\$ 8,187,600
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	\$ 374,959	\$ -	\$ -	\$ 374,959
Restricted				
Coal Road	-	12,212,051	-	12,212,051
School Construction	-	-	7,954,087	7,954,087
Committed				
Debt service	800,000	-	-	800,000
Law Library	33,272	-	-	33,272
Drug Restitution	31,813	-	-	31,813
Unassigned	2,610,329	-	-	2,610,329
Total fund balances	<u>\$ 3,850,373</u>	<u>\$ 12,212,051</u>	<u>\$ 7,954,087</u>	<u>\$ 24,016,511</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,600,380</u>	<u>\$ 12,279,986</u>	<u>\$ 7,954,087</u>	<u>\$ 33,834,453</u>

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

County of Dickenson, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2020

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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$	24,016,511
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land	\$	3,255,716	
Buildings and improvements		23,061,842	
Machinery and equipment		1,076,223	
Construction in progress		<u>256,288</u>	27,650,069
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenues in the funds.			
Unavailable revenue - property taxes			1,575,353
Deferred outflows or resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items			1,504,715
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds and note payable	\$	(16,889,417)	
Capital lease		(494,836)	
Landfill postclosure liability		(9,393)	
Net pension liability		(4,451,376)	
Compensated absences		(476,927)	
Accrued interest payable		<u>(30,161)</u>	(22,352,110)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items			(261,157)
Net position of governmental activities			<u><u>\$ 32,133,381</u></u>

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

County of Dickenson, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2020

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
<b>REVENUES</b>				
General property taxes	\$ 11,226,319	\$ -	\$ -	\$ 11,226,319
Other local taxes	4,453,644	3,084,423	-	7,538,067
Permits, privilege fees, and regulatory licenses	9,243	-	-	9,243
Fines and forfeitures	28,736	-	-	28,736
Revenue from the use of money and property	9,604	1,436	6,446	17,486
Charges for services	291,002	-	-	291,002
Miscellaneous	139,520	-	6,978	146,498
Recovered costs	544,639	-	-	544,639
Intergovernmental	9,886,928	2,156,544	401,489	12,444,961
Total revenues	<u>\$ 26,589,635</u>	<u>\$ 5,242,403</u>	<u>\$ 414,913</u>	<u>\$ 32,246,951</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,964,934	\$ -	\$ -	\$ 1,964,934
Judicial administration	1,505,108	-	-	1,505,108
Public safety	5,354,194	-	-	5,354,194
Public works	2,400,693	1,184,462	-	3,585,155
Health and welfare	7,431,325	-	-	7,431,325
Education	7,299,304	-	-	7,299,304
Parks, recreation, and cultural	490,924	-	-	490,924
Community development	2,153,932	1,481,714	-	3,635,646
Nondepartmental	164,714	-	-	164,714
Capital projects	839,309	-	3,341	842,650
Debt service:				
Principal retirement	945,503	-	800,000	1,745,503
Interest and other fiscal charges	373,763	-	425,000	798,763
Total expenditures	<u>\$ 30,923,703</u>	<u>\$ 2,666,176</u>	<u>\$ 1,228,341</u>	<u>\$ 34,818,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,334,068)</u>	<u>\$ 2,576,227</u>	<u>\$ (813,428)</u>	<u>\$ (2,571,269)</u>
Net change in fund balances	\$ (4,334,068)	\$ 2,576,227	\$ (813,428)	\$ (2,571,269)
Fund balances - beginning	8,184,441	9,635,824	8,767,515	26,587,780
Fund balances - ending	<u>\$ 3,850,373</u>	<u>\$ 12,212,051</u>	<u>\$ 7,954,087</u>	<u>\$ 24,016,511</u>

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

County of Dickenson, Virginia  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2020

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	(2,571,269)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 522,509	
Depreciation expense	(1,164,704)	(642,195)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Loss on disposal	\$ (9,451)	
Transfer of assets to Town of Clintwood (net book value)	(73,349)	
Transfer of assets to Industrial Development Authority (net book value)	(316,495)	(399,295)

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

Property taxes		(40,911)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments:		
General obligation and rural development bonds	\$ 296,113	
VSB note payable	274,993	
QSCB	800,000	
Capital leases	374,397	1,745,503

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.

Changes in compensated absences	\$ (32,434)	
Changes in accrued interest payable	22,636	
Changes in pension related items	(327,258)	
Increase in landfill postclosure care liability	(157)	
Amortization of bond premium	3,085	(334,128)

Change in net position of governmental activities	\$	(2,242,295)
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County of Dickenson, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

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	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,105,470
Total assets	<u>\$ 1,105,470</u>
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 259,483
Amounts held for Town of Clinchco	2,783
Amounts held for Town of Clintwood	26,836
Amounts held for Town of Haysi	6,457
Amounts held for County employees' fringe benefits	50,295
Amounts held for Dickenson County Behavioral Health Services	758,606
Amounts held for EQT	1,010
Total liabilities	<u>\$ 1,105,470</u>

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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

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

**A. Financial reporting entity**

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

Blended component units - None

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

Dickenson County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type. The School Board does not issue separate financial statements; therefore all of the School Board's financial information is presented within this financial report.

The Dickenson County Public Service Authority operates the water and sewer service for the County. Authority board members are appointed by the County Board of Supervisors. The complete financial report for the Authority may be obtained by contacting the Authority.

The Dickenson County Industrial Development Authority operates for the economic development of the County. Authority board members are appointed by the County Board of Supervisors. The complete financial report for the Authority may be obtained by contacting the Authority.

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

Jointly Governed Organizations - The County of Dickenson and the Counties of Wise, Lee, Scott, the City of Norton, and the Towns of Wise, Big Stone Gap, Coeburn, and St. Paul participate in supporting the Lonesome Pine Regional Library. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2020, the County contributed \$328,801 to the Library.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

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

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

The County's fiduciary 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 financial statements.

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.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

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

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for and reported in other funds. The general fund includes the activities of the Law Library, Enhanced E-911, CSA, CSA Admin., Disabilities Services Board, Inmate Canteen, 29<sup>th</sup> Judicial Grant, Restitution Recoveries, Debt Service, and CSB funds.

The Coal Road Tax fund is the County's only major *special revenue fund*. It accounts for and reports financial resources to be used for improvements to roads used in conjunction with coal mining.

The School Construction Projects fund is the County's only major *capital projects fund*. It accounts for and reports financial resources to be used for the construction of school property.

Additionally, the government reports the following fund types:

*Fiduciary funds* (Trust and Agency Funds) account for assets held by the government in a trustee account or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Agency funds include the Special Welfare, Town of Clinchco, Town of Clintwood, Town of Haysi, Fringe Benefits, Dickenson County Behavioral Health Services, and EQT funds.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

1. Cash and Cash Equivalents

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

2. Investments

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

3. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. 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 on December 5<sup>th</sup>. Personal property taxes are due and collectible annually on December 5<sup>th</sup>. The County bills and collects its own property taxes.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

6. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$432,527 at June 30, 2020 and is comprised of property taxes.

7. Use of Estimates

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

8. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<b>Assets</b>	<b>Years</b>
Buildings and improvements	40
Machinery and equipment	4-30

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

10. 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 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.

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

11. 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 one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the year and subsequent to the net pension liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

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 two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 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 liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

12. Compensated Absences

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

13. Long-term Obligations

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

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

14. Fund Balance

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

- Nonspendable - amounts that cannot be spent because they are not in spendable form, such as prepaid items and inventory or are required to be maintained intact (corpus of a permanent fund);
- Restricted - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Directors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

14. Fund Balance (continued)

- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

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

15. 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.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 1-Summary of Significant Accounting Policies: (continued)**

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

15. Net Position (continued)

- 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 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.

**Note 2-Stewardship, Compliance, and Accountability:**

A. Budgetary information

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund, Coal Road Tax Fund, and the School Operating Fund.
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 function level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the School Construction Projects Funds. The School Operating Fund is integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 2-Stewardship, Compliance, and Accountability: (continued)**

A. Budgetary information (continued)

7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.
8. All budgetary data presented in the accompanying financial statements is the revised budget.
9. For fiscal year ended June 30, 2020, the following functions had expenditures in excess of appropriations: public safety, public works, health and welfare, community development, and non-departmental in the general fund. The coal road fund had expenditures in excess of total appropriations.

**Note 3-Deposits and Investments:**

**Deposits**

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

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).

**Interest Rate Risk**

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

Investment Maturities (in years)			
Investment Type	Fair Value	1 Year	1-5 Years
Certificate of Deposits	\$ 410,468	\$ 351,449	\$ 59,019

**Custodial Credit Risk**

At year end, the County was not exposed to any custodial credit risk for deposits or investments. The County limits deposits to those banks fully collateralized under the Commonwealth's Security for Public Deposits Act. The County policy in regards to investments requires that all investments be held in the County's name.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 3-Deposits and Investments: (continued)**

**Credit Risk of Debt Securities**

The County's debt investments of \$227,887 are unrated as of June 30, 2020. The remainder of investments consist of non-negotiable certificates of deposit with maturities of 2021 and 2022 and balances of \$182,581 at year end.

**Note 4-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 Town 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 Town maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

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

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

The County has the following recurring fair value measurements as of June 30, 2020:

Investment Type	Balance at June 30, 2020	Fair Value Level 1
Certificate of Deposits	\$ 227,887	\$ 227,887

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 5-Due from Other Governmental Units:**

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

	<u>Primary Government</u>	<u>Component Unit- School Board</u>
<b><u>Other Local Government Entities:</u></b>		
Regional Jail	\$ 147,072	\$ -
<b><u>Commonwealth of Virginia:</u></b>		
State sales tax	164,073	305,886
Categorical aid-shared expenses	155,691	-
Categorical aid-Comprehensive Services Act	68,132	-
Categorical aid-Virginia Public Assistance	160,652	-
Categorical aid-other	383,339	-
Noncategorical aid	79,445	-
<b><u>Federal Government:</u></b>		
Categorical aid-other	3,465	410,506
Categorical aid-Virginia Public Assistance	228,432	-
	\$ <u>1,390,301</u>	\$ <u>716,392</u>

**Note 6-Long-term Obligations:**

**Primary Government - Governmental Activities Indebtedness:**

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance</u>
<b>Direct Borrowings and Placements:</b>				
General Obligation Bond	\$ 130,000	\$ -	\$ (130,000)	\$ -
Plus: Bond Premium	3,085	-	(3,085)	-
QSCB	7,400,000	-	(800,000)	6,600,000
VSB Note Payable	1,375,323	-	(274,993)	1,100,330
Rural Development Bonds	9,355,200	-	(166,113)	9,189,087
Capital Leases	869,233	-	(374,397)	494,836
Net Pension Liability	3,185,675	3,341,955	(2,076,254)	4,451,376
Landfill Post Closure Liability	9,236	157	-	9,393
Compensated Absences	444,493	365,804	(333,370)	476,927
Total	\$ <u>22,772,245</u>	\$ <u>3,707,916</u>	\$ <u>(4,158,212)</u>	\$ <u>22,321,949</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 6-Long-term Obligations: (Continued)**

Primary Government - Governmental Activities Indebtedness: (continued)

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

Year Ending June 30,	Direct Borrowings and Placements			
	Rural Development Bonds		VSB Note Payable	
	Principal	Interest	Principal	Interest
2021	\$ 157,244	\$ 319,155	\$ 257,388	\$ 24,611
2022	162,837	313,563	263,740	18,260
2023	168,628	307,771	270,248	11,752
2024	173,794	302,605	276,907	5,092
2025	180,807	295,592	32,047	185
2026-2030	1,004,383	1,377,612	-	-
2031-2035	1,196,528	1,185,770	-	-
2036-2040	1,424,254	957,743	-	-
2041-2045	1,696,986	685,013	-	-
2046-2050	1,551,169	396,622	-	-
2051-2055	1,472,457	112,075	-	-
Totals	<u>\$ 9,189,087</u>	<u>\$ 6,253,521</u>	<u>\$ 1,100,330</u>	<u>\$ 59,900</u>

Year Ending June 30,	Direct Borrowings and Placements	
	QSCB	
	Principal	Interest
2021	\$ 800,000	\$ 425,000
2022	800,000	425,000
2023	560,000	425,000
2024	555,000	425,000
2025	555,000	425,000
2026-2030	2,775,000	2,125,000
2031	555,000	212,500
Totals	<u>\$ 6,600,000</u>	<u>\$ 4,462,500</u>



**COUNTY OF DICKENSON, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**Note 6-Long-term Obligations: (Continued)**

**Primary Government - Governmental Activities Indebtedness: (continued)**

Details of long-term indebtedness:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance at June 30	Amount Due Within One Year
Direct Borrowings and Placements:						
QSCB	6.238%	12/01/2011	2031	\$10,000,000	\$ 6,600,000	\$ 800,000
Rural Development Bond <sup>(1)</sup>	3.500%	02/18/2015	2046	2,000,000	1,602,982	39,802
Rural Development Bond <sup>(1)</sup>	3.500%	02/18/2015	2055	6,442,745	7,586,105	117,442
Virginia Small Business Financing Authority <sup>(1)</sup>	2.440%	06/02/2015	2025	2,075,242	1,100,330	257,388
Total Revenue Bonds					<u>\$16,889,417</u>	<u>\$ 1,214,632</u>
Other Obligations:						
Capital Lease - Energy Improvements	4.150%	7/25/2008	2022	\$ 2,750,000	\$ 494,836	\$ 242,389
Net Pension Liability	n/a	n/a	n/a	n/a	4,451,376	-
Landfill Postclosure Liability	n/a	n/a	n/a	n/a	9,393	-
Compensated Absences	n/a	n/a	n/a	n/a	476,927	357,695
Total Other Obligations					<u>\$ 5,432,532</u>	<u>\$ 600,084</u>
Total Long-term Obligations					<u>\$22,321,949</u>	<u>\$ 1,814,716</u>

(1) In the event of default, the lender(s) may declare the entire unpaid principal and interest balances on the revenue bonds as due and payable.

