

# **COUNTY OF HALIFAX, VIRGINIA**



## **FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021**



**COUNTY OF HALIFAX, VIRGINIA**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**



COUNTY OF HALIFAX, VIRGINIA  
JUNE 30, 2021

**BOARD OF SUPERVISORS**

Hubert Pannell, Chairman	
Garland B. Ricketts, Vice-Chairman	
Ronald E. Duffey	Calvin Ricky Short
Stanley Brandon	Jeffrey D. Francisco
William Bryant Claiborne	Dean E. Throckmorton

**COUNTY SCHOOL BOARD**

Patricia K. Fraley, Chairman	
S. Todd Moser, Vice-Chairman	
Roy Keith Lloyd	Jason H. Camp
Keith A. McDowell	Sandra K. Garner-Coleman
Freddie M. Edmunds	Walter C. Potts, Jr.

**BOARD OF SOCIAL SERVICES**

Earl Howerton, Chairman	
Patricia Taylor, Vice-Chairman	
Gregg Ferguson	Dennis Stewart
Hubert Pannell	

**OTHER OFFICIALS**

Judge of the Circuit Court	Kimberley S. White
Clerk of the Circuit Court	Cathy M. Cosby
Judge of the General District Court	Darrel W. Puckett
Judge of the Juvenile and Domestic Relations Court	Nora J. Miller
Commonwealth's Attorney	Tracy Q. Martin
Commissioner of the Revenue	Brenda P. Powell
Treasurer	Ruth Ann Oakes
Sheriff	Fred S. Clark
Superintendent of Schools	Mark Y. Lineburg
Director of Department of Social Services	Kathy Andrews
County Administrator	Scott R. Simpson



COUNTY OF HALIFAX, VIRGINIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

---

	<u>Page</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-11
 <b><u>Basic Financial Statements:</u></b>	
<b>Government-wide Financial Statements:</b>	
Exhibit 1 Statement of Net Position	12
Exhibit 2 Statement of Activities	13-14
 <b>Fund Financial Statements:</b>	
Exhibit 3 Balance Sheet—Governmental Funds	15
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	17
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Exhibit 7 Statement of Fiduciary Net Position—Fiduciary Funds	19
Exhibit 8 Statement of Changes in Fiduciary Net Position—Fiduciary Funds	20
<b>Notes to Financial Statements</b>	21-92
 <b><u>Required Supplementary Information:</u></b>	
Exhibit 9 Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund	93
Exhibit 10 Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Virginia Public Assistance Fund	94
Exhibit 11 Schedule of Changes in Net Pension Liability and Related Ratios—Primary Government and Component Units Industrial Development Authority and Regional Library	95-96
Exhibit 12 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios—Component Unit School Board (nonprofessional)	97

COUNTY OF HALIFAX, VIRGINIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

---

	<u>Page</u>
<b><u>Required Supplementary Information: (Continued)</u></b>	
Exhibit 13      Schedule Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	98
Exhibit 14      Schedule of Employer Contributions - Pension Plans	99
Exhibit 15      Notes to Required Supplementary Information - Pension Plans	100
Exhibit 16      Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios - Health Insurance Plan	101
Exhibit 17      Notes to Required Supplementary Information - Health Insurance Plan	102
Exhibit 18      Schedule of Share of Net OPEB Liability - Group Life Insurance (GLI) Plan	103
Exhibit 19      Schedule of Employer Contributions - Group Life Insurance (GLI) Plan	104
Exhibit 20      Notes to Required Supplementary Information - Group Life Insurance (GLI) Plan	105
Exhibit 21      Schedule of Changes in Net OPEB Liability and Related Ratios- Health Insurance Credit (HIC) Plan - County and School Board- Non-professional	106
Exhibit 22      Schedule of School Board's Share of Net OPEB Liability Teacher Employee Health Insurance Credit (HIC) Plan	107
Exhibit 23      Schedule of Employer Contributions Health Insurance Credit (HIC) Plan	108
Exhibit 24      Notes to Required Supplementary Information Teacher Employee Health Insurance Credit (HIC) Plan	109
<b><u>Other Supplementary Information:</u></b>	
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
Exhibit 25      Schedule of Revenues, Expenditures, and Changes in Fund Balances— County Capital Projects Fund	110
Exhibit 26      Combining Balance Sheet—Nonmajor Governmental Funds	111
Exhibit 27      Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds	112

COUNTY OF HALIFAX, VIRGINIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
<b><u>Other Supplementary Information:</u></b>	
<b>Combining and Individual Fund Financial Statements and Schedules: (Continued)</b>	
Exhibit 28	Combining Balance Sheet—Nonmajor Special Revenue Funds 113
Exhibit 29	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Special Revenue Funds 114
Exhibit 30	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds 115-116
Exhibit 31	Combining Statement of Fiduciary Net Position—Custodial Funds 117
Exhibit 32	Combining Statement of Changes in Assets and Liabilities—Custodial Funds 118
<b>Discretely Presented Component Units:</b>	
Exhibit 33	Combining Balance Sheet—Discretely Presented Component Unit—School Board 119
Exhibit 34	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds—Discretely Presented Component Unit—School Board 120
Exhibit 35	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Discretely Presented Component Unit—School Board 121-122
Exhibit 36	Combining Balance Sheet—Nonmajor Special Revenue Funds—Discretely Presented Component Unit—School Board 123
Exhibit 37	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Special Revenue Funds—Discretely Presented Component Unit—School Board 124
Exhibit 38	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds—Discretely Presented Component Unit—School Board 125-126
Exhibit 39	Balance Sheet—Discretely Presented Component Unit—Regional Library 127
Exhibit 40	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Discretely Presented Component Unit—Regional Library 128

COUNTY OF HALIFAX, VIRGINIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

---

	<u>Page</u>
<b><u>Other Supplementary Information: (Continued)</u></b>	
Supporting Schedules:	
Schedule 1     Schedule of Revenues—Budget and Actual—Governmental Funds	129-134
Schedule 2     Schedule of Expenditures—Budget and Actual—Governmental Funds	135-140
<b><u>Other Statistical Information:</u></b>	
Table 1        Government-wide Expenses by Function—Last Ten Fiscal Years	141
Table 2        Government-wide Revenues—Last Ten Fiscal Years	142
Table 3        General Governmental Expenditures by Function—Last Ten Fiscal Years	143
Table 4        General Governmental Revenues by Source—Last Ten Fiscal Years	144
Table 5        Property Tax Levies and Collections—Last Ten Fiscal Years	145
Table 6        Assessed Value of Taxable Property—Last Ten Fiscal Years	146
Table 7        Property Tax Rates—Last Ten Fiscal Years	147
Table 8        Ratio of Net General Bonded Debt to Assessed Value of Real Property and Net Bonded Debt Per Capita—Last Ten Fiscal Years	148
Table 9        Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures—Last Ten Fiscal Years	149
<b><u>Compliance:</u></b>	
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	150-151
Independent Auditors’ Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	152-153
Schedule of Expenditures of Federal Awards	154-155
Notes to Schedule of Expenditures of Federal Awards	156
Schedule of Findings and Questioned Costs	157



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

---

**Independent Auditors' Report**

---

**To the Honorable Members of  
The Board of Supervisors  
County of Halifax, Virginia**

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

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

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

## ***Opinions***

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

## ***Change in Accounting Principle***

As described in Note 19 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement Nos. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## ***Restatement of Beginning Balances***

As described in Note 19 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84 and to correct other prior period balances. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-11, 93-94, and 95-109 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 Halifax, Virginia's basic financial statements. The combining and individual fund financial statements and schedules, and other statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

***Other Matters: (Continued)***

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

The combining and individual fund financial statements and schedules 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 combining and individual fund financial statements and schedules 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 other 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of the County of Halifax, 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 Halifax, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Halifax, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 13, 2021

This page intentionally left blank

## County of Halifax, Virginia Management's Discussion and Analysis

---

As management of the County of Halifax (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. Please read it in conjunction with the County's basic financial statements, which follow this section.

### Financial Highlights

- The assets and deferred outflows of resources position of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$53.96 million (*net position*). Of this amount, approximately \$33.06 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$11.45 million in fiscal year 2021 in comparison to an increase of \$3.98 million in fiscal year 2020.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$41.05 million, an increase of \$4.05 million. Thirty-one percent, or \$12.86 million of this amount, is *available for spending* at the County's discretion (*unassigned fund balance*). Details of the decrease in fund balance is described under the Financial Analysis of the County's Funds.
- At the end of the current fiscal year, total fund balance for the General Fund was approximately \$39.31 million, or 72% of total governmental fund expenditures (including transfer to Virginia Public Assistance fund) less capital projects.
- The County's total governmental activities debt decreased \$3.18 million during the current fiscal year net of routine payment of principal, and recognizing the change in net pension liability, OPEB liabilities and compensated absences.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 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 the readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the County's assets and liabilities, 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 how the financial position of the County may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the County may have used previously accumulated funds.

## **Government-wide financial statements: (Continued)**

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 this 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 administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development, and education.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board and a legally separate industrial development authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 12 through 14 of this report.

## **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, like other state and 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, proprietary funds, and fiduciary funds.

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

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

The County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Virginia Public Assistance Fund and the Capital Projects fund, all of which are considered to be major funds. Data from the other County funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

### **Fund financial statements: (Continued)**

The County adopts an annual appropriated budget for its General Fund, Virginia Public Assistance fund, Capital Projects fund, State and Federal Grants fund, William M. Tuck Airport fund. Budgetary comparison statements have been provided to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

***Fiduciary funds*** are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds statements can be found on pages 19 and 20 of this report.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 92 of this report.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the General Fund and the Virginia Public Assistance Fund. Required supplementary information can be found on pages 93 through 109 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 110 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$53.96 million at the close of the most recent fiscal year. A large portion of the County's net position (\$17.94 million, 33% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

**Government-Wide Financial Analysis: (Continued)**

The following table summarizes the County's Statement of Net Position:

**Comparative Summary of Net Position  
As of June 30, 2021 and 2020**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 66,766,491	\$ 65,770,837
Capital assets	69,990,215	66,522,440
Subtotal assets	<u>\$ 136,756,706</u>	<u>\$ 132,293,277</u>
Deferred outflows of resources	\$ 2,490,729	\$ 1,607,764
Total assets and deferred outflows of resources	<u>\$ 139,247,435</u>	<u>\$ 133,901,041</u>
Long-term liabilities outstanding	\$ 61,162,186	\$ 64,350,657
Current liabilities	2,546,219	6,329,191
Subtotal liabilities	<u>63,708,405</u>	<u>70,679,848</u>
Deferred inflows of resources	\$ 21,578,266	\$ 19,727,327
Total liabilities and deferred inflows of resources	<u>\$ 85,286,671</u>	<u>\$ 90,407,175</u>
Net position:		
Net investment in capital assets	\$ 17,942,189	\$ 16,733,260
Restricted	2,955,690	106,611
Unrestricted	33,062,885	26,653,995
Total net position	<u>\$ 53,960,764</u>	<u>\$ 43,493,866</u>

At the end of the current fiscal year, the County is able to report positive balances in all categories of net position.

As noted previously, the County's total net position increased by \$11.45 million during the current fiscal year as compared to an increase of \$3.98 million in fiscal year 2020.

**Government-Wide Financial Analysis: (Continued)**

The following table summarizes the County's Statement of Activities:

**Comparative Statement of Changes in Net Position  
As of June 30, 2021 and 2020**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Program revenues:		
Charges for services	\$ 786,762	\$ 610,430
Operating grants and contributions	15,706,258	11,180,599
Capital grants and contributions	2,211,768	863,124
General revenues:		
Property taxes	29,942,039	28,836,719
Other taxes	11,001,923	7,554,563
Unrestricted revenues	390,361	580,100
Miscellaneous	392,763	482,904
Grants and contributions not restricted to specific programs	2,599,718	2,693,426
Total revenues	\$ 63,031,592	\$ 52,801,865
Expenses:		
General governmental administration	\$ 4,655,946	\$ 2,570,808
Judicial administration	2,525,766	2,116,198
Public safety	11,628,462	9,587,875
Public works	4,412,549	4,350,814
Health and welfare	9,727,718	9,704,216
Parks, recreation, and cultural	405,078	442,867
Community development	2,639,370	1,509,284
Interest on long-term debt	1,741,451	1,879,334
Education	13,848,174	16,662,922
Total expenses	\$ 51,584,514	\$ 48,824,318
Increase (decrease) in net position	\$ 11,447,078	\$ 3,977,547
Net position - beginning of year, restated	42,513,686	39,516,319
Net position - end of year	\$ 53,960,764	\$ 43,493,866

Generally, net position changes are the difference between revenues and expenses. Key elements of this change in net position in comparison the prior year are as follows:

- General property taxes, excluding the payments received from the State as reimbursement under the State's personal property tax relief program, were \$29.94 million, which represents an increase of approximately \$1.1 million or 4%.
- The increase in capital grants and contributions revenue and operating grants and contributions is due to CARES Act funding received from the Federal government.
- An increase in general governmental administration, public safety and community development expenses resulting from expenses incurred related to the pandemic that were funded by the Federal CARES Act programs.

## Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$41.05 million, an increase of \$4.05 over the prior year. The general fund, the County's main operating fund, increased approximately \$10.15 million. The capital projects fund reported a decrease of approximately \$6.17 million.

The General Fund is the chief operating fund of the County. The increase in the General Fund is attributable to an increase in overall revenues (property taxes and state and federal grants - CARES Act funding) and actual expenditures less than budgeted in the amount of approximately \$7.2 million. At the end of the current fiscal year, total fund balance of the General Fund was \$39.31 million. The unassigned fund balance was \$12.86 million, nonspendable amounts total \$699,541, restricted amounts total \$3.49 million, committed amounts total \$674,968, and assigned amounts represent \$21.58 million. As a measure of the General Fund's liquidity, the total general fund balance represents 72% of general fund expenditures, excluding capital outlay and transfer to the Virginia Public Assistance Fund.

The County Capital Improvements Fund accounts for all major general public improvements, excluding capital projects related to education, which are accounted for elsewhere. At the end of the fiscal year, the fund balance was \$709,857, which largely represented accumulated funds to be used for capital projects. The County issued the 2016C Lease Revenue Bonds and 2019C Lease Revenue Bonds in prior fiscal years to fund the courthouse and related construction projects. This project was largely completed in fiscal year 2021. The County expended approximately \$6.80 million on capital projects during the fiscal year, with the majority of the amount expended financed using the Lease Revenue Bonds.

Nonmajor special revenue funds included the Airport Fund and the State and Federal Grants Fund. Both funds accounted for the total reported as committed special revenue funds in the amount of \$1,029,273.

## General Fund Budgetary Highlights

There was an increase of \$5.47 million between the original budget and the final amended budget expenditures excluding transfers out to other funds. However, actual expenditures were less than the amended budget by \$7.23 million, excluding transfers out. Actual revenues were more than the budgeted amounts by \$1.78 million. Details of the budget and actual amounts reported in the General Fund are presented in Exhibit 9.

### Capital Asset and Debt Administration

**Capital assets:** The County's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$69.99 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment as well as construction in progress.

Major capital asset events for the Primary Government during the current fiscal year included the following:

- Courthouse renovation and related projects

Capital assets, net of accumulated depreciation, are illustrated in the following table:

	<b>Governmental Activities</b>	<b>Total</b>
Land	\$ 5,075,550	\$ 5,075,550
Buildings and systems	30,957,928	30,957,928
Machinery & Equipment	3,754,162	3,754,162
Construction in progress	30,202,575	30,202,575
Total	<u>\$ 69,990,215</u>	<u>\$ 69,990,215</u>

Additional information on the County's capital assets can be found in note 7 on pages 36 through 37 of this report.

**Long-term obligations:** At the end of the current fiscal year, the County had total outstanding obligations of \$57.91 million excluding premium on bond issuance. Details are summarized in the following table:

	<b>Governmental Activities</b>	<b>Total</b>
Bonds Payable:		
General obligation bonds	\$ 21,642,144	\$ 21,642,144
Revenue bonds	23,596,000	23,596,000
Literary loans	1,400,121	1,400,121
Landfill Closure/Postclosure	1,791,201	1,791,201
Net pension liability	3,812,719	3,812,719
Capital leases	2,695,961	2,695,961
Note payable	355,862	355,862
Net OPEB liabilities	1,577,689	1,577,689
Compensated absences	1,039,571	1,039,571
Total	<u>\$ 57,911,268</u>	<u>\$ 57,911,268</u>

The County's total governmental activities debt decreased \$3.19 million during the current fiscal year after the payment of principal, recognizing the change in net pension liability, change in net OPEB liabilities and compensated absences.

