

# COUNTY OF APPOMATTOX, VIRGINIA



## ANNUAL FINANCIAL REPORT

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FOR FISCAL YEAR ENDED JUNE 30, 2020



COUNTY OF APPOMATTOX, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

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# COUNTY OF APPOMATTOX, VIRGINIA

## Board of Supervisors

Samuel E. Carter, Chairperson

William H. Hogan  
Watkins M. Abbitt

John F. Hinkle  
Trevor L. Hipps

## School Board

Bobby K. Waddell, Chairperson

Rev. Al L. Jones III  
Gregory A. Smith

Wyatt K. Torrence  
Jason L. Wells

## Board of Social Services

Rowena F. Robinson, Chairperson

Sammy Carter

Barbara Williams

## Other Officials

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

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Independent Auditors' Report

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox, Virginia, as of and for the year ended June 30, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox, Virginia, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-10, 88, and 89-109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary and Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2021, on our consideration of County of Appomattox, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Appomattox, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Appomattox, Virginia's internal control over financial reporting and compliance.

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
February 2, 2021

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Appomattox, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and with the County's basic financial statements, which follow this section.

### **Financial Highlights**

#### **Government-wide Financial Statements**

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$17,459,782 (net position).

#### **Fund Financial Statements**

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures and other financing uses of \$2,446,563 (Exhibit 5) after making contributions totaling \$5,540,235 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$18,531,791, a decrease of \$375 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,696,550 or 62% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$2,957,287 during the current fiscal year.

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## **Overview of the Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

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## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15,013,219 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Appomattox, Virginia's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 28,625,393	\$ 26,860,384	\$ 14,294	\$ 30,422	\$ 28,639,687	\$ 26,890,806
Capital assets	<u>14,592,965</u>	<u>16,264,539</u>	<u>4,798,315</u>	<u>4,912,561</u>	<u>19,391,280</u>	<u>21,177,100</u>
Total assets	<u>\$ 43,218,358</u>	<u>\$ 43,124,923</u>	<u>\$ 4,812,609</u>	<u>\$ 4,942,983</u>	<u>\$ 48,030,967</u>	<u>\$ 48,067,906</u>
Deferred outflows of resources	<u>\$ 1,984,553</u>	<u>\$ 1,067,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,984,553</u>	<u>\$ 1,067,445</u>
Current liabilities	\$ 1,895,211	\$ 509,248	\$ 14,238	\$ 28,044	\$ 1,909,449	\$ 537,292
Long-term liabilities outstanding	<u>23,641,480</u>	<u>24,599,187</u>	<u>-</u>	<u>1,999,580</u>	<u>23,641,480</u>	<u>26,598,767</u>
Total liabilities	<u>\$ 25,536,691</u>	<u>\$ 25,108,435</u>	<u>\$ 14,238</u>	<u>\$ 2,027,624</u>	<u>\$ 25,550,929</u>	<u>\$ 27,136,059</u>
Deferred inflows of resources	<u>\$ 7,004,809</u>	<u>\$ 6,986,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,004,809</u>	<u>\$ 6,986,073</u>
Net investment in capital assets	\$ (422,883)	\$ (978,941)	\$ 4,798,315	\$ 2,912,981	\$ 4,375,432	\$ 1,934,040
Restricted for:						
Veterans wall of honor	3,038	3,038	-	-	3,038	3,038
Carver Price - HVAC	-	25,000	-	-	-	25,000
Asset forfeiture	232,630	229,725	-	-	232,630	229,725
Courthouse maintenance	18,897	33,034	-	-	18,897	33,034
Courthouse security fund	95,120	138,405	-	-	95,120	138,405
Law library	11,810	15,825	-	-	11,810	15,825
Unrestricted	<u>12,722,799</u>	<u>12,631,774</u>	<u>56</u>	<u>2,378</u>	<u>12,722,855</u>	<u>12,634,152</u>
Total net position	<u>\$ 12,661,411</u>	<u>\$ 12,097,860</u>	<u>\$ 4,798,371</u>	<u>\$ 2,915,359</u>	<u>\$ 17,459,782</u>	<u>\$ 15,013,219</u>

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

The County's net position increased by \$2,633,244 during the current fiscal year. The following table summarizes the County's Statement of Activities

County of Appomattox, Virginia's Changes in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Charges for services	\$ 262,248	\$ 312,977	\$ 145,787	\$ 154,650	\$ 408,035	\$ 467,627
Operating grants and contributions	6,532,047	5,526,655	-	-	6,532,047	5,526,655
General property taxes	13,931,698	13,740,014	-	-	13,931,698	13,740,014
Other local taxes	2,565,804	2,357,270	-	-	2,565,804	2,357,270
Grants and other contributions not restricted	1,694,004	1,668,759	-	-	1,694,004	1,668,759
Other general revenues	244,599	212,970	-	-	244,599	212,970
Transfers	(2,072,130)	(205,033)	2,072,130	205,033	-	-
Total revenues	\$ 23,158,270	\$ 23,613,612	\$ 2,217,917	\$ 359,683	\$ 25,376,187	\$ 23,973,295
General government administration	\$ 1,686,526	\$ 1,746,065	\$ -	\$ -	\$ 1,686,526	\$ 1,746,065
Judicial administration	1,292,637	1,174,927	-	-	1,292,637	1,174,927
Public safety	4,357,182	4,240,656	-	-	4,357,182	4,240,656
Public works	1,534,524	1,544,004	334,905	371,024	1,869,429	1,915,028
Health and welfare	4,083,591	3,637,243	-	-	4,083,591	3,637,243
Education	6,835,194	6,727,833	-	-	6,835,194	6,727,833
Parks, recreation, and cultural	444,631	496,720	-	-	444,631	496,720
Community development	1,493,705	506,892	-	-	1,493,705	506,892
Interest and other fiscal charges	866,729	894,687	-	-	866,729	894,687
Total expenses	\$ 22,594,719	\$ 20,969,027	\$ 334,905	\$ 371,024	\$ 22,929,624	\$ 21,340,051
Change in net position	\$ 563,551	\$ 2,644,585	\$ 1,883,012	\$ (11,341)	\$ 2,446,563	\$ 2,633,244
Net position, beginning of year	12,097,860	9,453,275	2,915,359	2,926,700	15,013,219	12,379,975
Net position, end of year	\$ 12,661,411	\$ 12,097,860	\$ 4,798,371	\$ 2,915,359	\$ 17,459,782	\$ 15,013,219

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

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$18,531,791, a decrease of \$375 in comparison with the prior year. Approximately 75% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was \$3,280,654, all of which was committed for current or future capital projects.

**Proprietary Funds** – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year amounted to \$56. The total increase in net position was \$1,883,012. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities

## **General Fund Budgetary Highlights**

During the year, revenues and other sources exceeded budgetary estimates by \$1,147,711. Expenditures exceeded budgetary estimates and other uses by \$185,612 resulting in a positive variance of \$962,099.

## **Capital Asset and Debt Administration**

**Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2020 amounts to \$14,592,965 (net of accumulated depreciation). The County's investment in capital assets for its proprietary fund as of June 30, 2020 amounted to \$4,798,315. This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

**Long-term debt** - At the end of the current fiscal year, the County had total debt outstanding of \$15,353,411. Of this amount, \$6,813,411 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds and capital leases).

The County's total debt decreased by \$4,286,177 during the current fiscal year.

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

### **Economic Factors and Next Year's Budgets and Rates**

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

All of these factors were considered in preparing the County's budget for the 2021 fiscal year.

The fiscal year 2021 budget decreased approximately 7.50%. Property tax rates remained the same as the 2020 fiscal year.

### **Requests for Information**

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

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## *BASIC FINANCIAL STATEMENTS*

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## *GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,993,619	\$ -	\$ 17,993,619	\$ 3,043,486	\$ 165,511
Cash in custody of others	-	-	-	4,000	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	8,638,565	-	8,638,565	-	-
Accounts receivable	91,080	14,294	105,374	6,148	-
Due from other governmental units	1,902,129	-	1,902,129	491,191	-
Net pension asset	-	-	-	91,386	-
Capital assets (net of accumulated depreciation):					
Land	1,316,010	-	1,316,010	211,370	1,381,873
Buildings and improvements	12,156,977	-	12,156,977	10,684,986	-
Utility plant in service	-	4,798,315	4,798,315	-	-
Equipment	996,340	-	996,340	1,328,061	-
Infrastructure	51,703	-	51,703	-	1,002,296
Construction in progress	71,935	-	71,935	-	-
Total assets	\$ 43,218,358	\$ 4,812,609	\$ 48,030,967	\$ 15,860,628	\$ 2,549,680
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on refunding	\$ 402,488	\$ -	\$ 402,488	\$ -	\$ -
Pension related items	1,341,658	-	1,341,658	3,940,569	-
OPEB related items	240,407	-	240,407	546,547	-
Total deferred outflows of resources	\$ 1,984,553	\$ -	\$ 1,984,553	\$ 4,487,116	\$ -
Total assets and deferred inflows of resources	\$ 45,202,911	\$ 4,812,609	\$ 50,015,520	\$ 20,347,744	\$ 2,549,680
<b>LIABILITIES</b>					
Accounts payable	\$ 487,813	\$ 14,238	\$ 502,051	\$ 23,680	\$ -
Accrued liabilities	-	-	-	1,978,175	-
Accrued interest payable	58,072	-	58,072	-	-
Due to other governmental units	-	-	-	528,972	-
Unearned revenue	1,349,326	-	1,349,326	-	-
Long-term liabilities:					
Due within one year	2,382,406	-	2,382,406	-	-
Due in more than one year	21,259,074	-	21,259,074	21,822,368	-
Total liabilities	\$ 25,536,691	\$ 14,238	\$ 25,550,929	\$ 24,353,195	\$ -
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - property taxes	\$ 6,568,992	\$ -	\$ 6,568,992	\$ -	\$ -
Pension related items	392,055	-	392,055	2,163,129	-
OPEB related items	43,762	-	43,762	175,105	-
Total deferred inflows of resources	\$ 7,004,809	\$ -	\$ 7,004,809	\$ 2,338,234	\$ -
<b>NET POSITON</b>					
Net investment in capital assets	\$ (422,883)	\$ 4,798,315	\$ 4,375,432	\$ 12,224,417	\$ 2,384,169
Restricted:					
Veterans wall of honor	3,038	-	3,038	-	-
Asset forfeiture	232,630	-	232,630	-	-
Courthouse maintenance	18,897	-	18,897	-	-
Courthouse security fund	95,120	-	95,120	-	-
Law library	11,810	-	11,810	-	-
Unrestricted	12,722,799	56	12,722,855	(18,568,102)	165,511
Total net position	\$ 12,661,411	\$ 4,798,371	\$ 17,459,782	\$ (6,343,685)	\$ 2,549,680
Total liabilities, deferred inflows of resources and net position	\$ 45,202,911	\$ 4,812,609	\$ 50,015,520	\$ 20,347,744	\$ 2,549,680

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units		
					Governmental Activities	Business-type Activities	Total	School Board	EDA
PRIMARY GOVERNMENT:									
Governmental activities:									
General government administration	\$ 1,686,526	\$ -	\$ 242,533	\$ -	\$ (1,443,993)	\$ -	\$ (1,443,993)	\$ -	\$ -
Judicial administration	1,292,637	69,274	531,052	-	(692,311)	-	(692,311)	-	-
Public safety	4,357,182	126,904	1,030,758	-	(3,199,520)	-	(3,199,520)	-	-
Public works	1,534,524	44,490	9,076	-	(1,480,958)	-	(1,480,958)	-	-
Health and welfare	4,083,591	-	2,999,483	-	(1,084,108)	-	(1,084,108)	-	-
Education	6,835,194	-	-	-	(6,835,194)	-	(6,835,194)	-	-
Parks, recreation, and cultural	444,631	21,580	75,439	-	(347,612)	-	(347,612)	-	-
Community development	1,493,705	-	1,209,231	-	(284,474)	-	(284,474)	-	-
Interest on long-term debt	866,729	-	434,475	-	(432,254)	-	(432,254)	-	-
Total governmental activities	\$ 22,594,719	\$ 262,248	\$ 6,532,047	\$ -	\$ (15,800,424)	\$ -	\$ (15,800,424)	\$ -	\$ -
Business-type activities:									
Sanitary District	\$ 334,905	\$ 145,787	\$ -	\$ -	\$ -	\$ (189,118)	\$ (189,118)	\$ -	\$ -
Total business-type activities	\$ 334,905	\$ 145,787	\$ -	\$ -	\$ -	\$ (189,118)	\$ (189,118)	\$ -	\$ -
Total primary government	\$ 22,929,624	\$ 408,035	\$ 6,532,047	\$ -	\$ (15,800,424)	\$ (189,118)	\$ (15,989,542)	\$ -	\$ -
COMPONENT UNITS:									
School Board	\$ 24,422,192	\$ 301,307	\$ 17,888,951	\$ -	\$ -	\$ -	\$ -	\$ (6,231,934)	\$ -
Economic Development Authority	1,065,713	3,620	-	-	-	-	-	-	(1,062,093)
Total component units	\$ 25,487,905	\$ 304,927	\$ 17,888,951	\$ -	\$ -	\$ -	\$ -	\$ (6,231,934)	\$ (1,062,093)
General revenues:									
General property taxes			\$ 13,931,698	\$ -	\$ 13,931,698	\$ -	\$ -	\$ -	\$ -
Local sales and use taxes			1,455,129	-	-	-	1,455,129	-	-
Consumer utility taxes			389,629	-	-	-	389,629	-	-
Motor vehicle licenses			525,051	-	-	-	525,051	-	-
Other local taxes			195,995	-	-	-	195,995	-	-
Unrestricted revenues from use of money and property			72,531	-	-	-	72,531	5,377	477
Miscellaneous			150,392	-	-	-	150,392	59,215	5,861
Grants and contributions not restricted to specific programs			1,694,004	-	-	-	1,694,004	-	-
Payment from Appomattox County School Board			21,676	-	-	-	21,676	-	-
Payment from Appomattox County Transfers			(2,072,130)	-	-	-	-	6,290,068	1,004,850
Total general revenues and transfers			\$ 16,363,975	\$ 2,072,130	\$ 18,436,105	\$ 6,354,660	\$ 1,011,188	\$ -	\$ -
Change in net position			\$ 563,551	\$ 1,883,012	\$ 2,446,563	\$ 122,726	\$ (50,905)	\$ -	\$ -
Net position - beginning			12,097,860	2,915,359	15,013,219	(6,466,411)	2,600,585	-	-
Net position - ending			\$ 12,661,411	\$ 4,798,371	\$ 17,459,782	\$ (6,343,685)	\$ 2,549,680	\$ -	\$ -