**Note 7-Capital Leases:**

**Primary Government:**

The County has previously entered into lease agreements for the acquisition of energy improvements to schools. These improvements have not been capitalized because individually each improvement was less than \$5,000, below the capitalization threshold.

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2020, are as follows:

Year Ending June 30,	Capital Lease
2021	\$ 262,925
2022	262,924
Sub-total	<u>\$ 525,849</u>
Less, amount representing interest	(31,013)
Present Value of Lease Agreements	<u><u>\$ 494,836</u></u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 8-Long-term Obligations-Component Unit School Board:**

The following is a summary of long-term obligation transactions of the Component Unit-School Board for the year ended June 30, 2020:

	Beginning Balance	Increase	Decrease	Ending Balance	Amount Due Within One Year
Net pension liability	\$ 21,050,189	\$ 7,104,262	\$ (5,993,392)	\$ 22,161,059	\$ -
Net OPEB liabilities	13,556,452	2,418,020	(3,689,456)	12,285,016	-
Compensated absences	1,137,848	800,683	(853,386)	1,085,145	813,859
Total	\$ 35,744,489	\$ 10,322,965	\$ (10,536,234)	\$ 35,531,220	\$ 813,859

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 9-Pension Plans:**

***Plan Description***

All full-time, salaried permanent employees of the County and (nonprofessional) employees of the public school divisions are automatically covered by the VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. However, several entities whose financial information is not included in the primary government report, participate in the VRS plan through the County and the participating entities report their proportionate information on the basis of a cost-sharing plan. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

***Benefit Structures***

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

- a. Employees hired 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 hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013 are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 9-Pension Plans: (Continued)**

***Benefit Structures (Continued)***

- c. Non-hazardous duty employees hired 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.

***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.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 9-Pension Plans: (Continued)**

***Contributions***

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

The County's contractually required employer contribution rate for the year ended June 30, 2020 was 9.59% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$491,201 and \$462,491 for the years ended June 30, 2020 and June 30, 2019, respectively.

The Component Unit Public Service Authority's contractually required employer contribution rate for the year ended June 30, 2020 was 9.59% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit Public Service Authority were \$55,094 and \$53,809 for the years ended June 30, 2020 and June 30, 2019, respectively.

***Net Pension Liability***

At June 30, 2020, the County and Component Unit Public Service Authority reported a liability of \$4,451,376 and \$517,904, respectively, for its proportionate share of the net pension liability. The County's and Component Unit Public Service Authority's net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. In order to allocate the net pension liability to all employers included in the plan, the County and Component Unit Public Service Authority are required to determine its proportionate share of the net pension liability. Creditable compensation as of June 30, 2019 and 2018 was used as a basis for allocation to determine the County and Component Unit Public Service Authority's proportionate share of the net pension liability. At June 30, 2019 and 2018, the County's proportion was 68.9258% and 69.4945%, respectively. At June 30, 2019 and 2018, the Component Unit Public Service Authority's proportion was 8.0193% and 7.9871%, respectively.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 9-Pension Plans: (Continued)**

***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the Dickenson County's Retirement Plan and the Dickenson County Public Schools Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

\* Administrative expenses as a percent of the 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 pension liabilities.

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

***Actuarial Assumptions - General Employees (Continued)***

The actuarial assumptions used in the June 30, 2018 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 Dickenson County's Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

\* Administrative expenses as a percent of the 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 pension liabilities.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

***Long-Term Expected Rate of Return***

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

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return</b>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>5.13%</b>
		<b>Inflation</b>	<b>2.50%</b>
		<b>*Expected arithmetic nominal return</b>	<b>7.63%</b>

\* The above allocation provides a one-year return of 7.63%. 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%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2019, 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, 2019, 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, 2019 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.

***Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)

Proportionate share of the County Retirement Plan:

County	\$ 7,776,945	\$ 4,451,376	\$ 1,802,960
Component Unit Public Service Authority	\$ 904,823	\$ 517,904	\$ 209,769

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

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

For the year ended June 30, 2020, the County and Component Unit Public Service Authority recognized pension expense of \$818,506 and \$96,924, respectively. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2020, the County and Component Unit Public Service Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit Public Service Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 479,536	\$ 4,775	\$ 55,692	\$ 562
Change in assumptions	533,978	30,453	62,127	3,500
Net difference between projected and actual earnings on pension plan investments	-	176,302	-	19,689
Change in proportionate share	-	49,627	-	5,148
Employer contributions subsequent to the measurement date	491,201	-	55,094	-
Total	<u>\$ 1,504,715</u>	<u>\$ 261,157</u>	<u>\$ 172,913</u>	<u>\$ 28,899</u>

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

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

\$491,201 and \$55,094 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit Public Service Authority's contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit Public Service Authority</u>
2021	\$ 338,818	\$ 38,268
2022	177,426	22,030
2023	223,227	27,123
2024	12,886	1,499

***Pension Plan Data***

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

**Component Unit School Board (Nonprofessional)**

Additional information related to the plan description, plan contribution requirements, actuarial assumptions, long-term expected rate of return, and discount rate is included in the first section of this note.

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Nonprofessional) (Continued)**

***Employees Covered by Benefit Terms***

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b><u>Component Unit School Board Nonprofessional</u></b>
Inactive members or their beneficiaries currently receiving benefits	120
Inactive members:	
Vested inactive members	3
Non-vested inactive members	20
Inactive members active elsewhere in VRS	10
Total inactive members	33
Active members	63
Total covered employees	216

***Contributions***

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2020 was 40.89% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$574,667 and \$538,569 for the years ended June 30, 2020 and June 30, 2019, respectively.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Nonprofessional) (Continued)**

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Component Unit School Board's (nonprofessional) net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019.

***Changes in Net Pension Liability***

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2018	\$ 12,423,472	\$ 5,524,283	\$ 6,899,189
Changes for the year:			
Service cost	\$ 129,184	\$ -	\$ 129,184
Interest	836,210	-	836,210
Differences between expected and actual experience	(97,735)	-	(97,735)
Assumption changes	284,980	-	284,980
Contributions - employer	-	616,599	(616,599)
Contributions - employee	-	80,086	(80,086)
Net investment income	-	356,321	(356,321)
Benefit payments, including refunds	(955,216)	(955,216)	-
Administrative expenses	-	(3,670)	3,670
Other changes	-	(224)	224
Net changes	\$ 197,423	\$ 93,896	\$ 103,527
Balances at June 30, 2019	\$ 12,620,895	\$ 5,618,179	\$ 7,002,716

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Nonprofessional) (Continued)**

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

The following presents the net pension liability of the Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the Component Unit School Board's (nonprofessional) 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:

	<b>Rate</b>		
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
Component Unit School Board (Nonprofessional) Net Pension Liability	\$ 8,265,338	\$ 7,002,716	\$ 5,978,313

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

For the year ended June 30, 2020, the Component Unit School Board (nonprofessional) recognized pension expense of \$596,473. At June 30, 2020, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Component Unit School Board (Nonprofessional)</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 51,334
Change in assumptions	141,774	-
Net difference between projected and actual earnings on pension plan investments	-	43,572
Employer contributions subsequent to the measurement date	574,667	-
Total	\$ 716,441	\$ 94,906

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Nonprofessional) (Continued)**

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

\$574,667 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Component Unit School Board (Nonprofessional)</u>
2021	\$ 96,424
2022	(53,268)
2023	(526)
2024	4,238

**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 is included in the first section of this note.

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The 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 \$1,559,321 and \$1,471,114 for the years ended June 30, 2020 and June 30, 2019, respectively.



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Professional) (Continued)**

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

At June 30, 2020, the school division reported a liability of \$15,158,343 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion was 0.11518% as compared to 0.12033% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized pension expense of \$1,007,955. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 970,652
Change in assumptions	1,501,031	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	44,008	1,819,749
Net difference between projected and actual earnings on pension plan investments	-	332,841
Employer contributions subsequent to the measurement date	1,559,321	-
Total	\$ 3,104,360	\$ 3,123,242

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Professional) (Continued)**

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

\$1,559,321 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Component Unit School Board (Professional)</u>
2021	\$ (567,733)
2022	(872,477)
2023	(296,526)
2024	91,253
2025	67,280

***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the 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 pension liabilities.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Professional) (Continued)**

***Actuarial Assumptions (Continued)***

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Professional) (Continued)**

***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, 2019, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee Retirement Plan</b>
		<hr/>
Total Pension Liability	\$	49,683,336
Plan Fiduciary Net Position		36,522,769
Employers' Net Pension Liability (Asset)	\$	<hr/> <hr/> 13,160,567
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		73.51%

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 9-Pension Plans: (Continued)**

**Component Unit School Board (Professional) (Continued)**

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	7.75%
Dickenson County School Board's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 22,819,891	\$ 15,158,343	\$ 8,823,661

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

***Aggregate Pension Information***

	Primary Government				Component Unit Public Service Authority				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:												
Primary Government	\$ 1,504,715	\$ 261,157	\$ 4,451,376	\$ 818,506	\$ 172,913	\$ 28,899	\$ 517,904	\$ 96,924	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	-	-	-	-	716,441	94,906	7,002,716	596,473
School Board Professional	-	-	-	-	-	-	-	-	3,104,360	3,123,242	15,158,343	1,007,955
Totals	\$ 1,504,715	\$ 261,157	\$ 4,451,376	\$ 818,506	\$ 172,913	\$ 28,899	\$ 517,904	\$ 96,924	\$ 3,820,801	\$ 3,218,148	\$ 22,161,059	\$ 1,604,428

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 10-Other Postemployment Benefits-Health Insurance:**

In addition to the pension benefits described in Note 9, the School Board administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plan. The plan does not issue a publicly available financial report.

***Benefits Provided***

A retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the School Board and is eligible to receive an early or regular retirement benefit from VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the School Board. Employees at the School Board are allowed to stay on the plan until they are eligible to receive medicare benefits. The employee pays 100% of the required premium.

***Plan Membership***

At June 30, 2020 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	279
Total retirees with coverage	18
Total spouses of retirees with coverage	<u>11</u>
Total	<u><u>308</u></u>

***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2020 was \$311,504.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 10-Other Postemployment Benefits-Health Insurance: (Continued)**

***Total OPEB Liability***

The School Boards total OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019 and rolled forward to June 30, 2020.

***Actuarial Assumptions***

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Component Unit-School Board:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.21%
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. 5% of deaths are assumed to be service related.
Post-Retirement	RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2% increase compounded from ages 75 to 90.
Post-Disablement	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 10-Other Postemployment Benefits-Health Insurance: (Continued)**

***Discount Rate***

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

***Changes in Total OPEB Liability***

	<b>Component Unit - School Board Total OPEB Liability</b>	
Balances at June 30, 2019	\$	11,179,452
Changes for the year:		
Service cost		531,562
Interest		404,482
Difference between expected and actual experience		448,317
Changes in assumptions		393,632
Effect of Plan Changes		(2,745,118)
Benefit payments		(311,504)
Net changes		<u>(1,278,629)</u>
Balances at June 30, 2020	\$	<u>9,900,823</u>

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current discount rate:

<b>Rate</b>		
<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
\$ 10,631,492	\$ 9,900,823	\$ 9,192,208



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 10-Other Postemployment Benefits-Health Insurance: (Continued)**

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

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

Rates		
1% Decrease	Healthcare Cost Trend	1% Increase
\$ 8,677,713	\$ 9,900,823	\$ 11,350,848

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

For the year ended June 30, 2020, the School Board recognized OPEB expense in the amount of \$(1,673,054). At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 382,388	\$ -
Changes of assumptions	504,680	133,826
Total	<u>\$ 887,068</u>	<u>\$ 133,826</u>

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 Ending June 30,	
2021	\$ 136,020
2022	136,020
2023	134,517
2024	123,816
2025	123,816
Thereafter	99,053

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 11-Group Life Insurance (GLI) Plan (OPEB Plan):**

***Plan Description***

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

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

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

***Eligible Employees***

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

***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,463 as of June 30, 2020.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 11-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 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% ( $1.31\% \times 60\%$ ) and the employer component was 0.52% ( $1.31\% \times 40\%$ ). 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, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 Group Life Insurance Plan from the Component Unit-School Board (Non-professional) were \$7,275 and \$6,942 for the years ended June 30, 2020 and June 30, 2019, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Professional) were \$52,183 and \$49,128 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the Component Unit-School Board (Nonprofessional) reported a liability of \$111,956 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2020, the Component Unit-School Board (Professional) reported a liability of \$788,899 for its proportionate share of the Net GLI OPEB Liability.