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

- The unemployment rate for the County as of June 2021 was 5.3%. The State's average unemployment rate was 4.3%.
- One of the greatest economic impacts to the County currently is the uncertainty of how the State allocations to local governments will be adjusted due to State budgetary issues being addressed by the State and the short and long term impact of the global pandemic.

### **Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, County of Halifax, 1030 Cowford Road, P.O. Box 699, Halifax, VA 24558.

## **Basic Financial Statements**

This page intentionally left blank

## **Government-wide Financial Statements**

This page intentionally left blank

Statement of Net Position  
June 30, 2021

	Primary Government	Component Units		
	Governmental Activities	School Board	Industrial Development Authority	Regional Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 37,278,881	\$ 5,950,947	\$ 1,244,751	\$ 8,268
Receivables (net of allowance for uncollectibles):				
Taxes receivable	22,661,587	-	-	-
Accounts receivable	332,590	5,545	61,732	-
Note receivable	550,000	-	-	-
Due from component unit	2,464,550	-	-	-
Due from other governmental units	2,639,282	2,330,279	-	-
Prepaid items	174,541	382,091	-	5,821
Property held for resale	-	-	2,553,096	-
Restricted assets:				
Cash and cash equivalents	665,060	-	-	-
Capital assets (net of accumulated depreciation):				
Land	5,075,550	130,523	1,546,651	-
Buildings and systems	30,957,928	30,658,115	34,703,868	-
Machinery and equipment	3,754,162	3,608,342	263,011	-
Construction in progress	30,202,575	445,395	527,945	-
Total assets	<u>\$ 136,756,706</u>	<u>\$ 43,511,237</u>	<u>\$ 40,901,054</u>	<u>\$ 14,089</u>
<b>DEFERRED OUTLOWS OF RESOURCES</b>				
Items related to pension	\$ 2,168,525	\$ 11,681,880	\$ 55,447	\$ 41,357
Items related to OPEB	322,204	1,079,630	6,501	7,600
Total deferred inflows of resources	<u>\$ 2,490,729</u>	<u>\$ 12,761,510</u>	<u>\$ 61,948</u>	<u>\$ 48,957</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 871,340	\$ 193,560	\$ 127,915	\$ -
Retainage payable	540,856	-	19,885	-
Accrued liabilities	-	2,886,120	-	-
Accrued interest payable	714,537	43,610	-	-
Unearned revenue	419,486	-	-	-
Due to primary government	-	2,215,150	249,400	-
Due within one year	5,838,217	282,674	722,941	-
Due in more than one year	55,323,969	58,237,506	9,718,973	93,215
Total liabilities	<u>\$ 63,708,405</u>	<u>\$ 63,858,620</u>	<u>\$ 10,839,114</u>	<u>\$ 93,215</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 21,531,343	\$ -	\$ -	\$ -
Items related to pension	-	6,119,814	-	-
Items related to OPEB	46,923	1,722,316	1,770	400
Total deferred inflows of resources	<u>\$ 21,578,266</u>	<u>\$ 7,842,130</u>	<u>\$ 1,770</u>	<u>\$ 400</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 17,942,189	\$ 32,809,497	\$ 26,731,275	\$ -
Restricted:				
Public safety	123,681	-	-	-
School Capital projects	2,818,444	-	-	-
Halifax County War Memorial	13,565	-	-	-
Unrestricted	33,062,885	(48,237,500)	3,390,843	(30,569)
Total net position	<u>\$ 53,960,764</u>	<u>\$ (15,428,003)</u>	<u>\$ 30,122,118</u>	<u>\$ (30,569)</u>

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

COUNTY OF HALIFAX, VIRGINIA

Statement of Activities  
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 4,655,946	\$ 4,474	\$ 2,473,202	\$ -
Judicial administration	2,525,766	37,163	1,167,708	-
Public safety	11,628,462	418,227	4,462,501	-
Public works	4,412,549	303,768	16,000	-
Health and welfare	9,727,718	-	7,201,917	-
Education	13,848,174	-	-	-
Parks, recreation, and cultural	405,078	4,445	10,486	-
Community development	2,639,370	18,685	374,444	2,211,768
Interest on long-term debt	1,741,451	-	-	-
Total governmental activities	<u>\$ 51,584,514</u>	<u>\$ 786,762</u>	<u>\$ 15,706,258</u>	<u>\$ 2,211,768</u>
Total primary government	<u>\$ 51,584,514</u>	<u>\$ 786,762</u>	<u>\$ 15,706,258</u>	<u>\$ 2,211,768</u>
<b>COMPONENT UNITS:</b>				
School Board	\$ 59,699,281	\$ 263,845	\$ 48,591,920	\$ -
Industrial Development Authority	2,885,148	1,796,162	350,000	571,084
Regional Library	528,618	7,750	263,942	-
Total component units	<u>\$ 63,113,047</u>	<u>\$ 2,067,757</u>	<u>\$ 49,205,862</u>	<u>\$ 571,084</u>
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use tax				
Consumers utility taxes				
Motor vehicle licenses				
Solid waste disposal fee				
Other local taxes				
Unrestricted revenues from use of money and property				
Payments from Halifax County				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Total general revenues				
Change in net position				
Net position - beginning, restated				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government Governmental Activities	Component Units			
	School Board	Industrial Development Authority	Regional Library	
\$ (2,178,270)	\$ -	\$ -	\$ -	
(1,320,895)	-	-	-	
(6,747,734)	-	-	-	
(4,092,781)	-	-	-	
(2,525,801)	-	-	-	
(13,848,174)	-	-	-	
(390,147)	-	-	-	
(34,473)	-	-	-	
(1,741,451)	-	-	-	
<u>\$ (32,879,726)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>\$ (32,879,726)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (10,843,516)	\$ -	\$ -	
-	-	(167,902)	-	
-	-	-	(256,926)	
<u>\$ -</u>	<u>\$ (10,843,516)</u>	<u>\$ (167,902)</u>	<u>\$ (256,926)</u>	
\$ 29,942,039	\$ -	\$ -	\$ -	
6,670,488	-	-	-	
891,981	-	-	-	
1,125,258	-	-	-	
944,253	-	-	-	
1,369,943	-	-	-	
390,361	-	2,656	-	
-	13,751,819	195,972	223,181	
392,763	279,123	60,224	15,881	
2,599,718	-	-	-	
<u>\$ 44,326,804</u>	<u>\$ 14,030,942</u>	<u>\$ 258,852</u>	<u>\$ 239,062</u>	
\$ 11,447,078	\$ 3,187,426	\$ 90,950	\$ (17,864)	
42,513,686	(18,615,429)	30,031,168	(12,705)	
<u>\$ 53,960,764</u>	<u>\$ (15,428,003)</u>	<u>\$ 30,122,118</u>	<u>\$ (30,569)</u>	

This page intentionally left blank

## **Fund Financial Statements**

This page intentionally left blank

Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Virginia Public Assistance	County Capital Projects	Total Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 34,885,767	\$ -	\$ 1,283,266	\$ 1,109,848	\$ 37,278,881
Receivables (net of allowance for uncollectibles):					
Taxes receivable	22,661,587	-	-	-	22,661,587
Accounts receivable	332,590	-	-	-	332,590
Note receivable	550,000	-	-	-	550,000
Due from other funds	378,009	-	-	4,261	382,270
Due from component units	2,464,550	-	-	-	2,464,550
Due from other governmental units	1,572,694	1,039,243	-	27,345	2,639,282
Prepaid items	149,541	-	25,000	-	174,541
Restricted assets:					
Cash and cash equivalents	665,060	-	-	-	665,060
Total assets	<u>\$ 63,659,798</u>	<u>\$ 1,039,243</u>	<u>\$ 1,308,266</u>	<u>\$ 1,141,454</u>	<u>\$ 67,148,761</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 40,372	\$ 661,234	\$ 57,553	\$ 112,181	\$ 871,340
Retainage payable	-	-	540,856	-	540,856
Due to other funds	4,261	378,009	-	-	382,270
Deferred revenue	419,486	-	-	-	419,486
Total liabilities	<u>\$ 464,119</u>	<u>\$ 1,039,243</u>	<u>\$ 598,409</u>	<u>\$ 112,181</u>	<u>\$ 2,213,952</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	\$ 23,884,871	\$ -	\$ -	\$ -	\$ 23,884,871
Total deferred inflows of resources	<u>\$ 23,884,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,884,871</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	\$ 149,541	\$ -	\$ 25,000	\$ -	\$ 174,541
Note receivable	550,000	-	-	-	550,000
Restricted:					
Public safety	123,681	-	-	-	123,681
Public safety capital projects	537,118	-	-	-	537,118
School Capital projects	2,818,444	-	-	-	2,818,444
Halifax County War Memorial	13,565	-	-	-	13,565
Committed:					
Future projects/grant matching	-	-	-	643,469	643,469
Airport operations	-	-	-	385,804	385,804
E-911 operations	346,785	-	-	-	346,785
Courthouse maintenance	270,167	-	-	-	270,167
Law library	58,016	-	-	-	58,016
Assigned:					
Future capital projects	-	-	684,857	-	684,857
Budget carryovers	1,169,641	-	-	-	1,169,641
Long-term debt	7,304,691	-	-	-	7,304,691
Fiscal policy - capital and long-term debt	9,601,748	-	-	-	9,601,748
Future debt service	287,320	-	-	-	287,320
School carryforward reserve	3,215,267	-	-	-	3,215,267
Unassigned	12,864,824	-	-	-	12,864,824
Total fund balances	<u>\$ 39,310,808</u>	<u>\$ -</u>	<u>\$ 709,857</u>	<u>\$ 1,029,273</u>	<u>\$ 41,049,938</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,659,798</u>	<u>\$ 1,039,243</u>	<u>\$ 1,308,266</u>	<u>\$ 1,141,454</u>	<u>\$ 67,148,761</u>

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

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

---

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 41,049,938
--	---------------

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

Capital assets, cost	\$ 98,938,700	
Accumulated depreciation	<u>(28,948,485)</u>	69,990,215

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

Unavailable property taxes	2,353,528
----------------------------	-----------

Items related to measurement of the net pension and OPEB liabilities are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and OPEB expense over future years.

Deferred outflows - pension related	2,168,525	
Deferred outflows - OPEB related	322,204	
Deferred inflows - OPEB related	<u>(46,923)</u>	2,443,806

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	\$ (46,994,127)	
Capital leases	(2,695,961)	
Unamortized premium on bonds	(3,250,918)	
Accrued interest payable	(714,537)	
Net OPEB liabilities	(1,577,689)	
Compensated absences	(1,039,571)	
Net pension liability	(3,812,719)	
Landfill postclosure liability	<u>(1,791,201)</u>	<u>(61,876,723)</u>

Net position of governmental activities	\$ <u><u>53,960,764</u></u>
---	-----------------------------

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

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

	General	Virginia Public Assistance	County Capital Projects	Total Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 30,570,715	\$ -	\$ -	\$ -	\$ 30,570,715
Other local taxes	11,001,923	-	-	-	11,001,923
Permits, privilege fees, and regulatory licenses	341,847	-	-	-	341,847
Fines and forfeitures	25,692	-	-	-	25,692
Revenue from the use of money and property	272,452	1,861	7,723	108,325	390,361
Charges for services	419,223	-	-	-	419,223
Miscellaneous	299,408	77,082	9,374	6,899	392,763
Recovered costs	229,629	-	-	-	229,629
Intergovernmental:					
Local government	100,085	-	-	-	100,085
Commonwealth	6,106,362	4,258,429	-	974,340	11,339,131
Federal	5,719,895	2,857,200	-	501,433	9,078,528
Total revenues	\$ 55,087,231	\$ 7,194,572	\$ 17,097	\$ 1,590,997	\$ 63,889,897
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 4,482,425	\$ -	\$ -	\$ -	\$ 4,482,425
Judicial administration	2,174,301	-	-	174,889	2,349,190
Public safety	10,363,887	-	-	817,708	11,181,595
Public works	3,485,208	-	-	-	3,485,208
Health and welfare	595,269	8,898,282	-	-	9,493,551
Education	10,881,088	-	-	-	10,881,088
Parks, recreation, and cultural	394,017	-	-	10,000	404,017
Community development	2,958,075	-	-	454,758	3,412,833
Nondepartmental	32,650	-	-	-	32,650
Capital projects	-	-	6,796,883	59,726	6,856,609
Debt service:					
Principal retirement	5,025,794	-	-	-	5,025,794
Interest and other fiscal charges	2,224,388	-	-	-	2,224,388
Total expenditures	\$ 42,617,102	\$ 8,898,282	\$ 6,796,883	\$ 1,517,081	\$ 59,829,348
Excess (deficiency) of revenues over (under) expenditures	\$ 12,470,129	\$ (1,703,710)	\$ (6,779,786)	\$ 73,916	\$ 4,060,549
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ 1,703,710	\$ 613,384	\$ -	\$ 2,317,094
Transfers out	(2,317,094)	-	-	-	(2,317,094)
Issuance of refunding lease revenue bonds	1,775,000	-	-	-	1,775,000
Premium from issuance of bonds	340,133	-	-	-	340,133
Payments to refunding bond escrow agent	(2,121,000)	-	-	-	(2,121,000)
Total other financing sources (uses)	\$ (2,322,961)	\$ 1,703,710	\$ 613,384	\$ -	\$ (5,867)
Net change in fund balances	\$ 10,147,168	\$ -	\$ (6,166,402)	\$ 73,916	\$ 4,054,682
Fund balances - beginning, restated	29,163,640	-	6,876,259	955,357	36,995,256
Fund balances - ending	\$ 39,310,808	\$ -	\$ 709,857	\$ 1,029,273	\$ 41,049,938

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

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

---

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

Net change in fund balances - total governmental funds	\$ 4,054,682
--	--------------

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. The following are the details of this difference:

Capital asset additions	\$ 7,914,594	
Net transfer of joint tenancy assets	(2,392,529)	
Depreciation expense	<u>(2,054,290)</u>	3,467,775

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

Property taxes recognized as revenue	(628,676)
--------------------------------------	-----------

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

Issuance of long-term debt, net of premium and discounts	\$ (2,115,133)	
Payments to refunding bond escrow agent	2,121,000	
Principal payments	<u>5,025,794</u>	5,031,661

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.

(Increase) decrease in net OPEB liabilities	\$ (230,972)	
(Increase) decrease in premium on bond issuance	380,642	
(Increase) decrease in compensated absences	(72,280)	
(Increase) decrease in accrued interest payable	102,295	
(Increase) decrease in net pension liability	(1,865,509)	
(Increase) decrease in deferred inflows related to the measurement of the net OPEB liabilities	34,452	
(Increase) decrease in deferred inflows related to the measurement of the net pension liability	345,114	
Increase (decrease) in deferred outflows related to net pension liability	759,679	
Increase (decrease) in deferred outflows related to net OPEB liabilities	123,286	
(Increase) decrease in landfill postclosure liability	<u>(55,071)</u>	(478,364)

Change in net position of governmental activities	<u>\$ 11,447,078</u>
---	----------------------

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

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2021

---

	<b>Custodial Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 603,751
Total assets	\$ <u>603,751</u>
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	\$ 695
Total liabilities	\$ <u>695</u>
	<hr/>
<b>NET POSITION</b>	
Restricted:	
Restricted for special welfare	\$ 522,553
Restricted for Heritage Festival Committee	79,688
Restricted for employees	815
Total net position	\$ <u>603,056</u>
Total liabilities and net position	\$ <u>603,751</u>
	<hr/>

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

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

---

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Special welfare collections	\$ 212,741
Heritage Festival Committee collections	22,404
Employee deferrals	8,009
Total additions	\$ <u>243,154</u>
<b>DEDUCTIONS</b>	
Welfare costs	\$ 216,163
Heritage Festival deductions	17,174
Employee health benefits	8,005
Total deductions	\$ <u>241,342</u>
Net increase (decrease) in fiduciary net position	\$ <u>1,812</u>
Net position, beginning of year, restated	\$ <u>601,244</u>
Net position, end of year	\$ <u><u>603,056</u></u>

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021

---

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

---

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

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

#### **A. Financial Statement Presentation**

##### 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 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).

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

---

**A. Financial Statement Presentation: (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The County does not allocate indirect expenses. The Operating grants include operating-specific and discretionary (operating or capital) grants while the capital grants column reflects capital specific grants. Internal service charges are eliminated and the net income or loss from internal service activities are allocated to the various functional expenses categories based on the internal charges to each function.