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

## *FUND FINANCIAL STATEMENTS*

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

	General <u>Fund</u>	County Capital Projects <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,898,051	\$ 3,280,654	\$ 814,914	\$ 17,993,619
Receivables (net of allowance for uncollectibles):				
Taxes receivable	8,638,565	-	-	8,638,565
Accounts receivable	90,053	-	1,027	91,080
Due from other governmental units	1,891,795	-	10,334	1,902,129
Total assets	<u>\$ 24,518,464</u>	<u>\$ 3,280,654</u>	<u>\$ 826,275</u>	<u>\$ 28,625,393</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 487,813	\$ -	\$ -	\$ 487,813
Unearned revenue	1,349,326	-	-	1,349,326
Total liabilities	<u>\$ 1,837,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,837,139</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 8,256,463	\$ -	\$ -	\$ 8,256,463
Total deferred inflows of resources	<u>\$ 8,256,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,256,463</u>
<b>FUND BALANCES</b>				
Restricted	\$ 3,038	\$ -	\$ 358,457	\$ 361,495
Committed	64,165	3,280,654	467,818	3,812,637
Assigned	403,386	-	-	403,386
Unassigned	13,954,273	-	-	13,954,273
Total fund balances	<u>\$ 14,424,862</u>	<u>\$ 3,280,654</u>	<u>\$ 826,275</u>	<u>\$ 18,531,791</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,518,464</u>	<u>\$ 3,280,654</u>	<u>\$ 826,275</u>	<u>\$ 28,625,393</u>

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

County of Appomattox, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 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	\$	18,531,791
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 37,238,269	
Accumulated depreciation	<u>(22,645,304)</u>	14,592,965

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

Unavailable revenue - property taxes		1,687,471
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Deferred charge on refunding	\$ 402,488	
Pension related items	1,341,658	
OPEB related items	<u>240,407</u>	1,984,553

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

Bonds payable	\$ (15,353,411)	
Issuance premium	(64,925)	
Compensated absences	(251,531)	
Net OPEB liabilities	(916,644)	
Net pension liability	(5,145,132)	
Landfill postclosure care liability	(1,909,837)	
Accrued interest payable	<u>(58,072)</u>	(23,699,552)

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

Pension related items	\$ (392,055)	
OPEB related items	<u>(43,762)</u>	(435,817)

Net position of governmental activities	\$	<u><u>12,661,411</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>				
General property taxes	\$ 13,813,892	\$ -	\$ -	\$ 13,813,892
Other local taxes	2,565,804	-	-	2,565,804
Permits, privilege fees, and regulatory licenses	124,417	-	-	124,417
Fines and forfeitures	44,067	-	-	44,067
Revenue from the use of money and property	72,531	-	-	72,531
Charges for services	69,541	-	24,223	93,764
Miscellaneous	150,392	-	-	150,392
Recovered costs	119,914	-	-	119,914
Intergovernmental:				
Appomattox School Board	-	21,676	-	21,676
Commonwealth	6,255,954	-	79,980	6,335,934
Federal	1,890,117	-	-	1,890,117
Total revenues	\$ 25,106,629	\$ 21,676	\$ 104,203	\$ 25,232,508
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,636,481	\$ -	\$ -	\$ 1,636,481
Judicial administration	1,130,029	-	-	1,130,029
Public safety	4,149,462	-	16,143	4,165,605
Public works	1,486,698	-	-	1,486,698
Health and welfare	4,155,567	-	-	4,155,567
Education	5,540,613	-	-	5,540,613
Parks, recreation, and cultural	419,451	-	-	419,451
Community development	1,458,902	-	-	1,458,902
Capital projects	52,058	-	-	52,058
Debt service:				
Principal retirement	2,286,597	-	-	2,286,597
Interest and other fiscal charges	828,752	-	-	828,752
Total expenditures	\$ 23,144,610	\$ -	\$ 16,143	\$ 23,160,753
Excess (deficiency) of revenues over (under) expenditures	\$ 1,962,019	\$ 21,676	\$ 88,060	\$ 2,071,755
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 35,660	\$ -	\$ -	\$ 35,660
Transfers out	(2,072,130)	-	(35,660)	(2,107,790)
Total other financing sources (uses)	\$ (2,036,470)	\$ -	\$ (35,660)	\$ (2,072,130)
Net change in fund balances	\$ (74,451)	\$ 21,676	\$ 52,400	\$ (375)
Fund balances - beginning	14,499,313	3,258,978	773,875	18,532,166
Fund balances - ending	\$ 14,424,862	\$ 3,280,654	\$ 826,275	\$ 18,531,791

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

County of Appomattox, Virginia  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 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	\$	(375)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital outlays in the current period.

Capital asset additions	\$ 266,153	
Jointly owned asset allocation	(749,833)	
Depreciation expense	<u>(1,187,894)</u>	(1,671,574)

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

Property taxes		117,806
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Principal payments	\$ 2,286,597	
Change in landfill closure liability	<u>(44,057)</u>	2,242,540

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Amortization of bond premium	\$ 8,116	
Amortization of deferred charges on refunding	(67,081)	
Change in compensated absences	95,379	
Pension expense	(176,561)	
OPEB expense	(5,687)	
Change in accrued interest payable	<u>20,988</u>	(124,846)

Change in net position of governmental activities	\$	<u>563,551</u>
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The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia  
Statement of Net Position  
Proprietary Fund  
June 30, 2020

	Enterprise Fund <u>Sanitary District</u>
<b>ASSETS</b>	
Current assets:	
Accounts receivable, net of allowances for uncollectibles	\$ 14,294
Total current assets	<u>\$ 14,294</u>
Noncurrent assets:	
Capital assets:	
Utility plant in service	\$ 5,712,281
Accumulated depreciation	(913,966)
Total capital assets	<u>\$ 4,798,315</u>
Total noncurrent assets	<u>\$ 4,798,315</u>
Total assets	<u>\$ 4,812,609</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 14,238
Total liabilities	<u>\$ 14,238</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 4,798,315
Unrestricted	<u>56</u>
Total net position	<u><u>\$ 4,798,371</u></u>

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

County of Appomattox, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2020

	Enterprise Fund <u>Sanitary District</u>
<b>OPERATING REVENUES</b>	
Miscellaneous	\$ 145,787
Total operating revenues	<u>\$ 145,787</u>
<b>OPERATING EXPENSES</b>	
Other supplies and expenses	\$ 183,960
Depreciation	114,246
Total operating expenses	<u>\$ 298,206</u>
Operating income (loss)	<u>\$ (152,419)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest expense	<u>\$ (36,699)</u>
Total nonoperating revenues (expenses)	\$ (36,699)
Income (loss) before transfers	<u>\$ (189,118)</u>
Transfers in	<u>2,072,130</u>
Change in net position	\$ 1,883,012
Total net position - beginning	2,915,359
Total net position - ending	<u><u>\$ 4,798,371</u></u>

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

County of Appomattox, Virginia  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2020

	Enterprise Fund <u>Sanitary District</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Other receipts (payments)	\$ 143,193
Receipts for materials and supplies	(188,444)
Net cash provided by (used for) operating activities	<u>\$ (45,251)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	\$ 2,072,130
Net cash provided by (used for) noncapital financing activities	<u>\$ 2,072,130</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal payments on bonds	\$ (1,999,580)
Interest expense	(46,021)
Net cash provided by (used for) capital and related financing activities	<u>\$ (2,045,601)</u>
Net increase (decrease) in cash and cash equivalents	\$ (18,722)
Cash and cash equivalents - beginning	18,722
Cash and cash equivalents - ending	<u><u>\$ -</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	\$ (152,419)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 114,246
(Increase) decrease in accounts receivable	(2,594)
Increase (decrease) in accounts payable	(4,484)
Total adjustments	<u>\$ 107,168</u>
Net cash provided by (used for) operating activities	<u><u>\$ (45,251)</u></u>

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

County of Appomattox, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

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	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 23,175
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 16,222
Amounts held for others	6,953
Total liabilities	\$ 23,175

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

## COUNTY OF APPOMATTOX, VIRGINIA

### Notes to Financial Statements As of June 30, 2020

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#### ***Note 1—Summary of Significant Accounting Policies:***

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

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

#### Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

**A. Financial Reporting Entity**

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

**B. Individual Component Unit Disclosures**

*Blended Component Unit.* The County has no blended component units at June 30, 2020.

*Discretely Presented Component Units.*

The School Board members are elected by the citizens of Appomattox County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2020.

The Economic Development Authority of Appomattox County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2020. The Economic Development Authority does not issue a separate financial report.

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

None

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

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

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

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

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

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

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

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

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

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

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

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

**1. Governmental Funds**

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

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

Capital Projects Funds - The County Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The County also reports the County Capital Projects Fund as a major fund.

The County reports the following nonmajor governmental funds:

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

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

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

- 3. Fiduciary Funds - (Trust and Agency Funds)** - account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include the Special Welfare Fund, and Sheriff Drug Fund. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation, but have no measurement focus. Fiduciary funds are not included in the government-wide financial statements.

**Note 1—Summary of Significant Accounting Policies: (Continued)****E. Cash and Cash Equivalents**

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

**F. Investments**

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

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

**G. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$150,958 at June 30, 2020 and is comprised solely of property taxes.

**Real and Personal Property Tax Data:**

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

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

The County bills and collects its own property taxes.

**H. Capital Assets**

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

**Note 1—Summary of Significant Accounting Policies: (Continued)****H. Capital Assets (Continued)**

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There is no capitalized interest for the year ended June 30, 2020.

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

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

**I. Compensated Absences**

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

**J. Use of Estimates**

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

**K. Net Position**

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

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

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**K. Net Position (Continued)**

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's 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.

**M. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Teacher HIC and Medical and Dental Pay-As-You-Go 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.

**N. Long-term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds are reported net of the applicable bond premium or discount.

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

**O. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the

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

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**O. Deferred Outflows/Inflows of Resources (Continued)**

life of the refunded or refunding debt. The other item is comprised of certain items related to the measurement of the net pension asset/liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability and net OPEB asset/liability measurement date. For more detailed information on these items, reference the related notes.

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

**P. Fund Balance**

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

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

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

# COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

### Q. Fund Balance (Continued)

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

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

		Major Capital Projects Fund	Nonmajor Special Revenue Fund	
		County Capital Projects Fund	Other Governmental Funds	Total
	General Fund			
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Veterans wall of honor	\$ 3,038	\$ -	\$ -	\$ 3,038
Asset forfeiture	-	-	232,630	232,630
Courthouse maintenance	-	-	18,897	18,897
Courthouse security fund	-	-	95,120	95,120
Law library	-	-	11,810	11,810
<b>Total Restricted Fund Balance</b>	<b>\$ 3,038</b>	<b>\$ -</b>	<b>\$ 358,457</b>	<b>\$ 361,495</b>
<b>Committed:</b>				
Sports complex	\$ 59,526	\$ -	\$ -	\$ 59,526
Rev max	4,605	-	-	4,605
Ballpark fund	34	-	-	34
Capital improvements	-	3,280,654	-	3,280,654
Jail keep fund	-	-	10	10
E-911	-	-	467,808	467,808
<b>Total Committed Fund Balance</b>	<b>\$ 64,165</b>	<b>\$ 3,280,654</b>	<b>\$ 467,818</b>	<b>\$ 3,812,637</b>
<b>Assigned:</b>				
Commonwealth attorney	\$ 25,000	\$ -	\$ -	\$ 25,000
DMV traffic control	8,752	-	-	8,752
Sheriff	11,661	-	-	11,661
D.A.R.E.	4,306	-	-	4,306
Animal control	2,349	-	-	2,349
Sports complex	445	-	-	445
Capital projects	350,873	-	-	350,873
<b>Total Assigned Fund Balance</b>	<b>\$ 403,386</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 403,386</b>
<b>Unassigned</b>	<b>\$ 13,954,273</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,954,273</b>
<b>Total Fund Balances</b>	<b>\$ 14,424,862</b>	<b>\$ 3,280,654</b>	<b>\$ 826,275</b>	<b>\$ 18,531,791</b>

## COUNTY OF APPOMATTOX, VIRGINIA

### Notes to Financial Statements As of June 30, 2020 (Continued)

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#### ***Note 2—Stewardship, Compliance, and Accounting:***

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

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

#### Expenditures and Appropriations

Expenditures exceeded appropriations in the County Special Revenue Fund at June 30, 2020.

#### ***Note 3—Deposits and Investments:***

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##### Deposits

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

##### Investments

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

***Note 3—Deposits and Investments: (Continued)***

**Credit Risk of Debt Securities**

The County's rated debt investments as of June 30, 2020 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale. The County will minimize credit risk by limiting investments to the safest type of securities.

	Fair Quality Ratings	
	AAAm	
Local Government Investment Pool	\$	106,854
Total	\$	106,854

**Interest Rate Risk**

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 106,854	\$ 106,854
Total	\$ 106,854	\$ 106,854

**External Investment Pools**

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 4—Due to/from Other Governments:**

At June 30, 2020, the County has receivables from other governments as follows:

	Primary Government	Component Unit School Board
Other Local Governments:		
Appomattox County School Board	\$ 528,972	\$ -
Commonwealth of Virginia:		
Local sales tax	265,748	-
Welfare	49,809	-
Rolling stock tax	38,696	-
Comprehensive services	392,757	-
State sales tax	-	344,242
Wireless grant	10,334	-
Auto rental tax	258	-
Constitutional officer reimbursements	151,522	-
Mobile home titling tax	18,513	-
Department of Forestry	33,761	-
Victim witness	6,220	-
Communications tax	76,618	-
Federal Government:		
School fund grants	-	146,949
Victim witness	18,661	-
Emergency management performance grant	4,592	-
Federal interest rate subsidy	222,084	-
Welfare	83,584	-
Total due from other governments	\$ <u>1,902,129</u>	\$ <u>491,191</u>

At June 30, 2020, amounts due to other local governments are as follows:

Other Local Governments:		
County of Appomattox	\$ <u>-</u>	\$ <u>528,972</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 5—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2020:

Primary Government:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land	\$ 1,316,010	\$ -	\$ -	\$ 1,316,010
Construction in progress	71,935	-	-	71,935
Total capital assets not subject to depreciation	\$ 1,387,945	\$ -	\$ -	\$ 1,387,945
Capital assets subject to depreciation:				
Buildings and improvements	\$ 13,039,951	\$ 17,008	\$ -	\$ 13,056,959
Equipment	6,741,057	249,145	1,594,637	5,395,565
Infrastructure	141,866	-	-	141,866
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	17,145,558	-	1,699,840	15,445,718
Total capital assets subject to depreciation	\$ 38,878,648	\$ 266,153	\$ 3,294,477	\$ 35,850,324
Accumulated depreciation:				
Buildings and improvements	\$ 7,412,652	\$ 300,741	\$ -	\$ 7,713,393
Equipment	5,655,126	338,736	1,594,637	4,399,225
Infrastructure	85,454	4,709	-	90,163
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	9,038,606	543,708	950,007	8,632,307
Total accumulated depreciation	\$ 24,002,054	\$ 1,187,894	\$ 2,544,644	\$ 22,645,304
Total capital assets being depreciated, net	\$ 14,876,594	\$ (921,741)	\$ 749,833	\$ 13,205,020
Governmental activities capital assets, net	\$ 16,264,539	\$ (921,741)	\$ 749,833	\$ 14,592,965
<b>Business-type activities:</b>				
Capital assets not subject to depreciation:				
Utility plant in service	\$ 5,712,281	\$ -	\$ -	\$ 5,712,281
Total capital assets being depreciated	\$ 5,712,281	\$ -	\$ -	\$ 5,712,281
Accumulated depreciation:				
Utility plant in service	\$ 799,720	\$ 114,246	\$ -	\$ 913,966
Total accumulated depreciation	\$ 799,720	\$ 114,246	\$ -	\$ 913,966
Total capital assets being depreciated, net	\$ 4,912,561	\$ (114,246)	\$ -	\$ 4,798,315
Business-type capital assets, net	\$ 4,912,561	\$ (114,246)	\$ -	\$ 4,798,315