The Net GLI OPEB Liability was measured as of June 30, 2019 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, 2018, and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2019, Component Unit-School Board (Nonprofessional)'s proportion was 0.00688% as compared to 0.00683% at June 30, 2018.

At June 30, 2019, the Component Unit-School Board (Professional)'s proportion was 0.04848% as compared to 0.05047% at June 30, 2018.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 11-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)***

For the year ended June 30, 2020, the Component Unit-School Board (Nonprofessional) recognized GLI OPEB expense of \$919. 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.

For the year ended June 30, 2020, the Component Unit-School Board (Professional) recognized GLI OPEB expense of (\$10,502). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Component Unit School Board			
	Nonprofessional		Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,446	\$ 1,452	\$ 52,466	\$ 10,231
Net difference between projected and actual earnings on GLI OPEB plan investments	-	2,300	-	16,205
Change in assumptions	7,068	3,376	49,806	23,789
Changes in proportion	667	6,202	-	112,761
Employer contributions subsequent to the measurement date	7,275	-	52,183	-
Total	\$ 22,456	\$ 13,330	\$ 154,455	\$ 162,986

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 11-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 Group Life Insurance Plan OPEB (Continued)***

\$7,275 and \$52,183 reported as deferred outflows of resources related to the GLI OPEB resulting from the Component Unit-School Board (nonprofessional) and Component Unit-School Board (professional)'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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Component Unit-School Board (Nonprofessional)</u>	<u>Component Unit-School Board (Professional)</u>
2021	\$ (1,272)	\$ (25,942)
2022	(1,272)	(25,941)
2023	(298)	(19,078)
2024	1,581	(2,184)
2025	2,429	9,556
Thereafter	683	2,875

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

\*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 OPEB liabilities.

**Mortality Rates - Teachers**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Actuarial Assumptions: (Continued)***

**Mortality Rates - Teachers (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 11-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, 2018 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%



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***NET GLI OPEB Liability***

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2019, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<b>GLI OPEB Plan</b>
		<hr/>
Total GLI OPEB Liability	\$	3,390,238
Plan Fiduciary Net Position		1,762,972
GLI Net OPEB Liability (Asset)	\$	<hr/> <u>1,627,266</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.00%

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

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 11-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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.63%</u>

\*The above allocation provides a one-year return of 7.63%. 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%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Proportionate share of the GLI Plan Net OPEB Liability:			
Component Unit-School Board (Nonprofessional)	\$ 147,080	\$ 111,956	\$ 83,472
Component Unit-School Board (Professional)	\$ 1,036,394	\$ 788,899	\$ 588,186

**GLI Plan Fiduciary Net Position**

Detailed information about the Group Life Insurance Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 12- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):**

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, 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.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 12- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 1.20% 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, 2017. 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 \$120,425 and \$113,553 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the school division reported a liability of \$1,483,338 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2019 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, 2018 and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion of the VRS Teacher Employee HIC was 0.11331% as compared to 0.11863% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$78,539. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 12- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,402
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	94	
Change in assumptions	34,524	10,307
Change in proportion	-	223,008
Employer contributions subsequent to the measurement date	120,425	-
Total	\$ 155,043	\$ 241,717

\$120,425 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, 2021. 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	
2021	\$ (42,136)
2022	(42,137)
2023	(41,487)
2024	(41,705)
2025	(29,888)
Thereafter	(9,746)

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 12- 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, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the 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 OPEB liabilities.

**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 12- 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, 2018 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, 2019, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

	<b>Teacher Employee HIC OPEB Plan</b>	
Total Teacher Employee HIC OPEB Liability	\$	1,438,114
Plan Fiduciary Net Position		129,016
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,309,098</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		
		8.97%

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.



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 12- 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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.63%</u>

\*The above allocation provides a one-year return of 7.63%. 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%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 12- 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, 2019, 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, 2019 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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,660,108	\$ 1,483,338	\$ 1,333,173

***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 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 13-Aggregate OPEB Information:**

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 22,456	\$ 13,330	\$ 111,956	\$ 919
School Board Professional	154,455	162,986	788,899	(10,502)
Teacher Health Insurance Credit Plan	155,043	241,717	1,483,338	78,539
School Stand-Alone Plan	887,068	133,826	9,900,823	(1,673,054)
Totals	<u>\$ 1,219,022</u>	<u>\$ 551,859</u>	<u>\$ 12,285,016</u>	<u>\$ (1,604,098)</u>

**Note 14-Capital Assets:**

Capital asset activity for the year ended June 30, 2020 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 3,523,716	\$ -	\$ (268,000)	\$ 3,255,716
Construction in progress	88,123	256,288	(88,123)	256,288
Total capital assets, not being depreciated	<u>\$ 3,611,839</u>	<u>\$ 256,288</u>	<u>\$ (356,123)</u>	<u>\$ 3,512,004</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 32,285,286	\$ -	\$ (155,230)	\$ 32,130,056
Machinery and equipment	5,160,421	354,344	(155,669)	5,359,096
Total capital assets being depreciated	<u>\$ 37,445,707</u>	<u>\$ 354,344</u>	<u>\$ (310,899)</u>	<u>\$ 37,489,152</u>
Accumulated depreciation:				
Buildings and improvements	\$ (8,257,731)	\$ (843,869)	\$ 33,386	\$ (9,068,214)
Machinery and equipment	(4,108,256)	(320,835)	146,218	(4,282,873)
Total accumulated depreciation	<u>\$ (12,365,987)</u>	<u>\$ (1,164,704)</u>	<u>\$ 179,604</u>	<u>\$ (13,351,087)</u>
Total capital assets being depreciated, net	<u>\$ 25,079,720</u>	<u>\$ (810,360)</u>	<u>\$ (131,295)</u>	<u>\$ 24,138,065</u>
Governmental activities capital assets, net	<u>\$ 28,691,559</u>	<u>\$ (554,072)</u>	<u>\$ (487,418)</u>	<u>\$ 27,650,069</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 14-Capital Assets: (continued)**

Capital asset activity for the School Board for the year ended June 30, 2020 was as follows:

Discretely Presented Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 2,594,378	\$ -	\$ -	\$ 2,594,378
Total capital assets, not being depreciated	<u>\$ 2,594,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,594,378</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 62,270,056	\$ 553,914	\$ -	\$ 62,823,970
Machinery and equipment	6,984,077	314,064	(103,700)	7,194,441
Total capital assets being depreciated	<u>\$ 69,254,133</u>	<u>\$ 867,978</u>	<u>\$ (103,700)</u>	<u>\$ 70,018,411</u>
Accumulated depreciation:				
Buildings and improvements	\$ (6,397,802)	\$ (1,506,554)	\$ -	\$ (7,904,356)
Machinery and equipment	(5,797,557)	(259,745)	103,700	(5,953,602)
Total accumulated depreciation	<u>\$ (12,195,359)</u>	<u>\$ (1,766,299)</u>	<u>\$ 103,700</u>	<u>\$ (13,857,958)</u>
Total capital assets being depreciated, net	<u>\$ 57,058,774</u>	<u>\$ (898,321)</u>	<u>\$ -</u>	<u>\$ 56,160,453</u>
Governmental activities capital assets, net	<u>\$ 59,653,152</u>	<u>\$ (898,321)</u>	<u>\$ -</u>	<u>\$ 58,754,831</u>

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

Governmental activities:	
General government administration	\$ 102,640
Judicial administration	265,452
Public safety	248,837
Public works	73,570
Health and welfare	24,597
Education	390,198
Parks, recreation, and cultural	63,556
Total depreciation expense-governmental activities	<u>\$ 1,168,850</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 15-Risk Management:**

The County and its component unit - School Board are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County and its component unit - School Board participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with the Virginia Municipal Liability Pool. Each member of each of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its component unit - School Board pay the Virginia Municipal Group contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its component unit - School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 16-Contingent Liabilities:**

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*. 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 17-Surety Bonds:**

Primary Government:

Fidelity & Deposit Company of Maryland-Surety:

Richard Edwards, Clerk of the Circuit Court	\$	103,000
Angela Rakes, Treasurer		400,000
Mike Yates, Commissioner of the Revenue		3,000
Jeremy Flemming, Sheriff		30,000
All constitutional officers' employees: blanket bond		50,000

VACo Insurance Programs

All County employees-blanket bond	\$	250,000
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Hartford Insurance Company-Surety:

All Social Services employees-blanket bond	\$	100,000
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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 17-Surety Bonds: (continued)**

Component Unit - School Board:

Nationwide Insurance -Surety	
Haydee Robinson, Superintendent	\$ 10,000
Reba McCowen, Clerk of the School Board	10,000
Larry Barton, Deputy Clerk of the School Board	10,000
All School Board employees: blanket bond	10,000

**Note 18-Landfill Post Closure 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 and to perform certain maintenance and monitoring functions at the site after closure. The landfill has stopped accepting waste and \$9,393 is the total estimated post closure care liability at June 30, 2020. The liability represents what it cost to perform all post closure care in 2020. Actual costs post closure monitoring may change due to inflation, deflation, changes in technology or changes in regulations. The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the Department of Environmental Quality's assurance requirements for landfill post closure costs.

The County has demonstrated financial assurance requirements for closure and post closure 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.

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 19-Deferred/Unavailable Revenue:**

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,575,353
2nd half assessments due in December 2020	6,124,413	6,124,413
Prepaid property taxes due in December 2020 but paid in advance by taxpayers	487,834	487,834
	<u>\$ 6,612,247</u>	<u>\$ 8,187,600</u>

**Note 20-Litigation:**

At June 30, 2020 there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

**Note 21-Concentration Risk:**

Historically, the County has relied on taxes generated by the Coal Industry. Direct taxes remitted from same include coal and gas severance and machinery and tools taxes. In the past five years, general fund net revenue generated from these sources has declined significantly. This decline in revenue has occurred due to changes in environmental policies of the United States Government. The County does not anticipate significant changes in these policies to occur in the near term. As such, the County does not anticipate continued reliance on the aforementioned revenues. In addition, the County anticipates that other revenue sources will be negatively impacted by a shrinking coal economy; however, estimates (projections) of these declines are not readily available. To date, the County has not identified alternative sources of revenue to maintain historical budget levels.

**COUNTY OF DICKENSON, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**Note 22-Self Health Insurance:**

The County and School Board of Dickenson, Virginia established a limited risk management program for health insurance. Premiums are paid into the health plan fund from the County and School Board and are available to pay claims, and administrative costs of the program. During the fiscal year 2020, the County and the School board has a total of \$1,869,959 and \$5,145,770 that was paid in benefits and administrative costs, respectively. The risk assumed by the County and the School Board is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type (Keycare, Bluecare, etc.). The County and the School Board have incurred but not reported claims of \$77,562 and \$413,647 have not been accrued as a liability based primarily on actual cost incurred prior to June 30, but paid after year-end, respectively. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions. Changes in the claims liability during fiscal year 2020 and the prior fiscal year were as follows:

**County:**

Fiscal Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2019-20	\$ 57,578	\$ 1,889,943	\$ (1,869,959)	\$ 77,562
2018-19	83,277	1,706,294	(1,731,993)	57,578

**School Board:**

Fiscal Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2019-20	\$ 670,244	\$ 4,889,173	\$ (5,145,770)	\$ 413,647
2018-19	327,292	5,876,491	(5,533,539)	670,244



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

**Note 23-Line of Duty Act (LODA) (OPEB Benefits):**

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2020 was \$26,433.

**Note 24-Commitments and Contingencies:**

The County was involved in major construction projects during the fiscal year as presented below, along with the anticipated funding source.

Project	Contract Amount	Contract Amount Outstanding at June 30,	Funding Source
Dickenson County Food Bank	\$ 208,440	\$ 22,693	Local funds

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 25-COVID-19 Pandemic Subsequent Event:**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the “COVID-19 outbreak”). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy. The COVID-19 pandemic has developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact economic activity. County of Dickenson, Virginia is not able to estimate the effects of the COVID-19 pandemic for fiscal year 2021.

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. Among the CARES Act key provisions was \$339.8 billion designated for programs for state and local government, which included \$150 billion in direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF), pursuant to the federal CARES Act, to address spending shortages related to the COVID-19 pandemic.

The Commonwealth of Virginia received approximately \$3.1 billion from the CRF, of which \$1.3 billion was allocated for localities with fewer than 500,000 people. Localities with populations greater than 500,000 could apply to receive funds directly. All other CRF funds were distributed to the states to determine the allocations to localities.

On May 12, 2020, the first round of the allocations to local governments was authorized by the Commonwealth. On June 1, 2020, each locality received its share of the first half, or fifty (50) percent, of the locally based allocations. Unspent funds at June 30 from the initial allocation are reported as unearned revenue. Like the first round, the second round of allocations was based on population and was for the same total amount distributed in the first round. County of Dickenson, Virginia, received the second round of CRF funds in the amount of \$1,249,190 on August 31, 2020.

The federal guidance for the CARES Act states that the CRF funds can be used only for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to address revenue shortfalls. CRF funds are considered one-time funds and should not be used for ongoing services or base operations. As a condition of receiving CRF funds, any funds unexpended as of December 30, 2020 will be returned to the federal government.