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

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

Management's Discussion and Analysis - The financial statements are accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

**B. 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 Halifax (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.

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

---

**C. Individual Component Unit Disclosures**

*Blended Component Units.* The County has no blended component units.

*Discretely Presented Component Units.*

The School Board members are elected by the citizens of Halifax 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 of the school board is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2021.

The Halifax County Industrial Development Authority is responsible for industrial and commercial development in the County. The Authority's board members are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2021. Complete financial statements for the Authority are available from the Authority in South Boston, Virginia.

The Halifax County - South Boston Regional Library provides public library services to residents of the County and Town. The County appoints four of the five members of the library board. The library is fiscally dependent upon the County for operating contributions. The financial statements of the library are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2021. The library does not issue separate financial statements.

**D. Other Related Organizations**

**Included in the County's Financial Report**

None

**Jointly Governed Organizations**

A jointly governed organization is a multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The County, in conjunction with other localities, has created the Southside Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$170,000 to the Southside Community Services Board.

The County in conjunction with the Towns of Halifax and South Boston jointly govern the Halifax County Service Authority, a regional authority providing water and sewer service. The Authority's governing body is appointed by the participating governments. The participating governments do not have access to resources and surpluses nor are they liable for the Authority's debt or deficits. During the year, the County contributed \$118,594 to the Halifax County Service Authority.

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

---

**D. Other Related Organizations: (Continued)**

**Jointly Governed Organizations: (Continued)**

The County, in conjunction with the Counties of Mecklenburg and Charlotte are members of the Southside Regional Public Service Authority. The Authority operates as a regional solid waste landfill facility. The County paid the Authority tipping fees of \$950,153 for solid waste transferred to the Authority in fiscal year 2021.

The County is a Member of the Blue Ridge Regional Jail Authority. The Authority provides regional detention and jail facilities to the Member localities. The Authority's governing body is appointed by the Member localities and includes the Sheriff from each locality. The County paid the Authority \$2,861,035 during fiscal year 2021.

**E. 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 proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

---

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

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 expenditures. 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, 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.

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

---

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

**1. Governmental Funds: (Continued)**

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. Special Revenue Funds consist of the following funds: Virginia Public Assistance Fund, State and Federal Grants Fund and William M. Tuck Airport Fund.

The Virginia Public Assistance Fund is a major special revenue fund used to account for and report the administration of the County's social services program.

Capital Projects Funds - The Capital Projects Funds account for and report 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 Capital Projects Fund is reported as a major fund.

2. Proprietary Funds - Proprietary Funds account 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. The County does not have a proprietary fund(s).
3. Fiduciary Funds - (Custodial Funds) - Fiduciary funds account for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. Custodial funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Custodial funds are not included in the government-wide financial statements. Custodial Funds consist of the Special Welfare Fund, Heritage Festival Fund and Health Savings Account Fund.
4. Component Unit

The Halifax County School Board has the following funds:

Governmental Funds:

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

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

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

---

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

**4. Component Unit: (Continued)**

The School Cafeteria Fund - Accounts for and reports the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a nonmajor fund.

The School Textbook Fund - Accounts for and reports the operations of the textbook rental program. This fund is considered a nonmajor fund.

The Student Activity Fund - Accounts for and reports the collective activity of the school/student activity funds.

Capital Projects Funds: Capital projects funds account for and report 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 School Capital Projects Fund - Accounts for and reports all financial resources used for the acquisition or construction of major capital facilities. This fund is considered a major fund.

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

**G. Investments**

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

**H. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "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."

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

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 \$429,084 at June 30, 2021 for property taxes.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

#### H. Receivables and Payables: (Continued)

##### 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	December 5	December 5
Due Date	June 5	N/A
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

#### I. Capital Assets

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

The Component Unit Industrial Development Authority, a proprietary fund type, is required to capitalize its capital assets including the infrastructure constructed at the business park.

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.

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

<u>Assets</u>	<u>Years</u>
Motor vehicles	5-10
Equipment	2-15
Infrastructure	25
Buildings	15-40

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

---

**J. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to 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.

**K. 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.

**L. Fund Equity**

The County reports fund balance in accordance with professional standards. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

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.

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

---

**L. Fund Equity: (Continued)**

The County 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. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

**M. Long-term Obligations**

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

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

**N. Bond Issuance Costs**

Bond issuance costs are expensed as incurred.

**O. Inventory**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Component Unit-Industrial Development Authority consists of land held for resale. Inventory is valued and recorded at the lower of cost and market.

**P. Net Position**

Net position is the difference between a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related 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 also included in this component of net position.

**Q. Net Position Flow Assumption**

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

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

---

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

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

**S. 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 fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

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

1. Prior to March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
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 Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, and Capital Projects Funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several Supplemental Appropriations were necessary during the fiscal year.

Expenditures exceeded appropriations in the following funds at June 30, 2021:

- School Capital Projects Fund
- Virginia Public Assistance Fund
- School Cafeteria Fund

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

---

#### **Deposits**

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

#### Investments

Statutes authorize the County 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 and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

The County does not have a formal investment policy addressing the various types of risks associated with investments.

#### Credit Risk of Debt Securities

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

Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 1,107,128
Virginia Investment Pool Stable NAV Liquidity Pool	537,118
Total	\$ 1,644,246

#### Fair Value Measurements

Fair value of the Virginia Investment Pool is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above investments at the net asset value (NAV).

#### Redemption Restrictions

The County is limited to two withdrawals per month.

#### Interest Rate Risk

The County reports investment maturities as follows:

Investment Type	Investment Maturity*	
	Fair Value	Less than 1
Local Government Investment Pool	\$ 1,107,128	\$ 1,107,128
Virginia Investment Pool Stable NAV Liquidity Pool	537,118	537,118
Total investments	\$ 1,644,246	\$ 1,644,246

\* Weighted average maturity in years.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**External Investment Pools**

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

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

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

		<b>Component Units</b>	
	<b>Primary Government</b>	<b>School Board</b>	<b>Industrial Development Authority</b>
Component Units:			
Halifax County School Board	\$ 2,215,150	\$ -	\$ -
Halifax County Industrial Development Authority	249,400	-	-
Total due from component units	<u>\$ 2,464,550</u>	<u>\$ -</u>	<u>\$ -</u>
Other Governments:			
Commonwealth of Virginia:			
Local sales tax	\$ 678,791	\$ -	\$ -
Local sales tax - additional 1%	447,330	-	-
Communications tax	133,432	-	-
Shared revenues	24,385	-	-
Shared expenses	255,670	-	-
VPA funds	115,847	-	-
CSA funds	722,993	-	-
State Sales Tax	-	818,232	-
Other state grants	30,558	1,796	-
Federal Government:			
School fund grants	-	1,510,251	-
VPA funds	200,403	-	-
Other federal grants	29,873	-	-
Total due from other governments	<u>\$ 2,639,282</u>	<u>\$ 2,330,279</u>	<u>\$ -</u>
Amounts due to other governments are as follows:			
Other Local Governments:			
Halifax County	<u>\$ -</u>	<u>\$ 2,215,150</u>	<u>\$ 249,400</u>

**COUNTY OF HALIFAX, VIRGINIA**

Notes to Financial Statements  
June 30, 2021 (Continued)

---

**Note 5—Interfund Obligations:**

---

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary Government:		
General	\$ 378,009	\$ 4,261
State and Federal Grants	4,261	-
Virginia Public Assistance	-	378,009
Component Unit - School Board:		
School Operating	32,056	-
School Textbook	-	32,056
	<u>                    </u>	<u>                    </u>
Total	\$ <u>414,326</u>	\$ <u>414,326</u>

**Note 6—Interfund Transfers:**

---

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 2,317,094
County Capital Projects	613,384	-
Virginia Public Assistance	1,703,710	-
Component Unit - School Board:		
School Operating	-	464,717
School Textbook Fund	464,717	-
	<u>                    </u>	<u>                    </u>
Total	\$ <u>2,781,811</u>	\$ <u>2,781,811</u>

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 7—Capital Assets:**

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Primary Government:</b>				
Capital assets not being depreciated:				
Land	\$ 5,075,550	\$ -	\$ -	\$ 5,075,550
Construction in progress	<u>25,550,022</u>	<u>7,248,651</u>	<u>2,596,098</u>	<u>30,202,575</u>
Total capital assets not being depreciated	\$ <u>30,625,572</u>	\$ <u>7,248,651</u>	\$ <u>2,596,098</u>	\$ <u>35,278,125</u>
Capital assets being depreciated:				
Buildings and systems	\$ 53,442,127	\$ -	\$ 3,734,660	\$ 49,707,467
Machinery and equipment	<u>10,971,068</u>	<u>3,262,041</u>	<u>280,001</u>	<u>13,953,108</u>
Total capital asset being depreciated	\$ <u>64,413,195</u>	\$ <u>3,262,041</u>	\$ <u>4,014,661</u>	\$ <u>63,660,575</u>
Accumulated depreciation:				
Buildings and systems	\$ 18,751,075	\$ 1,340,595	\$ 1,342,131	\$ 18,749,539
Machinery and equipment	<u>9,765,252</u>	<u>713,695</u>	<u>280,001</u>	<u>10,198,946</u>
Total accumulated depreciation	\$ <u>28,516,327</u>	\$ <u>2,054,290</u>	\$ <u>1,622,132</u>	\$ <u>28,948,485</u>
Capital assets, depreciable, net	\$ <u>35,896,868</u>	\$ <u>1,207,751</u>	\$ <u>2,392,529</u>	\$ <u>34,712,090</u>
Net capital assets primary government	\$ <u>66,522,440</u>	\$ <u>8,456,402</u>	\$ <u>4,988,627</u>	\$ <u>69,990,215</u>
<b>Component Unit-School Board:</b>				
Capital assets not being depreciated:				
Land	\$ 130,523	\$ -	\$ -	\$ 130,523
Construction in progress	<u>-</u>	<u>445,395</u>	<u>-</u>	<u>445,395</u>
Total capital assets not being depreciated	\$ <u>130,523</u>	\$ <u>445,395</u>	\$ <u>-</u>	\$ <u>575,918</u>
Capital assets being depreciated:				
Machinery and equipment	\$ 10,335,276	\$ 2,265,423	\$ 2,219,444	\$ 10,381,255
Buildings and systems	<u>59,561,549</u>	<u>3,734,660</u>	<u>-</u>	<u>63,296,209</u>
Total capital assets being depreciated	\$ <u>69,896,825</u>	\$ <u>6,000,083</u>	\$ <u>2,219,444</u>	\$ <u>73,677,464</u>
Accumulated depreciation:				
Machinery and equipment	\$ 8,365,619	\$ 626,738	\$ 2,219,444	\$ 6,772,913
Buildings and systems	<u>30,054,767</u>	<u>2,583,327</u>	<u>-</u>	<u>32,638,094</u>
Total accumulated depreciation	\$ <u>38,420,386</u>	\$ <u>3,210,065</u>	\$ <u>2,219,444</u>	\$ <u>39,411,007</u>
Capital assets, depreciable, net	\$ <u>31,476,439</u>	\$ <u>2,790,018</u>	\$ <u>-</u>	\$ <u>34,266,457</u>
Net capital assets component unit school board	\$ <u>31,606,962</u>	\$ <u>3,235,413</u>	\$ <u>-</u>	\$ <u>34,842,375</u>

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 7—Capital Assets: (Continued)

---

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	29,629
Public safety		571,619
Public works and general buildings		830,995
Health and welfare		30,738
Parks, recreation and cultural		15,912
Community development		840
Subtotal depreciation expense - governmental activities	\$	1,479,733
Education - depreciation on joint tenancy assets		574,557
Total Governmental activities	\$	2,054,290
Component Unit School Board:		
Depreciation expense	\$	1,867,934
Depreciation on joint tenancy assets		1,342,131
Total Component Unit School Board	\$	3,210,065

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the Code of Virginia, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Halifax, Virginia for the year ended June 30, 2021, is that school financed assets in the amount of \$22,982,265 (excluding accumulated depreciation) are reported in the Primary Government for financial reporting purposes.

# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

## Note 8—Long-Term Obligations:

### Primary Government:

A summary of the long-term obligations' transactions are as follows:

	Balance July 1, 2020	Issuance/ Increases	Retirement/ Decreases	Balance June 30, 2021	Amounts Due Within One Year
<b>Governmental Activities Obligations:</b>					
Incurring by County:					
Other liabilities:					
Compensated absences	\$ 967,291	\$ 72,280	\$ -	\$ 1,039,571	\$ 103,957
Net OPEB liabilities	1,346,717	476,253	245,281	1,577,689	-
Net pension liability	1,947,210	3,523,080	1,657,571	3,812,719	-
Landfill postclosure and corrective action costs	1,736,130	55,071	-	1,791,201	-
Capital lease	2,967,860	-	271,899	2,695,961	276,489
Direct borrowings and direct placements:					
General obligation bond	120,000	-	60,000	60,000	60,000
Revenue bonds	24,851,000	1,775,000	3,030,000	23,596,000	1,056,000
Note payable	406,097	-	50,235	355,862	52,880
Premium on bond issuance	3,006,805	340,133	304,110	3,042,828	343,673
Total incurred by County- Financial Statement Presentation	\$ 37,349,110	\$ 6,241,817	\$ 5,619,096	\$ 37,971,831	\$ 1,892,999
Incurring by School Board:					
Direct borrowings and direct placements:					
State Literary Fund Loans	\$ 1,866,791	\$ -	\$ 466,670	\$ 1,400,121	\$ 466,670
General obligation bonds	24,850,134	-	3,267,990	21,582,144	3,413,489
Premium on bond issuance	284,622	-	76,532	208,090	65,059
Total incurred by School Board- Financial Statement Presentation	\$ 27,001,547	\$ -	\$ 3,811,192	\$ 23,190,355	\$ 3,945,218
Total Governmental Activities Obligations	\$ 64,350,657	\$ 6,241,817	\$ 9,430,288	\$ 61,162,186	\$ 5,838,217

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30,	Incurred by County							
	General Obligation Bond		Revenue Bonds		Capital Lease		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 60,000	\$ 1,260	\$ 1,056,000	\$ 1,024,314	\$ 276,489	\$ 53,650	\$ 52,880	\$ 15,982
2023	-	-	1,015,000	972,113	281,992	48,147	55,523	13,515
2024	-	-	1,070,000	919,078	287,603	42,536	58,167	10,900
2025	-	-	1,125,000	863,247	293,327	36,813	60,811	8,042
2026	-	-	1,185,000	804,641	299,164	30,975	63,455	4,935
2027	-	-	1,245,000	742,981	305,117	25,022	65,026	1,675
2028	-	-	1,245,000	679,656	311,189	18,950	-	-
2029	-	-	1,320,000	614,438	317,382	12,757	-	-
2030	-	-	1,380,000	545,788	323,698	6,442	-	-
2031	-	-	1,460,000	473,578	-	-	-	-
2032	-	-	1,530,000	401,528	-	-	-	-
2033	-	-	1,595,000	335,469	-	-	-	-
2034	-	-	1,660,000	271,969	-	-	-	-
2035	-	-	1,550,000	209,550	-	-	-	-
2036	-	-	1,610,000	148,153	-	-	-	-
2037	-	-	1,675,000	86,053	-	-	-	-
2038	-	-	605,000	46,700	-	-	-	-
2039	-	-	625,000	28,725	-	-	-	-
2040	-	-	645,000	9,675	-	-	-	-
Total	\$ 60,000	\$ 1,260	\$ 23,596,000	\$ 9,177,655	\$ 2,695,961	\$ 275,292	\$ 355,862	\$ 55,049

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

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

Year Ending June 30,	Incurred by School Board			
	General Obligation Bonds		State Literary Fund Loans	
	Principal	Interest	Principal	Interest
2022	\$ 3,413,489	\$ 774,824	\$ 466,670	28,002
2023	3,564,581	614,643	466,670	18,669
2024	3,730,870	440,355	466,781	9,336
2025	3,892,866	264,105	-	-
2026	4,065,754	84,108	-	-
2027	2,914,584	12,640	-	-
Total	\$ 21,582,144	\$ 2,190,675	\$ 1,400,121	56,007

Details of Long-term Obligations:

	<u>Amount Outstanding</u>
<b><u>Direct Borrowings and Direct Placements:</u></b>	
<b><u>Revenue Bonds:</u></b>	
\$677,000 Public Facilities Lease Revenue Refunding Note, Series 2014 dated April 11, 2014, issued to refund the remaining balance of the \$985,995 Lease Revenue Refunding Bond dated May 8, 2009. The refunding bond is due in varying annual installments through May 2022 with interest payable semi-annually at a rate of 2.1%. The refunding resulted in an economic gain of \$30,000.	\$ 91,000
\$1,775,000 Lease Revenue Refunding Bonds, Series 2020 dated November 18, 2020 due in varying annual principal installments through April 2034 with interest payable semi-annually at rates from 1.949% to 5.125%.	1,775,000
\$14,455,000 Lease Revenue Bonds, Series 2016C dated November 16, 2016 due in varying annual principal installments through October 2026 with interest payable semi-annually, interest at 3.062%.	12,580,000

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

#### Primary Government: (Continued)

Details of Long-term Obligations:

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Direct Placements: (Continued)</u>	
<u>Revenue Bonds: (Continued)</u>	
\$9,095,000 Lease Revenue Bonds, Series 2019C dated September 20, 2019 due in varying annual principal installments through November 2039 with interest payable semi-annually, interest rate ranging from 5.00% to 3.00%.	\$ 8,820,000
\$670,000 Lease Revenue Bonds, Series 2011 (Energy Efficiency Improvements) dated April 15, 2011 due in varying annual principal installments through October 2026 with interest payable semi-annually, interest at 2.125% - 5.125%.	<u>330,000</u>
Premium on bonds issued	\$ <u>3,042,828</u>
Total Revenue Bonds - Incurred by Primary Government	\$ <u>26,638,828</u>
<u>General Obligation Bond - Incurred by County:</u>	
\$455,000 General Obligation Refunding Bond dated April 11, 2014, issued to refund the remaining balance of the \$663,075 General Obligation Refunding Bond dated May 8, 2009. The refunding bond is due in varying annual installments through May 2022 with interest payable semi-annually at a rate of 2.1%. The refunding resulted in an economic gain of \$20,000.	\$ <u>60,000</u>
Total General Obligation Bond - Incurred by County	\$ <u>60,000</u>
<u>General Obligation Bonds - Incurred by School Board:</u>	
\$16,615,000 School Bonds, issued November 10, 2005, through the Virginia Public School Authority, due in varying annual installments each July 15 through 2025, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	\$ 5,820,000
\$31,030,000 School Bonds, issued May 11, 2006, through Virginia Public School Authority, due in varying annual installments each July 15 through fiscal year 2027, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	12,655,000

**COUNTY OF HALIFAX, VIRGINIA**

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 8—Long-Term Obligations: (Continued)****Primary Government: (Continued)**

	<b><u>Amount Outstanding</u></b>
<u>General Obligation Bonds - Incurred by School Board: (Continued)</u>	
\$8,920,992 School Bonds, issued November 9, 2006, through the Virginia Public School Authority due in varying annual installments each July 15 through 2026, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	\$ 3,107,144
Premium on bonds issued	<u>208,090</u>
Total General Obligation Bonds - Incurred by School Board	<u>\$ 21,790,234</u>
<u>State Literary Fund Loans:</u>	
\$2,500,000, authorized, due in annual principal installments of \$466,670 over 20 years, interest payable annually at 2%. Amount drawn to date.	\$ 339,125
\$4,000,000, authorized, due in annual principal installments of \$183,655 over 20 years, interest payable annually at 2%. Amount drawn to date.	550,972
\$3,500,000, authorized, due in annual principal installments of \$170,003 over 20 years, interest payable annually at 2%. Amount drawn to date.	<u>510,024</u>
Total State Literary Fund Loans	<u>\$ 1,400,121</u>
<u>Capital Lease:</u>	
\$2,967,000 Equipment Lease Purchase Agreement dated December 2019 to finance purchase of E911 equipment due in annual installments of \$330,139 through December 2029, includes interest at 1.990%. The equipment secures the lease.	<u>\$ 2,695,961</u>
Total Capital Leases	<u>\$ 2,695,961</u>
<u>Note Payable:</u>	
\$900,000 note payable to the Town of South Boston for the Prizery renovations. The note is due in varying annual payments with interest at a rate of 1.94%. Principal and interest payable through fiscal year 2027.	<u>\$ 355,862</u>
<u>Other Liabilities:</u>	
Compensated absences	<u>\$ 1,039,571</u>
Net OPEB liabilities	<u>\$ 1,577,689</u>
Landfill postclosure and corrective action costs	<u>\$ 1,791,201</u>
Net pension liability	<u>\$ 3,812,719</u>
Total governmental activities long-term obligations	<u><u>\$ 61,162,186</u></u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Component Units: (Continued)**

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

	Balance July 1, 2020	Issuance/ Increases	Retirement/ Decreases	Balance June 30, 2021	Amounts Due Within One Year
<b><u>Component Unit—School Board:</u></b>					
Compensated absences	\$ 912,353	\$ -	\$ 28,447	\$ 883,906	\$ 88,391
Capital lease	1,213,706	896,229	77,057	2,032,878	194,283
Net pension liability	43,782,423	18,629,952	15,031,477	47,380,898	-
Net OPEB liability	<u>8,800,988</u>	<u>2,186,060</u>	<u>2,764,550</u>	<u>8,222,498</u>	<u>-</u>
Total long-term obligations	<u>\$ 54,709,470</u>	<u>\$ 21,712,241</u>	<u>\$ 17,901,531</u>	<u>\$ 58,520,180</u>	<u>\$ 282,674</u>

\$1,360,863 Lease Purchase Agreement dated January 5, 2018 to finance energy efficiency improvements. The lease is payable annually starting January 5, 2019 through January 5, 2033, includes interest at 3.14%. The balance at June 30, 2021 was \$1,136,649.

\$896,229 Lease purchase agreement dated August 10, 2020 to finance the purchase of school buses. Lease payments in the amount of \$145,754 due annually through August 2027. The balance at June 30, 2021 was \$896,229.

Year Ending June 30,	School Board	
	Capital Leases	
	Principal	Interest
2022	\$ 194,283	\$ 66,591
2023	201,822	59,051
2024	208,365	52,508
2025	215,120	45,753
2026	222,094	38,779
2027	229,295	31,579
2028	236,729	24,145
2029	98,650	16,469
2030	101,743	13,376
2031	104,934	10,185
2032	108,225	6,894
2033	<u>111,618</u>	<u>3,500</u>
Total	<u>\$ 2,032,878</u>	<u>\$ 368,830</u>

# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

### Component Units: (Continued)

	Balance July 1, 2020	Issuance/ Increases	Retirement/ Decreases	Balance June 30, 2021	Amounts Due Within One Year
<b><u>Component Unit—Library:</u></b>					
Net pension liability	\$ 37,138	\$ 62,445	\$ 26,868	\$ 72,715	\$ -
Net OPEB liability	7,400	13,500	400	20,500	-
Total long-term obligations	<u>\$ 44,538</u>	<u>\$ 75,945</u>	<u>\$ 27,268</u>	<u>\$ 93,215</u>	<u>\$ -</u>

## Note 9—Landfill Postclosure Costs:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County records a liability for a portion of these closure and postclosure care costs in each period based on landfill capacity used as of each balance sheet date. Closure of the County's landfill site is complete. The \$1,361,919 reported as landfill postclosure care liability, and corrective action liability of \$421,384 at June 30, 2021, represents the cumulative amount reported based on the use of 100% percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care and corrective action in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. Additionally, the County reports closure care liability in the amount of \$7,898, the estimated liability for the transfer station. The County intends to fund these costs from tipping fee revenues and from any fund accumulated for this purpose, including available bond issue proceeds in the County Capital Projects Fund. The County provides for financial assurance requirements for closure and postclosure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC-20-70 of the Virginia Administrative Code.

In addition to the landfill owned and operated by the County, the County participates in the Southside Regional Public Service Authority (SRPSA). SRPSA is a regional authority created by three localities to accept waste. The County is required to demonstrate financial assurance through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC-20-70 of the Virginia Administrative Code for the County's allocable portion of the future liability.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 10—Deferred Inflows of Resources-Property Taxes:

---

Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Deferred inflows of resources from unavailable property taxes is comprised of the following:

#### Primary Government - Property Taxes

##### Governmental Activities - Exhibit 1:

Prepaid property taxes - property taxes paid in advance	\$ 2,205,949
2nd half property tax assessments	19,325,394
Total deferred inflows of resources - governmental activities (Exhibit 1)	<u>21,531,343</u>

##### Governmental Funds:

Delinquent taxes not collected within 60 days	2,353,528
Total deferred inflows of resources - governmental funds (Exhibit 3)	<u><u>\$ 23,884,871</u></u>

### Note 11—Commitments and Contingencies:

---

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

The County has the following significant contractual commitments at June 30, 2021:

<u>Project</u>	<u>Amount of Contract Outstanding</u>
Courthouse renovation and related projects	195,752

### Note 12—Litigation:

---

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### **Note 13—Risk Management:**

---

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined together with other local governments in Virginia to form the Virginia Municipal Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The County pays an annual premium to the pool for substantially all of its insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the pool 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 continues to carry commercial insurance for all other risks of loss, including employee dishonesty and employee health and accident insurance. The Component Unit - School Board, carry 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 14—Pension Plan:**

---

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

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

#### ***Benefit Structures***

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

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

**Note 14—Pension Plan:**

---

***Benefit Structures: (Continued)***

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

***Average Final Compensation and Service Retirement Multiplier***

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

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

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 14—Pension Plan: (Continued)

#### *Employees Covered by Benefit Terms*

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	172	143
Inactive members:		
Vested inactive members	38	21
Non-vested inactive members	54	33
Active members active elsewhere in VRS	92	35
Total inactive members	184	89
Active members	211	68
Total covered employees	567	300

#### *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 and Component Unit Regional Library's contractually required employer contribution rate for the year ended June 30, 2021 was 7.88% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$618,867 and \$540,405 and Component Unit Regional Library were \$11,803 and \$10,306 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 4.46% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 14—Pension Plan: (Continued)

---

#### ***Contributions: (Continued)***

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 \$57,031 and \$80,976 for the years ended June 30, 2021 and June 30, 2020, respectively.

#### ***Net Pension Liability***

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

#### ***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the County's (Primary Government and Component Unit Regional Library) and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

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

#### ***Mortality rates:***

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

##### ***Pre-Retirement:***

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

##### ***Post-Retirement:***

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 14—Pension Plan: (Continued)

---

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

Post-Disablement:

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

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

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

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

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

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

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

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 14—Pension Plan: (Continued)

---

#### *Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits: (Continued)*

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

## Note 14—Pension Plan: (Continued)

### Long-Term Expected Rate of Return

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

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

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

### Discount Rate

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 14—Pension Plan: (Continued)**

***Discount Rate: (Continued)***

June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2020, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

***Changes in Net Pension Liability***

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Primary Government</b>			
Balances at June 30, 2019	\$ 39,951,372	\$ 38,004,162	\$ 1,947,210
Changes for the year:			
Service cost	\$ 842,339	\$ -	\$ 842,339
Interest	2,625,387	-	2,625,387
Differences between expected and actual experience	29,476	-	29,476
Assumption changes	-	-	-
Contributions - employer	-	538,397	(538,397)
Contributions - employee	-	399,512	(399,512)
Net investment income	-	719,665	(719,665)
Benefit payments, including refunds	(2,113,515)	(2,113,515)	-
Administrator charges	-	(25,034)	25,034
Other changes	-	(847)	847
Net changes	\$ 1,383,687	\$ (481,822)	\$ 1,865,509
Balances at June 30, 2020	\$ 41,335,059	\$ 37,522,340	\$ 3,812,719

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 14—Pension Plan: (Continued)

*Changes in Net Pension Liability: (Continued)*

Component Unit-Library	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ 761,930	\$ 724,793	\$ 37,137
Changes for the year:			
Service cost	\$ 16,065	\$ -	\$ 16,065
Interest	50,070	-	50,070
Differences between expected and actual experience	562	-	562
Assumption changes	-	-	-
Contributions - employer	-	10,268	(10,268)
Contributions - employee	-	7,619	(7,619)
Net investment income	-	13,725	(13,725)
Benefit payments, including refunds	(40,308)	(40,308)	-
Administrator charges	-	(477)	477
Other changes	-	(16)	16
Net changes	\$ 26,389	\$ (9,189)	\$ 35,578
Balances at June 30, 2020	\$ 788,319	\$ 715,604	\$ 72,715
Component School Board (nonprofessional)			
Balances at June 30, 2019	\$ 13,195,944	\$ 13,017,116	\$ 178,828
Changes for the year:			
Service cost	\$ 157,752	\$ -	\$ 157,752
Interest	858,997	-	858,997
Differences between expected and actual experience	(89,154)	-	(89,154)
Assumption changes	-	-	-
Contributions - employer	-	80,645	(80,645)
Contributions - employee	-	72,952	(72,952)
Net investment income	-	244,051	(244,051)
Benefit payments, including refunds	(940,121)	(940,121)	-
Administrator charges	-	(8,846)	8,846
Other changes	-	(281)	281
Net changes	\$ (12,526)	\$ (551,600)	\$ 539,074
Balances at June 30, 2020	\$ 13,183,418	\$ 12,465,516	\$ 717,902

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 14—Pension Plan: (Continued)**

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

The following presents the net pension liability of the Primary Government, Component Unit Regional Library 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 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)	\$ 8,879,196	\$ 3,812,719	\$ (410,184)
Component Unit Regional Library Net Pension Liability (Asset)	169,339	72,715	(7,823)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	1,994,228	717,902	(374,588)

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

For the year ended June 30, 2021, the Primary Government, Component Unit Regional Library and Component Unit School Board (nonprofessional) recognized pension expense of \$1,377,577, \$26,272 and \$233,877, respectively. At June 30, 2021, the Primary Government, Component Unit Regional Library 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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,805	\$ -
Change in assumptions	351,478	-
Net difference between projected and actual earnings on pension plan investments	1,122,375	-
Employer contributions subsequent to the measurement date	618,867	-
Total	\$ 2,168,525	\$ -

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 14—Pension Plan: (Continued)

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

Component Unit Regional Library	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,446	\$ -
Change in assumptions	6,703	-
Net difference between projected and actual earnings on pension plan investments	21,405	-
Employer contributions subsequent to the measurement date	11,803	-
Total	<u>\$ 41,357</u>	<u>\$ -</u>
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ -	\$ 21,613
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	373,666	-
Employer contributions subsequent to the measurement date	57,031	-
Total	<u>\$ 430,697</u>	<u>\$ 21,613</u>

\$618,867, \$11,803 and \$57,031 reported as deferred outflows of resources related to pensions resulting from the Primary Government, Component Unit Regional Library and Component Unit School Board (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit Regional Library	Component Unit School Board (nonprofessional)
2022	\$ 439,813	\$ 8,388	\$ (21,805)
2023	363,697	6,936	120,589
2024	385,135	7,345	131,718
2025	361,013	6,885	121,551
2026	-	-	-
Thereafter	-	-	-

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 14—Pension Plan: (Continued)

---

#### *Pension Plan Data*

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

#### Component Unit School Board (professional)

##### *Plan Description*

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

##### *Contributions*

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

Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$4,471,486 and \$4,340,108 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$46,662,996 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was .32060% as compared to .33130% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$4,064,145. 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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 14—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,735,172
Change in assumptions	3,185,335	-
Net difference between projected and actual earnings on pension plan investments	3,549,238	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	45,124	3,363,029
Employer contributions subsequent to the measurement date	<u>4,471,486</u>	<u>-</u>
Total	<u>\$ 11,251,183</u>	<u>\$ 6,098,201</u>

\$4,471,486 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ (1,107,263)
2023	152,996
2024	879,569
2025	869,334
2026	(113,140)

**Note 14—Pension Plan: (Continued)**

---

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

*Actuarial Assumptions*

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

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

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

**Mortality rates:**

- Pre-Retirement:**  
RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.
- Post-Retirement:**  
RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 14—Pension Plan: (Continued)

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

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

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

#### ***Net Pension Liability***

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

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

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

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 14—Pension Plan: (Continued)**

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 68,465,095	\$ 46,662,996	\$ 28,629,904

***Pension Plan Fiduciary Net Position***

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

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
Primary Government	\$ 2,168,525	\$ -	\$ 3,812,719	\$ 1,377,577
Component Unit Library	41,357	-	72,715	26,272
School Board Nonprofessional	430,697	21,613	717,902	233,877
School Board Professional	11,251,183	6,098,201	46,662,996	4,064,145
Totals	\$ 13,891,762	\$ 6,119,814	\$ 51,266,332	\$ 5,701,872

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 15—Surety Bonds:

---

	<u>Amount</u>
Commonwealth of Virginia - Division of Risk Management - Surety	
Clerk of the Circuit Court	\$ 1,500,000
Treasurer	400,000
Commissioner of the Revenue	50,000
Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Nationwide Insurance Company - Surety	
Superintendent of Schools	50,000
Clerk of the School Board	50,000
Continental Insurance Company - Surety	
All County employees - blanket bond	25,000
Selective Insurance Company of America - Surety	
Faithful performance blanket position bond all social service employees	100,000

### Note 16—Other Postemployment Benefits

---

#### Health Insurance (Single-employer Defined Benefit Plan)

##### *Plan Description*

The County and School Board provide postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add or delete coverage as they deem appropriate and with the approval of the Board of Supervisors. The plan does not grant retirees vested health benefits. The Plan does not issue separate financial statements.