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 5—Capital Assets: (Continued)**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2020:

Component Unit - School Board:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 211,370	\$ -	\$ -	\$ 211,370
Total capital assets not subject to depreciation	\$ 211,370	\$ -	\$ -	\$ 211,370
Capital assets subject to depreciation:				
Buildings and improvements	\$ 1,592,184	\$ -	\$ -	\$ 1,592,184
Equipment	5,660,603	328,577	-	5,989,180
Jointly owned assets	20,001,018	-	(1,699,840)	21,700,858
Total capital assets subject to depreciation	\$ 27,253,805	\$ 328,577	\$ (1,699,840)	\$ 29,282,222
Accumulated depreciation:				
Buildings and improvements	\$ 401,693	\$ 78,183	\$ -	\$ 479,876
Equipment	4,394,493	266,626	-	4,661,119
Jointly owned assets	10,543,915	634,258	(950,007)	12,128,180
Total accumulated depreciation	\$ 15,340,101	\$ 979,067	\$ (950,007)	\$ 17,269,175
Total capital assets being depreciated, net	\$ 11,913,704	\$ (650,490)	\$ (749,833)	\$ 12,013,047
Governmental activities capital assets, net	\$ 12,125,074	\$ (650,490)	\$ (749,833)	\$ 12,224,417

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 5—Capital Assets: (Continued)**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2020:

Component Unit - Economic Development Authority:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Business-type activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,381,873	\$ -	\$ -	\$ 1,381,873
Total capital assets not subject to depreciation	\$ 1,381,873	\$ -	\$ -	\$ 1,381,873
Capital assets subject to depreciation:				
Infrastructure	\$ 1,917,079	\$ -	\$ -	\$ 1,917,079
Total capital assets subject to depreciation	\$ 1,917,079	\$ -	\$ -	\$ 1,917,079
Accumulated depreciation:				
Infrastructure	\$ 868,253	\$ 46,530	\$ -	\$ 914,783
Total accumulated depreciation	\$ 868,253	\$ 46,530	\$ -	\$ 914,783
Total capital assets being depreciated, net	\$ 1,048,826	\$ (46,530)	\$ -	\$ 1,002,296
Business-type capital assets, net	\$ 2,430,699	\$ (46,530)	\$ -	\$ 2,384,169

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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***Note 5—Capital Assets: (Continued)***

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Depreciation expense was charged to functions/programs as follows:

Primary Government:

Governmental activities:

General government administration	\$ 35,699
Judicial administration	136,391
Public safety	345,848
Public works	10,507
Health and welfare	7,546
Education	544,748
Parks, recreation and cultural	67,788
Community development	<u>39,367</u>

Total Governmental activities	\$ <u>1,187,894</u>
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Business-type activities:

Sanitary District Fund	\$ <u>114,246</u>
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Total Primary Government	\$ <u>1,302,140</u>
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Component Unit School Board	\$ <u>979,067</u>
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Component Unit Economic Development Authority	\$ <u>46,530</u>
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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 6—Interfund Transfers and Obligations:**

Interfund transfers for the year ended June 30, 2020, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 35,660	\$ 2,072,130
County Special Revenue Fund	-	35,660
Total Governmental Funds	\$ 35,660	\$ 2,107,790
Enterprise Funds:		
Sanitary District	\$ 2,072,130	-
Total Enterprise Funds	\$ 2,072,130	-
Total All Funds	\$ 2,107,790	\$ 2,107,790

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

Details of the Primary Government's interfund receivables and payables as of June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Component Unit—School Board:		
School Operating Fund	\$ 63,105	-
School Special Revenue Fund	-	63,105
Total Component Unit—School Board Funds	\$ 63,105	\$ 63,105
Total All Funds	\$ 63,105	\$ 63,105

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

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# COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

## **Note 7—Long-Term Obligations:**

### **Primary Government:**

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

	<b>Balance at July 1, 2019</b>	<b>Issuances/ Increases</b>	<b>Retirements/ Decreases</b>	<b>Balance at June 30, 2020</b>	<b>Amounts Due Within One Year</b>
Governmental Activities:					
Incurring by County:					
Compensated absences	\$ 346,910	\$ -	\$ 95,379	\$ 251,531	\$ 25,153
Direct borrowings:					
Lease revenue bonds	9,495,000	-	955,000	8,540,000	1,055,000
Issuance premium	73,041	-	8,116	64,925	-
Capital lease	38,056	-	38,056	-	-
Net OPEB liabilities	701,282	336,348	120,986	916,644	-
Net pension liability	3,972,166	3,293,926	2,120,960	5,145,132	-
Landfill postclosure care liability	1,865,780	44,057	-	1,909,837	-
Total incurred by County	\$ 16,492,235	\$ 3,674,331	\$ 3,338,497	\$ 16,828,069	\$ 1,080,153
Incurring by School Board:					
Direct placements:					
General obligation bonds	\$ 8,106,952	\$ -	\$ 1,293,541	\$ 6,813,411	\$ 1,302,253
Total incurred by School Board	\$ 8,106,952	\$ -	\$ 1,293,541	\$ 6,813,411	\$ 1,302,253
Total Governmental Activities	\$ 24,599,187	\$ 3,674,331	\$ 4,632,038	\$ 23,641,480	\$ 2,382,406
Business-type Activities:					
Direct borrowing:					
Lease revenue bond	\$ 1,999,580	\$ -	\$ 1,999,580	\$ -	\$ -
Total Business-type Activities	\$ 1,999,580	\$ -	\$ 1,999,580	\$ -	\$ -

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**COUNTY OF APPOMATTOX, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

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

## Governmental Activities

Year Ending June 30,	County Obligations	
	Direct Borrowings	
	Lease Revenue	
	Bonds	
	Principal	Interest
2021	\$ 1,055,000	\$ 233,923
2022	1,085,000	181,443
2023	1,640,000	151,763
2024	1,680,000	109,480
2025	1,720,000	70,840
2026	1,360,000	31,280
Total	\$ <u>8,540,000</u>	\$ <u>778,729</u>

  

Year Ending June 30,	School Obligations	
	Direct Placements	
	General Obligation	
	Bonds	
	Principal	Interest
2021	\$ 1,302,253	\$ 483,854
2022	1,344,493	463,035
2023	833,333	450,000
2024	833,333	450,000
2025	833,333	450,000
2026	833,333	450,000
2027	833,333	450,000
Total	\$ <u>6,813,411</u>	\$ <u>3,196,889</u>

## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

### Note 7—Long-Term Obligations: (Continued)

#### Primary Government: (Continued)

Details of long-term obligations at June 30, 2020 are as follows:

##### Governmental Activities:

###### Incurred by County:

###### Lease Revenue Bonds:

\$14,605,000 lease revenue bond issued April 27, 2010, payable in varying annual installments, interest at 1.00% to 5.00%, through May 1, 2023.	\$ 1,470,000
\$7,110,000 refunding lease revenue bond issued May 5, 2016, payable in varying annual installments, interest at 2.30%, through May 1, 2026.	7,070,000
Total lease revenue bonds	\$ 8,540,000
Issuance premium	\$ 64,925
Net OPEB liabilities (payable by the general fund)	\$ 916,644
Net pension liability	\$ 5,145,132
Landfill postclosure care liability (payable by the general fund)	\$ 1,909,837
Compensated absences (payable by the general fund)	\$ 251,531
Total Incurred by County	\$ 16,828,069

###### Incurred by School Board:

###### Direct Placements:

###### General Obligation bonds

\$1,850,000 school bond issued October 26, 2001, payable in varying amounts and interest rates through July 15, 2021.	\$ 275,000
\$6,512,513 school bond issued October 26, 2001, payable in varying amounts and rates through July 15, 2021.	738,413
\$10,000,000 school bond issued June 26, 2011, payable in varying amounts, interest at 0.00%, through June 1, 2027.	5,799,998
Total General Obligation Bonds	\$ 6,813,411
Total Incurred by School Board	\$ 6,813,411
Total Governmental Activities	\$ 23,641,480

**COUNTY OF APPOMATTOX, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

The County's outstanding direct placements related to governmental activities of \$6,813,411 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

**Discretely Presented Component - Unit School Board:**

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

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020	Amounts Due Within One Year
Component Unit-School Board:					
Net pension liability	\$ 16,416,000	\$ 5,869,977	\$ 4,503,417	\$ 17,782,560	\$ -
Net OPEB liabilities	3,834,542	728,943	523,677	4,039,808	-
Total Component Unit-School Board	<u>\$ 20,250,542</u>	<u>\$ 6,598,920</u>	<u>\$ 5,027,094</u>	<u>\$ 21,822,368</u>	<u>\$ -</u>

Details of long-term obligations at June 30, 2020 are as follows:

Net pension liability	\$ 17,782,560
Net OPEB liabilities (payable from the School Fund)	<u>4,039,808</u>
Long-term obligations incurred by the School Board (payable from the School Fund)	<u>\$ 21,822,368</u>

**Note 8—Deferred/Unavailable Revenue:**

Deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future reporting periods are deferred. Unavailable revenue totaling \$8,256,463 is comprised of the following:

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures.	\$ -	\$ 1,687,471
2nd half assessments due on December 5, 2020	6,134,217	6,134,217
Prepaid property taxes due on December 5, 2020, but paid in advance by the taxpayers.	<u>434,775</u>	<u>434,775</u>
Total deferred inflows of resources	<u>\$ 6,568,992</u>	<u>\$ 8,256,463</u>

## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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### ***Note 9—Commitments and Contingent Liabilities:***

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

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

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

### ***Note 10—Litigation:***

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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 11—Risk Management:***

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

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

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

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

**Note 12—Pension Plans:**

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***Plan Description***

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

***Benefit Structures***

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

- a. Employees 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 equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees 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 equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

**Note 12—Pension Plans: (Continued)****Average Final Compensation and Service Retirement Multiplier**

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

**Employees Covered by Benefit Terms**

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	78	28
Inactive members:		
Vested inactive members	9	4
Non-vested inactive members	16	9
Inactive members active elsewhere in VRS	28	7
Total inactive members	53	20
Active members	97	33
Total covered employees	228	81

***Note 12—Pension Plans: (Continued)***

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***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 13.57% 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 \$557,702 and \$548,381 for the years ended June 30, 2020 and June 30, 2019, respectively.

The Component Unit School Board's contractually employer required contribution rate for nonprofessional employees for the year ended June 30, 2020 was 3.95% 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 \$25,060 and \$23,652 for the years ended June 30, 2020 and June 30, 2019, respectively.

***Net Pension Liability (Asset)***

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

***Actuarial Assumptions - General Employees***

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 12—Pension Plans: (Continued)**

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

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

\* Administrative expenses as a percent of the 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.

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%

**Note 12—Pension Plans: (Continued)**

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**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits**

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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**Note 12—Pension Plans: (Continued)****Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (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) - Hazardous Duty:

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 12—Pension Plans: (Continued)**

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
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	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

\* 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 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

**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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 12—Pension Plans: (Continued)**

**Discount Rate (Continued)**

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.

**Changes in Net Pension Liability**

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2018	\$ 24,983,952	\$ 21,011,786	\$ 3,972,166
Changes for the year:			
Service cost	\$ 470,340	\$ -	\$ 470,340
Interest	1,696,748	-	1,696,748
Assumption changes	709,716	-	709,716
Differences between expected and actual experience	402,255	-	402,255
Contributions - employer	-	548,381	(548,381)
Contributions - employee	-	199,618	(199,618)
Net investment income	-	1,372,961	(1,372,961)
Benefit payments, including refunds			
Refund of employee contributions	(1,489,377)	(1,489,377)	-
Administrative expenses	-	(14,004)	14,004
Other changes	-	(863)	863
Net changes	\$ 1,789,682	\$ 616,716	\$ 1,172,966
Balances at June 30, 2019	\$ 26,773,634	\$ 21,628,502	\$ 5,145,132

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 12—Pension Plans: (Continued)**

**Changes in Net Pension Liability (Asset)**

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2018	\$ 3,119,766	\$ 3,341,207	\$ (221,441)
Changes for the year:			
Service cost	\$ 75,941	\$ -	\$ 75,941
Interest	213,298	-	213,298
Assumption changes	90,656	-	90,656
Differences between expected and actual experience	22,650	-	22,650
Contributions - employer	-	23,651	(23,651)
Contributions - employee	-	30,898	(30,898)
Net investment income	-	220,303	(220,303)
Benefit payments, including refunds			
Refund of employee contributions	(145,315)	(145,315)	-
Administrative expenses	-	(2,224)	2,224
Other changes	-	(138)	138
Net changes	\$ 257,230	\$ 127,175	\$ 130,055
Balances at June 30, 2019	\$ 3,376,996	\$ 3,468,382	\$ (91,386)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability (Asset)	\$ 8,331,304	\$ 5,145,132	\$ 2,593,413
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 300,509	\$ (91,386)	\$ (405,484)

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 12—Pension Plans: (Continued)**

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

For the year ended June 30, 2020, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$734,263 and \$73,504 respectively. At June 30, 2020, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 283,596	\$ 192,753	\$ 15,092	\$ -
Change of assumptions	500,360	16,587	56,317	-
Net difference between projected and actual earnings on pension plan investments	-	182,715	-	29,897
Employer contributions subsequent to the measurement date	557,702	-	25,060	-
Total	<u>\$ 1,341,658</u>	<u>\$ 392,055</u>	<u>\$ 96,469</u>	<u>\$ 29,897</u>

\$557,702 and \$25,060 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of (increase to) the Net Pension Liability (Asset) in the fiscal year ending June 30, 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:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2021	\$ 164,541	\$ 43,531
2022	89,142	(3,349)
2023	123,939	(736)
2024	14,279	2,066
Thereafter	-	-

***Note 12—Pension Plans: (Continued)***

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***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 (Professional)**

***Plan Description***

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

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually employer required contribution rate for the year ended June 30, 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 \$1,773,070 and \$1,731,640 for the years ended June 30, 2020 and June 30, 2019, respectively.