**Note 26-Upcoming Pronouncements:**

Statement No. 84, *Fiduciary Activities*, 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 requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 26-Upcoming Pronouncements: (Continued)**

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

Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, provides guidance for reporting a government's majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

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

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 26-Upcoming Pronouncements: (Continued)**

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

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

## **Required Supplementary Information**

County of Dickenson, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive Negative
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
<b>REVENUES</b>				
General property taxes	\$ 11,531,048	\$ 11,531,048	\$ 11,226,319	\$ (304,729)
Other local taxes	4,337,500	4,337,500	4,453,644	116,144
Permits, privilege fees, and regulatory licenses	10,700	10,700	9,243	(1,457)
Fines and forfeitures	41,000	41,000	28,736	(12,264)
Revenue from the use of money and property	5,500	5,500	9,604	4,104
Charges for services	276,432	276,432	291,002	14,570
Miscellaneous	35,500	35,500	139,520	104,020
Recovered costs	396,993	396,993	544,639	147,646
Intergovernmental:				
Commonwealth	6,444,414	6,444,414	6,295,736	(148,678)
Federal	2,687,335	2,687,335	3,591,192	903,857
Total revenues	<u>\$ 25,766,422</u>	<u>\$ 25,766,422</u>	<u>\$ 26,589,635</u>	<u>\$ 823,213</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,277,602	\$ 1,277,602	\$ 1,964,934	\$ (687,332)
Judicial administration	1,187,591	1,187,591	1,505,108	(317,517)
Public safety	3,563,020	3,563,020	5,354,194	(1,791,174)
Public works	1,812,221	1,812,221	2,400,693	(588,472)
Health and welfare	7,329,521	7,329,521	7,431,325	(101,804)
Education	7,138,567	7,138,567	7,299,304	(160,737)
Parks, recreation, and cultural	505,600	505,600	490,924	14,676
Community development	316,185	316,185	2,153,932	(1,837,747)
Nondepartmental	1,983,295	1,983,295	164,714	1,818,581
Capital projects	20,000	20,000	839,309	(819,309)
Debt service:				
Principal retirement	758,400	758,400	945,503	(187,103)
Interest and other fiscal charges	-	-	373,763	(373,763)
Total expenditures	<u>\$ 25,892,002</u>	<u>\$ 25,892,002</u>	<u>\$ 30,923,703</u>	<u>\$ (5,031,701)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (125,580)</u>	<u>\$ (125,580)</u>	<u>\$ (4,334,068)</u>	<u>\$ (4,208,488)</u>
Net change in fund balances	\$ (125,580)	\$ (125,580)	\$ (4,334,068)	\$ (4,208,488)
Fund balances - beginning	-	-	8,184,441	8,184,441
Fund balances - ending	<u>\$ (125,580)</u>	<u>\$ (125,580)</u>	<u>\$ 3,850,373</u>	<u>\$ 3,975,953</u>

County of Dickenson, Virginia  
Special Revenue Fund-Coal Road Tax Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Other local taxes	\$ 3,150,000	\$ 3,150,000	\$ 3,084,423	\$ (65,577)
Revenue from the use of money and property	-	-	1,436	1,436
Intergovernmental:				
Commonwealth	-	-	2,156,544	2,156,544
Total revenues	<u>\$ 3,150,000</u>	<u>\$ 3,150,000</u>	<u>\$ 5,242,403</u>	<u>\$ 2,092,403</u>
<b>EXPENDITURES</b>				
Current:				
Public works	\$ 1,687,500	\$ 1,687,500	\$ 1,184,462	\$ 503,038
Community development	1,462,500	1,462,500	1,481,714	(19,214)
Total expenditures	<u>\$ 3,150,000</u>	<u>\$ 3,150,000</u>	<u>\$ 2,666,176</u>	<u>\$ 483,824</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,576,227</u>	<u>\$ 2,576,227</u>
Net change in fund balances	\$ -	\$ -	\$ 2,576,227	\$ 2,576,227
Fund balances - beginning	-	-	9,635,824	9,635,824
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,212,051</u>	<u>\$ 12,212,051</u>

County of Dickenson, Virginia  
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2019

Date (1)	Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Proportionate Share of the NPLA (3)	Covered Payroll (4)	Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
<b>Primary Government - Dickenson County Retirement Plan</b>					
2019	68.9258%	\$ 4,451,376	\$ 4,960,386	89.74%	82.38%
2018	69.4945%	3,185,675	4,931,102	64.60%	86.44%
2017	69.4945%	3,236,229	4,853,848	66.67%	85.64%
2016	71.5412%	4,204,689	4,961,118	84.75%	81.06%
2015	73.0764%	3,452,312	4,900,886	70.44%	84.15%
2014	73.0764%	2,806,983	4,836,327	58.04%	86.32%
<b>Component Unit Public Service Authority</b>					
2019	8.0193%	\$ 517,904	\$ 577,125	89.74%	82.38%
2018	7.9871%	366,134	566,738	64.60%	86.44%
2017	7.9871%	371,945	567,935	65.49%	85.64%
2016	8.4128%	494,447	565,268	87.47%	81.06%
2015	8.3263%	393,355	558,405	70.44%	84.15%
2014	8.3263%	319,828	551,049	58.04%	86.32%
<b>Component Unit School Board (professional)</b>					
2019	0.11518%	\$ 15,158,343	\$ 9,497,640	159.60%	73.51%
2018	0.12033%	14,151,000	9,590,414	147.55%	74.81%
2017	0.12317%	15,148,000	9,599,056	157.81%	72.92%
2016	0.13937%	19,532,000	10,630,160	183.74%	68.28%
2015	0.13813%	17,386,000	10,002,824	173.81%	70.68%
2014	0.13882%	16,776,000	10,115,746	165.84%	70.88%

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 Dickenson, Virginia  
Schedule of Changes in Net Pension Liability and Related Ratios  
Component Unit School Board (nonprofessional)  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>						
Service cost	\$ 129,184	\$ 132,297	\$ 148,144	\$ 151,440	\$ 155,770	\$ 158,898
Interest	836,210	841,539	828,266	808,963	792,187	787,715
Changes of assumptions	284,980	-	162,640	-	-	-
Differences between expected and actual experience	(97,735)	(111,188)	(27,037)	228,526	186,523	-
Benefit payments	(955,216)	(922,336)	(922,456)	(903,887)	(885,765)	(879,670)
<b>Net change in total pension liability</b>	\$ 197,423	\$ (59,688)	\$ 189,557	\$ 285,042	\$ 248,715	\$ 66,943
<b>Total pension liability - beginning</b>	12,423,472	12,483,160	12,293,603	12,008,561	11,759,846	11,692,903
<b>Total pension liability - ending (a)</b>	<u>12,620,895</u>	<u>12,423,472</u>	<u>12,483,160</u>	<u>12,293,603</u>	<u>12,008,561</u>	<u>11,759,846</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 616,599	\$ 427,517	\$ 420,094	\$ 424,936	\$ 449,539	\$ 351,545
Contributions - employee	80,086	64,068	63,163	68,659	74,927	70,449
Net investment income	356,321	397,883	624,791	88,640	255,532	817,553
Benefit payments	(955,216)	(922,336)	(922,456)	(903,887)	(885,765)	(879,670)
Administrator charges	(3,670)	(3,722)	(3,948)	(3,699)	(3,803)	(4,764)
Other	(224)	(343)	(543)	(40)	(54)	43
<b>Net change in plan fiduciary net position</b>	\$ 93,896	\$ (36,933)	\$ 181,101	\$ (325,391)	\$ (109,624)	\$ 355,156
<b>Plan fiduciary net position - beginning</b>	5,524,283	5,561,216	5,380,115	5,705,506	5,815,130	5,459,974
<b>Plan fiduciary net position - ending (b)</b>	<u>5,618,179</u>	<u>5,524,283</u>	<u>5,561,216</u>	<u>5,380,115</u>	<u>5,705,506</u>	<u>5,815,130</u>
<b>School Division's net pension liability - ending (a) - (b)</b>	\$ 7,002,716	\$ 6,899,189	\$ 6,921,944	\$ 6,913,488	\$ 6,303,055	\$ 5,944,716
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	44.51%	44.47%	44.55%	43.76%	47.51%	49.45%
<b>Covered payroll</b>	\$ 1,344,974	\$ 1,297,178	\$ 1,297,374	\$ 1,381,996	\$ 1,436,362	\$ 1,445,420
<b>School Division's net pension liability as a percentage of covered payroll</b>	520.66%	531.86%	533.53%	500.25%	438.82%	411.28%

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 Dickenson, Virginia  
Schedule of Employer Contributions  
Pension Plans  
Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2020	\$ 491,201	\$ 491,201	\$ -	\$ 5,344,568	9.19%
2019	462,491	462,491	-	4,960,386	9.32%
2018	472,220	472,220	-	4,931,102	9.58%
2017	468,027	468,027	-	4,853,848	9.64%
2016	524,813	524,813	-	4,961,118	10.58%
2015	593,971	593,971	-	4,900,886	12.12%
<b>Component Unit Public Service Authority</b>					
2020	\$ 55,094	\$ 55,094	\$ -	\$ 599,457	9.19%
2019	53,809	53,809	-	577,125	9.32%
2018	54,273	54,273	-	566,738	9.58%
2017	52,992	52,992	-	567,935	9.33%
2016	61,715	61,715	-	565,268	10.92%
2015	60,755	60,755	-	558,405	10.88%
<b>Component Unit School Board (nonprofessional)</b>					
2020	\$ 574,667	\$ 574,667	\$ -	\$ 1,408,522	40.80%
2019	538,569	538,569	-	1,344,974	40.04%
2018	427,516	427,516	-	1,297,178	32.96%
2017	426,007	426,007	-	1,297,374	32.84%
2016	424,936	424,936	-	1,381,996	30.75%
2015	449,539	449,539	-	1,436,362	31.30%
2014	351,545	351,545	-	1,445,420	24.32%
2013	364,800	364,800	-	1,463,297	24.93%
2012	418,554	418,554	-	1,659,613	25.22%
2011	441,182	441,182	-	1,749,334	25.22%
<b>Component Unit School Board (professional)</b>					
2020	\$ 1,559,321	\$ 1,559,321	\$ -	\$ 10,133,506	15.39%
2019	1,471,114	1,471,114	-	9,497,640	15.49%
2018	1,555,617	1,555,617	-	9,590,414	16.22%
2017	1,401,514	1,401,514	-	9,599,056	14.60%
2016	1,490,224	1,490,224	-	10,630,160	14.02%
2015	1,485,000	1,485,000	-	10,002,824	14.85%
2014	1,179,496	1,179,496	-	10,115,746	11.66%
2013	1,019,141	1,019,141	-	8,740,489	11.66%
2012	720,333	720,333	-	11,379,668	6.33%
2011	1,120,781	1,120,781	-	12,550,739	8.93%

Schedule is intended to show information for 10 years. Prior to 2015, the County information as reported included other entities that participate through the County's pension plan. Therefore, no additional data is currently available for the County. Additional years will be included as they become available.

County of Dickenson, Virginia  
Notes to Required Supplementary Information  
Pension Plans  
Year Ended June 30, 2020

**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, 2018, valuations were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 4.005%
Discount Rate	Decreased rate from 7.00% to 6.75%

Component Unit School Board - Professional Employees

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

County of Dickenson, Virginia  
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
Component Unit-School Board  
Healthcare OPEB Plan  
For the Measurements Dates of June 30, 2018 through June 30, 2019

	2020	2019	2018
<b>Total OPEB liability</b>			
Service cost	\$ 531,562	\$ 481,879	\$ 494,100
Interest	404,482	418,377	384,114
Changes in assumptions	393,632	309,715	(308,384)
Differences between expected and actual experience	448,317	-	-
Effect of plan changes	(2,745,118)	-	-
Benefit payments	(311,504)	(712,078)	(731,425)
<b>Net change in total OPEB liability</b>	\$ (1,278,629)	\$ 497,893	\$ (161,595)
<b>Total OPEB liability - beginning</b>	11,179,452	10,681,559	10,843,154
<b>Total OPEB liability - ending</b>	<u>\$ 9,900,823</u>	<u>\$ 11,179,452</u>	<u>\$ 10,681,559</u>
 Covered-employee payroll	 \$ 7,307,586	 \$ 10,804,200	 \$ 10,804,200
 School's total OPEB liability (asset) as a percentage of covered-employee payroll	 135.49%	 103.47%	 98.86%

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

County of Dickenson, Virginia  
Notes to Required Supplementary Information - Healthcare OPEB Plan  
For the Year Ended June 30, 2020

Valuation Date: 7/1/2019  
Measurement Date: 6/30/2020

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
Discount Rate	2.21%
Inflation	2.50%
Healthcare Trend Rates:	
Pre-Medicare	The healthcare trend starts at 9.00% in 2019, declines to 4.90% in 2020, increases to 5.30% in 2021, and declines gradually thereafter to an ultimate rate of 4.00% in 2073 and thereafter.
Post-Medicare	The healthcare trend starts at 6.20% in 2019, declines to 4.90% in 2020, increases to 5.30% in 2021, and declines gradually thereafter to an ultimate rate of 4.00% in 2073 and thereafter.
Retirement Age	The average age at retirement is 62
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. 5% of deaths are assumed to be service related.
Post-Retirement	RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2% increase compounded from ages 75 to 90.
Post-Disablement	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

County of Dickenson, Virginia  
Schedule of Employer's Share of Net OPEB Liability  
Group Life Insurance (GLI) Plan  
For the Measurement Dates of June 30, 2017 through 2019