##### *Benefits Provided*

Employees who retire from the County, Library or School Board with service eligible for VRS benefits (Plan 1 - Age 50 and 10 years of service or Age 55 and 5 years of service; Plan 2 - age 60 and 5 years of service; Hazardous duty - age 50 and 5 years of service) and who are participating in the medical coverage are eligible to elect post-retirement coverage. Retirees are eligible to remain on the medical plan with 100% of the premium paid by the retiree. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree. Retirees' coverage ceases at eligibility for Medicare.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Health Insurance (Single-employer Defined Benefit Plan): (Continued)

##### *Plan Membership*

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

	<u>County</u>	<u>Library</u>	<u>School Board</u>
Total active employees with coverage	183	4	692
Total inactive employees or retirees with coverage	3	-	22
Total	<u>186</u>	<u>4</u>	<u>714</u>

##### *Contributions*

The County, Library and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County, Library and School Board. The amount paid for OPEB as the benefits came due during the year ended June 20, 2021 was \$149,600.

##### *Total OPEB Liability*

The County, Library and School Board's total OPEB liabilities were measured as of July 1, 2020. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2020.

##### *Actuarial Assumptions*

The total OPEB liability in the July 1, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>County, Library and School Board</u>	
Salary Increases	Increases of 2.5%
Discount Rate	2.45% as of July 1, 2021

Mortality rates for active employees and healthy retirees were based on a RP-2014 Mortality Table fully generational, with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

##### *Discount Rate*

The discount rate represents the Municipal GO AA 20-year yield curve rate as of June 30, 2020. The final equivalent single discount rate used for this year's valuation is 2.45% as of the end of the fiscal year with the expectation that the County, Library and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Health Insurance (Single-employer Defined Benefit Plan): (Continued)**

***Changes in Total OPEB Liability***

	Changes in Net OPEB Liability		
	Primary Government- County Total OPEB Liability	Component Unit- Library Total OPEB Liability	Component Unit- School Board Total OPEB Liability
Balances at July 1, 2020	\$ 650,400	\$ 7,400	\$ 1,926,800
Changes for the year:			
Service cost	33,600	400	83,900
Interest	21,100	200	61,000
Difference between expected and actual experience	91,800	11,100	(490,300)
Changes in assumptions	52,000	1,400	81,900
Benefit payments	(28,200)	-	(121,400)
Net changes	170,300	13,100	(384,900)
Balances at June 30, 2021	\$ 820,700	\$ 20,500	\$ 1,541,900

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

The following amounts present the total OPEB liability of the County, Library 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 (1.45%) or one percentage point higher (3.45%) than the current discount rate:

	Rate		
	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
County Liability	\$ 893,200	\$ 820,700	\$ 754,000
Library Liability	\$ 22,300	\$ 20,500	\$ 18,800
School Board Liability	\$ 1,678,200	\$ 1,541,900	\$ 1,416,600

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Health Insurance (Single-employer Defined Benefit Plan): (Continued)**

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

The following presents the total OPEB liabilities of the County, Library and School Board, as well as what the total OPEB liabilities 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 rate used.

	Rates		
	1% Decrease	Healthcare Cost Trend	1% Increase
County Rate	\$ 730,600	\$ 820,700	\$ 926,600
Library Rate	\$ 18,200	\$ 20,500	\$ 23,100
School Board Rate	\$ 1,372,600	\$ 1,541,900	\$ 1,740,900

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

For the year ended June 30, 2021, the County, Library and School Board recognized OPEB expense in the amount of \$81,300, \$2,300 and \$(29,200), respectively.

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>County:</b>		
Change in assumptions	\$ 56,500	\$ -
Net difference between projected and actual experience	74,100	-
Total	<u>\$ 130,600</u>	<u>\$ -</u>
<b>Library:</b>		
Change in assumptions	\$ -	\$ 400
Net difference between projected and actual experience	7,600	-
Total	<u>\$ 7,600</u>	<u>\$ 400</u>
<b>School Board:</b>		
Change in assumptions	\$ 127,100	\$ 119,000
Net difference between projected and actual experience	-	757,400
Total	<u>\$ 127,100</u>	<u>\$ 876,400</u>

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Health Insurance (Single-employer Defined Benefit Plan): (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 related to the health insurance OPEB will be recognized in expense in future periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>Library</u>	<u>School Board</u>
2022	\$ 33,600	\$ 1,900	\$ (193,000)
2023	33,600	1,900	(193,000)
2024	33,600	1,900	(193,000)
2025	18,300	1,000	(104,800)
2026	8,700	400	(63,900)
2027	2,800	100	(1,600)
Thereafter	-	-	-

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.

#### Group Life Insurance:

##### *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.

**Note 16—Other Postemployment Benefits: (Continued)**

---

**Group Life Insurance: (Continued)**

***Benefit Amounts***

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

***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$46,113 and \$44,212 for the years ended June 30, 2021 and June 30, 2020, respectively and \$157,077 and \$152,439 from the School Board.

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

At June 30, 2021, the County reported a liability of \$691,315 and the School Board \$2,377,258 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was .04330% as compared to .04124% at June 30, 2019. At June 30, 2020, the participating employer's proportion for the School Board was .14245% as compared to .14816% at June 30, 2019.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Group Life Insurance: (Continued)**

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

For the year ended June 30, 2021, the County and School Board recognized GLI OPEB expense of \$27,996 and \$27,586. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>County</b>			
Differences between expected and actual experience	\$	44,342	\$ 6,210
Net difference between projected and actual earnings on GLI OPEB program investments		20,767	-
Change in assumptions		34,574	14,435
Changes in proportion		26,306	16,488
Employer contributions subsequent to the measurement date		46,113	-
Total	\$	<u>172,102</u>	<u>37,133</u>
<b>School Board</b>			
Differences between expected and actual experience	\$	152,479	\$ 21,352
Net difference between projected and actual earnings on GLI OPEB program investments		71,411	-
Change in assumptions		118,890	49,638
Changes in proportionate share		-	239,375
Employer contributions subsequent to the measurement date		157,077	-
Total	\$	<u>499,857</u>	<u>310,365</u>

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Group Life Insurance: (Continued)

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

\$46,113 and \$157,077 (County and School Board) reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>
2022	\$ 12,046	\$ (27,263)
2023	17,911	(7,095)
2024	23,263	20,700
2025	24,382	45,454
2026	9,706	2,472
Thereafter	1,548	(1,853)

#### *Actuarial Assumptions*

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

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

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 16—Other Postemployment Benefits: (Continued)

---

#### Group Life Insurance: (Continued)

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

##### **Mortality Rates - Teachers**

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

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

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

##### **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.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 16—Other Postemployment Benefits: (Continued)

---

#### Group Life Insurance: (Continued)

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

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

##### Post-Disablement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which is based on VRS Board action effective as of July 1, 2019. 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	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

##### Pre-Retirement:

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

##### Post-Retirement:

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

##### Post-Disablement:

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Group Life Insurance: (Continued)

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

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

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

#### **NET GLI OPEB Liability**

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

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

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Group Life Insurance: (Continued)**

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

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

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

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Group Life Insurance: (Continued)

##### *Discount Rate*

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

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the Group Life Insurance Plan				
Net OPEB Liability	\$	908,794	\$ 691,315	\$ 514,712
School Board's proportionate share of the Group Life Insurance Plan				
Net OPEB Liability	\$	3,125,087	\$ 2,377,258	\$ 1,769,950

##### *GLI Plan Fiduciary Net Position*

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

**Note 16—Other Postemployment Benefits: (Continued)**

---

**Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional)**

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

***HIC Plan Notes***

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)

##### *Employees Covered by Benefit Terms*

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

	<u>County</u>	<u>School Board</u>
Inactive members or their beneficiaries currently receiving benefits	30	52
Inactive members:		
Vested inactive members	-	-
Non-vested inactive members	-	-
Inactive members active elsewhere in VRS	-	-
Total inactive members	<u>30</u>	<u>52</u>
Active members	<u>95</u>	<u>68</u>
Total covered employees	<u>125</u>	<u>120</u>

##### *Contributions*

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County and School Board's contractually required employer contribution rate for the year ended June 30, 2021 was .23% and 1.06%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County and School Board to the HIC Plan were \$8,569 and \$8,467 and \$15,592 and \$14,813 for the years ended June 30, 2021 and June 30, 2020, respectively.

##### *Net HIC OPEB Liability*

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

##### *Actuarial Assumptions*

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)

##### Actuarial Assumptions: (Continued)

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

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

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

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

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

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (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:

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

\*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)**

***Discount Rate***

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to 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.

***Changes in Net HIC OPEB Liability***

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
<b>County:</b>			
Balances at June 30, 2019	\$ 168,381	\$ 110,831	\$ 57,550
Changes for the year:			
Service cost	\$ 4,670	\$ -	\$ 4,670
Interest	10,705	-	10,705
Benefit changes	-	-	-
Differences between expected and actual experience	3,158	-	3,158
Assumption changes	-	-	-
Contributions - employer	-	8,467	(8,467)
Net investment income	-	2,135	(2,135)
Benefit payments	(19,583)	(19,583)	-
Administrative expenses	-	(192)	192
Other changes	-	(1)	1
Net changes	\$ (1,050)	\$ (9,174)	\$ 8,124
Balances at June 30, 2020	\$ 167,331	\$ 101,657	\$ 65,674

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

Note 16—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)

*Changes in Net HIC OPEB Liability: (Continued)*

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
<b>School Board - Nonprofessional:</b>			
Balances at June 30, 2019	\$ 279,079	\$ 98,298	\$ 180,781
Changes for the year:			
Service cost	\$ 2,483	\$ -	\$ 2,483
Interest	17,562	-	17,562
Benefit changes	13,213	-	13,213
Differences between expected and actual experience	(13,093)	-	(13,093)
Assumption changes	-	-	-
Contributions - employer	-	14,802	(14,802)
Net investment income	-	1,699	(1,699)
Benefit payments	(37,795)	(37,795)	-
Administrative expenses	-	(144)	144
Other changes	-	(1)	1
Net changes	\$ (17,630)	\$ (21,439)	\$ 3,809
Balances at June 30, 2020	\$ 261,449	\$ 76,859	\$ 184,590

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's Net HIC OPEB Liability	\$ 82,637	\$ 65,674	\$ 51,151
School Board's (Nonprofessional) Net HIC OPEB Liability	205,159	184,590	163,997

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)**

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

For the year ended June 30, 2021, the County and School Board recognized HIC Plan OPEB expense of \$7,249 and \$20,649, respectively. At June 30, 2021, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the County and School Board's HIC Plan from the following sources:

<b>County:</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,958	\$ 7,698
Net difference between projected and actual earnings on HIC OPEB plan investments	3,444	-
Change in assumptions	2,531	2,092
Employer contributions subsequent to the measurement date	8,569	-
Total	<u>\$ 19,502</u>	<u>\$ 9,790</u>
<b>School Board - Nonprofessional:</b>		
Differences between expected and actual experience	\$ -	\$ 12,343
Net difference between projected and actual earnings on HIC OPEB plan investments	2,806	-
Change in assumptions	2,174	-
Employer contributions subsequent to the measurement date	15,592	-
Total	<u>\$ 20,572</u>	<u>\$ 12,343</u>

\$8,569 and \$15,592 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<b>Year Ended June 30</b>	<b>County</b>	<b>School Board</b>
2022	\$ (1,218)	\$ (5,277)
2023	(338)	(2,976)
2024	122	59
2025	2,000	831
2026	577	-
Thereafter	-	-

**Note 16—Other Postemployment Benefits: (Continued)**

---

**Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)**

***HIC Plan Data***

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

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

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Plan (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.

**Note 16—Other Postemployment Benefits: (Continued)**

---

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

***HIC Plan Notes***

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

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$332,426 and \$332,151 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$4,118,750 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC Plan was .31060% as compared to .31573% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$247,870. 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.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**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)*

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 55,004
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	18,253	-
Change in assumptions	81,422	22,504
Change in proportionate share	-	445,700
Employer contributions subsequent to the measurement date	<u>332,426</u>	<u>-</u>
Total	<u>\$ 432,101</u>	<u>\$ 523,208</u>

\$332,426 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ (89,429)
2023	(87,620)
2024	(88,226)
2025	(76,913)
2026	(45,983)
Thereafter	(35,362)

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 16—Other Postemployment Benefits: (Continued)

---

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

##### *Actuarial Assumptions*

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

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

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

##### **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 HALIFAX, VIRGINIA**

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)****Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Actuarial Assumptions: (Continued)*****Mortality Rates - Teachers: (Continued)**

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

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

***Net Teacher Employee HIC OPEB Liability***

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

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

**Note 16—Other Postemployment Benefits: (Continued)****Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Net Teacher Employee HIC OPEB Liability: (Continued)***

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.

***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:

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

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

**Note 16—Other Postemployment Benefits: (Continued)****Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Discount Rate***

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

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

The follow 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		
	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current Discount</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 4,610,511	\$ 4,118,750	\$ 3,700,789

***Teacher Employee HIC OPEB Fiduciary Net Position***

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

# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

## Note 16—Other Postemployment Benefits: (Continued)

### Aggregate OPEB Information

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
<b>Primary Government</b>				
VRS OPEB Plans:				
Group Life Insurance Program	\$ 172,102	\$ 37,133	\$ 691,315	\$ 27,996
County Health Insurance Credit Program	19,502	9,790	65,674	7,249
County Stand-Alone Plan	130,600	-	820,700	81,300
Totals	<u>\$ 322,204</u>	<u>\$ 46,923</u>	<u>\$ 1,577,689</u>	<u>\$ 116,545</u>
<b>Component Unit School Board</b>				
VRS OPEB Plans:				
Group Life Insurance Program	\$ 499,857	\$ 310,365	\$ 2,377,258	\$ 27,586
School Board Health Insurance Credit Program	20,572	12,343	184,590	20,649
Teacher Health Insurance Credit Program	432,101	523,208	4,118,750	247,870
School Stand-Alone Plan	127,100	876,400	1,541,900	(29,200)
Totals	<u>\$ 1,079,630</u>	<u>\$ 1,722,316</u>	<u>\$ 8,222,498</u>	<u>\$ 266,905</u>
<b>Component Unit Library</b>				
VRS OPEB Plans:				
Library Stand-Alone Plan	\$ 7,600	\$ 400	\$ 20,500	\$ 2,300
Totals	<u>\$ 7,600</u>	<u>\$ 400</u>	<u>\$ 20,500</u>	<u>\$ 2,300</u>

## Note 17—Restricted Cash:

Cash is temporarily restricted for the following purposes:

Asset forfeiture	\$ 114,377
Capital projects	537,118
Other	13,565

## Note 18—Upcoming Pronouncements:

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

**Note 18—Upcoming Pronouncements: (Continued)**

---

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

Statement No. 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.

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.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

### Note 19—Adoption of Accounting Principle and Restatement of Beginning Balances:

The County and School Board implemented provisions of Governmental Accounting Standards Board, Statement Number 84, *Fiduciary Activities* for the fiscal year ended June 30, 2021. Statement No. 84 sets forth standards for identifying, reporting and accounting for fiduciary activities for state and local governments. Accordingly, previously reported fiduciary type funds may be reclassified and reported differently under Statement No. 84. The implementation resulted in a restatement of equity for both fund financial statements and government-wide financial statements:

The County is also restating beginning equity in the general fund/primary government for additional prior year accounts payable related to Children Services Act and in the school textbook fund/component unit for the transfer of prior year textbook revenues in the prior year.