***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 \$17,782,560 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 0.13512% as compared to 0.13959% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized pension expense of \$1,757,947. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 12—Pension Plans: (Continued)**

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,138,692
Change of assumptions	1,760,890	-
Net difference between projected and actual earnings on pension plan investments	-	390,463
Changes in proportion and differences between employer contributions and proportionate share of contributions	310,140	604,077
Employer contributions subsequent to the measurement date	1,773,070	-
Total	\$ 3,844,100	\$ 2,133,232

\$1,773,070 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:

Year ended June 30	
2021	\$ (83,530)
2022	(386,058)
2023	115,613
2024	196,481
2025	95,292

***Note 12—Pension Plans: (Continued)***

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

***Actuarial Assumptions***

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

**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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 12—Pension Plans: (Continued)**

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

***Actuarial Assumptions (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 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>
Total Pension Liability	\$	49,683,336
Plan Fiduciary Net Position		36,522,769
Employers' Net Pension Liability (Asset)	\$	<u>13,160,567</u>
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 APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 12—Pension Plans: (Continued)**

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 26,770,478	\$ 17,782,560	\$ 10,351,217

**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.

**Primary Government and Component Unit School Board**

**Aggregate Pension Information**

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 1,341,658	\$ 392,055	\$ 5,145,132	\$ 734,263	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	96,469	29,897	(91,386)	73,504
School Board Professional	-	-	-	-	3,844,100	2,133,232	17,782,560	1,757,947
Totals	\$ 1,341,658	\$ 392,055	\$ 5,145,132	\$ 734,263	\$ 3,940,569	\$ 2,163,129	\$ 17,691,174	\$ 1,831,451

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

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***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.

***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% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial

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

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***Contributions (Continued)***

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 GLI Plan from the County were \$21,817 and \$21,334 for the years ended June 30, 2020 and June 30, 2019, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$61,137 and \$59,454 for the years ended June 30, 2020 and June 30, 2019, respectively. Contributions to the Group Life Insurance Program from the Component Unit School Board nonprofessional group were \$3,699 and \$3,315 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 County reported a liability of \$340,587 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$949,184 and \$52,886, respectively, 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 the County's proportion was 0.02093% as compared to 0.02063% at June 30, 2017. At June 30, 2019, the Component Unit School Board professional and nonprofessional groups' proportion was 0.05833% and 0.00325%, respectively as compared to 0.05960% and 0.00369% respectively at June 30, 2018.

For the year ended June 30, 2020, the County recognized GLI OPEB expense of \$4,206. For the year ended June 30, 2020, the Component Unit School Board professional group recognized GLI OPEB expense of \$24,865. For the year ended June 30, 2020, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$123. 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

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

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,651	\$ 4,418	\$ 63,126	\$ 12,312	\$ 3,517	\$ 686
Net difference between projected and actual earnings on GLI OPEB plan investments	-	6,996	-	19,497	-	1,086
Change of assumptions	21,503	10,270	59,926	28,622	3,339	1,595
Changes in proportionate share	4,002	18,569	20,933	16,943	-	5,870
Employer contributions subsequent to the measurement date	21,817	-	61,137	-	3,699	-
Total	\$ 69,973	\$ 40,253	\$ 205,122	\$ 77,374	\$ 10,555	\$ 9,237

\$21,817, \$61,137 and \$3,699, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 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:

	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
Year Ended June 30			
2021	\$ (2,460)	\$ 6,288	\$ (912)
2022	(2,460)	6,289	(911)
2023	503	14,547	(451)
2024	3,703	18,748	(31)
2025	6,419	16,351	(13)
Thereafter	2,198	4,388	(63)

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

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

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

\*Administrative expenses as a percent of the 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 APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

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**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%

**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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

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

**Actuarial Assumptions: (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	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

**COUNTY OF APPOMATTOX, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2020 (Continued)

**Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)****Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

**NET GLI OPEB Liability**

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

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

**NET GLI OPEB Liability**

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.

**Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)****Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
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	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

\*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 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan			
Net OPEB Liability	\$ 447,437	\$ 340,587	\$ 253,935
Component School Board (professional)'s proportionate share of the GLI Plan			
Net OPEB Liability	\$ 1,246,965	\$ 949,184	\$ 707,692
Component School Board (nonprofessional)'s proportionate share of the GLI Plan			
Net OPEB Liability	\$ 69,477	\$ 52,886	\$ 39,430

**GLI Plan Fiduciary Net Position**

Detailed information about the GLI 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.

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

**Plan Description**

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

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

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

**Eligible Employees**

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

**Benefit Amounts**

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

**HIC Plan Notes**

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

**Employees Covered by Benefit Terms**

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

	<u>Component Unit School Board (nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	<u>8</u>
Total inactive members	<u>8</u>
Active members	33
Total covered employees	<u><u>41</u></u>

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

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's (nonprofessional) contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2020 was .40% 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 was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan for nonprofessional employees were \$2,845 and \$2,550 for the years ended June 30, 2020 and June 30, 2019.

**Net HIC OPEB Liability**

The Component Unit School Board's (nonprofessional) net HIC OPEB liability was measured as of June 30, 2019. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

**Actuarial Assumptions**

The total HIC 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.

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

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

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

The actuarial assumptions used in the June 30, 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%

**Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)****Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
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	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

\*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 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

**Discount Rate**

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

**Changes in Net HIC OPEB Liability**

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total	Plan	Net
	HIC OPEB Liability (a)	Fiduciary Net Position (b)	HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2018	\$ 62,178	\$ 41,304	\$ 20,874
Changes for the year:			
Service cost	\$ 1,476	\$ -	\$ 1,476
Interest	4,206	-	4,206
Assumption changes	1,675	-	1,675
Differences between expected and actual experience	6,722	-	6,722
Contributions - employer	-	2,550	(2,550)
Net investment income	-	2,575	(2,575)
Benefit payments	(4,190)	(4,190)	-
Administrative expenses	-	(56)	56
Other changes	-	(3)	3
Net changes	\$ 9,889	\$ 876	\$ 9,013
Balances at June 30, 2019	\$ 72,067	\$ 42,180	\$ 29,887

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board (nonprofessional):			
Net HIC OPEB Liability	\$ 37,275	\$ 29,887	\$ 23,546

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

**HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB**

For the year ended June 30, 2020, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$3,841. At June 30, 2020, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's (nonprofessional) HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,707	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	-	475
Change in assumptions	1,352	1,311
Employer contributions subsequent to the measurement date	2,845	-
Total	<u>\$ 9,904</u>	<u>\$ 1,786</u>

\$2,845 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2021	\$ 932
2022	932
2023	1,397
2024	1,720
2025	292
Thereafter	-

**HIC Plan Plan Data**

Information about the VRS Political Subdivision HIC78 Program 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.

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

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***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.

***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 \$141,085 and \$136,627 for the years ended June 30, 2020 and June 30, 2019, respectively.

**Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)****Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB**

At June 30, 2020, the school division reported a liability of \$1,776,969 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2019 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 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 Plan was 0.13574% as compared to 0.14009% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$146,861. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,065
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	112	-
Change in assumptions	41,358	12,347
Change in proportionate share	38,892	48,568
Employer contributions subsequent to the measurement date	141,085	-
Total	\$ 221,447	\$ 70,980

**Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)****Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB (Continued)**

\$141,085 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:

<u>Year Ended June 30</u>	
2021	\$ 2,298
2022	2,296
2023	3,075
2024	2,814
2025	1,104
Thereafter	(2,205)

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

\*Administrative expenses as a percent of the 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.

**Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)****Actuarial Assumptions (Continued)****Mortality Rates - Teachers****Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

The actuarial assumptions used in the June 30, 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%

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

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

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,438,114
Plan Fiduciary Net Position		129,016
Teacher Employee net HIC OPEB Liability (Asset)	\$	1,309,098
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.

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**Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)****Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
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	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

\*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 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

**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 to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	1,988,730	\$ 1,776,969	\$ 1,597,078

#### ***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.

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

#### **County and School Board**

##### ***Plan Description***

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

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

## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

#### **County and School Board: (Continued)**

##### ***Benefits Provided***

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

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

##### ***Plan Membership***

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

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

##### ***Contributions***

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2020 was \$44,211 and \$39,539, respectively.

##### ***Total OPEB Liability***

The County and School Board's 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 that date.

##### ***Actuarial Assumptions***

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

Inflation	2.50% per year
Salary Increases	2.50% per year
Discount Rate	2.21% per year

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

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**County and School Board: (Continued)**

***Actuarial Assumptions (Continued)***

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

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

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

Pre-Retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 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 2.0% 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.

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

***Discount Rate***

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

**County and School Board: (Continued)**

***Changes in Total OPEB Liability***

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2019	\$ 388,282	\$ 1,072,668
Changes for the year:		
Service cost	19,159	72,662
Interest	13,494	39,400
Effect of economic/demographic gains or losses	21,600	3,506
Changes of assumptions	177,733	82,185
Benefit payments	(44,211)	(39,539)
Net changes	\$ 187,775	\$ 158,214
Balances at June 30, 2020	\$ 576,057	\$ 1,230,882

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

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

	Rate		
	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
<b>Primary Government:</b>			
Total OPEB liability	\$ 617,728	\$ 576,057	\$ 538,199
<b>Component Unit School Board:</b>			
Total OPEB liability	\$ 1,327,154	\$ 1,230,882	\$ 1,138,599

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

**County and School Board: (Continued)**

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

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

		Rates		
		1% Decrease (3.70% to 3.00%)	Healthcare Cost Trend (4.70% to 4.00%)	1% Increase (5.70% to 5.00%)
<b>Primary Government:</b>				
Total OPEB liability	\$	518,698	\$ 576,057	\$ 643,592
		Rates		
		1% Decrease (5.10% to 3.00%)	Healthcare Cost Trend (6.10% to 4.00%)	1% Increase (7.10% to 5.00%)
<b>Component Unit School Board:</b>				
Total OPEB liability	\$	1,064,210	\$ 1,230,882	\$ 1,430,966

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

For the year ended June 30, 2020, the County and the School Board recognized OPEB expense in the amount of \$67,697 and \$123,283. At June 30, 2020, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,876	\$ -	\$ 3,103	\$ -
Changes in assumptions	152,558	3,509	96,416	15,728
Total	<u>\$ 170,434</u>	<u>\$ 3,509</u>	<u>\$ 99,519</u>	<u>\$ 15,728</u>

# COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

### **County and School Board: (Continued)**

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

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

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board</u>
2020	\$ 35,044	\$ 11,221
2021	35,044	11,221
2022	34,976	11,221
2023	34,368	11,221
2024	27,493	11,221
Thereafter	-	27,686

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

## ***Note 17—Summary of Other Postemployment Benefit Plans:***

	<u>Primary Government</u>				<u>Component Unit School Board</u>			
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
VRS OPEB Plans:								
Group Life Insurance Program (Note 13):								
County	\$ 69,973	\$ 40,253	\$ 340,587	\$ 4,206	\$ -	\$ -	\$ -	\$ -
School Board Professional	-	-	-	-	205,122	77,374	949,184	24,865
School Board Nonprofessional	-	-	-	-	10,555	9,237	52,886	123
School Board (nonprofessional) Health Insurance Credit Program (Note 14)	-	-	-	-	9,904	1,786	29,887	3,841
Teacher Health Insurance Credit Program (Note 15)	-	-	-	-	221,447	70,980	1,776,969	146,861
County Stand-Alone Plan (Note 16)	170,434	3,509	576,057	67,697	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	99,519	15,728	1,230,882	123,283
Totals	<u>\$ 240,407</u>	<u>\$ 43,762</u>	<u>\$ 916,644</u>	<u>\$ 71,903</u>	<u>\$ 546,547</u>	<u>\$ 175,105</u>	<u>\$ 4,039,808</u>	<u>\$ 298,973</u>

## ***Note 18—Landfill Closure and Postclosure Costs:***

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. In addition, the County participates in a Regional Landfill and is liable for its portion of closure and postclosure monitoring costs. In conjunction with both, an environmental engineering firm was engaged to devise a closure plan in accordance with federal and state regulations. The \$1,909,837 reported as landfill postclosure liability at June 30, 2020, represents the estimated liability for postclosure monitoring over the remaining twenty-seven years for the County Landfill and the closure and postclosure costs of the Regional Landfill. These amounts are based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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

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

### ***Note 19—Surety Bonds:***

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

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

### ***Note 21—Line of Duty Act (LODA) (OPEB Benefits):***

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2020 was \$14,535.

**Note 21—Upcoming Pronouncements:**

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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.

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 APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2020 (Continued)

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### **Note 21—Upcoming Pronouncements:**

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

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

### **Note 22 - Subsequent Events:**

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#### **COVID-19 Pandemic Subsequent Event Note Disclosure Example:**

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 Appomattox, 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 Appomattox, Virginia, received the second round of CRF funds in the amount of \$1,388,173 on August 17, 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, 2021 will be returned to the federal government.

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*REQUIRED SUPPLEMENTARY INFORMATION*

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County of Appomattox, 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	\$ 13,454,924	\$ 13,454,924	\$ 13,813,892	\$ 358,968
Other local taxes	2,342,500	2,342,500	2,565,804	223,304
Permits, privilege fees, and regulatory licenses	75,290	75,290	124,417	49,127
Fines and forfeitures	51,500	51,500	44,067	(7,433)
Revenue from the use of money and property	68,151	68,151	72,531	4,380
Charges for services	114,177	114,177	69,541	(44,636)
Miscellaneous	121,300	121,300	150,392	29,092
Recovered costs	100,644	100,644	119,914	19,270
Intergovernmental:				
Commonwealth	5,213,749	6,193,599	6,255,954	62,355
Federal	1,472,493	1,472,493	1,890,117	417,624
Total revenues	<u>\$ 23,014,728</u>	<u>\$ 23,994,578</u>	<u>\$ 25,106,629</u>	<u>\$ 1,112,051</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,166,197	\$ 2,130,573	\$ 1,636,481	\$ 494,092
Judicial administration	1,209,141	1,258,667	1,130,029	128,638
Public safety	4,129,620	4,332,896	4,149,462	183,434
Public works	1,599,135	1,678,879	1,486,698	192,181
Health and welfare	3,637,453	3,827,183	4,155,567	(328,384)
Education	5,966,593	5,966,593	5,540,613	425,980
Parks, recreation, and cultural	453,079	471,507	419,451	52,056
Community development	291,855	1,732,676	1,458,902	273,774
Capital projects	200,000	400,000	52,058	347,942
Debt service:				
Principal retirement	2,286,597	2,286,597	2,286,597	-
Interest and other fiscal charges	1,015,333	828,752	828,752	-
Total expenditures	<u>\$ 22,955,003</u>	<u>\$ 24,914,323</u>	<u>\$ 23,144,610</u>	<u>\$ 1,769,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 59,725</u>	<u>\$ (919,745)</u>	<u>\$ 1,962,019</u>	<u>\$ 2,881,764</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 35,660	\$ 35,660
Transfers out	(59,725)	(116,805)	(2,072,130)	(1,955,325)
Total other financing sources (uses)	<u>\$ (59,725)</u>	<u>\$ (116,805)</u>	<u>\$ (2,036,470)</u>	<u>\$ (1,919,665)</u>
Net change in fund balances	\$ -	\$ (1,036,550)	\$ (74,451)	\$ 962,099
Fund balances - beginning	-	1,036,550	14,499,313	13,462,763
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,424,862</u>	<u>\$ 14,424,862</u>