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
<b>Component Unit-School Board (nonprofessional)</b>					
2019	0.00688% \$	111,956	\$ 1,346,471	8.31%	52.00%
2018	0.00683%	104,000	1,298,811	8.01%	51.22%
2017	0.00703%	106,000	1,297,374	8.17%	48.86%
<b>Component Unit-School Board (professional)</b>					
2019	0.04848% \$	788,899	\$ 9,497,640	8.31%	52.00%
2018	0.05047%	766,000	9,597,490	7.98%	51.22%
2017	0.05223%	786,000	9,634,620	8.16%	48.86%

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

County of Dickenson, Virginia  
Schedule of Employer Contributions  
Group Life Insurance (GLI) Plan  
For the Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Component Unit-School Board (nonprofessional)</b>					
2020	\$ 7,275	\$ 7,275	\$ -	\$ 1,408,522	0.52%
2019	6,942	6,942	-	1,346,471	0.52%
2018	6,754	6,754	-	1,298,811	0.52%
2017	6,746	6,746	-	1,297,374	0.52%
2016	6,634	6,634	-	1,381,995	0.48%
2015	6,895	6,895	-	1,436,361	0.48%
2014	6,971	6,971	-	1,452,341	0.48%
2013	7,024	7,024	-	1,463,296	0.48%
2012	4,647	4,647	-	1,659,613	0.28%
2011	4,904	4,904	-	1,751,574	0.28%
<b>Component Unit-School Board (professional)</b>					
2020	\$ 52,183	\$ 52,183	\$ -	\$ 10,133,306	0.52%
2019	49,128	49,128	-	9,497,640	0.52%
2018	49,887	49,887	-	9,597,490	0.52%
2017	50,100	50,100	-	9,634,620	0.52%
2016	51,176	51,176	-	10,661,650	0.48%
2015	49,314	49,314	-	10,273,783	0.48%
2014	48,728	48,728	-	10,151,704	0.48%
2013	48,472	48,472	-	10,098,320	0.48%
2012	34,040	34,040	-	12,157,237	0.28%
2011	35,143	35,143	-	12,551,141	0.28%

County of Dickenson, Virginia  
Notes to Required Supplementary Information  
Group Life Insurance (GLI) Plan  
Year Ended June 30, 2020

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**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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Teachers**

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

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

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



County of Dickenson, Virginia  
Schedule of School Board's Share of Net OPEB Liability  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through 2019

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2019	0.11331% \$	1,483,338	9,497,640	15.62%	8.97%
2018	0.11863%	1,507,000	9,590,414	15.71%	8.08%
2017	0.12163%	1,543,000	9,599,056	16.07%	7.04%

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

County of Dickenson, Virginia  
Schedule of Employer Contributions  
Teacher Employee Health Insurance Credit (HIC) Plan  
Years Ended June 30, 2011 through June 30, 2020

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Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Component Unit-School Board (professional)</b>					
2020	\$ 120,425	\$ 120,425	\$ -	\$ 10,133,306	1.19%
2019	113,553	113,553	-	9,497,640	1.20%
2018	117,961	117,961	-	9,590,414	1.23%
2017	106,550	106,550	-	9,599,056	1.11%
2016	112,636	112,636	-	10,626,089	1.06%
2015	108,864	108,864	-	10,270,211	1.06%
2014	112,683	112,683	-	10,151,704	1.11%
2013	110,514	110,514	-	9,956,295	1.11%
2012	68,278	68,278	-	11,379,669	0.60%
2011	75,304	75,304	-	12,550,743	0.60%

County of Dickenson, Virginia  
Notes to Required Supplementary Information  
Teacher Employee Health Insurance Credit (HIC) Plan  
Year Ended June 30, 2020

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**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, 2018 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%

## **Other Supplementary Information**

## **FIDUCIARY FUNDS**

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Special Welfare- The Special Welfare fund accounts for those funds belonging to individuals entrusted to the local social services agency, such as foster care children.

Town of Clinchco- The Town of Clinchco fund accounts for those funds collected by the County for the Town of Clinchco.

Town of Clintwood- The Town of Clintwood fund accounts for those funds collected by the County for the Town of Clintwood.

Town of Haysi- The Town of Haysi fund accounts for those funds collected by the County for the Town of Haysi.

Fringe Benefits- The Fringe Benefits fund accounts for the County employees' fringe benefits.

Dickenson County Behavioral Health Services- The Dickenson County Behavioral Health Services (DCBHS) fund accounts for the funds that are maintained on behalf of DCBHS.

EQT Funds- The EQT Fund accounts for disputed income tax amounts held at the County.



County of Dickenson, Virginia  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
June 30, 2020

	Agency Funds					Dickenson County	
	Special Welfare	Town of Clinchco	Town of Clintwood	Town of Haysi	Fringe Benefits	Behavioral Health Services	EQT Funds
<b>ASSETS</b>							<b>Total</b>
Cash and Cash Equivalents:							
Beginning Balance	\$ 103,908	\$ 1,265	\$ 15,310	\$ 3,865	\$ 38,637	\$ 129,502	\$ 293,497
Additions	362,785	13,672	124,894	40,571	1,170,430	4,827,387	6,539,739
Deductions	(207,210)	(12,154)	(113,368)	(37,979)	(1,158,772)	(4,198,283)	(5,727,766)
Ending Balance	\$ 259,483	\$ 2,783	\$ 26,836	\$ 6,457	\$ 50,295	\$ 758,606	\$ 1,105,470
<b>LIABILITIES</b>							
Amounts Held for Others:							
Beginning Balance	\$ 103,908	\$ 1,265	\$ 15,310	\$ 3,865	\$ 38,637	\$ 129,502	\$ 293,497
Additions	362,785	13,672	124,894	40,571	1,170,430	4,827,387	6,539,739
Deductions	(207,210)	(12,154)	(113,368)	(37,979)	(1,158,772)	(4,198,283)	(5,727,766)
Ending Balance	\$ 259,483	\$ 2,783	\$ 26,836	\$ 6,457	\$ 50,295	\$ 758,606	\$ 1,105,470

## **DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD**

### **MAJOR GOVERNMENTAL FUNDS**

School Operating Fund - The School Operating Fund accounts for the operations of the County's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund.



County of Dickenson, Virginia  
Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2020

	School Operating Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,345,825
Receivables (net of allowance for uncollectibles):	
Accounts receivable	36,080
Due from other governmental units	716,392
Prepaid items	95,184
Total assets	<u>\$ 3,193,481</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 478,088
Accrued liabilities	1,447,663
Total liabilities	<u>\$ 1,925,751</u>
<b>FUND BALANCES</b>	
Nonspendable:	
Prepaid items	\$ 95,184
Unassigned	1,172,546
Total fund balances	<u>\$ 1,267,730</u>
Total liabilities and fund balances	<u>\$ 3,193,481</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Total fund balances per above	\$ 1,267,730
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Land	\$ 2,594,378
Buildings and improvements	54,919,614
Machinery and equipment	<u>1,240,839</u>
	58,754,831
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 3,820,801
OPEB related items	<u>1,219,022</u>
	5,039,823
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	\$ (22,161,059)
Compensated absences	(1,085,145)
Net OPEB liabilities	<u>(12,285,016)</u>
	(35,531,220)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (3,218,148)
OPEB related items	<u>(551,859)</u>
	(3,770,007)
Net position of governmental activities	<u>\$ 25,761,157</u>

County of Dickenson, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds - Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2020

	School Operating Fund
<b>REVENUES</b>	
Charges for services	\$ 111,583
Miscellaneous	474,633
Intergovernmental:	
Local government	6,737,076
Commonwealth	15,840,295
Federal	3,223,504
Total revenues	<u>\$ 26,387,091</u>
<b>EXPENDITURES</b>	
Current:	
Education	<u>\$ 25,257,921</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 1,129,170
Fund balances - beginning	138,560
Fund balances - ending	<u><u>\$ 1,267,730</u></u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Net change in fund balances - total governmental funds - per above	\$ 1,129,170
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
Capital outlays	\$ 867,978
Depreciation expense	<u>(1,766,299)</u> (898,321)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	
Change in pension related items	\$ 611,885
Change in OPEB related items	2,098,663
Change in compensated absences	<u>52,703</u> 2,763,251
Change in net position of governmental activities	<u><u>\$ 2,994,100</u></u>

County of Dickenson, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2020

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 129,000	\$ 129,000	\$ 111,583	\$ (17,417)
Miscellaneous	476,500	476,500	474,633	(1,867)
Intergovernmental:				
Local government	7,000,000	7,000,000	6,737,076	(262,924)
Commonwealth	15,815,450	15,815,450	15,840,295	24,845
Federal	3,113,200	3,113,200	3,223,504	110,304
Total revenues	\$ 26,534,150	\$ 26,534,150	\$ 26,387,091	\$ (147,059)
EXPENDITURES				
Current:				
Education	\$ 26,851,121	\$ 26,851,121	\$ 25,257,921	\$ 1,593,200
Excess (deficiency) of revenues over (under) expenditures	\$ (316,971)	\$ (316,971)	\$ 1,129,170	\$ 1,446,141
Net change in fund balances	\$ (316,971)	\$ (316,971)	\$ 1,129,170	\$ 1,446,141
Fund balances - beginning	316,971	316,971	138,560	(178,411)
Fund balances - ending	\$ -	\$ -	\$ 1,267,730	\$ 1,267,730

## **Supporting Schedules**

County of Dickenson, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 1  
Page 1 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 7,690,000	\$ 7,690,000	\$ 7,512,746	\$ (177,254)
Real and personal public service corporation taxes	650,000	650,000	720,770	70,770
Personal property taxes	1,282,048	1,282,048	1,225,642	(56,406)
Mobile home taxes	59,000	59,000	57,633	(1,367)
Machinery and tools taxes	1,550,000	1,550,000	1,349,612	(200,388)
Merchant's capital taxes	75,000	75,000	69,550	(5,450)
Penalties	50,000	50,000	59,192	9,192
Interest	175,000	175,000	231,174	56,174
Total general property taxes	\$ 11,531,048	\$ 11,531,048	\$ 11,226,319	\$ (304,729)
Other local taxes:				
Local sales and use taxes	\$ 750,000	\$ 750,000	\$ 815,881	\$ 65,881
Consumers' utility taxes	307,500	307,500	307,653	153
Consumption taxes	51,000	51,000	54,011	3,011
Vehicle registration withholding stops	18,000	18,000	23,050	5,050
Tax on deeds	25,000	25,000	128,478	103,478
Hotel and motel room taxes	36,000	36,000	36,061	61
Gas severance taxes	750,000	750,000	466,697	(283,303)
Coal severance taxes	2,400,000	2,400,000	2,617,726	217,726
Moped ATV sales tax	-	-	4,087	4,087
Total other local taxes	\$ 4,337,500	\$ 4,337,500	\$ 4,453,644	\$ 116,144
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 700	\$ 700	\$ 550	\$ (150)
Building permits	10,000	10,000	8,693	(1,307)
Total permits, privilege fees, and regulatory licenses	\$ 10,700	\$ 10,700	\$ 9,243	\$ (1,457)
Fines and forfeitures:				
Court fines and forfeitures	\$ 41,000	\$ 41,000	\$ 28,736	\$ (12,264)
Revenue from use of money and property:				
Revenue from use of money	\$ 4,500	\$ 4,500	\$ 8,954	\$ 4,454
Revenue from use of property	1,000	1,000	650	(350)
Total revenue from use of money and property	\$ 5,500	\$ 5,500	\$ 9,604	\$ 4,104
Charges for services:				
Charges for law enforcement and traffic control	\$ 11,732	\$ 11,732	\$ 15,706	\$ 3,974
Document production costs	3,000	3,000	3,948	948
Charges for Commonwealth's Attorney	1,200	1,200	25,265	24,065
Charges for Services	-	-	300	300
Solid waste tipping fees	170,500	170,500	204,621	34,121
Charges for law library	-	-	1,801	1,801
Charges for parks and recreation	20,000	20,000	11,953	(8,047)
Charges for office on youth	70,000	70,000	27,408	(42,592)
Total charges for services	\$ 276,432	\$ 276,432	\$ 291,002	\$ 14,570