#### Fund Financial Statements:

	General Fund	Custodial Funds			Student Activity Funds	School Textbook
		Special Welfare	Heritage Festival	Health Savings Account		
Fund balance as reported, July 1, 2020	\$ 30,143,820	\$ -	\$ -	\$ -	\$ -	\$ 304,638
Other restatements	(993,915)	-	-	-	-	456,686
Implementation of GASB Statement No. 84	13,735	525,975	74,458	811	398,939	-
Fund balance/Net Position, July 1, 2020, restated	<u>\$ 29,163,640</u>	<u>\$ 525,975</u>	<u>\$ 74,458</u>	<u>\$ 811</u>	<u>\$ 398,939</u>	<u>\$ 761,324</u>

#### Government-wide Financial Statements:

	Primary Government	Component Unit
		School Board
Net position as reported, July 1, 2020	\$ 43,493,866	\$ (19,471,054)
Other restatements	(993,915)	456,686
Implementation of GASB Statement No. 84	13,735	398,939
Net Position, July 1, 2020, restated	<u>\$ 42,513,686</u>	<u>\$ (18,615,429)</u>

### Note 20—COVID-20 Pandemic Funding:

#### CARES Act Funding

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

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding in the amount of \$5.92 million.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### Note 20—COVID-20 Pandemic Funding: (Continued)

---

#### ARPA Funding

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

In July 2021, the County received its share of the first half of the CSLFRF funds in the amount of \$3.29 million. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government.

### Note 21—Note Receivable:

---

The County loaned \$550,000 to the Industrial Development Authority of Halifax County, Virginia (IDA) to finance the upfit of an industrial facility known as the Daystrom Building. The note receivable is to be repaid by the IDA over a period of five years at a rate of 3.75% annually. The annual payments of \$122,678 are due June 15<sup>th</sup> each year through June 15, 2026. The following amortization schedule provides for repayment of the note receivable to the County by the IDA.

Year Ending June 30,	Note Receivable	
	Principal	Interest
2022	\$ 102,054	\$ 20,625
2023	105,881	16,798
2024	109,851	12,827
2025	113,970	8,708
2026	<u>118,244</u>	<u>4,434</u>
Total	\$ <u>550,000</u>	\$ <u>63,392</u>

### **Required Supplementary Information**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

## General Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 28,476,315	\$ 28,476,315	\$ 30,570,715	\$ 2,094,400
Other local taxes	10,685,000	10,685,000	11,001,923	316,923
Permits, privilege fees, and regulatory licenses	300,000	320,515	341,847	21,332
Fines and forfeitures	65,000	65,000	25,692	(39,308)
Revenue from the use of money and property	297,247	297,247	272,452	(24,795)
Charges for services	461,000	461,500	419,223	(42,277)
Miscellaneous	132,500	162,725	299,408	136,683
Recovered costs	184,628	193,699	229,629	35,930
Intergovernmental:				
Local government	108,642	108,642	100,085	(8,557)
Commonwealth	6,260,040	6,379,524	6,106,362	(273,162)
Federal	3,003,604	6,154,291	5,719,895	(434,396)
Total revenues	<u>\$ 49,973,976</u>	<u>\$ 53,304,458</u>	<u>\$ 55,087,231</u>	<u>\$ 1,782,773</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 3,829,004	\$ 5,163,492	\$ 4,482,425	\$ 681,067
Judicial administration	2,087,489	2,408,374	2,174,301	234,073
Public safety	10,159,460	11,959,816	10,363,887	1,595,929
Public works	3,613,825	3,640,537	3,485,208	155,329
Health and welfare	482,343	525,487	595,269	(69,782)
Education	14,097,040	14,097,040	10,881,088	3,215,952
Parks, recreation, and cultural	454,584	488,195	394,017	94,178
Community development	2,135,355	3,985,727	2,958,075	1,027,652
Nondepartmental	1,000	1,815	32,650	(30,835)
Debt service:				
Principal retirement	5,449,390	5,291,150	5,025,794	265,356
Interest and other fiscal charges	2,066,846	2,281,544	2,224,388	57,156
Total expenditures	<u>\$ 44,376,335</u>	<u>\$ 49,843,177</u>	<u>\$ 42,617,102</u>	<u>\$ 7,226,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,597,641</u>	<u>\$ 3,461,281</u>	<u>\$ 12,470,129</u>	<u>\$ 9,008,848</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (2,435,230)	\$ (2,466,383)	\$ (2,317,094)	\$ 149,289
Issuance of capital lease	-	56,458	-	(56,458)
Issuance of refunding lease revenue bonds	-	-	1,775,000	1,775,000
Premium from issuance of bonds	-	-	340,133	340,133
Payments to refunding bond escrow agent	-	-	(2,121,000)	(2,121,000)
Total other financing sources (uses)	<u>\$ (2,435,230)</u>	<u>\$ (2,409,925)</u>	<u>\$ (2,322,961)</u>	<u>\$ 86,964</u>
Net change in fund balances	\$ 3,162,411	\$ 1,051,356	\$ 10,147,168	\$ 9,095,812
Fund balances - beginning, restated	(3,162,411)	(1,051,356)	29,163,640	30,214,996
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,310,808</u>	<u>\$ 39,310,808</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,861	\$ 1,861
Miscellaneous	-	-	77,082	77,082
Intergovernmental:				
Commonwealth	3,990,961	3,990,961	4,258,429	267,468
Federal	2,553,879	2,553,879	2,857,200	303,321
Total revenues	<u>\$ 6,544,840</u>	<u>\$ 6,544,840</u>	<u>\$ 7,194,572</u>	<u>\$ 649,732</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 8,346,921	\$ 8,378,074	\$ 8,898,282	\$ (520,208)
Total expenditures	<u>\$ 8,346,921</u>	<u>\$ 8,378,074</u>	<u>\$ 8,898,282</u>	<u>\$ (520,208)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,802,081)</u>	<u>\$ (1,833,234)</u>	<u>\$ (1,703,710)</u>	<u>\$ 129,524</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,802,081	\$ 1,833,234	\$ 1,703,710	\$ (129,524)
Total other financing sources (uses)	<u>\$ 1,802,081</u>	<u>\$ 1,833,234</u>	<u>\$ 1,703,710</u>	<u>\$ (129,524)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF HALIFAX, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios  
 Primary Government and Component Unit Halifax County Regional Library  
 For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020		2019		2018	
	Primary Government	Regional Library	Primary Government	Regional Library	Primary Government	Regional Library
<b>Total pension liability</b>						
Service cost	\$ 842,339	\$ 16,065	\$ 759,068	\$ 14,477	\$ 780,915	\$ 14,893
Interest	2,625,387	50,070	2,543,419	48,507	2,445,726	46,643
Differences between expected and actual experience	29,476	562	170,086	3,244	63,586	1,213
Changes in assumptions	-	-	1,115,561	21,275	-	-
Benefit payments	(2,113,515)	(40,308)	(1,942,633)	(37,049)	(1,846,599)	(35,217)
<b>Net change in total pension liability</b>	<b>\$ 1,383,687</b>	<b>\$ 26,389</b>	<b>\$ 2,645,501</b>	<b>\$ 50,454</b>	<b>\$ 1,443,628</b>	<b>\$ 27,532</b>
<b>Total pension liability - beginning</b>	<b>39,951,372</b>	<b>761,930</b>	<b>37,305,871</b>	<b>711,476</b>	<b>35,862,461</b>	<b>683,748</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 41,335,059</b>	<b>\$ 788,319</b>	<b>\$ 39,951,372</b>	<b>\$ 761,930</b>	<b>\$ 37,306,089</b>	<b>\$ 711,280</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 538,397	\$ 10,268	\$ 496,886	\$ 9,476	\$ 532,347	\$ 10,153
Contributions - employee	399,512	7,619	365,072	6,962	367,811	7,015
Net investment income	719,665	13,725	2,409,745	45,957	2,576,343	49,135
Benefit payments	(2,113,515)	(40,308)	(1,942,633)	(37,049)	(1,846,599)	(35,217)
Administrator charges	(25,034)	(477)	(24,395)	(465)	(22,550)	(430)
Other	(847)	(16)	(1,517)	(29)	(2,278)	(43)
<b>Net change in plan fiduciary net position</b>	<b>\$ (481,822)</b>	<b>\$ (9,189)</b>	<b>\$ 1,303,158</b>	<b>\$ 24,852</b>	<b>\$ 1,605,074</b>	<b>\$ 30,613</b>
<b>Plan fiduciary net position - beginning</b>	<b>38,004,162</b>	<b>724,793</b>	<b>36,701,004</b>	<b>699,940</b>	<b>35,096,134</b>	<b>669,149</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 37,522,340</b>	<b>\$ 715,604</b>	<b>\$ 38,004,162</b>	<b>\$ 724,792</b>	<b>\$ 36,701,208</b>	<b>\$ 699,762</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 3,812,719</b>	<b>\$ 72,715</b>	<b>\$ 1,947,210</b>	<b>\$ 37,138</b>	<b>\$ 604,881</b>	<b>\$ 11,518</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>90.78%</b>	<b>90.78%</b>	<b>95.13%</b>	<b>95.13%</b>	<b>98.38%</b>	<b>98.38%</b>
<b>Covered payroll</b>	<b>\$ 8,497,727</b>	<b>\$ 162,064</b>	<b>\$ 7,695,555</b>	<b>\$ 146,765</b>	<b>\$ 7,655,707</b>	<b>\$ 146,005</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>44.87%</b>	<b>44.87%</b>	<b>25.30%</b>	<b>25.30%</b>	<b>7.90%</b>	<b>7.89%</b>

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.

2017		2016		2015		2014	
Primary Government	Regional Library	Primary Government	Regional Library	Primary Government	Regional Library	Primary Government	Regional Library
\$ 793,955	\$ 15,142	\$ 779,075	\$ 14,854	\$ 825,925	\$ 15,747	\$ 826,346	\$ 15,754
2,395,636	45,688	2,313,571	44,111	2,214,719	42,226	2,135,142	40,706
(384,393)	(7,331)	(112,741)	(2,150)	198,493	3,784	-	-
(187,001)	(3,566)	-	-	-	-	-	-
(1,958,626)	(37,354)	(1,656,210)	(31,577)	(1,997,565)	(38,086)	(1,651,739)	(31,490)
\$ 659,571	\$ 12,579	\$ 1,323,695	\$ 25,238	\$ 1,241,572	\$ 23,671	\$ 1,309,749	\$ 24,970
35,202,890	671,169	33,879,195	645,931	32,637,623	622,260	31,327,890	597,259
<u>\$ 35,862,461</u>	<u>\$ 683,748</u>	<u>\$ 35,202,890</u>	<u>\$ 671,169</u>	<u>\$ 33,879,195</u>	<u>\$ 645,931</u>	<u>\$ 32,637,639</u>	<u>\$ 622,229</u>
\$ 528,755	\$ 10,084	\$ 673,810	\$ 12,847	\$ 678,950	\$ 12,945	\$ 790,792	\$ 15,076
380,201	7,251	358,651	6,838	363,627	6,933	367,756	7,011
3,885,346	74,099	555,064	10,583	1,448,398	27,615	4,392,966	83,751
(1,958,626)	(37,354)	(1,656,210)	(31,577)	(1,997,565)	(38,086)	(1,651,739)	(31,490)
(23,016)	(439)	(20,213)	(385)	(20,446)	(390)	(23,867)	(455)
(3,430)	(65)	(234)	(5)	(303)	(6)	232	4
\$ 2,809,231	\$ 53,576	\$ (89,132)	\$ (1,699)	\$ 472,661	\$ 9,011	\$ 3,876,140	\$ 73,897
32,286,903	615,573	32,376,035	617,272	31,903,374	608,261	28,027,250	534,333
<u>\$ 35,096,134</u>	<u>\$ 669,149</u>	<u>\$ 32,286,903</u>	<u>\$ 615,573</u>	<u>\$ 32,376,035</u>	<u>\$ 617,272</u>	<u>\$ 31,903,390</u>	<u>\$ 608,230</u>
\$ 766,327	\$ 14,599	\$ 2,915,987	\$ 55,596	\$ 1,503,160	\$ 28,659	\$ 734,249	\$ 13,999
97.86%	97.86%	91.72%	91.72%	95.56%	95.56%	97.75%	97.75%
\$ 7,511,881	\$ 145,187	\$ 7,269,350	\$ 161,325	\$ 7,348,452	\$ 140,456	\$ 7,410,339	\$ 141,278
10.20%	10.06%	40.11%	34.46%	20.46%	20.40%	9.91%	9.91%

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

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 157,752	\$ 169,977	\$ 186,868	\$ 190,138	\$ 234,268	\$ 325,663	\$ 332,205
Interest	858,997	870,277	867,664	918,297	949,873	936,401	905,803
Differences between expected and actual experience	(89,154)	(91,375)	(103,806)	(983,685)	(781,526)	(183,885)	-
Changes in assumptions	-	305,492	-	(31,127)	-	-	-
Benefit payments, including refunds of employee contributions	(940,121)	(981,911)	(844,875)	(789,037)	(918,376)	(853,050)	(748,730)
<b>Net change in total pension liability</b>	<b>\$ (12,526)</b>	<b>\$ 272,460</b>	<b>\$ 105,851</b>	<b>\$ (695,414)</b>	<b>\$ (515,761)</b>	<b>\$ 225,129</b>	<b>\$ 489,278</b>
<b>Total pension liability - beginning</b>	<b>13,195,944</b>	<b>12,923,484</b>	<b>12,817,633</b>	<b>13,513,047</b>	<b>14,028,808</b>	<b>13,803,679</b>	<b>13,314,401</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 13,183,418</b>	<b>\$ 13,195,944</b>	<b>\$ 12,923,484</b>	<b>\$ 12,817,633</b>	<b>\$ 13,513,047</b>	<b>\$ 14,028,808</b>	<b>\$ 13,803,679</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 80,645	\$ 82,417	\$ 141,618	\$ 154,312	\$ 203,113	\$ 234,453	\$ 217,625
Contributions - employee	72,952	73,601	78,998	86,232	91,360	106,219	148,448
Net investment income	244,051	831,394	924,578	1,415,455	198,450	546,114	1,699,873
Benefit payments, including refunds of employee contributions	(940,121)	(981,911)	(844,875)	(789,037)	(918,376)	(853,050)	(748,730)
Administrator charges	(8,846)	(8,938)	(8,339)	(8,540)	(7,852)	(7,872)	(9,403)
Other	(281)	(520)	(808)	(1,244)	(87)	(115)	90
<b>Net change in plan fiduciary net position</b>	<b>\$ (551,600)</b>	<b>\$ (3,957)</b>	<b>\$ 291,172</b>	<b>\$ 857,178</b>	<b>\$ (433,392)</b>	<b>\$ 25,749</b>	<b>\$ 1,307,903</b>
<b>Plan fiduciary net position - beginning</b>	<b>13,017,116</b>	<b>13,021,073</b>	<b>12,729,901</b>	<b>11,872,723</b>	<b>12,306,115</b>	<b>12,280,366</b>	<b>10,972,463</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 12,465,516</b>	<b>\$ 13,017,116</b>	<b>\$ 13,021,073</b>	<b>\$ 12,729,901</b>	<b>\$ 11,872,723</b>	<b>\$ 12,306,115</b>	<b>\$ 12,280,366</b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 717,902</b>	<b>\$ 178,828</b>	<b>\$ (97,589)</b>	<b>\$ 87,732</b>	<b>\$ 1,640,324</b>	<b>\$ 1,722,693</b>	<b>\$ 1,523,313</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>94.55%</b>	<b>98.64%</b>	<b>100.76%</b>	<b>99.32%</b>	<b>87.86%</b>	<b>87.72%</b>	<b>88.96%</b>
<b>Covered payroll</b>	<b>\$ 1,559,224</b>	<b>\$ 1,564,656</b>	<b>\$ 1,650,535</b>	<b>\$ 1,781,410</b>	<b>\$ 1,868,079</b>	<b>\$ 2,143,702</b>	<b>\$ 2,946,669</b>
<b>School Division's net pension liability as a percentage of covered payroll</b>	<b>46.04%</b>	<b>11.43%</b>	<b>-5.91%</b>	<b>4.92%</b>	<b>87.81%</b>	<b>80.36%</b>	<b>51.70%</b>