County of Appomattox, Virginia  
Schedule of Changes in Net Pension Liability and Related Ratios  
Primary Government  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019	2018
Total pension liability		
Service cost	\$ 470,340	\$ 467,473
Interest	1,696,748	1,669,739
Changes of assumptions	709,716	-
Differences between expected and actual experience	402,255	(234,652)
Benefit payments	(1,489,377)	(1,544,047)
Net change in total pension liability	\$ 1,789,682	\$ 358,513
Total pension liability - beginning	24,983,952	24,625,439
Total pension liability - ending (a)	<u>\$ 26,773,634</u>	<u>\$ 24,983,952</u>
Plan fiduciary net position		
Contributions - employer	\$ 548,381	\$ 516,585
Contributions - employee	199,618	190,974
Net investment income	1,372,961	1,487,792
Benefit payments	(1,489,377)	(1,544,047)
Administrator charges	(14,004)	(13,246)
Other	(863)	(1,304)
Net change in plan fiduciary net position	\$ 616,716	\$ 636,754
Plan fiduciary net position - beginning	21,011,786	20,375,032
Plan fiduciary net position - ending (b)	<u>\$ 21,628,502</u>	<u>\$ 21,011,786</u>
County's net pension liability - ending (a) - (b)	\$ 5,145,132	\$ 3,972,166
Plan fiduciary net position as a percentage of the total pension liability	80.78%	84.10%
Covered payroll	\$ 4,099,959	\$ 3,923,417
County's net pension liability as a percentage of covered payroll	125.49%	101.24%

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

Exhibit 12

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

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

	2019	2018
Total pension liability		
Service cost	\$ 75,941	\$ 74,166
Interest	213,298	203,493
Changes of assumptions	90,656	-
Differences between expected and actual experience	22,650	3,610
Benefit payments	(145,315)	(137,096)
Net change in total pension liability	\$ 257,230	\$ 144,173
Total pension liability - beginning	3,119,766	2,975,593
Total pension liability - ending (a)	<u>\$ 3,376,996</u>	<u>\$ 3,119,766</u>
Plan fiduciary net position		
Contributions - employer	\$ 23,651	\$ 29,202
Contributions - employee	30,898	34,319
Net investment income	220,303	234,152
Benefit payments	(145,315)	(137,096)
Administrator charges	(2,224)	(2,044)
Other	(138)	(207)
Net change in plan fiduciary net position	\$ 127,175	\$ 158,326
Plan fiduciary net position - beginning	3,341,207	3,182,881
Plan fiduciary net position - ending (b)	<u>\$ 3,468,382</u>	<u>\$ 3,341,207</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (91,386)	\$ (221,441)
Plan fiduciary net position as a percentage of the total pension liability	102.71%	107.10%
Covered payroll	\$ 637,408	\$ 702,216
School Division's net pension liability (asset) as a percentage of covered payroll	-14.34%	-31.53%

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

Exhibit 13

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

County of Appomattox, Virginia

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan

Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019	2018
Employer's Proportion of the Net Pension Liability (Asset)	0.13512%	0.13959%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 17,782,560	\$ 16,416,000
Employer's Covered Payroll	11,387,590	11,333,992
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	156.16%	144.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	74.81%

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

Exhibit 14

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

County of Appomattox, Virginia  
Schedule of Employer Contributions  
Pension Plans

Exhibit 15

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>Primary Government</b>					
2020	\$ 557,702	\$ 557,702	\$ -	\$ 4,195,538	13.29%
2019	548,381	548,381	-	4,099,959	13.38%
2018	516,585	516,585	-	3,923,417	13.17%
2017	535,438	535,438	-	4,059,748	13.19%
2016	591,434	591,434	-	4,017,722	14.72%
2015	594,544	594,544	-	4,031,328	14.75%
2014	537,496	537,496	-	3,984,402	13.49%
2013	523,794	523,794	-	3,882,830	13.49%
2012	430,137	430,137	-	3,889,123	11.06%
2011	452,814	452,814	-	4,094,160	11.06%
<b>Component Unit School Board (nonprofessional)</b>					
2020	\$ 25,060	\$ 25,060	\$ -	\$ 711,305	3.52%
2019	23,652	23,652	-	637,408	3.71%
2018	29,202	29,202	-	702,216	4.16%
2017	28,969	28,969	-	691,800	4.19%
2016	50,808	50,808	-	683,214	7.44%
2015	51,385	51,385	-	686,311	7.49%
2014	55,568	55,568	-	694,598	8.00%
2013	57,525	57,525	-	719,064	8.00%
2012	21,115	21,115	-	678,924	3.11%
2011	21,311	21,311	-	685,251	3.11%
<b>Component Unit School Board (professional)</b>					
2020	\$ 1,773,070	\$ 1,773,070	\$ -	\$ 11,757,108	15.08%
2019	1,731,640	1,731,640	-	11,387,590	15.21%
2018	1,805,165	1,805,165	-	11,333,992	15.93%
2017	1,581,020	1,581,020	-	10,982,510	14.40%
2016	1,432,522	1,432,522	-	10,301,199	13.91%
2015	1,485,208	1,485,208	-	10,326,956	14.38%
2014	1,173,584	1,173,584	-	10,093,563	11.63%
2013	1,194,413	1,194,413	-	10,239,172	11.67%
2012	601,804	601,804	-	9,646,342	6.24%
2011	387,595	387,595	-	9,825,499	3.94%

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

County of Appomattox, Virginia  
Notes to Required Supplementary Information  
Pension Plans  
For the Year Ended June 30, 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:

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

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

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

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

Component Unit School Board - Professional Employees:

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

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

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

County of Appomattox, Virginia  
Schedule of Employer Contributions  
Group Life Insurance (GLI) Plan  
For the Years Ended June 30, 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)
Primary Government:					
2020	\$ 21,817	\$ 21,817	\$ -	\$ 4,195,538	0.52%
2019	21,334	21,334	-	4,102,670	0.52%
2018	20,402	20,402	-	3,923,417	0.52%
2017	21,124	21,124	-	4,062,369	0.52%
2016	19,285	19,285	-	4,017,722	0.48%
2015	19,350	19,350	-	4,031,328	0.48%
2014	19,134	19,134	-	3,986,265	0.48%
2013	18,656	18,656	-	3,886,750	0.48%
2012	10,890	10,890	-	3,889,123	0.28%
2011	11,464	11,464	-	4,094,160	0.28%
Component Unit School Board (nonprofessional):					
2020	\$ 3,699	\$ 3,699	\$ -	\$ 711,305	0.52%
2019	3,315	3,315	-	637,408	0.52%
2018	3,652	3,652	-	702,216	0.52%
2017	3,597	3,597	-	691,800	0.52%
2016	3,279	3,279	-	683,214	0.48%
2015	3,294	3,294	-	686,311	0.48%
2014	3,334	3,334	-	694,598	0.48%
2013	3,452	3,452	-	719,064	0.48%
2012	1,901	1,901	-	678,924	0.28%
2011	1,919	1,919	-	685,251	0.28%
Component Unit School Board (professional):					
2020	\$ 61,137	\$ 61,137	\$ -	\$ 11,757,108	0.52%
2019	59,454	59,454	-	11,433,421	0.52%
2018	58,937	58,937	-	11,333,992	0.52%
2017	57,109	57,109	-	10,982,510	0.52%
2016	49,446	49,446	-	10,301,199	0.48%
2015	49,569	49,569	-	10,326,956	0.48%
2014	48,449	48,449	-	10,093,563	0.48%
2013	49,148	49,148	-	10,239,172	0.48%
2012	27,010	27,010	-	9,646,342	0.28%
2011	27,511	27,511	-	9,825,499	0.28%

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

Changes of assumptions - The actuarial assumptions used in the June 30, 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%

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

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

County of Appomattox, Virginia  
Schedule of Changes in the Component Unit School Board (nonprofessional) Net OPEB Liability and Related Ratios  
Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through 2019

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

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

County of Appomattox, Virginia  
Schedule of Employer Contributions  
Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2011 through June 30, 2020

Date	Contributions in Relation to				Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	
2020	\$ 2,845	\$ 2,845	\$ -	\$ 711,305	0.40%
2019	2,550	2,550	-	637,408	0.40%
2018	3,230	3,230	-	702,216	0.46%
2017	3,182	3,182	-	691,800	0.46%
2016	2,733	2,733	-	683,214	0.40%
2015	2,745	2,745	-	686,311	0.40%
2014	3,473	3,473	-	694,598	0.50%
2013	3,595	3,595	-	719,064	0.50%
2012	3,734	3,734	-	678,924	0.55%
2011	3,769	3,769	-	685,251	0.55%

County of Appomattox, Virginia  
Notes to Required Supplementary Information  
Health Insurance Credit (HIC) Plan  
For the 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:

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

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

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

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

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

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

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

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

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Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2020	\$ 141,085	\$ 141,085	\$ -	\$ 11,757,108	1.20%
2019	136,627	136,627	-	11,385,577	1.20%
2018	139,357	139,357	-	11,329,816	1.23%
2017	121,906	121,906	-	10,982,510	1.11%
2016	109,193	109,193	-	10,301,199	1.06%
2015	109,466	109,466	-	10,326,956	1.06%
2014	112,039	112,039	-	10,093,563	1.11%
2013	113,705	113,705	-	10,243,682	1.11%
2012	57,878	57,878	-	9,646,342	0.60%
2011	59,175	59,175	-	9,862,465	0.60%

County of Appomattox, Virginia  
Notes to Required Supplementary Information  
Teacher Health Insurance Credit (HIC) Plan  
For the 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%

**County of Appomattox, Virginia**  
**Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios**  
**Primary Government**  
**For the Years Ended June 30, 2018 through June 30, 2020**

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

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

County of Appomattox, Virginia  
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
Component Unit School Board  
For the Year Ended June 30, 2018 through June 30, 2020

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

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

**County of Appomattox, Virginia**  
Notes to Required Supplementary Information - Primary Government  
For the Year Ended June 30, 2020

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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 level % of salary
Discount Rate	2.21% per year
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 4.70% graded down to 4.00% over 54 years
Salary Increase Rates	The salary increase rate was 2.50% per annum
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for pre-retirement participants was calculated using the RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males and females setback 1 year. The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; female's setback 1 year with 1.5% increase compounded from ages 70 to 85. The mortality rates for disabled retirees was calculated using the RP-2014 Disability Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

**County of Appomattox, Virginia**  
Notes to Required Supplementary Information - Component Unit School Board  
For the Year Ended June 30, 2020

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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 level % of salary
Discount Rate	2.21% per year
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.10% graded down to 4.00% over 54 years
Salary Increase Rates	The salary increase rate was 2.50% per annum
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for pre-retirement participants was calculated using the RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020. The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 65 to 90; female's setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90. The mortality rates for disabled retirees was calculated using the RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

*OTHER SUPPLEMENTARY INFORMATION*

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*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget - Positive (Negative)
REVENUES				
Appomattox County School Board	\$ -	\$ -	\$ 21,676	\$ 21,676
Total revenues	\$ -	\$ -	\$ 21,676	\$ 21,676
Net change in fund balances	\$ -	\$ -	\$ 21,676	\$ 21,676
Fund balances - beginning	-	-	3,258,978	3,258,978
Fund balances - ending	\$ -	\$ -	\$ 3,280,654	\$ 3,280,654

County of Appomattox, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2020

	County Special Revenue Fund				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual		
	Original	Final			
REVENUES					
Charges for services	\$ -	\$ -	\$ 24,223	\$	24,223
Intergovernmental:					
Commonwealth	-	-	79,980		79,980
Total revenues	\$ -	\$ -	\$ 104,203	\$	104,203
EXPENDITURES					
Current:					
Public safety	\$ -	\$ -	\$ 16,143	\$	(16,143)
Total expenditures	\$ -	\$ -	\$ 16,143	\$	(16,143)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 88,060	\$	88,060
OTHER FINANCING SOURCES (USES)					
Transfers out	\$ -	\$ -	\$ (35,660)	\$	(35,660)
Total other financing sources (uses)	\$ -	\$ -	\$ (35,660)	\$	(35,660)
Net change in fund balances	\$ -	\$ -	\$ 52,400	\$	52,400
Fund balances - beginning	-	-	773,875		773,875
Fund balances - ending	\$ -	\$ -	\$ 826,275	\$	826,275

County of Appomattox, Virginia  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

	<u>Agency Funds</u>		
	<u>Special Welfare</u>	<u>Sheriff Drug</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,222	\$ 6,953	\$ 23,175
Total assets	<u>\$ 16,222</u>	<u>\$ 6,953</u>	<u>\$ 23,175</u>
<b>LIABILITIES</b>			
Amounts held for social services clients	\$ 16,222	\$ -	\$ 16,222
Amounts held for others	-	6,953	6,953
Total liabilities	<u>\$ 16,222</u>	<u>\$ 6,953</u>	<u>\$ 23,175</u>

County of Appomattox, Virginia  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2020

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare:				
Assets:				
Cash and cash equivalents	\$ 14,657	\$ 7,943	\$ 6,378	\$ 16,222
Liabilities:				
Amounts held for social services clients	\$ 14,657	\$ 7,943	\$ 6,378	\$ 16,222
Sheriff Drug:				
Assets:				
Cash and cash equivalents	\$ 7,661	\$ -	\$ 708	\$ 6,953
Liabilities:				
Amounts held for others	\$ 7,661	\$ -	\$ 708	\$ 6,953
Totals -- All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 22,318	\$ 7,943	\$ 7,086	\$ 23,175
Liabilities:				
Amounts held for others	\$ 7,661	\$ -	\$ 708	\$ 6,953
Amounts held for social services clients	14,657	7,943	6,378	16,222
Total liabilities	\$ 22,318	\$ 7,943	\$ 7,086	\$ 23,175

*DISCRETELY PRESENTED COMPONENT UNIT  
SCHOOL BOARD*

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County of Appomattox, Virginia  
Combining Balance Sheet - Governmental Funds  
Discretely Presented Component Unit - School Board  
June 30, 2020

	School Operating <u>Fund</u>	School Special Revenue <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,980,175	\$ 1,063,311	\$ 3,043,486
Cash in custody of others	-	4,000	4,000
Receivables (net of allowance for uncollectibles):			
Accounts receivable	6,148	-	6,148
Due from other funds	63,105	-	63,105
Due from other governmental units	483,399	7,792	491,191
Total assets	<u>\$ 2,532,827</u>	<u>\$ 1,075,103</u>	<u>\$ 3,607,930</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 23,680	\$ -	\$ 23,680
Accrued liabilities	1,978,175	-	1,978,175
Due to other funds	-	63,105	63,105
Due to other governmental units	528,972	-	528,972
Total liabilities	<u>\$ 2,530,827</u>	<u>\$ 63,105</u>	<u>\$ 2,593,932</u>
<b>FUND BALANCES</b>			
Committed	\$ -	\$ 1,011,998	\$ 1,011,998
Unassigned	2,000	-	2,000
Total fund balances	<u>\$ 2,000</u>	<u>\$ 1,011,998</u>	<u>\$ 1,013,998</u>

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

Total fund balances per above	\$ 1,013,998
-------------------------------	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 29,493,592	
Accumulated depreciation	<u>(17,269,175)</u>	12,224,417

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

Net pension asset	91,386
-------------------	--------

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

Pension related items	\$ 3,940,569	
OPEB related items	<u>546,547</u>	4,487,116

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

Net pension liability	\$ (17,782,560)	
Net OPEB liabilities	<u>(4,039,808)</u>	(21,822,368)