County of Dickenson, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 1  
Page 2 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 35,500	\$ 35,500	\$ 139,520	\$ 104,020
Recovered costs:				
Regional jails	\$ 77,043	\$ 77,043	\$ 147,072	\$ 70,029
VPA refunds/recoveries	65,000	65,000	201,655	136,655
Health insurance reimbursement	115,000	115,000	171,598	56,598
Health department rental	7,150	7,150	7,150	-
Other recovered costs	132,800	132,800	17,164	(115,636)
Total recovered costs	\$ 396,993	\$ 396,993	\$ 544,639	\$ 147,646
Total revenue from local sources	\$ 16,634,673	\$ 16,634,673	\$ 16,702,707	\$ 68,034
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 98,000	\$ 98,000	\$ 99,719	\$ 1,719
Mobile home titling tax	50,000	50,000	47,399	(2,601)
State recordation tax	24,000	24,000	40,983	16,983
Grantor's tax	6,000	6,000	33,942	27,942
Personal property tax relief funds	817,952	817,952	817,952	-
Communications tax	450,000	450,000	408,987	(41,013)
Total noncategorical aid	\$ 1,445,952	\$ 1,445,952	\$ 1,448,982	\$ 3,030
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 352,070	\$ 352,070	\$ 350,816	\$ (1,254)
Sheriff	1,057,536	1,057,536	1,062,865	5,329
Commissioner of revenue	126,460	126,460	123,128	(3,332)
Treasurer	110,658	110,658	103,826	(6,832)
Registrar/electoral board	37,000	37,000	51,034	14,034
Clerk of the Circuit Court	208,161	208,161	225,871	17,710
Total shared expenses	\$ 1,891,885	\$ 1,891,885	\$ 1,917,540	\$ 25,655
Other categorical aid:				
Comprehensive services act	\$ 1,055,013	\$ 1,055,013	\$ 564,922	\$ (490,091)
School Resource Officer	-	-	99,602	99,602
Public assistance and welfare administration	1,745,832	1,745,832	1,853,476	107,644
Litter control grant	8,000	8,000	6,925	(1,075)
Fire program	45,000	45,000	49,730	4,730
Virginia housing authority	100,000	100,000	92,898	(7,102)

County of Dickenson, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 1  
Page 3 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
State health department	\$ -	\$ -	\$ 40,749	\$ 40,749
State health department - four for life	15,000	15,000	-	(15,000)
Criminal justice grant	55,000	55,000	15,795	(39,205)
Sheriff grants	-	-	7,021	7,021
Special welfare - foster care	4,000	4,000	8,261	4,261
Dream team drawdown	30,000	30,000	79,929	49,929
VITA grant	-	-	5,992	5,992
Reduction in state aid	500	500	669	169
Wireless E-911 services	48,232	48,232	60,815	12,583
Cranesnest River Trail	-	-	42,430	42,430
Total other categorical aid	\$ 3,106,577	\$ 3,106,577	\$ 2,929,214	\$ (177,363)
Total categorical aid	\$ 4,998,462	\$ 4,998,462	\$ 4,846,754	\$ (151,708)
Total revenue from the Commonwealth	\$ 6,444,414	\$ 6,444,414	\$ 6,295,736	\$ (148,678)
Revenue from the federal government:				
Payments in lieu of taxes	\$ 35,000	\$ 35,000	\$ 48,956	\$ 13,956
Categorical aid:				
Public assistance and welfare administration	\$ 2,598,835	\$ 2,598,835	\$ 2,759,072	\$ 160,237
CDBG	-	-	465,870	465,870
Victim witness	-	-	47,387	47,387
Corps of engineers	32,000	32,000	37,027	5,027
DMV grants	12,000	12,000	13,995	1,995
Department of environmental quality	2,000	2,000	26,184	24,184
Emergency management	7,500	7,500	98,124	90,624
CARES	-	-	83,742	83,742
JAG Grants	-	-	1,808	1,808
Bullet Proof Vest program	-	-	9,027	9,027
Total categorical aid	\$ 2,652,335	\$ 2,652,335	\$ 3,542,236	\$ 889,901
Total revenue from the federal government	\$ 2,687,335	\$ 2,687,335	\$ 3,591,192	\$ 903,857
Total General Fund	\$ 25,766,422	\$ 25,766,422	\$ 26,589,635	\$ 823,213
<b>Special Revenue Fund:</b>				
<b>Coal Road Tax Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Coal road improvement taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,617,726	\$ 217,726
Gas severance taxes	750,000	750,000	466,697	(283,303)
Total other local taxes	\$ 3,150,000	\$ 3,150,000	\$ 3,084,423	\$ (65,577)

County of Dickenson, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 1  
Page 4 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Fund: (Continued)</b>				
<b>Coal Road Tax Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,436	\$ 1,436
Total revenue from local sources	\$ 3,150,000	\$ 3,150,000	\$ 3,085,859	\$ (64,141)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT revenue	\$ -	\$ -	\$ 2,156,544	\$ 2,156,544
Total Coal Road Tax Fund	\$ 3,150,000	\$ 3,150,000	\$ 5,242,403	\$ 2,092,403
<b>Capital Projects Fund:</b>				
<b>School Construction Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 6,446	\$ 6,446
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 6,978	\$ 6,978
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
QSCB interest subsidy	\$ -	\$ -	\$ 401,489	\$ 401,489
Total revenue from the federal government	\$ -	\$ -	\$ 401,489	\$ 401,489
Total School Construction Projects Fund	\$ -	\$ -	\$ 414,913	\$ 414,913
Total Primary Government	\$ 28,916,422	\$ 28,916,422	\$ 32,246,951	\$ 3,330,529
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria charges	\$ 129,000	\$ 129,000	\$ 111,583	\$ (17,417)
Miscellaneous:				
Other miscellaneous	\$ 476,500	\$ 476,500	\$ 474,633	\$ (1,867)
Total revenue from local sources	\$ 605,500	\$ 605,500	\$ 586,216	\$ (19,284)



County of Dickenson, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 1  
Page 5 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Dickenson, Virginia	\$ 7,000,000	\$ 7,000,000	\$ 6,737,076	\$ (262,924)
Total revenues from local governments	\$ 7,000,000	\$ 7,000,000	\$ 6,737,076	\$ (262,924)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,440,713	\$ 2,440,713	\$ 2,467,542	\$ 26,829
Basic school aid	7,223,002	7,223,002	7,224,978	1,976
Remedial summer education	14,679	14,679	14,679	-
Regular foster care	3,182	3,182	3,182	-
ISAP	8,387	8,387	8,387	-
Expanded GED payments	749	749	749	-
Special education regional payments	237,019	237,019	237,019	-
Breakfast after the bell	-	-	12,014	12,014
Vision screening grants	-	-	4,214	4,214
Gifted and talented	72,821	72,821	72,821	-
Remedial education	305,847	305,847	305,847	-
Special education	977,099	977,099	972,885	(4,214)
Textbook payment	146,646	146,646	146,646	-
Vocational standards of quality payments	412,165	412,165	412,165	-
CTE adult education	25,097	25,097	25,097	-
Social security fringe benefits	463,140	463,140	463,140	-
Retirement fringe benefits	1,020,947	1,020,947	1,020,947	-
State lottery payments	533,062	533,062	533,062	-
Early reading intervention	67,958	67,958	67,958	-
Homebound education	11,006	11,006	11,006	-
Group life insurance instructional	32,041	32,041	32,041	-
Vocational education - occup/tech	25,406	25,406	25,406	-
Vocational education - equipment	9,890	9,890	9,890	-
Vocational education - Stem-H industry credentials	1,213	1,213	1,213	-
School breakfast incentive	18,083	18,083	18,083	-
School food	13,524	13,524	13,524	-
Industry certification	4,445	4,445	4,445	-
Compensation supplement	447,235	447,235	447,235	-
Special education - foster children	7,001	7,001	7,001	-
At risk payments	488,210	488,210	472,806	(15,404)
Project graduation	3,736	3,736	3,736	-
Primary class size	410,509	410,509	410,509	-
Technology	135,213	135,213	135,213	-
Standards of Learning algebra readiness	41,465	41,465	41,465	-
Mentor teacher program	1,264	1,264	1,264	-
VA preschool initiative	209,593	209,593	209,593	-
English as a second language	3,103	3,103	2,533	(570)
Total categorical aid	\$ 15,815,450	\$ 15,815,450	\$ 15,840,295	\$ 24,845
Total revenue from the Commonwealth	\$ 15,815,450	\$ 15,815,450	\$ 15,840,295	\$ 24,845

County of Dickenson, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 1  
Page 6 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 956,000	\$ 956,000	\$ 916,736	\$ (39,264)
Title II EESA	59,000	59,000	54,590	(4,410)
Title VI-B, special education flow-through	550,000	550,000	532,607	(17,393)
Vocational education	68,500	68,500	53,033	(15,467)
Title VI-B, special education pre-school	30,500	30,500	5,752	(24,748)
Title II, part A	117,000	117,000	88,837	(28,163)
Preschool expansion	1,000	1,000	12,924	11,924
School breakfast program	290,000	290,000	288,832	(1,168)
School lunch program	578,000	578,000	675,897	97,897
Summer school food	410,000	410,000	532,749	122,749
Fresh fruits and vegetables	-	-	7,654	7,654
Federal reserve	12,800	12,800	12,765	(35)
Federal leasing of land payments	1,400	1,400	1,331	(69)
Rural and low income schools	39,000	39,000	39,797	797
Total categorical aid	\$ 3,113,200	\$ 3,113,200	\$ 3,223,504	\$ 110,304
Total revenue from the federal government	\$ 3,113,200	\$ 3,113,200	\$ 3,223,504	\$ 110,304
Total Discretely Presented Component Unit - School Board	\$ 26,534,150	\$ 26,534,150	\$ 26,387,091	\$ (147,059)

County of Dickenson, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 2  
Page 1 of 4

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 53,333	\$ 53,333	\$ 136,777	\$ (83,444)
General and financial administration:				
County administrator	\$ 250,646	\$ 250,646	\$ 364,203	\$ (113,557)
Audit services	70,000	70,000	71,750	(1,750)
Legal services	25,500	25,500	180,247	(154,747)
Commissioner of revenue	252,751	252,751	396,168	(143,417)
Reassessment	-	-	63	(63)
Treasurer	247,074	247,074	348,011	(100,937)
IT/Mapping/Data processing	191,910	191,910	244,778	(52,868)
DCWIN	2,665	2,665	48	2,617
Total general and financial administration	\$ 1,040,546	\$ 1,040,546	\$ 1,605,268	\$ (564,722)
Board of elections:				
Registrar	\$ 104,424	\$ 104,424	\$ 159,643	\$ (55,219)
Electoral board and officials	79,299	79,299	63,246	16,053
Total board of elections	\$ 183,723	\$ 183,723	\$ 222,889	\$ (39,166)
Total general government administration	\$ 1,277,602	\$ 1,277,602	\$ 1,964,934	\$ (687,332)
Judicial administration:				
Courts:				
Circuit court	\$ 52,313	\$ 52,313	\$ 63,185	\$ (10,872)
General district court	13,559	13,559	17,090	(3,531)
Special magistrates	1,000	1,000	919	81
Juvenile court services	132,954	132,954	132,410	544
Office on youth	107,623	107,623	74,656	32,967
Law library	10,000	10,000	14,728	(4,728)
Clerk of the circuit court	310,236	310,236	420,054	(109,818)
Total courts	\$ 627,685	\$ 627,685	\$ 723,042	\$ (95,357)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 559,906	\$ 559,906	\$ 782,066	\$ (222,160)
Total judicial administration	\$ 1,187,591	\$ 1,187,591	\$ 1,505,108	\$ (317,517)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,390,165	\$ 1,390,165	\$ 2,456,937	\$ (1,066,772)
Fire and rescue services:				
Volunteer fire and rescue	\$ 354,573	\$ 354,573	\$ 523,886	\$ (169,313)
E-911 Fund	476,478	476,478	881,645	(405,167)
Total fire and rescue services	\$ 831,051	\$ 831,051	\$ 1,405,531	\$ (574,480)
Correction and detention:				
SWVa Regional Jail Authority	\$ 1,126,530	\$ 1,126,530	\$ 1,126,030	\$ 500

County of Dickenson, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 2  
Page 2 of 4

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public Safety: (Continued)				
Inspections:				
Building	\$ 66,227	\$ 66,227	\$ 94,870	\$ (28,643)
Other protection:				
Animal warden	\$ 91,373	\$ 91,373	\$ 159,295	\$ (67,922)
Town of Haysi School Resource Officer	-	-	20,500	(20,500)
Emergency management	57,674	57,674	91,031	(33,357)
Total other protection	\$ 149,047	\$ 149,047	\$ 270,826	\$ (121,779)
Total public safety	\$ 3,563,020	\$ 3,563,020	\$ 5,354,194	\$ (1,791,174)
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 1,195,356	\$ 1,195,356	\$ 1,623,152	\$ (427,796)
Litter control	116,117	116,117	174,227	(58,110)
Total sanitation and waste removal	\$ 1,311,473	\$ 1,311,473	\$ 1,797,379	\$ (485,906)
Maintenance of general buildings and grounds:				
General properties	\$ 416,361	\$ 416,361	\$ 542,974	\$ (126,613)
Engineering	84,387	84,387	60,340	24,047
Total maintenance of general buildings and grounds	\$ 500,748	\$ 500,748	\$ 603,314	\$ (102,566)
Total public works	\$ 1,812,221	\$ 1,812,221	\$ 2,400,693	\$ (588,472)
Health and welfare:				
Health:				
Supplement of local health department	\$ 262,674	\$ 262,674	\$ 262,674	\$ -
Mental health and mental retardation:				
Community services board	\$ 147,379	\$ 147,379	\$ 204,000	\$ (56,621)
Welfare:				
Public assistance and welfare administration	\$ 6,805,529	\$ 6,805,529	\$ 5,776,761	\$ 1,028,768
Comprehensive services board	-	-	1,031,101	(1,031,101)
Senior citizens	63,409	63,409	59,500	3,909
Rental assistance	50,530	50,530	97,289	(46,759)
Total welfare	\$ 6,919,468	\$ 6,919,468	\$ 6,964,651	\$ (45,183)
Total health and welfare	\$ 7,329,521	\$ 7,329,521	\$ 7,431,325	\$ (101,804)
Education:				
Other instructional costs:				
Community colleges	\$ 68,567	\$ 68,567	\$ 72,567	\$ (4,000)
Contribution to child care center	70,000	70,000	70,000	-
Contribution to County School Board	7,000,000	7,000,000	6,737,076	262,924
Contribution to County School Board - Capital	-	-	419,661	(419,661)
Total education	\$ 7,138,567	\$ 7,138,567	\$ 7,299,304	\$ (160,737)