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

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

	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.32060%	0.33132%	0.33858%	0.35797%	0.36974%	0.36544%	0.37552%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 46,662,996	\$ 43,603,595	\$ 39,817,000	\$ 44,023,000	\$ 51,816,000	\$ 45,996,000	\$ 45,380,000
Employer's Covered Payroll	27,679,262	27,499,728	27,147,195	27,984,897	28,206,524	26,974,861	27,484,133
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	168.58%	158.56%	146.67%	157.31%	183.70%	170.51%	165.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	73.51%	74.81%	72.92%	68.28%	70.88%	70.88%

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

Schedule of Employer Contributions - Pension Plans  
For the Years Ended June 30, 2015 through June 30, 2021

Date	Contributions in Relation to			Contributions as a % of	
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Covered Payroll (5)
<b>Primary Government</b>					
2015	\$ 687,092	\$ 687,092	\$ -	\$ 7,348,452	9.35%
2016	670,634	670,634	-	7,269,350	9.23%
2017	530,187	530,187	-	7,511,881	7.06%
2018	532,699	532,699	-	7,655,707	6.96%
2019	497,066	497,066	-	7,695,555	6.46%
2020	540,405	540,405	-	8,497,727	6.36%
2021	618,867	618,867	-	8,512,490	7.27%
<b>Component Unit Regional Library</b>					
2015	\$ 13,099	\$ 13,099	\$ -	\$ 140,456	9.33%
2016	14,883	14,883	-	161,325	9.23%
2017	9,588	9,588	-	145,187	6.60%
2018	10,159	10,159	-	146,005	6.96%
2019	9,480	9,480	-	146,765	6.46%
2020	10,306	10,306	-	162,064	6.36%
2021	11,803	11,803	-	162,345	7.27%
<b>Component Unit School Board (nonprofessional)</b>					
2015	\$ 235,378	\$ 235,378	\$ -	\$ 2,143,702	10.98%
2016	203,679	203,679	-	1,868,079	10.90%
2017	157,793	157,793	-	1,781,410	8.86%
2018	141,618	141,618	-	1,650,535	8.58%
2019	82,650	82,650	-	1,564,656	5.28%
2020	80,976	80,976	-	1,559,224	5.19%
2021	57,031	57,031	-	1,470,927	3.88%
<b>Component Unit School Board (professional)</b>					
2015	\$ 3,753,274	\$ 3,753,274	\$ -	\$ 26,974,861	13.91%
2016	3,927,810	3,927,810	-	28,206,524	13.93%
2017	4,281,961	4,281,961	-	27,984,897	15.30%
2018	4,352,303	4,352,303	-	27,147,195	16.03%
2019	4,248,189	4,248,189	-	27,499,728	15.45%
2020	4,340,108	4,340,108	-	27,679,262	15.68%
2021	4,471,486	4,471,486	-	27,473,244	16.28%

Schedule is intended to show information for 10 years. 2015 is the first year for this presentation, no other data is available. Additional years will be included as available.

Notes to Required Supplementary Information - Pension Plans  
For the Year Ended June 30, 2021

---

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

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

**Largest 10 - 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%

OPEB - Health Insurance Plan  
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios  
For the Years Ended June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
<b>County:</b>				
<b>Total OPEB liability</b>				
Service cost	\$ 33,600	\$ 28,300	\$ 23,600	\$ 23,000
Interest	21,100	21,000	22,400	22,000
Changes in assumptions	52,000	28,600	(12,800)	-
Differences between expected and actual experience	91,800	37,400	(54,600)	-
Benefit payments	(28,200)	(31,500)	(31,500)	(39,800)
<b>Net change in total OPEB liability</b>	\$ 170,300	\$ 83,800	\$ (52,900)	\$ 5,200
<b>Total OPEB liability - beginning</b>	650,400	566,600	619,500	614,300
<b>Total OPEB liability - ending</b>	<u>\$ 820,700</u>	<u>\$ 650,400</u>	<u>\$ 566,600</u>	<u>\$ 619,500</u>
<b>Covered-employee payroll</b>	\$ 10,069,000	\$ 8,792,000	\$ 7,730,000	\$ 6,896,400
<b>Total OPEB liability (asset) as a percentage of covered-employee payroll</b>	8.2%	7.4%	7.3%	9.0%
<b>Library:</b>				
<b>Total OPEB liability</b>				
Service cost	\$ 400	\$ 300	\$ 400	\$ 400
Interest	200	200	300	300
Changes in assumptions	1,400	400	(900)	-
Differences between expected and actual experience	11,100	500	(3,500)	-
<b>Net change in total OPEB liability</b>	\$ 13,100	\$ 1,400	\$ (3,700)	\$ 700
<b>Total OPEB liability - beginning</b>	7,400	6,000	9,700	9,000
<b>Total OPEB liability - ending</b>	<u>\$ 20,500</u>	<u>\$ 7,400</u>	<u>\$ 6,000</u>	<u>\$ 9,700</u>
<b>Covered-employee payroll</b>	\$ 120,000	\$ 100,000	\$ 82,000	\$ 107,980
<b>Total OPEB liability (asset) as a percentage of covered-employee payroll</b>	17.1%	7.4%	7.3%	9.0%
<b>School Board:</b>				
<b>Total OPEB liability</b>				
Service cost	\$ 83,900	\$ 80,200	\$ 96,200	\$ 93,900
Interest	61,000	72,500	93,600	92,500
Changes in assumptions	81,900	72,500	(211,900)	-
Differences between expected and actual experience	(490,300)	(151,700)	(454,200)	-
Benefit payments	(121,400)	(135,200)	(135,200)	(181,600)
<b>Net change in total OPEB liability</b>	\$ (384,900)	\$ (61,700)	\$ (611,500)	\$ 4,800
<b>Total OPEB liability - beginning</b>	1,926,800	1,988,500	2,600,000	2,595,200
<b>Total OPEB liability - ending</b>	<u>\$ 1,541,900</u>	<u>\$ 1,926,800</u>	<u>\$ 1,988,500</u>	<u>\$ 2,600,000</u>
<b>Covered-employee payroll</b>	\$ 25,146,000	\$ 26,046,700	\$ 27,126,700	\$ 28,943,720
<b>Total OPEB liability (asset) as a percentage of covered-employee payroll</b>	6.1%	7.4%	7.3%	9.0%

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

OPEB - Health Insurance Plan  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2021

---

Valuation Date: 7/1/2020

Measurement Date: 7/1/2020

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 - County, Library and School Board:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.45% as of June 30, 2020; 3.13% as of June 30, 2019
Healthcare Trend Rate	5.50% for fiscal year ending 2021, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Increase Rates	Increases of 2.5%
Retirement Age	Age 50 and 10 years of service or Age 55 and 5 years of service - Plan 1 employees; Age 60 and 5 years of service - Plan 2 employees
Mortality Rates	RP-2014 Mortality Table fully generational, with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

## Schedule of Share of Net OPEB Liability

## Group Life Insurance (GLI) Plan

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

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
(1)	(2)	(3)	(4)	(5)	(6)

County:

2020	0.04330%	\$ 691,315	\$ 8,501,993	8.13%	52.64%
2019	0.04124%	638,767	7,597,949	8.41%	52.00%
2018	0.04237%	616,179	7,655,707	8.05%	51.22%
2017	0.04295%	619,938	7,511,881	8.25%	48.86%

School Board:

2020	0.14245%	\$ 2,377,258	\$ 29,238,486	8.13%	52.64%
2019	0.14816%	2,410,958	29,044,855	8.30%	52.00%
2018	0.15149%	2,301,000	28,797,730	7.99%	51.22%
2017	0.16668%	2,431,000	29,791,538	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.

## Schedule of Employer Contributions

## Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2021

<b>Date</b>	<b>Contractually Required Contribution (1)</b>	<b>Contributions in Relation to Contractually Required Contribution (2)</b>	<b>Contribution Deficiency (Excess) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Contributions as a % of Covered Payroll (5)</b>
<b>County:</b>					
2021	\$ 46,113	\$ 46,113	\$ -	\$ 8,539,616	0.54%
2020	44,212	44,212	-	8,501,993	0.52%
2019	39,508	39,508	-	7,597,949	0.52%
2018	40,141	40,141	-	7,655,707	0.52%
2017	39,475	39,475	-	7,511,881	0.52%
<b>School Board:</b>					
2021	\$ 157,077	\$ 157,077	\$ -	\$ 29,088,299	0.54%
2020	152,439	152,439	-	29,238,486	0.52%
2019	151,034	151,034	-	29,044,855	0.52%
2018	150,854	150,854	-	28,797,730	0.52%
2017	159,873	159,873	-	29,791,538	0.52%

Schedule is intended to show information for 10 years. Additional information will be reported in future years when available.

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

---

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

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

**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
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%

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

<u>County:</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total HIC OPEB Liability</b>				
Service cost	\$ 4,670	\$ 4,420	\$ 4,505	\$ 5,294
Interest	10,705	10,705	11,578	11,579
Differences between expected and actual experience	3,158	3,479	(14,676)	-
Changes in assumptions	-	3,775	-	(5,456)
Benefit payments	(19,583)	(13,855)	(13,907)	(8,948)
<b>Net change in total HIC OPEB liability</b>	\$ (1,050)	\$ 8,524	\$ (12,500)	\$ 2,469
<b>Total HIC OPEB Liability - beginning</b>	<b>168,381</b>	<b>159,857</b>	<b>172,357</b>	<b>169,888</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 167,331</b>	<b>\$ 168,381</b>	<b>\$ 159,857</b>	<b>\$ 172,357</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 8,467	\$ 7,750	\$ 8,757	\$ 6,705
Net investment income	2,135	6,808	7,560	11,277
Benefit payments	(19,583)	(13,855)	(13,907)	(8,948)
Administrator charges	(192)	(146)	(173)	(182)
Other	(1)	(8)	580	580
<b>Net change in plan fiduciary net position</b>	\$ (9,174)	\$ 549	\$ 2,817	\$ 9,432
<b>Plan fiduciary net position - beginning</b>	<b>110,831</b>	<b>110,282</b>	<b>108,625</b>	<b>99,193</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 101,657</b>	<b>\$ 110,831</b>	<b>\$ 111,442</b>	<b>\$ 108,625</b>
<b>County's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 65,674</b>	<b>\$ 57,550</b>	<b>\$ 48,415</b>	<b>\$ 63,732</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>60.75%</b>	<b>65.82%</b>	<b>69.71%</b>	<b>63.02%</b>
<b>Covered payroll</b>	<b>\$ 3,848,523</b>	<b>\$ 3,521,860</b>	<b>\$ 3,648,680</b>	<b>\$ 3,520,054</b>
<b>County's net HIC OPEB liability as a percentage of covered payroll</b>	<b>1.71%</b>	<b>1.63%</b>	<b>1.33%</b>	<b>1.81%</b>
<u><b>School Board - Nonprofessional:</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Total HIC OPEB Liability</b>				
Service cost	\$ 2,483	\$ 2,630	\$ 2,831	\$ 3,295
Interest	17,562	18,889	19,926	20,068
Changes of benefit terms	13,213	-	-	-
Differences between expected and actual experience	(13,093)	(4,192)	(10,851)	-
Changes in assumptions	-	5,282	-	(630)
Benefit payments	(37,795)	(26,739)	(26,709)	(22,828)
<b>Net change in total HIC OPEB liability</b>	\$ (17,630)	\$ (4,130)	\$ (14,803)	\$ (95)
<b>Total HIC OPEB Liability - beginning</b>	<b>279,079</b>	<b>283,209</b>	<b>298,012</b>	<b>298,107</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 261,449</b>	<b>\$ 279,079</b>	<b>\$ 283,209</b>	<b>\$ 298,012</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 14,802	\$ 14,865	\$ 12,049	\$ 12,990
Net investment income	1,699	6,088	7,501	11,933
Benefit payments	(37,795)	(26,739)	(26,709)	(22,828)
Administrator charges	(144)	(128)	160	(178)
Other	(1)	(7)	(647)	647
<b>Net change in plan fiduciary net position</b>	\$ (21,439)	\$ (5,921)	\$ (7,646)	\$ 2,564
<b>Plan fiduciary net position - beginning</b>	<b>98,298</b>	<b>104,219</b>	<b>112,185</b>	<b>109,621</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 76,859</b>	<b>\$ 98,298</b>	<b>\$ 104,539</b>	<b>\$ 112,185</b>
<b>School Board's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 184,590</b>	<b>\$ 180,781</b>	<b>\$ 178,670</b>	<b>\$ 185,827</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>70.60%</b>	<b>64.78%</b>	<b>63.09%</b>	<b>62.36%</b>
<b>Covered payroll</b>	<b>\$ 1,559,224</b>	<b>\$ 1,564,656</b>	<b>\$ 1,650,535</b>	<b>\$ 1,781,410</b>
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	<b>11.84%</b>	<b>11.55%</b>	<b>10.82%</b>	<b>10.43%</b>

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
<b>School Board - Professional:</b>					
2020	0.31060%	\$ 4,118,750	\$ 27,679,262	14.88%	9.95%
2019	0.32713%	4,282,449	27,438,738	15.61%	8.97%
2018	0.33521%	4,256,000	27,109,935	15.70%	8.08%
2017	0.35477%	4,501,000	27,998,178	16.08%	7.04%

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

Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Program  
 For the Years Ended June 30, 2017 through June 30, 2021

---

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>County:</b>					
2021	\$ 8,569	\$ 8,569	\$ -	\$ 3,725,538	0.23%
2020	8,467	8,467	-	3,848,523	0.22%
2019	7,748	7,748	-	3,521,860	0.22%
2018	8,757	8,757	-	3,648,680	0.24%
2017	8,448	8,448	-	3,520,054	0.24%
<b>School Board - Non-professional:</b>					
2021	\$ 15,592	\$ 15,592	\$ -	\$ 1,470,927	1.06%
2020	14,813	14,813	-	1,559,224	0.95%
2019	14,864	14,864	-	1,564,656	0.95%
2018	12,049	12,049	-	1,650,535	0.73%
2017	12,990	12,990	-	1,781,410	0.73%
<b>School Board - Professional:</b>					
2021	\$ 332,426	\$ 332,426	\$ -	\$ 27,473,244	1.21%
2020	332,151	332,151	-	27,679,262	1.20%
2019	329,265	329,265	-	27,438,738	1.11%
2018	331,189	331,189	-	27,109,935	1.11%
2017	310,780	310,780	-	27,998,178	1.11%

Schedule is intended to show information for 10 years. Additional information will be reported in future years when available.