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

Pension related items	\$ (2,163,129)	
OPEB related items	<u>(175,105)</u>	(2,338,234)

Net position of governmental activities	<u>\$ (6,343,685)</u>
---	-----------------------

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

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 5,377	\$ -	\$ 5,377
Charges for services	49,650	251,657	301,307
Miscellaneous	59,215	-	59,215
Recovered costs	45,224	-	45,224
Intergovernmental:			
Local government	5,540,235	-	5,540,235
Commonwealth	16,009,085	32,604	16,041,689
Federal	1,164,314	682,948	1,847,262
Total revenues	<u>\$ 22,873,100</u>	<u>\$ 967,209</u>	<u>\$ 23,840,309</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 22,752,012	\$ 959,819	\$ 23,711,831
Total expenditures	<u>\$ 22,773,688</u>	<u>\$ 959,819</u>	<u>\$ 23,733,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 99,412</u>	<u>\$ 7,390</u>	<u>\$ 106,802</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 99,412	\$ 99,412
Transfers out	(99,412)	-	(99,412)
Total other financing sources (uses)	<u>\$ (99,412)</u>	<u>\$ 99,412</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 106,802	\$ 106,802
Fund balances - beginning	2,000	905,196	907,196
Fund balances - ending	<u>\$ 2,000</u>	<u>\$ 1,011,998</u>	<u>\$ 1,013,998</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			\$ 106,802
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.			
Capital asset additions		\$ 328,577	
Jointly owned asset allocation		749,833	
Depreciation expense		<u>(979,067)</u>	99,343
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.			
Pension expense		\$ (33,777)	
OPEB expense		<u>(49,642)</u>	(83,419)
Change in net position of governmental activities			<u>\$ 122,726</u>

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

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 5,057	\$ 5,057	\$ 5,377	\$ 320
Charges for services	87,777	87,777	49,650	(38,127)
Miscellaneous	79,599	79,599	59,215	(20,384)
Recovered costs	30,000	30,000	45,224	15,224
Intergovernmental:				
Local government	5,966,215	5,966,215	5,540,235	(425,980)
Commonwealth	15,579,502	15,579,502	16,009,085	429,583
Federal	1,216,034	1,216,034	1,164,314	(51,720)
Total revenues	\$ 22,964,184	\$ 22,964,184	\$ 22,873,100	\$ (91,084)
EXPENDITURES				
Current:				
Education	\$ 22,964,184	\$ 22,964,184	\$ 22,752,012	\$ 212,172
Capital projects	-	-	21,676	(21,676)
Total expenditures	\$ 22,964,184	\$ 22,964,184	\$ 22,773,688	\$ 190,496
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 99,412	\$ 99,412
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (99,412)	\$ (99,412)
Total other financing sources (uses)	\$ -	\$ -	\$ (99,412)	\$ (99,412)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	2,000	2,000
Fund balances - ending	\$ -	\$ -	\$ 2,000	\$ 2,000

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

	School Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 279,000	\$ 279,000	\$ 251,657	\$ (27,343)
Intergovernmental:				
Commonwealth	-	-	32,604	32,604
Federal	621,000	696,794	682,948	(13,846)
Total revenues	\$ 900,000	\$ 975,794	\$ 967,209	\$ (8,585)
EXPENDITURES				
Current:				
Education	\$ 1,167,787	\$ 1,243,581	\$ 959,819	\$ 283,762
Total expenditures	\$ 1,167,787	\$ 1,243,581	\$ 959,819	\$ 283,762
Excess (deficiency) of revenues over (under) expenditures	\$ (267,787)	\$ (267,787)	\$ 7,390	\$ 275,177
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 99,412	\$ 99,412
Total other financing sources (uses)	\$ -	\$ -	\$ 99,412	\$ 99,412
Net change in fund balances	\$ (267,787)	\$ (267,787)	\$ 106,802	\$ 374,589
Fund balances - beginning	267,787	267,787	905,196	637,409
Fund balances - ending	\$ -	\$ -	\$ 1,011,998	\$ 1,011,998

*DISCRETELY PRESENTED COMPONENT UNIT  
ECONOMIC DEVELOPMENT AUTHORITY*

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County of Appomattox, Virginia  
Statement of Net Position  
Discretely Presented Component Unit-Economic Development Authority  
June 30, 2020

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**ASSETS**

## Current assets:

Cash and cash equivalents	\$ 165,511
---------------------------	------------

## Noncurrent assets:

## Capital assets:

Land	\$ 1,381,873
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Infrastructure	1,917,079
----------------	-----------

Accumulated depreciation	(914,783)
--------------------------	-----------

Total capital assets	<u>\$ 2,384,169</u>
----------------------	---------------------

Total noncurrent assets	<u>\$ 2,384,169</u>
-------------------------	---------------------

Total assets	<u>\$ 2,549,680</u>
--------------	---------------------

**NET POSITION**

Investment in capital assets	\$ 2,384,169
------------------------------	--------------

Unrestricted	165,511
--------------	---------

Total net position	<u><u>\$ 2,549,680</u></u>
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County of Appomattox, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Discretely Presented Component Unit-Economic Development Authority  
For the Year Ended June 30, 2020

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## OPERATING REVENUES

## Charges for services:

Rent	\$ 3,620
Contributions from local governments	1,004,850
Miscellaneous	5,861
Total operating revenues	<u>\$ 1,014,331</u>

## OPERATING EXPENSES

Other supplies and expenses	\$ 4,045
EDA grant	1,015,138
Depreciation	46,530
Total operating expenses	<u>\$ 1,065,713</u>

Operating income (loss)	<u>\$ (51,382)</u>
-------------------------	--------------------

## NONOPERATING REVENUES (EXPENSES)

Investment income	\$ 477
Total nonoperating revenues (expenses)	<u>\$ 477</u>

Change in net position	\$ (50,905)
------------------------	-------------

Total net position - beginning	2,600,585
Total net position - ending	<u><u>\$ 2,549,680</u></u>

County of Appomattox, Virginia  
Statement of Cash Flows  
Discretely Presented Component Unit-Economic Development Authority  
For the Year Ended June 30, 2020

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## CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 1,014,331
Payments for operating activities	<u>(1,022,404)</u>
Net cash provided by (used for) operating activities	<u>\$ (8,073)</u>

## CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>\$ 477</u>
Net cash provided by (used for) investing activities	<u>\$ 477</u>

Net increase (decrease) in cash and cash equivalents \$ (7,596)

Cash and cash equivalents - beginning	<u>173,107</u>
Cash and cash equivalents - ending	<u><u>\$ 165,511</u></u>

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

Operating income (loss)	\$ (51,382)
-------------------------	-------------

## Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

Depreciation	46,530
Increase (decrease) in accounts payable	<u>(3,221)</u>
Total adjustments	<u>\$ 43,309</u>

Net cash provided by (used for) operating activities	<u><u>\$ (8,073)</u></u>
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## *SUPPORTING SCHEDULES*

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

Schedule 1  
Page 1 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,500,000	\$ 8,500,000	\$ 8,708,163	\$ 208,163
Real and personal public service corporation taxes	779,396	779,396	817,614	38,218
Personal property taxes	3,738,228	3,738,228	3,754,737	16,509
Machinery and tools taxes	61,300	61,300	124,550	63,250
Merchant's capital taxes	131,000	131,000	140,102	9,102
Penalties	150,000	150,000	148,381	(1,619)
Interest	95,000	95,000	120,345	25,345
Total general property taxes	\$ 13,454,924	\$ 13,454,924	\$ 13,813,892	\$ 358,968
Other local taxes:				
Local sales and use taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,455,129	\$ 55,129
Consumers' utility taxes	360,000	360,000	389,629	29,629
Consumption tax	50,000	50,000	45,698	(4,302)
Gross receipts	13,500	13,500	13,325	(175)
Motor vehicle licenses	425,000	425,000	525,051	100,051
Taxes on recordation and wills	88,000	88,000	127,953	39,953
Hotel and motel room taxes	6,000	6,000	9,019	3,019
Total other local taxes	\$ 2,342,500	\$ 2,342,500	\$ 2,565,804	\$ 223,304
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 3,184	\$ (1,816)
Permits and other licenses	70,290	70,290	121,233	50,943
Total permits, privilege fees, and regulatory licenses	\$ 75,290	\$ 75,290	\$ 124,417	\$ 49,127
Fines and forfeitures:				
Court fines and forfeitures	\$ 51,500	\$ 51,500	\$ 44,067	\$ (7,433)
Total fines and forfeitures	\$ 51,500	\$ 51,500	\$ 44,067	\$ (7,433)
Revenue from use of money and property:				
Revenue from use of money	\$ 800	\$ 800	\$ 5,905	\$ 5,105
Revenue from use of property	67,351	67,351	66,626	(725)
Total revenue from use of money and property	\$ 68,151	\$ 68,151	\$ 72,531	\$ 4,380
Charges for services:				
Sheriff's fees	\$ 794	\$ 794	\$ 806	\$ 12
Charges for Commonwealth's Attorney	1,300	1,300	984	(316)
Charges for sanitation and waste removal	85,483	85,483	44,490	(40,993)
Charges for other protection	1,600	1,600	1,681	81
Charges for recreation	13,000	13,000	2,697	(10,303)
Charges for library	-	-	9,883	9,883
Sports complex	12,000	12,000	9,000	(3,000)
Total charges for services	\$ 114,177	\$ 114,177	\$ 69,541	\$ (44,636)

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

Schedule 1  
Page 2 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 121,300	\$ 121,300	\$ 150,392	\$ 29,092
Total miscellaneous	\$ 121,300	\$ 121,300	\$ 150,392	\$ 29,092
Recovered costs:				
Town recoveries	\$ 97,144	\$ 97,144	\$ 98,104	\$ 960
Health department	1,500	1,500	4,883	3,383
Comprehensive services and social services	2,000	2,000	16,927	14,927
Total recovered costs	\$ 100,644	\$ 100,644	\$ 119,914	\$ 19,270
Total revenue from local sources	\$ 16,328,486	\$ 16,328,486	\$ 16,960,558	\$ 632,072
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 500	\$ 500	\$ 463	\$ (37)
Mobile home titling tax	35,000	35,000	59,842	24,842
EMS vehicles	15,600	15,600	-	(15,600)
Rolling stock tax	40,000	40,000	38,233	(1,767)
Auto rental tax	1,200	1,200	1,816	616
Additional tax on deeds	31,885	31,885	34,535	2,650
State recordation tax	30,000	30,000	24,418	(5,582)
Communications tax	560,000	560,000	466,966	(93,034)
Personal property tax relief funds	1,023,637	1,023,637	1,023,637	-
Total noncategorical aid	\$ 1,737,822	\$ 1,737,822	\$ 1,649,910	\$ (87,912)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 337,073	\$ 337,073	\$ 320,724	\$ (16,349)
Sheriff	819,363	819,363	796,805	(22,558)
Commissioner of revenue	113,275	113,275	110,097	(3,178)
Treasurer	82,715	82,715	81,134	(1,581)
Registrar/electoral board	37,399	37,399	51,302	13,903
Clerk of the Circuit Court	184,778	184,778	193,602	8,824
Total shared expenses	\$ 1,574,603	\$ 1,574,603	\$ 1,553,664	\$ (20,939)
Other categorical aid:				
Public assistance and welfare administration	\$ 601,925	\$ 601,925	\$ 620,078	\$ 18,153
Comprehensive services act	1,061,860	1,061,860	1,258,786	196,926
Fire programs fund	43,532	43,532	47,425	3,893
Library grant	40,418	40,418	41,678	1,260

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

Schedule 1  
Page 3 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Department of forestry grant	\$ 17,000	\$ 17,000	\$ 33,761	\$ 16,761
Victim witness grant	70,000	70,000	16,726	(53,274)
Litter control grant	6,589	6,589	7,002	413
Virginia domestic violence victims fund	45,000	45,000	45,000	-
Road side clean up	15,000	15,000	2,074	(12,926)
Tobacco grants	-	979,850	979,850	-
Total other categorical aid	\$ 1,901,324	\$ 2,881,174	\$ 3,052,380	\$ 171,206
Total categorical aid	\$ 3,475,927	\$ 4,455,777	\$ 4,606,044	\$ 150,267
Total revenue from the Commonwealth	\$ 5,213,749	\$ 6,193,599	\$ 6,255,954	\$ 62,355
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 4,500	\$ 4,500	\$ 5,247	\$ 747
CARES funding	-	-	38,847	38,847
Total categorical aid	\$ 4,500	\$ 4,500	\$ 44,094	\$ 39,594
Categorical aid:				
Federal interest rate subsidy	\$ 417,375	\$ 417,375	\$ 434,475	\$ 17,100
Public assistance and welfare administration	1,043,118	1,043,118	1,074,577	31,459
Comprehensive services act	-	-	46,042	46,042
Victim assistance	-	-	50,178	50,178
CDBG grant funds	-	-	229,381	229,381
Transportation safety	-	-	2,186	2,186
Emergency management performance grant	7,500	7,500	9,184	1,684
Total categorical aid	\$ 1,467,993	\$ 1,467,993	\$ 1,846,023	\$ 378,030
Total revenue from the federal government	\$ 1,472,493	\$ 1,472,493	\$ 1,890,117	\$ 417,624
Total General Fund	\$ 23,014,728	\$ 23,994,578	\$ 25,106,629	\$ 1,112,051

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

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Court costs- law library	\$ -	\$ -	\$ 2,830	\$ 2,830
Courthouse security fees	-	-	17,327	17,327
Courthouse maintenance fees	-	-	4,066	4,066
Total charges for services	\$ -	\$ -	\$ 24,223	\$ 24,223
Total revenue from local sources	\$ -	\$ -	\$ 24,223	\$ 24,223
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Wireless grant	\$ -	\$ -	\$ 60,933	\$ 60,933
Forfeited assets	-	-	19,047	19,047
Total categorical aid	\$ -	\$ -	\$ 79,980	\$ 79,980
Total revenue from the Commonwealth	\$ -	\$ -	\$ 79,980	\$ 79,980
Total County Special Revenue Fund	\$ -	\$ -	\$ 104,203	\$ 104,203
Capital Projects Fund:				
County Capital Projects Fund:				
Intergovernmental:				
Revenues from local governments:				
Contribution from Appomattox County School Board	\$ -	\$ -	\$ 21,676	\$ 21,676
Total revenues from local governments	\$ -	\$ -	\$ 21,676	\$ 21,676
Total County Capital Projects Fund	\$ -	\$ -	\$ 21,676	\$ 21,676
Total Primary Government	\$ 23,014,728	\$ 23,994,578	\$ 25,232,508	\$ 1,237,930
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 5,057	\$ 5,057	\$ 5,377	\$ 320
Total revenue from use of money and property	\$ 5,057	\$ 5,057	\$ 5,377	\$ 320
Charges for services:				
Charges for education	\$ 87,777	\$ 87,777	\$ 49,650	\$ (38,127)
Total charges for services	\$ 87,777	\$ 87,777	\$ 49,650	\$ (38,127)