County of Dickenson, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 2  
Page 3 of 4

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational	\$ 74,500	\$ 74,500	\$ 56,844	\$ 17,656
Swimming pool	53,728	53,728	29,290	24,438
Tourism	48,571	48,571	69,064	(20,493)
Total parks and recreation	<u>\$ 176,799</u>	<u>\$ 176,799</u>	<u>\$ 155,198</u>	<u>\$ 21,601</u>
Library:				
Contribution to regional library	\$ 328,801	\$ 328,801	\$ 335,726	\$ (6,925)
Parks, recreation, and cultural: (continued)				
Total parks, recreation, and cultural	<u>\$ 505,600</u>	<u>\$ 505,600</u>	<u>\$ 490,924</u>	<u>\$ 14,676</u>
Community development:				
Planning and community development:				
Planning and community development	\$ 138,000	\$ 138,000	\$ 142,825	\$ (4,825)
Haysi/Breaks/Cranesnest Trail	-	-	50,971	(50,971)
Contributions to community organizations	1,300	1,300	35,622	(34,322)
Industrial Development Authority/Economic Development Corp.	108,917	108,917	1,409,571	(1,300,654)
Contribution to Dickenson PSA	-	-	465,870	(465,870)
Total planning and community development	<u>\$ 248,217</u>	<u>\$ 248,217</u>	<u>\$ 2,104,859</u>	<u>\$ (1,856,642)</u>
Cooperative extension program:				
Extension office	\$ 67,968	\$ 67,968	\$ 49,073	\$ 18,895
Total community development	<u>\$ 316,185</u>	<u>\$ 316,185</u>	<u>\$ 2,153,932</u>	<u>\$ (1,837,747)</u>
Nondepartmental:				
Non-Departmental	<u>\$ 1,983,295</u>	<u>\$ 1,983,295</u>	<u>\$ 164,714</u>	<u>\$ 1,818,581</u>
Capital projects:				
Other capital projects	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 839,309</u>	<u>\$ (819,309)</u>
Debt service:				
Principal retirement	\$ 758,400	\$ 758,400	\$ 945,503	\$ (187,103)
Interest and other fiscal charges	-	-	373,763	(373,763)
Total debt service	<u>\$ 758,400</u>	<u>\$ 758,400</u>	<u>\$ 1,319,266</u>	<u>\$ (560,866)</u>
Total General Fund	<u><u>\$ 25,892,002</u></u>	<u><u>\$ 25,892,002</u></u>	<u><u>\$ 30,923,703</u></u>	<u><u>\$ (5,031,701)</u></u>
<b>Special Revenue Fund:</b>				
<b>Coal Road Tax Fund:</b>				
Public Works:				
Maintenance of Highways, Streets and Bridges:				
Road improvements	<u>\$ 1,687,500</u>	<u>\$ 1,687,500</u>	<u>\$ 1,184,462</u>	<u>\$ 503,038</u>

County of Dickenson, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2020

Schedule 2  
Page 4 of 4

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Fund: (Continued)</b>				
<b>Coal Road Tax Fund: (Continued)</b>				
Community Development:				
Planning and Community Development:				
Coalfield Economic Development	\$ 900,000	\$ 900,000	\$ 913,575	\$ (13,575)
Contribution to Public Service Authority	562,500	562,500	568,139	(5,639)
Total planning and community development	<u>\$ 1,462,500</u>	<u>\$ 1,462,500</u>	<u>\$ 1,481,714</u>	<u>\$ (19,214)</u>
Total community development	<u>\$ 1,462,500</u>	<u>\$ 1,462,500</u>	<u>\$ 1,481,714</u>	<u>\$ (19,214)</u>
Total Coal Road Tax Fund	<u>\$ 3,150,000</u>	<u>\$ 3,150,000</u>	<u>\$ 2,666,176</u>	<u>\$ 483,824</u>
<b>Capital Projects Fund:</b>				
<b>School Construction Projects Fund:</b>				
Capital Projects:				
Capital projects expenditures:				
School Construction	\$ -	\$ -	\$ 3,000	\$ (3,000)
Legal Fees	-	-	341	(341)
Total capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,341</u>	<u>\$ (3,341)</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 800,000	\$ (800,000)
Interest and other fiscal charges	-	-	425,000	(425,000)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,225,000</u>	<u>\$ (1,225,000)</u>
Total School Construction Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,228,341</u>	<u>\$ (1,228,341)</u>
Total Primary Government	<u>\$ 29,042,002</u>	<u>\$ 29,042,002</u>	<u>\$ 34,818,220</u>	<u>\$ (5,776,218)</u>
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
Administration and health	\$ 2,286,715	\$ 2,286,715	\$ 2,186,276	\$ 100,439
Instruction costs:				
Instruction	<u>\$ 16,675,015</u>	<u>\$ 16,675,015</u>	<u>\$ 15,603,374</u>	<u>\$ 1,071,641</u>
Operating costs:				
Pupil transportation	\$ 2,305,480	\$ 2,305,480	\$ 2,229,025	\$ 76,455
Operation and maintenance of school plant	3,235,045	3,235,045	2,850,498	384,547
School food and other non-instructional costs	1,622,992	1,622,992	1,708,223	(85,231)
Technology	725,874	725,874	680,525	45,349
Total operating costs	<u>\$ 7,889,391</u>	<u>\$ 7,889,391</u>	<u>\$ 7,468,271</u>	<u>\$ 421,120</u>
Total education	<u>\$ 26,851,121</u>	<u>\$ 26,851,121</u>	<u>\$ 25,257,921</u>	<u>\$ 1,593,200</u>
Total School Operating Fund	<u>\$ 26,851,121</u>	<u>\$ 26,851,121</u>	<u>\$ 25,257,921</u>	<u>\$ 1,593,200</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 26,851,121</u>	<u>\$ 26,851,121</u>	<u>\$ 25,257,921</u>	<u>\$ 1,593,200</u>

## **Other Statistical Information**

Table 1

**County of Dickenson, Virginia**  
**Government-wide Expenses by Function**  
**Last Ten Fiscal Years**

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (1)	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2019-20	\$ 2,594,258	\$ 1,667,814	\$ 5,795,499	\$ 3,840,409	\$ 6,943,896	\$ 7,702,559	\$ 556,784	\$ 4,029,435	\$ 371,553	\$ 33,502,207
2018-19	1,681,546	1,462,797	4,616,342	5,003,175	6,789,722	6,596,252	285,429	3,132,775	529,741	30,097,779
2017-18	1,882,827	1,602,350	5,352,066	2,921,758	6,667,006	7,687,931	276,657	3,483,452	365,201	30,239,248
2016-17	1,889,360	1,846,897	4,816,537	2,344,066	6,696,701	35,018,973	211,727	4,249,320	858,317	57,931,898
2015-16	1,447,189	994,021	3,855,643	2,211,993	6,481,617	26,120,875	211,823	8,974,110	1,703,899	52,001,170
2014-15	1,598,909	492,729	3,819,908	1,603,292	7,263,106	28,868,548	84,497	5,420,583	1,829,169	50,980,741
2013-14	1,144,784	1,110,535	4,976,702	2,835,218	6,547,181	9,635,086	170,643	4,284,122	1,156,525	31,860,796
2012-13	2,050,009	1,138,929	4,885,973	3,022,683	6,385,324	6,766,973	185,519	6,453,207	888,962	31,777,579
2011-12	2,008,466	1,025,378	5,115,076	2,720,172	6,059,904	7,425,648	107,046	6,201,727	163,515	30,826,932
2010-11	1,763,110	1,074,443	3,686,694	3,372,252	5,750,370	6,197,020	571,735	5,607,673	190,910	28,214,207

(1) Includes the transfer of capital assets for which the underlying debt has been repaid during 2015 and 2016.



Table 2

County of Dickenson, Virginia  
Government-wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Special Items		
2019-20	\$ 328,981	\$ 7,817,479	\$ 2,728,055	\$	\$ 11,185,408	\$ 7,538,067	\$ 17,486	\$ 146,498	\$ 1,497,938	\$ -	\$	\$ 31,259,912
2018-19	338,083	7,313,123	1,433,064		11,299,433	9,750,444	21,464	37,065	1,452,230	-		31,644,906
2017-18	330,742	8,040,353	1,961,194		11,195,519	9,769,574	7,307	554,458	1,398,973	-		33,258,120
2016-17	526,988	7,130,074	35,345,442		12,677,750	9,285,792	7,390	36,462	1,488,617	153,799		66,652,314
2105-16	519,966	6,872,593	18,455,204		11,937,747	6,274,918	4,218	270,439	1,562,224	-		45,897,309
2014-15	622,693	7,450,931	607,116		12,667,960	7,875,794	4,241	880,143	1,521,625	-		31,630,503
2013-14	886,995	7,655,082	25,519,376		11,786,105	8,606,472	15,262	59,715	1,545,215	-		56,074,222
2012-13	925,629	7,304,984	6,159,720		11,906,790	9,509,539	32,329	-	2,747,311	-		38,586,302
2011-12	708,119	6,876,198	27,629		14,237,747	10,898,718	15,874	159,191	1,493,178	-		34,416,654
2010-11	680,640	6,105,193	167,311		8,849,635	10,745,737	33,382	225,498	1,586,883	-		28,394,279

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Nondepartmental	Capital Projects		Debt Service		Total
										Projects		Service		
2019-20	\$ 1,964,934	\$ 1,505,108	\$ 5,354,194	\$ 3,585,155	\$ 7,431,325	\$ 25,820,149	\$ 490,924	\$ 3,635,646	\$ 164,714	\$ 842,650	\$ 2,544,266	\$ 53,339,065		
2018-19	1,690,845	1,299,559	4,572,319	4,974,139	7,324,455	25,650,202	222,652	3,134,672	193,153	350,119	3,009,552	52,421,667		
2017-18	1,921,533	1,356,334	5,363,666	2,919,903	7,134,052	23,489,065	213,429	3,488,742	124,180	507,440	2,693,496	49,211,840		
2016-17	1,925,915	1,287,107	4,804,937	2,253,275	6,802,450	24,093,852	146,594	4,242,373	-	1,452,957	28,651,475	75,660,935		
2015-16	1,465,556	1,015,153	4,228,678	2,149,697	6,689,813	24,596,740	185,091	9,028,587	-	14,459,765	18,033,028	81,852,108		
2014-15	1,703,249	3,853,976	4,056,384	2,019,276	6,583,461	24,715,042	172,611	5,133,192	-	19,928,691	2,789,575	70,955,457		
2013-14	1,730,069	1,450,019	4,737,953	2,761,149	6,705,005	25,631,212	164,694	4,819,178	-	39,178,197	14,121,055	101,298,531		
2012-13	2,108,988	1,138,723	4,652,216	2,950,774	6,517,894	24,661,068	179,094	7,317,639	-	-	1,751,172	51,277,568		
2011-12	2,051,549	1,078,131	5,171,970	2,641,301	6,178,601	26,973,108	223,472	6,887,222	-	-	820,845	52,026,199		
2010-11	1,771,524	1,069,006	4,946,091	3,254,042	5,772,805	26,503,176	568,027	5,571,076	-	-	820,393	50,276,140		

(1) Includes General, Special Revenue, and Capital Project funds of the Primary Government and its Discretely Presented Component Units.

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous & Recovered Costs	Inter-governmental (2)	Total
2019-20	\$ 11,226,319	\$ 7,538,067	\$ 9,243	\$ 28,736	\$ 17,486	\$ 402,585	\$ 1,165,770	\$ 31,508,760	\$ 51,896,966
2018-19	11,510,072	9,750,444	9,774	52,429	21,464	465,472	1,186,333	28,885,741	51,881,729
2017-18	12,774,948	9,769,574	12,111	49,822	7,307	527,714	1,505,093	28,829,494	53,476,063
2016-17	12,500,553	9,285,792	8,448	119,047	7,390	699,219	1,118,209	61,365,427	85,104,085
2015-16	10,394,299	6,274,918	10,893	43,014	4,218	775,992	1,330,307	43,843,934	62,677,575
2014-15	13,342,236	7,875,794	9,951	38,973	4,241	883,221	1,614,878	26,416,565	50,185,859
2013-14	11,852,575	8,606,472	16,001	64,460	15,262	1,161,450	997,986	51,726,260	74,440,466
2012-13	12,669,532	9,509,539	12,822	35,276	32,329	1,272,325	895,640	33,583,277	58,010,740
2011-12	13,263,990	10,898,718	21,775	34,191	17,635	1,117,253	1,721,130	27,721,137	54,795,829
2010-11	9,079,109	10,745,737	16,255	42,244	34,916	1,071,684	1,825,055	27,324,165	50,139,165

(1) Includes General, Special Revenue, and Capital Project funds of the Primary Government and its Discretely Presented Component Units.