County of Appomattox, Virginia  
Schedule of Revenues - Budget and Actual  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 79,599	\$ 79,599	\$ 59,215	\$ (20,384)
Total miscellaneous	\$ 79,599	\$ 79,599	\$ 59,215	\$ (20,384)
Recovered costs:				
Laurel Regional School	\$ -	\$ -	\$ 21,676	\$ 21,676
Tuition - other localities	30,000	30,000	23,548	(6,452)
Total recovered costs	\$ 30,000	\$ 30,000	\$ 45,224	\$ 15,224
Total revenue from local sources	\$ 202,433	\$ 202,433	\$ 159,466	\$ (42,967)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ 5,966,215	\$ 5,966,215	\$ 5,540,235	\$ (425,980)
Total revenues from local governments	\$ 5,966,215	\$ 5,966,215	\$ 5,540,235	\$ (425,980)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,722,636	\$ 2,722,636	\$ 2,784,006	\$ 61,370
Basic school aid	7,237,469	7,237,469	7,496,486	259,017
English as a second language	10,435	10,435	16,126	5,691
Gifted and talented	74,689	74,689	77,156	2,467
Remedial education	258,426	258,426	266,958	8,532
Special education	821,584	821,584	1,065,373	243,789
Textbook payment	150,410	150,410	155,376	4,966
ISAEF	8,355	8,355	8,387	32
Vocational education	328,634	328,634	339,484	10,850
School fringes	1,440,013	1,440,013	1,487,559	47,546
Foster children	21,054	21,054	14,452	(6,602)
Special education foster care	21,054	21,054	16,187	(4,867)
Career and technical education	14,623	14,623	10,374	(4,249)
Early reading intervention	35,348	35,348	51,844	16,496
Remedial Ed-Summer School	107,776	107,776	78,120	(29,656)
Homebound	13,498	13,498	20,735	7,237
VA preschool initiative payments	258,670	258,670	222,992	(35,678)
SOL Algebra readiness	28,604	28,604	33,968	5,364
K-3 initiative	351,227	351,227	368,135	16,908
Compensation supplement	446,872	446,872	446,872	-
Special education regional tuition	193,150	193,150	-	(193,150)

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

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<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)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
At risk payments	\$ 293,514	\$ 293,514	\$ 224,569	\$ (68,945)
Technology grant	154,000	154,000	154,000	-
Supplemental lottery	548,878	548,878	643,434	94,556
Mentor teachers	1,857	1,857	1,685	(172)
Project graduation	3,809	3,809	3,809	-
Other state aid	32,917	32,917	20,998	(11,919)
Total categorical aid	\$ 15,579,502	\$ 15,579,502	\$ 16,009,085	\$ 429,583
Total revenue from the Commonwealth	\$ 15,579,502	\$ 15,579,502	\$ 16,009,085	\$ 429,583
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 550,000	\$ 550,000	\$ 511,402	\$ (38,598)
Vocational education	50,000	50,000	44,589	(5,411)
Title II Part A	84,018	84,018	92,271	8,253
Title III, Part A	1,000	1,000	-	(1,000)
Title IV, Part A	40,313	40,313	-	(40,313)
Title VIB	472,998	472,998	490,871	17,873
CARES funding	-	-	9,327	9,327
Preschool grant	17,705	17,705	15,854	(1,851)
Total categorical aid	\$ 1,216,034	\$ 1,216,034	\$ 1,164,314	\$ (51,720)
Total revenue from the federal government	\$ 1,216,034	\$ 1,216,034	\$ 1,164,314	\$ (51,720)
Total School Operating Fund	\$ 22,964,184	\$ 22,964,184	\$ 22,873,100	\$ (91,084)
School Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 279,000	\$ 279,000	\$ 251,657	\$ (27,343)
Total revenue from local sources	\$ 279,000	\$ 279,000	\$ 251,657	\$ (27,343)

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

<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)
Discretely Presented Component Unit - School Board: (Continued)				
School Special Revenue Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ -	\$ -	\$ 32,604	\$ 32,604
Total revenue from the Commonwealth	\$ -	\$ -	\$ 32,604	\$ 32,604
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 621,000	\$ 621,000	\$ 607,154	\$ (13,846)
Commodities	-	75,794	75,794	-
Total categorical aid	\$ 621,000	\$ 696,794	\$ 682,948	\$ (13,846)
Total revenue from the federal government	\$ 621,000	\$ 696,794	\$ 682,948	\$ (13,846)
Total School Special Revenue Fund	\$ 900,000	\$ 975,794	\$ 967,209	\$ (8,585)
Total Discretely Presented Component Unit - School Board	\$ 23,864,184	\$ 23,939,978	\$ 23,840,309	\$ (99,669)

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

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 472,507	\$ 378,905	\$ 156,266	\$ 222,639
Total legislative	\$ 472,507	\$ 378,905	\$ 156,266	\$ 222,639
General and financial administration:				
County administrator	\$ 363,990	\$ 374,607	\$ 334,355	\$ 40,252
Legal services	79,200	79,200	61,408	17,792
Commissioner of revenue	330,418	346,804	317,497	29,307
Independent auditor	58,500	58,544	58,544	-
Treasurer	299,018	305,248	291,973	13,275
Assessor and reassessment	125,000	125,000	55,377	69,623
Information technology	272,056	272,056	183,910	88,146
Total general and financial administration	\$ 1,528,182	\$ 1,561,459	\$ 1,303,064	\$ 258,395
Board of elections:				
Electoral board and officials	\$ 60,349	\$ 74,493	\$ 71,157	\$ 3,336
Registrar	105,159	115,716	105,994	9,722
Total board of elections	\$ 165,508	\$ 190,209	\$ 177,151	\$ 13,058
Total general government administration	\$ 2,166,197	\$ 2,130,573	\$ 1,636,481	\$ 494,092
Judicial administration:				
Courts:				
Circuit court	\$ 20,447	\$ 28,688	\$ 24,033	\$ 4,655
General district court	4,473	4,473	3,768	705
Special Magistrates	1,438	1,438	506	932
Court services unit	211,772	211,772	154,417	57,355
Juvenile and domestic relations court	7,300	7,300	3,285	4,015
Sheriff	86,467	86,467	86,464	3
Witness advocate grant	70,000	70,000	68,943	1,057
VA domestic victim grant	48,469	52,233	52,203	30
Clerk of the circuit court	297,068	305,128	288,498	16,630
Total courts	\$ 747,434	\$ 767,499	\$ 682,117	\$ 85,382
Commonwealth's attorney:				
Commonwealth's attorney	\$ 461,707	\$ 491,168	\$ 447,912	\$ 43,256
Total commonwealth's attorney	\$ 461,707	\$ 491,168	\$ 447,912	\$ 43,256
Total judicial administration	\$ 1,209,141	\$ 1,258,667	\$ 1,130,029	\$ 128,638
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,645,815	\$ 1,758,544	\$ 1,697,772	\$ 60,772
School resource officer	196,254	193,015	180,836	12,179
DMV traffic control grant	-	10,761	2,010	8,751
Total law enforcement and traffic control	\$ 1,842,069	\$ 1,962,320	\$ 1,880,618	\$ 81,702

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

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire department	\$ 237,162	\$ 251,121	\$ 245,137	\$ 5,984
Ambulance and rescue services	55,912	55,912	35,944	19,968
Forestry service	10,000	10,162	10,162	-
Total fire and rescue services	<u>\$ 303,074</u>	<u>\$ 317,195</u>	<u>\$ 291,243</u>	<u>\$ 25,952</u>
Correction and detention:				
Sheriff	\$ 957,828	\$ 1,000,868	\$ 959,164	\$ 41,704
Total correction and detention	<u>\$ 957,828</u>	<u>\$ 1,000,868</u>	<u>\$ 959,164</u>	<u>\$ 41,704</u>
Inspections:				
Building	\$ 79,649	\$ 79,841	\$ 77,498	\$ 2,343
Total inspections	<u>\$ 79,649</u>	<u>\$ 79,841</u>	<u>\$ 77,498</u>	<u>\$ 2,343</u>
Other protection:				
Animal control	\$ 165,737	\$ 185,223	\$ 175,359	\$ 9,864
E-911	780,763	786,949	765,380	21,569
Medical examiner	500	500	200	300
Total other protection	<u>\$ 947,000</u>	<u>\$ 972,672</u>	<u>\$ 940,939</u>	<u>\$ 31,733</u>
Total public safety	<u>\$ 4,129,620</u>	<u>\$ 4,332,896</u>	<u>\$ 4,149,462</u>	<u>\$ 183,434</u>
Public works:				
Sanitation and waste removal:				
Refuse collection	\$ 831,075	\$ 869,067	\$ 854,134	\$ 14,933
Tire security	42,112	42,112	23,547	18,565
Total sanitation and waste removal	<u>\$ 873,187</u>	<u>\$ 911,179</u>	<u>\$ 877,681</u>	<u>\$ 33,498</u>
Maintenance of general buildings and grounds:				
General properties	\$ 725,948	\$ 767,700	\$ 609,017	\$ 158,683
Total maintenance of general buildings and grounds	<u>\$ 725,948</u>	<u>\$ 767,700</u>	<u>\$ 609,017</u>	<u>\$ 158,683</u>
Total public works	<u>\$ 1,599,135</u>	<u>\$ 1,678,879</u>	<u>\$ 1,486,698</u>	<u>\$ 192,181</u>
Health and welfare:				
Health:				
Local health department	\$ 120,000	\$ 120,000	\$ 120,000	\$ -
Total health	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>
Mental health and mental retardation:				
Central VA Community Services	\$ 41,000	\$ 41,000	\$ 41,000	\$ -
Central VA Commission on Aging	2,500	2,500	2,500	-
Total mental health and mental retardation	<u>\$ 43,500</u>	<u>\$ 43,500</u>	<u>\$ 43,500</u>	<u>\$ -</u>

County of Appomattox, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 1,908,799	\$ 2,082,471	\$ 2,005,968	\$ 76,503
Comprehensive services act	1,565,154	1,581,212	1,986,099	(404,887)
Total welfare	<u>\$ 3,473,953</u>	<u>\$ 3,663,683</u>	<u>\$ 3,992,067</u>	<u>\$ (328,384)</u>
Total health and welfare	<u>\$ 3,637,453</u>	<u>\$ 3,827,183</u>	<u>\$ 4,155,567</u>	<u>\$ (328,384)</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 378	\$ 378	\$ 378	\$ -
Contribution to County School Board	5,966,215	5,966,215	5,540,235	425,980
Total education	<u>\$ 5,966,593</u>	<u>\$ 5,966,593</u>	<u>\$ 5,540,613</u>	<u>\$ 425,980</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 171,963	\$ 178,103	\$ 158,257	\$ 19,846
Sports complex	44,000	47,668	41,323	6,345
Total parks and recreation	<u>\$ 215,963</u>	<u>\$ 225,771</u>	<u>\$ 199,580</u>	<u>\$ 26,191</u>
Cultural enrichment:				
Contributions	\$ 18,750	\$ 18,750	\$ 18,750	\$ -
Total cultural enrichment	<u>\$ 18,750</u>	<u>\$ 18,750</u>	<u>\$ 18,750</u>	<u>\$ -</u>
Library:				
Public library	\$ 218,366	\$ 226,986	\$ 201,121	\$ 25,865
Total library	<u>\$ 218,366</u>	<u>\$ 226,986</u>	<u>\$ 201,121</u>	<u>\$ 25,865</u>
Total parks, recreation, and cultural	<u>\$ 453,079</u>	<u>\$ 471,507</u>	<u>\$ 419,451</u>	<u>\$ 52,056</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 122,948	\$ 568,844	\$ 358,853	\$ 209,991
Tourism	22,000	22,075	17,751	4,324
Economic development	74,893	1,069,743	1,016,357	53,386
Total planning and community development	<u>\$ 219,841</u>	<u>\$ 1,660,662</u>	<u>\$ 1,392,961</u>	<u>\$ 267,701</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total environmental management	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>

County of Appomattox, Virginia  
Schedule of Expenditures - Budget and Actual  
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 62,014	\$ 62,014	\$ 55,941	\$ 6,073
Total cooperative extension program	\$ 62,014	\$ 62,014	\$ 55,941	\$ 6,073
 Total community development	 \$ 291,855	 \$ 1,732,676	 \$ 1,458,902	 \$ 273,774
Capital projects:				
County capital projects	\$ 200,000	\$ 400,000	\$ 52,058	\$ 347,942
Total capital projects	\$ 200,000	\$ 400,000	\$ 52,058	\$ 347,942
Debt service:				
Principal retirement	\$ 2,286,597	\$ 2,286,597	\$ 2,286,597	\$ -
Interest and other fiscal charges	1,015,333	828,752	828,752	-
Total debt service	\$ 3,301,930	\$ 3,115,349	\$ 3,115,349	\$ -
 Total General Fund	 \$ 22,955,003	 \$ 24,914,323	 \$ 23,144,610	 \$ 1,769,713
Special Revenue Fund:				
County Special Revenue Fund:				
Public Safety:				
Sheriff:				
Asset forfeiture	\$ -	\$ -	\$ 16,143	\$ (16,143)
Total public safety	\$ -	\$ -	\$ 16,143	\$ (16,143)
 Total County Special Revenue Fund	 \$ -	 \$ -	 \$ 16,143	 \$ (16,143)
 Total Primary Government	 \$ 22,955,003	 \$ 24,914,323	 \$ 23,160,753	 \$ 1,753,570

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

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,090,799	\$ 1,090,799	\$ 1,002,132	\$ 88,667
Instruction costs	17,797,243	17,797,243	18,286,984	(489,741)
Pupil transportation	1,664,903	1,664,903	1,618,878	46,025
Operation and maintenance of school plant	2,411,239	2,411,239	1,844,018	567,221
Total education	\$ 22,964,184	\$ 22,964,184	\$ 22,752,012	\$ 212,172
Capital projects:				
Contribution to County Construction Fund	\$ -	\$ -	\$ 21,676	\$ (21,676)
Total capital projects	\$ -	\$ -	\$ 21,676	\$ (21,676)
Total School Operating Fund	\$ 22,964,184	\$ 22,964,184	\$ 22,773,688	\$ 190,496
School Special Revenue Fund:				
Education:				
School food services	\$ 900,000	\$ 900,000	\$ 884,025	\$ 15,975
Purchase of textbooks	267,787	267,787	-	267,787
Commodities	-	75,794	75,794	-
Total education	\$ 1,167,787	\$ 1,243,581	\$ 959,819	\$ 283,762
Total School Special Revenue Fund	\$ 1,167,787	\$ 1,243,581	\$ 959,819	\$ 283,762
Total Discretely Presented Component Unit - School Board	\$ 24,131,971	\$ 24,207,765	\$ 23,733,507	\$ 474,258

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## *OTHER STATISTICAL INFORMATION*