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of		Percent of	
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Delinquent Taxes to Tax Levy	
2019-20	\$ 11,779,824	\$ 11,286,783	95.81%	\$ 467,122	\$ 11,753,905	99.78%	\$ 2,259,291	19.18%	
2018-19	11,867,996	11,639,946	98.08%	449,534	12,089,480	101.87%	2,363,137	19.91%	
2017-18	12,635,546	10,232,802	80.98%	2,865,325	13,098,127	103.66%	2,466,700	19.52%	
2016-17	13,280,074	11,811,566	88.94%	402,294	12,213,860	91.97%	4,002,856	30.14%	
2015-16	12,567,077	10,423,096	82.94%	415,937	10,839,033	86.25%	3,812,167	30.33%	
2014-15	13,160,900	12,896,358	97.99%	827,972	13,724,330	104.28%	2,462,240	18.71%	
2013-14	12,867,584	12,599,469	97.92%	521,802	13,121,271	101.97%	3,184,962	24.75%	
2012-13	12,457,549	12,299,417	98.73%	916,967	13,216,384	106.09%	2,713,540	21.78%	
2011-12	10,894,220	9,135,852	83.86%	1,957,654	11,093,506	101.83%	5,146,710	47.24%	
2010-11	9,359,592	8,747,619	93.46%	194,387	8,942,006	95.54%	5,367,481	57.35%	

(1) Exclusive of penalties and interest.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)		Total
					Real Estate	Personal Property	
2019-20	\$ 1,274,999,676	\$ 122,431,888	\$ 75,983,735	\$ 884,919	\$ 118,874,514	\$ 160,485	\$ 1,593,335,217
2018-19	1,292,292,300	129,819,711	70,528,717	920,143	109,580,306	224,086	1,603,365,263
2017-18	1,341,835,375	131,507,513	98,253,636	775,076	103,162,284	162,011	1,675,695,895
2016-17	1,364,073,644	136,088,656	151,109,249	774,644	107,045,402	191,687	1,759,283,282
2015-16	1,377,223,700	134,806,776	96,449,867	807,876	116,712,808	238,089	1,726,239,116
2014-15	1,390,386,000	138,302,847	122,746,615	745,341	113,807,768	264,543	1,766,253,114
2013-14	1,471,653,492	140,183,821	137,652,367	936,673	111,285,447	284,982	1,861,996,782
2012-13	1,467,556,192	150,444,999	100,668,822	728,086	105,721,465	249,781	1,825,369,345
2011-12	1,427,628,192	120,235,607	82,207,942	792,469	61,196,373	169,334	1,692,229,917
2010-11	1,093,381,069	128,742,527	65,275,601	822,585	61,015,901	181,474	1,349,419,157

(1) Real estate is assessed at 100% of fair market value.

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

Table 7

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

Fiscal Year	Real Estate	Personal Property (2)	Machinery and Tools (2)	Merchant's Capital
2019-20	\$ 0.60	\$ 1.85	\$ 1.85	10.50
2018-19	0.60	1.85	1.85	10.50
2017-18	0.56	1.82	1.82	10.50
2016-17	0.56	1.82	1.82	10.50
2015-16	0.56	1.82	1.82	10.50
2014-15	0.56	1.82	1.82	10.50
2013-14	0.56	1.82	1.82	10.50
2012-13	0.60	1.69	1.69	10.50
2011-12	0.60	1.69	1.69	10.50
2010-11	0.60	1.69	1.69	10.50

(1) Per \$100 of assessed value.

(2) Personal property taxes are assessed at 100% of fair market value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of	
					Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2019-20	15,903	\$ 1,593,335	\$ 15,789,087	\$ 15,789,087	0.99%	\$ 993
2018-19	15,903	1,603,365	16,885,200	16,885,200	1.05%	1,062
2017-18	15,903	1,675,696	18,119,935	18,119,935	1.08%	1,139
2016-17	15,903	1,759,283	17,957,407	17,957,407	1.02%	1,129
2015-16	15,903	1,726,239	44,313,634	44,313,634	2.57%	2,786
2014-15	15,903	1,766,253	51,282,301	51,282,301	2.90%	3,225
2013-14	15,903	1,861,997	31,599,532	31,599,532	1.70%	1,987
2012-13	15,903	1,825,369	26,242,957	26,242,957	1.44%	1,650
2011-12	15,903	1,692,230	985,000	985,000	0.06%	62
2010-11	15,903	1,349,419	1,070,000	1,070,000	0.08%	67

(1) Bureau of the Census.

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.  
Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

Table 9

**County of Dickenson, Virginia**  
**Ratio of Annual Debt Service Expenditures for General Bonded**  
**Debt to Total General Governmental Expenditures (1)**  
**Last Ten Fiscal Years**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2019-20	\$ 1,745,503	\$ 798,763	\$ 2,544,266	\$ 53,339,065	4.77%
2018-19	2,075,584	933,968	3,009,552	52,421,667	5.74%
2017-18	1,923,864	769,632	2,693,496	49,211,840	5.47%
2016-17	27,661,723	989,752	28,651,475	75,660,935	37.87%
2015-16	16,312,703	1,720,325	18,033,028	81,852,108	22.03%
2014-15	952,545	1,837,030	2,789,575	70,955,457	3.93%
2013-14	12,949,183	1,171,872	14,121,055	101,298,531	13.94%
2012-13	849,331	901,841	1,751,172	51,277,568	3.42%
2011-12	644,902	175,943	820,845	52,026,199	1.58%
2010-11	621,900	198,493	820,393	50,276,140	1.63%

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



## **Compliance**



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***

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**To the Honorable Members of  
the Board of Supervisors  
County of Dickenson, 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 the County of Dickenson, Virginia as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County of Dickenson, Virginia's basic financial statements and have issued our report thereon dated December 2, 2020. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit Industrial Development Authority, as described in our report on the County of Dickenson, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Dickenson, 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*.

## County of Dickenson, Virginia's Response to Findings

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

## Purpose of this Report

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

*Robinson, Jarmer, Cox, Associates*

Blacksburg, Virginia  
December 2, 2020



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

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

**Report on Compliance for Each Major Federal Program**

We have audited the County of Dickenson, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Dickenson, Virginia's major federal programs for the year ended June 30, 2020. The County of Dickenson, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the County of Dickenson, 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, 2020.

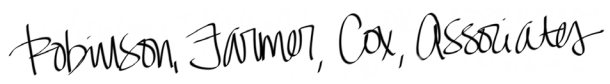
## Report on Internal Control over Compliance

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

  
Blacksburg, Virginia  
December 2, 2020

County of Dickenson, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
<i>Child Care and Development Cluster:</i>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760119/0760120	\$	52,120
Promoting Safe and Stable Families Program	93.556	950118/950119/960118/960119		18,834
Temporary Assistance for Needy Families (TANF)	93.558	0400119/0400120		266,232
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500119/0500120		521
Low-Income Home Energy Assistance	93.568	0600419/0600420		54,509
Chaffee Education and Training Vouchers Program (ETV)	93.599	9160118/9160119		2,635
Adoption and Legal Guardianship Incentive Payments	93.603	1130117		4,418
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900119		534
Foster Care - Title IV-E	93.658	1100119/1100120		302,287
Adoption Assistance	93.659	1120119/1120120		777,567
Social Services Block Grant	93.667	1000120		292,887
John H. Chaffee Foster Care Program for Successful Transition to Adulthood	93.674	9150118/9150119		7,566
Children's Health Insurance Program	93.767	0540119/0540120		7,906
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	1200119/1200120		494,181
Total Department of Health and Human Service			\$	2,282,197
Department of Agriculture:				
Pass Through Payments:				
Department of Education:				
<i>Child Nutrition Cluster:</i>				
School Breakfast Program	10.553	40253	\$ 270,318	
COVID-19 - School Breakfast Program	10.553	Unknown	18,514	\$ 288,832
Summer Food Service Program for Children	10.559	60302/60303	\$ 133,614	
COVID-19 - Summer Food Service Program for Children	10.559	60176/60175	399,135	532,749
National School Lunch Program	10.555	40254	\$ 531,193	
COVID-19 - National School Lunch Program	10.555	Unknown	35,319	
Department of Agriculture:				
Food Distribution (Note 3) - inventory	10.555	Unknown	109,385	675,897 \$ 1,497,478
Fresh Fruit and Vegetable Program	10.582	Unknown		7,654
<i>Forest Service Schools and Roads Cluster:</i>				
School and Roads - Grants to States	10.665	43841		12,765
Department of Social Services:				
<i>SNAP Cluster:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	010119/010120/040119/040120		476,875
Total Department of Agriculture			\$	1,994,772
Department of Housing and Urban Development:				
Pass Through Payments:				
Department of Housing and Community Development:				
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	Unknown	\$	40,000
Department of Justice:				
Pass Through Payments:				
Office for Victims of Crime:				
Crime Victim Assistance	16.575	16VAGX0039/17VAGX0018	\$	47,387
Bulletproof Vest Program	16.607	Unknown		9,027
Edward Byrne memorial Justice Assistance Grant	16.738	CJ55101708		1,808
Total Department of Justice			\$	58,222
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
<i>Highway Safety Cluster:</i>				
National Priority Safety Programs	20.616	M60T-2018-58061-8061/ M60T-2019-59169-9169	\$	13,995
Department of Defense:				
Pass Through Payments:				
Department of Environmental Quality:				
Payments to States in Lieu of Real Estate Taxes	12.112	42845	\$	27,515

County of Dickenson, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	42901	\$ 916,736
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	43071	\$ 532,607
Special Education - Preschool Grants (IDEA Preschool)	84.173	62521	5,752
Career and Technical Education - Basic Grants to States	84.048	61095	538,359
Rural Education	84.358	43481	39,797
Supporting Effective Instruction State Grant	84.367	61480	88,837
Student Support and Academic Enrichment Program	84.424	60022	54,590
Preschool Development Grants	84.419	40259	12,924
Total Department of Education			<u>\$ 1,704,276</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	Unknown	\$ 98,124
Department of the Treasury			
Pass-through Payments:			
Department of Accounts:			
COVID-19 - Coronavirus Relief Fund	21.019	SLT0022	\$ 83,742
Appalachian Region Commission			
Direct Payments:			
Appalachian Area Development	23.002	Not Applicable	\$ 425,870
Total Expenditures of Federal Awards			<u>\$ 6,728,713</u>

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Dickenson, Virginia and its Component Unit- School Board under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budgets Uniform Guidance. Because the schedule presents only a selected portion of the operations of the County of Dickenson, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Dickenson, Virginia.

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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.
- (3) The County did not elect the 10% de minimus indirect cost rate because they only request direct costs for reimbursement.

Note 3 -- Food Donation

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

Note 4 -- Subrecipients

The County did not have any subrecipients for the year ended June 30, 2020.

Note 5 -- Outstanding Balance of Federal Loans

The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.

Note 6 -- Relationship to the 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 (less payments in lieu of taxes)		\$ 3,542,236
Flood Control Projects Not Subject to Single Audit Requirements		(37,027)
School Construction Projects		401,489
QCSB Interest Subsidy		(401,489)
Total primary government		<u>\$ 3,505,209</u>
Component Unit School Board:		
School Operating Fund		\$ 3,223,504
Total federal expenditures per the Schedule of Expenditures of Federal Awards		<u>\$ 6,728,713</u>

County of Dickenson, Virginia

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

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**Section I - Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

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

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I: Grants to Local Educational Agencies
93.659	Adoption Assistance
10.553/10.555/10.559	Child Nutrition Cluster

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



County of Dickenson, Virginia

Schedule of Findings and Questioned Costs (continued)  
For the Year Ended June 30, 2020

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**Section II - Financial Statement Findings**

**2020-001**

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Criteria: An auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report. In addition, the auditee should have sufficient internal controls over the preparation of financial statements in accordance with generally accepted accounting principles.

Condition: The County's 2020 adjusted trial balance as presented for audit required significant adjusting entries.

Cause: The County failed to identify all year end accounting adjustments necessary for the financial statements to be prepared in accordance with current reporting standards. The County does not have proper controls in place to detect and correct adjustments in closing their year end financial information.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the County's internal controls over financial reporting.

Recommendation: Management should continue to implement and follow review procedures to make adjustments in a timely manner.

Management's Response: Management will make efforts in the future to eliminate material misstatements from its adjusted trial balance.

**2020-002**

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Criteria: The Treasurer's Accountability fund should reconcile to each individual fund.

Condition: The Treasurer's Accountability fund balances do not agree to the individual funds.

Cause: Transfers and other items are not appropriately posted to both the individual fund and the Treasurer's Accountability fund. Controls should be in place to ensure that a reconciliation is performed to ensure that balances agree.

Effect: Balances as reported in the individual funds do not agree to same as reported in the Treasurer's Accountability fund.

Recommendation: Management should work with the software company to ensure that all entries are posting to the individual funds and the Treasurer's Accountability fund. A reconciliation should be prepared and entries posted so that balances agree.

Management's Response: Management agrees with the finding and will research the discrepancies and post adjustments as needed to ensure that the individual funds and the Treasurer's Accountability fund are reconciled.

**Section III - Federal Award Findings and Questioned Costs**

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

**Section IV - Status of Prior Audit Findings and Questioned Costs**

**2019-001**

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This finding is repeated in the current year as 2020-001.

**2019-002**

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This finding is repeated in the current year as 2020-002.