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Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Sanitary District	Total
2011	\$ 1,546,970	\$ 1,039,084	\$ 3,271,440	\$ 2,260,607	\$ 2,437,086	\$ 4,483,112	\$ 534,829	\$ 382,584	\$ 938,409	\$ -	\$ 16,894,121
2012	1,700,248	1,159,940	3,916,496	1,620,988	2,409,182	4,906,079	444,176	402,100	1,325,342	-	17,884,551
2013	1,747,040	1,209,655	3,736,293	2,186,994	2,533,327	6,312,633	494,248	389,577	1,281,307	379,480	20,270,554
2014	1,648,763	1,159,754	3,796,131	1,708,292	2,880,736	5,717,485	948,775	420,103	1,227,959	443,753	19,951,751
2015	1,687,368	1,113,594	3,319,233	1,649,772	3,296,299	6,215,141	501,026	2,001,695	1,180,516	361,128	21,325,772
2016	1,742,754	1,215,521	3,469,665	739,745	3,567,121	6,381,912	519,526	508,631	1,281,519	393,531	19,819,925
2017	1,761,583	1,278,950	3,625,898	1,704,296	3,414,275	7,393,251	501,174	390,145	952,600	372,044	21,394,216
2018	1,561,527	1,249,392	4,272,389	1,590,182	3,649,618	6,887,265	219,381	612,387	952,652	379,293	21,374,086
2019	1,746,065	1,174,927	4,240,656	1,544,004	3,637,243	6,727,833	496,720	506,892	894,687	371,024	21,340,051
2020	1,686,526	1,292,637	4,357,182	1,534,524	4,083,591	6,835,194	444,631	1,493,705	866,729	334,905	22,929,624

Table 2

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

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES							Total
	Charges for Services	Operating	Capital	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions	Payment from Appomattox School Board		
		Grants and Contributions	Grants and Contributions					Not Restricted to Specific Programs			
2011	\$ 411,946	\$ 3,951,153	\$ -	\$ 9,681,328	\$ 1,776,533	\$ 238,840	\$ 314,834	\$ 1,584,930	\$ 59,065	\$ 18,018,629	
2012	329,026	3,927,784	864,313	10,135,261	1,888,209	165,373	329,260	1,701,262	200,000	19,540,488	
2013	393,740	4,069,886	38,903	10,628,797	1,960,774	111,603	194,817	1,741,356	175,000	19,314,876	
2014	427,218	4,235,120	-	10,267,361	2,091,268	86,314	271,278	1,798,765	110,000	19,287,324	
2015	430,785	6,018,492	-	11,460,249	1,993,511	76,916	410,850	1,701,420	-	22,092,223	
2016	427,194	4,858,154	-	12,718,739	2,196,290	122,353	234,469	1,722,939	30,339	22,310,477	
2017	487,903	5,168,799	-	12,905,293	2,249,065	81,221	187,416	1,723,668	-	22,803,365	
2018	421,579	5,331,394	-	15,449,720	2,241,679	69,385	210,208	1,695,627	-	25,419,592	
2019	467,627	5,526,655	-	13,740,014	2,357,270	77,003	135,967	1,668,759	-	23,973,295	
2020	408,035	6,532,047	-	13,931,698	2,565,804	72,531	150,392	1,694,004	21,676	25,376,187	

Table 3

County of Appomattox, Virginia  
General Governmental Expenditures by Function (1, 3)  
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	Debt Service	Total
2011	\$ 1,429,400	\$ 945,288	\$ 3,496,344	\$ 1,362,547	\$ 2,459,627	\$ 19,645,192	\$ 519,294	\$ 339,135	\$ 1,797,034	\$ 31,993,861
2012	1,395,395	1,029,684	3,301,417	1,440,829	2,446,196	19,513,421	401,728	373,872	2,209,857	32,112,399
2013	1,649,007	1,058,263	3,369,009	1,520,202	2,665,954	20,444,142	557,741	340,710	2,806,446	34,411,474
2014	1,533,880	1,019,883	3,698,694	1,486,906	2,871,715	20,172,256	464,918	369,281	3,136,426	34,753,959
2015	1,674,716	1,018,211	3,324,580	1,465,152	3,409,538	20,778,990	461,487	1,971,498	3,136,428	37,240,600
2016	1,586,520	1,112,525	3,487,421	1,398,180	3,713,993	20,728,879	479,301	465,094	3,139,000	36,110,913
2017	1,628,993	1,126,332	3,797,701	1,388,585	3,478,587	21,933,797	434,281	349,113	3,468,064	37,605,453
2018	1,538,049	1,148,414	4,130,377	1,317,717	3,641,726	22,932,951	437,221	575,683	3,080,729	38,802,867
2019	1,759,442	1,101,115	4,476,900	1,288,985	3,742,361	23,498,640	468,302	455,730	3,077,575	39,869,050
2020	1,636,481	1,130,029	4,165,605	1,486,698	4,155,567	23,712,209	419,451	1,458,902	3,115,349	41,280,291

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

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

(3) Excludes Capital Projects funds.

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2011	\$ 8,912,978	\$ 1,513,826	\$ 129,010	\$ 39,162	\$ 150,955	\$ 610,879	\$ 465,200	\$ 425,471	\$ 21,781,178	\$ 34,028,659
2012	9,186,947	1,776,533	83,338	111,412	238,463	714,369	417,017	265,393	21,101,521	33,894,993
2013	10,161,980	1,888,209	79,753	57,411	152,624	707,268	478,975	134,543	21,617,716	35,278,479
2014	10,114,251	1,960,774	78,952	37,628	115,248	659,948	269,030	213,145	20,873,765	34,322,741
2015	10,905,971	2,091,268	81,824	30,464	94,675	707,536	403,078	57,622	21,156,613	35,529,051
2016	12,467,821	2,196,290	79,993	29,153	134,112	614,090	429,694	284,992	21,636,075	37,872,220
2017	12,944,092	2,249,065	84,533	32,083	88,404	688,157	274,322	348,484	23,139,306	39,848,446
2018	15,085,606	2,241,679	90,433	35,995	80,562	491,315	384,374	196,127	23,713,993	42,320,084
2019	13,482,875	2,357,270	95,023	66,993	84,081	478,870	180,815	201,416	24,599,905	41,547,248
2020	13,813,892	2,565,804	124,417	44,067	77,908	395,071	209,607	165,138	26,115,002	43,510,906

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

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

(3) Excludes Capital Projects funds.

Table 5

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

Fiscal Year	Total Tax Levy (1,3)	Current Tax Collections (1,3)	Percent of Levy Collected	Delinquent Tax Collections (1)		Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
				Tax			Total Tax Collections to Tax Levy			
2011	\$ 10,557,842	\$ 9,734,329	92.20%	\$ 352,324	\$ 10,086,653	95.54%	\$ 1,115,842	10.57%		
2012	11,164,343	10,815,808	96.88%	243,720	11,059,528	99.06%	1,105,238	9.90%		
2013	11,728,977	10,668,816	90.96%	328,661	10,997,477	93.76%	1,729,110	14.74%		
2014	11,832,503	10,252,937	86.65%	401,811	10,654,748	90.05%	1,384,580	11.70%		
2015	12,659,267	12,185,206	96.26%	368,070	12,553,276	99.16%	1,331,878	10.52%		
2016	13,398,855	12,796,361	95.50%	421,498	13,217,859	98.65%	1,304,003	9.73%		
2017	13,724,176	13,208,360	96.24%	458,448	13,666,808	99.58%	1,309,498	9.54%		
2018	16,435,975	15,295,308	93.06%	483,907	15,779,215	96.00%	1,617,859	9.84%		
2019	14,675,294	13,673,402	93.17%	578,457	14,251,859	97.11%	1,625,126	11.07%		
2020	14,873,875	13,699,420	92.10%	869,383	14,568,803	97.95%	2,180,856	14.66%		

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

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

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

Table 6

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

Fiscal Year	Real Estate (1)	Mobile Homes (3)	Personal Property (1,3)	Machinery and Tools (3)	Merchant's Capital (3)	Public Utility (2)			Total
						Real Estate	Personal Property		
2011	\$ 1,272,092,722	\$ 8,915,938	\$ 70,028,002	\$ 5,839,518	\$ 10,070,429	\$ 81,689,647	\$ 468,481	\$ 1,449,104,737	
2012	1,288,374,551	8,380,513	74,218,221	5,414,772	13,109,819	84,347,967	392,933	1,474,238,776	
2013	1,307,962,007	8,948,070	74,684,745	933,944	13,440,191	89,781,508	600,833	1,496,351,298	
2014	1,285,085,528	8,865,226	75,967,349	961,437	13,250,117	91,673,871	737,541	1,476,541,069	
2015	1,273,923,195	8,207,402	77,272,280	982,704	13,579,085	93,463,491	720,030	1,468,148,187	
2016	1,288,681,980	8,273,738	79,197,137	1,073,315	14,418,621	104,582,273	631,899	1,496,858,963	
2017	1,303,433,780	8,167,956	82,778,089	1,091,429	13,682,048	113,535,167	530,993	1,523,219,462	
2018	1,321,188,641	8,909,114	204,488,836	2,504,301	19,629,608	113,476,290	770,922	1,670,967,712	
2019	1,335,787,790	8,923,930	146,953,959	2,768,153	13,954,156	116,517,564	657,673	1,625,563,225	
2020	1,398,399,765	7,522,677	146,996,008	3,437,560	16,031,078	121,378,053	827,772	1,694,592,913	

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

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

Table 7

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

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital
2011	\$ 0.495	\$ 0.48	\$ 4.60	\$ 4.60	\$ 1.00
2012	0.575	0.50	4.60	4.60	1.00
2013	0.58	0.58	4.60	4.60	1.00
2014	0.60	0.58	4.60	4.60	1.00
2015	0.65	0.60	4.60	4.60	1.00
2016	0.650	0.65	5.13	4.60	1.00
2017	0.65	0.650	5.13	4.60	1.00
2018	0.65	0.65	3.35	3.35	1.00
2019	0.65	0.65	3.35	3.35	1.00
2020	0.63	0.63	3.35	3.35	1.00

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2011	14,973	\$ 1,449,104,737	\$ 16,532,171	\$ 16,532,171	1.14%	\$ 1,104
2012	14,973	1,474,238,776	15,868,881	15,868,881	1.08%	1,060
2013	14,973	1,496,351,298	15,185,562	15,185,562	1.01%	1,014
2014	14,973	1,476,541,069	14,157,128	14,157,128	0.96%	946
2015	14,973	1,468,148,187	13,161,289	13,161,289	0.90%	879
2016	14,973	1,496,858,963	12,147,386	12,147,386	0.81%	811
2017	14,973	1,523,219,462	10,648,059	10,648,059	0.70%	711
2018	14,973	1,670,967,712	9,383,383	9,383,383	0.56%	627
2019	14,973	1,625,563,225	8,106,952	8,106,952	0.50%	541
2020	14,973	1,694,592,913	6,813,411	6,813,411	0.40%	455

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

(2) From Table 6.

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

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

*COMPLIANCE*

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**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 Appomattox  
Appomattox, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County of Appomattox, Virginia's basic financial statements and have issued our report thereon dated February 2, 2021.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Robinson, Farnum, Cox Associates*  
Richmond, Virginia  
February 2, 2021



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 Appomattox  
Appomattox, Virginia

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

In our opinion, County of Appomattox, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control over Compliance

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

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

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

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

*Robinson, Farmer, Cox Associates*  
Richmond, Virginia  
February 2, 2021

County of Appomattox, 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:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950119/0950120	\$ 9,644
TANF Cluster:			
Temporary Assistance for Needy Families	93.558	0400119/0400120	146,750
Refugee and Entrant Assistance - State/Replacement Designee			
Administered Programs	93.566	0500119/0500120	222
Low-Income Home Energy Assistance	93.568	0600419/0600420	28,095
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760119/0760120	27,320
Chafee Education and Training Vouchers Program	93.599	9160119/9160120	364
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900119/0900120	368
Foster Care - Title IV-E	93.658	1100119/1100120	204,805
Adoption Assistance	93.659	1120119/1120120	112,302
Social Services Block Grant	93.667	1000119/1000120	148,626
John H. Chafee Foster Care Independence Program for Successful			
Transition to Adulthood	93.674	9150119/9150120	1,263
Children's Health Insurance Program	93.767	0540119/0540120	3,522
Medicaid Cluster:			
Medical Assistance Program	93.778	1200119/1200120	222,264
Total Department of Health and Human Services			\$ 905,545
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution	10.555	17901-45707	\$ 75,794
Department of Education:			
National School Lunch Program	10.555	17901-40623	339,342
COVID-19 - National School Lunch Program	10.555	17901-40623	65,562
Total CFDA# 10.555			\$ 480,698
School Breakfast Program	10.553	17901-40591	164,039
COVID-19 - School Breakfast Program	10.553	17901-40591	38,211
Total CFDA# 10.553			202,250
Department of Social Services:			\$ 682,948
SNAP Cluster:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010119/0010120	215,074
Total Department of Agriculture			\$ 898,022
Department of Treasury:			
Pass Through Payments:			
Department of Accounts:			
Coronavirus Relief Funds (CRF)	21.019	10110-728021	\$ 38,847
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	36001-46000	\$ 50,178
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	60507-50252/51222	\$ 2,186

County of Appomattox, Virginia  
Schedule of Expenditures of Federal Awards (Continued)  
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 Homeland Security:			
Pass Through Payments:			
Department of Emergency Services:			
Emergency Management Performance Grants	97.042	77501-52749	\$ 9,184
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	533005	\$ 229,381
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	17901-42901	\$ 511,402
Special Education Cluster:			
Special Education Grants to States	84.027	17901-43071	\$ 490,871
Special Education Preschool Grants	84.173	17901-62521	15,854
Career and Technical Education: Basic Grants to States	84.048	17901-61095	44,589
Education Stabilization Fund	84.425	17901-60177	9,327
Supporting Effective Instruction State Grants	84.367	17901-61480	92,271
Total Department of Education			\$ 1,164,314
Total Expenditures of Federal Awards			\$ 3,297,657

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

County of Appomattox, Virginia  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2020

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Appomattox, Virginia under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Appomattox, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the County of Appomattox, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,890,117
Total primary government	\$ <u>1,890,117</u>

Component Unit - School Board:

School Operating Fund	\$ 1,164,314
School Cafeteria Fund	682,948
Total component unit School Board	\$ <u>1,847,262</u>

Total federal expenditures per basic financial statements	\$ 3,737,379
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Less: Federal interest rate subsidy not included in Schedule of Expenditures of Federal Awards	(434,475)
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Less: Payment in Lieu of Taxes	<u>(5,247)</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u>\$ 3,297,657</u>
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Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - De Minimis Cost Rate

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

Note 7 - Loan Balances

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

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

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Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?            yes       ✓       no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)  
10.553/10.555

Name of Federal Program or Cluster  
Child Nutrition Cluster

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

\$750,000

Auditee qualified as low-risk auditee?

      ✓       yes            no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

County of Appomattox, Virginia  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2020

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Findings - Commonwealth of Virginia:

2019-001:

*Condition:*

The School Board held their public hearing on January 25, 2018 on the FY18-19 budget but did not provide 10 days of public notice to the citizens within the school division. The public hearing was advertised in the Appomattox Times-Virginian on January 17, 2018.

*Recommendation:*

School Board management should have procedures in place to ensure that the public hearing is properly advertised in accordance with the requirements of the Code of Virginia.

*Current Status:*

Corrective action was noted during the audit for the year ended June 30, 2020.