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

---

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

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

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

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

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

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

**School Board - Professional:**

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

*Other Supplementary Information*

This page intentionally left blank

## **Combining and Individual Fund Financial Statements and Schedules**

This page intentionally left blank

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

County Capital Projects Fund				
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 7,723	\$ 7,723
Miscellaneous	-	9,374	9,374	-
Total revenues	\$ -	\$ 9,374	\$ 17,097	\$ 7,723
EXPENDITURES				
Capital projects	\$ 855,000	\$ 8,983,445	\$ 6,796,883	\$ 2,186,562
Total expenditures	\$ 855,000	\$ 8,983,445	\$ 6,796,883	\$ 2,186,562
Excess (deficiency) of revenues over (under) expenditures	\$ (855,000)	\$ (8,974,071)	\$ (6,779,786)	\$ 2,194,285
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 600,000	\$ 600,000	\$ 613,384	\$ 13,384
Total other financing sources (uses)	\$ 600,000	\$ 600,000	\$ 613,384	\$ 13,384
Net change in fund balances	\$ (255,000)	\$ (8,374,071)	\$ (6,166,402)	\$ 2,207,669
Fund balances - beginning	255,000	8,374,071	6,876,259	(1,497,812)
Fund balances - ending	\$ -	\$ -	\$ 709,857	\$ 709,857

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2021

	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,109,848	\$ 1,109,848
Due from other funds	4,261	4,261
Due from other governmental units	27,345	27,345
Total assets	<u>\$ 1,141,454</u>	<u>\$ 1,141,454</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 112,181	\$ 112,181
Total liabilities	<u>\$ 112,181</u>	<u>\$ 112,181</u>
<b>FUND BALANCES</b>		
Committed:		
Future projects/grant matching	\$ 643,469	\$ 643,469
Airport operations	385,804	385,804
Total fund balances	<u>\$ 1,029,273</u>	<u>\$ 1,029,273</u>
Total liabilities and fund balances	<u>\$ 1,141,454</u>	<u>\$ 1,141,454</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021

	<u>Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>		
Revenue from the use of money and property	\$ 108,325	108,325
Miscellaneous	6,899	\$ 6,899
Intergovernmental:		
Commonwealth	974,340	974,340
Federal	501,433	501,433
Total revenues	\$ <u>1,590,997</u>	\$ <u>1,590,997</u>
<b>EXPENDITURES</b>		
Current:		
Judicial administration	\$ 174,889	\$ 174,889
Public safety	817,708	817,708
Parks, recreation, and cultural	10,000	10,000
Community development	454,758	454,758
Capital projects	59,726	59,726
Total expenditures	\$ <u>1,517,081</u>	\$ <u>1,517,081</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>73,916</u>	\$ <u>73,916</u>
Net change in fund balances	\$ 73,916	\$ 73,916
Fund balances - beginning	955,357	955,357
Fund balances - ending	\$ <u><u>1,029,273</u></u>	\$ <u><u>1,029,273</u></u>

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2021

---

	State and Federal Grants Fund	William M. Tuck Airport Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 723,421	\$ 386,427	\$ 1,109,848
Due from other funds	4,261	-	4,261
Due from other governmental units	27,345	-	27,345
Total assets	<u>\$ 755,027</u>	<u>\$ 386,427</u>	<u>\$ 1,141,454</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 111,558	\$ 623	\$ 112,181
Total liabilities	<u>\$ 111,558</u>	<u>\$ 623</u>	<u>\$ 112,181</u>
<b>FUND BALANCES</b>			
Committed:			
Future projects/grant matching	\$ 643,469	\$ -	\$ 643,469
Airport operations	-	385,804	385,804
Total fund balances	<u>\$ 643,469</u>	<u>\$ 385,804</u>	<u>\$ 1,029,273</u>
Total liabilities and fund balances	<u>\$ 755,027</u>	<u>\$ 386,427</u>	<u>\$ 1,141,454</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2021

	State and Federal Grants Fund	William M. Tuck Airport Fund	Total
<b>REVENUES</b>			
Revenue from the use of money and property	\$ -	\$ 108,325	\$ 108,325
Miscellaneous	6,899	-	6,899
Intergovernmental:			
Commonwealth	974,340	-	974,340
Federal	498,658	2,775	501,433
Total revenues	<u>\$ 1,479,897</u>	<u>\$ 111,100</u>	<u>\$ 1,590,997</u>
<b>EXPENDITURES</b>			
Current:			
Judicial administration	\$ 174,889	\$ -	\$ 174,889
Public safety	817,708	-	817,708
Parks, recreation, and cultural	10,000	-	10,000
Community development	368,933	85,825	454,758
Capital projects	-	59,726	59,726
Total expenditures	<u>\$ 1,371,530</u>	<u>\$ 145,551</u>	<u>\$ 1,517,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 108,367</u>	<u>\$ (34,451)</u>	<u>\$ 73,916</u>
Net change in fund balances	\$ 108,367	\$ (34,451)	\$ 73,916
Fund balances - beginning	535,102	420,255	955,357
Fund balances - ending	<u><u>\$ 643,469</u></u>	<u><u>\$ 385,804</u></u>	<u><u>\$ 1,029,273</u></u>

COUNTY OF HALIFAX, VIRGINIA

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

	State and Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	6,899	6,899
Intergovernmental:				
Commonwealth	633,509	1,002,183	974,340	(27,843)
Federal	193,555	603,579	498,658	(104,921)
Total revenues	<u>\$ 827,064</u>	<u>\$ 1,605,762</u>	<u>\$ 1,479,897</u>	<u>\$ (125,865)</u>
<b>EXPENDITURES</b>				
Current:				
Judicial administration	\$ 308,204	\$ 308,784	\$ 174,889	\$ 133,895
Public safety	527,712	836,454	817,708	18,746
Parks, recreation, and cultural	10,000	10,000	10,000	-
Community development	14,297	483,673	368,933	114,740
Capital projects	-	-	-	-
Total expenditures	<u>\$ 860,213</u>	<u>\$ 1,638,911</u>	<u>\$ 1,371,530</u>	<u>\$ 267,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (33,149)</u>	<u>\$ (33,149)</u>	<u>\$ 108,367</u>	<u>\$ 141,516</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>\$ 33,149</u>	<u>\$ 33,149</u>	<u>\$ -</u>	<u>\$ (33,149)</u>
Total other financing sources (uses)	<u>\$ 33,149</u>	<u>\$ 33,149</u>	<u>\$ -</u>	<u>\$ (33,149)</u>
Net change in fund balances	\$ -	\$ -	\$ 108,367	\$ 108,367
Fund balances - beginning	-	-	535,102	535,102
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,469</u>	<u>\$ 643,469</u>

William M. Tuck Airport Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 72,000	\$ 81,000	\$ 108,325	\$ 27,325
-	-	-	-
50,000	50,000	-	(50,000)
2,000,000	2,000,000	2,775	(1,997,225)
\$ 2,122,000	\$ 2,131,000	\$ 111,100	\$ (2,019,900)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
72,000	81,000	85,825	(4,825)
2,050,000	2,050,000	59,726	1,990,274
\$ 2,122,000	\$ 2,131,000	\$ 145,551	\$ 1,985,449
\$ -	\$ -	\$ (34,451)	\$ (34,451)
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (34,451)	\$ (34,451)
-	-	420,255	420,255
\$ -	\$ -	\$ 385,804	\$ 385,804

Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2021

	Custodial Funds			
	Special Welfare	Heritage Festival	Health Savings Account	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 522,553	\$ 80,383	\$ 815	\$ 603,751
Total assets	<u>\$ 522,553</u>	<u>\$ 80,383</u>	<u>\$ 815</u>	<u>\$ 603,751</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 695	\$ -	\$ 695
Total liabilities	<u>\$ -</u>	<u>\$ 695</u>	<u>\$ -</u>	<u>\$ 695</u>
<b>NET POSITION</b>				
Restricted:				
Restricted for special welfare	\$ 522,553	\$ -	\$ -	\$ 522,553
Restricted for Heritage Festival Committee	-	79,688	-	79,688
Restricted for employees	-	-	815	815
Total net position	<u>\$ 522,553</u>	<u>\$ 79,688</u>	<u>\$ 815</u>	<u>\$ 603,056</u>
Total liabilities and net position	<u>\$ 522,553</u>	<u>\$ 80,383</u>	<u>\$ 815</u>	<u>\$ 603,751</u>

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds  
Custodial Funds  
For the Year Ended June 30, 2021

	Custodial Funds			
	Special Welfare	Heritage Festival	Health Savings Account	Total
<b>ADDITIONS</b>				
Special welfare collections	\$ 212,741	\$ -	\$ -	\$ 212,741
Heritage Festival Committee collections	-	22,404	-	22,404
Employee deferrals	-	-	8,009	8,009
Total additions	\$ 212,741	\$ 22,404	\$ 8,009	\$ 243,154
<b>DEDUCTIONS</b>				
Welfare costs	\$ 216,163	\$ -	\$ -	\$ 216,163
Heritage Festival deductions	-	17,174	-	17,174
Employee health benefits	-	-	8,005	8,005
Total deductions	\$ 216,163	\$ 17,174	\$ 8,005	\$ 241,342
Net increase (decrease) in fiduciary net position	\$ (3,422)	\$ 5,230	\$ 4	\$ 1,812
Net position, beginning of year, restated	\$ 525,975	\$ 74,458	\$ 811	\$ 601,244
Net position, end of year	\$ 522,553	\$ 79,688	\$ 815	\$ 603,056

This page intentionally left blank

## Discretely Presented Component Units

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

	School Operating Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,843,336	\$ 270,417	\$ 2,837,194	\$ 5,950,947
Receivables (net of allowance for uncollectibles):				
Accounts receivable	-	-	5,545	5,545
Due from other funds	32,056	-	-	32,056
Due from other governmental units	1,861,074	-	469,205	2,330,279
Prepaid items	382,091	-	-	382,091
Total assets	<u>\$ 5,118,557</u>	<u>\$ 270,417</u>	<u>\$ 3,311,944</u>	<u>\$ 8,700,918</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 60,071	\$ -	\$ 133,489	\$ 193,560
Accrued liabilities	2,843,336	-	42,784	2,886,120
Due to other funds	-	-	32,056	32,056
Due to primary government	2,215,150	-	-	2,215,150
Total liabilities	<u>\$ 5,118,557</u>	<u>\$ -</u>	<u>\$ 208,329</u>	<u>\$ 5,326,886</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 382,091	\$ -	\$ -	\$ 382,091
Committed:				
Education - major capital projects	-	270,417	-	270,417
Education - food service	-	-	2,224,716	2,224,716
Education - textbooks	-	-	533,029	533,029
Education - student activity fund	-	-	345,870	345,870
Unassigned	(382,091)	-	-	(382,091)
Total fund balances	<u>\$ -</u>	<u>\$ 270,417</u>	<u>\$ 3,103,615</u>	<u>\$ 3,374,032</u>
Total liabilities and fund balances	<u>\$ 5,118,557</u>	<u>\$ 270,417</u>	<u>\$ 3,311,944</u>	<u>\$ 8,700,918</u>

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

Total fund balances per above \$ 3,374,032

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

Capital assets	\$ 74,253,382	
Accumulated depreciation	<u>(39,411,007)</u>	34,842,375

Items related to measurement of the net pension and OPEB liabilities are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and OPEB expense over future years.

Deferred outflows - pension related	\$ 11,681,880	
Deferred outflows - OPEB related	1,079,630	
Deferred inflows - pension related	(6,119,814)	
Deferred inflows - OPEB related	<u>(1,722,316)</u>	4,919,380

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable	\$ (43,610)	
Net OPEB liabilities	(8,222,498)	
Net pension liability	(47,380,898)	
Capital lease	(2,032,878)	
Compensated absences	<u>(883,906)</u>	(58,563,790)

Net position of governmental activities \$ (15,428,003)

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

	School Operating Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Charges for services	\$ 196,369	\$ -	\$ 67,476	\$ 263,845
Miscellaneous	94,019	-	185,104	279,123
Intergovernmental:				
Local government	10,784,733	-	-	10,784,733
Commonwealth	38,770,982	-	82,556	38,853,538
Federal	5,511,154	-	4,227,228	9,738,382
Total revenues	<u>\$ 55,357,257</u>	<u>\$ -</u>	<u>\$ 4,562,364</u>	<u>\$ 59,919,621</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 55,673,650	\$ -	\$ 3,989,559	\$ 59,663,209
Capital projects	-	661,873	-	661,873
Debt service:				
Principal retirement	77,057	-	-	77,057
Interest and other fiscal charges	38,062	-	-	38,062
Total expenditures	<u>\$ 55,788,769</u>	<u>\$ 661,873</u>	<u>\$ 3,989,559</u>	<u>\$ 60,440,201</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (431,512)</u>	<u>\$ (661,873)</u>	<u>\$ 572,805</u>	<u>\$ (520,580)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 464,717	\$ 464,717
Transfers out	(464,717)	-	-	(464,717)
Issuance of capital leases	896,229	-	-	896,229
Total other financing sources (uses)	<u>\$ 431,512</u>	<u>\$ -</u>	<u>\$ 464,717</u>	<u>\$ 896,229</u>
Net change in fund balances	\$ -	\$ (661,873)	\$ 1,037,522	\$ 375,649
Fund balances - beginning, restated	-	932,290	2,066,093	2,998,383
Fund balances - ending	<u>\$ -</u>	<u>\$ 270,417</u>	<u>\$ 3,103,615</u>	<u>\$ 3,374,032</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 \$ 375,649

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 capital outlays exceeded depreciation expense in the current period.

Capital asset additions	\$ 2,710,818	
Net transfer of joint tenancy assets	3,734,660	
Depreciation expense	<u>(3,210,065)</u>	3,235,413

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

Proceeds from issuance of capital leases	\$ (896,229)	
Principal payments	<u>77,057</u>	(819,172)

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.

(Increase) decrease in net OPEB liabilities	\$ 578,490	
(Increase) decrease in accrued interest payable	(24,579)	
Increase (decrease) in deferred outflows related to net pension liability	2,687,277	
Increase (decrease) in deferred outflows related to net OPEB liabilities	(30,930)	
(Increase) decrease in deferred inflows related to the measurement of net OPEB liabilities	(303,447)	
(Increase) decrease in deferred inflows related to the measurement of net pension liability	1,058,753	
(Increase) decrease in net pension liability	(3,598,475)	
(Increase) decrease in compensated absences	<u>28,447</u>	395,536

Change in net assets of governmental activities \$ 3,187,426

COUNTY OF HALIFAX, VIRGINIA

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 265,299	\$ 265,299	\$ 196,369	\$ (68,930)
Miscellaneous	8,116	8,116	94,019	85,903
Intergovernmental:				
Local government	14,000,077	14,000,077	10,784,733	(3,215,344)
Commonwealth	38,305,313	38,305,313	38,770,982	465,669
Federal	7,208,494	7,208,494	5,511,154	(1,697,340)
Total revenues	<u>\$ 59,787,299</u>	<u>\$ 59,787,299</u>	<u>\$ 55,357,257</u>	<u>\$ (4,430,042)</u>
EXPENDITURES				
Current:				
Education	\$ 59,672,180	\$ 59,672,180	\$ 55,673,650	\$ 3,998,530
Capital projects	-	-	-	-
Debt service:				
Principal retirement	77,057	77,057	77,057	-
Interest and other fiscal charges	38,062	38,062	38,062	-
Total expenditures	<u>\$ 59,787,299</u>	<u>\$ 59,787,299</u>	<u>\$ 55,788,769</u>	<u>\$ 3,998,530</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (431,512)</u>	<u>\$ (431,512)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (464,717)	\$ (464,717)
Issuance of capital lease	-	-	896,229	896,229
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,512</u>	<u>\$ 431,512</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Capital Projects Fund				
Budgeted Amounts		Actual	Variance with Final Budget	
Original	Final		Positive (Negative)	
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	-
-	-	661,873	(661,873)	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ 661,873	\$ (661,873)	-
-	-	-	-	-
\$ -	\$ -	\$ (661,873)	\$ (661,873)	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	-
-	-	(661,873)	(661,873)	-
-	-	932,290	932,290	-
\$ -	\$ -	\$ 270,417	\$ 270,417	-

## Combining Balance Sheet

Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board

June 30, 2021

	School Cafeteria Fund	School Textbook Fund	Student Activity Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,926,180	\$ 565,085	\$ 345,929	\$ 2,837,194
Accounts receivables	-	-	5,545	5,545
Due from other governmental units	469,205	-	-	469,205
Total assets	<u>\$ 2,395,385</u>	<u>\$ 565,085</u>	<u>\$ 351,474</u>	<u>\$ 3,311,944</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 127,885	\$ -	\$ 5,604	\$ 133,489
Accrued liabilities	42,784	-	-	42,784
Due to other funds	-	32,056	-	32,056
Total liabilities	<u>\$ 170,669</u>	<u>\$ 32,056</u>	<u>\$ 5,604</u>	<u>\$ 208,329</u>
<b>FUND BALANCES</b>				
Committed:				
Education - food service	\$ 2,224,716	\$ -	\$ -	\$ 2,224,716
Education - textbooks	-	533,029	345,870	878,899
Total fund balances	<u>\$ 2,224,716</u>	<u>\$ 533,029</u>	<u>\$ 345,870</u>	<u>\$ 3,103,615</u>
Total liabilities and fund balances	<u>\$ 2,395,385</u>	<u>\$ 565,085</u>	<u>\$ 351,474</u>	<u>\$ 3,311,944</u>

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

	School Cafeteria Fund	School Textbook Fund	Student Activity Fund	Total
<b>REVENUES</b>				
Charges for services	\$ 67,476	\$ -	\$ -	\$ 67,476
Miscellaneous	-	-	185,104	185,104
Intergovernmental:				
Commonwealth	82,556	-	-	82,556
Federal	4,227,228	-	-	4,227,228
Total revenues	<u>\$ 4,377,260</u>	<u>\$ -</u>	<u>\$ 185,104</u>	<u>\$ 4,562,364</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 3,058,374	\$ 693,012	\$ 238,173	\$ 3,989,559
Total expenditures	<u>\$ 3,058,374</u>	<u>\$ 693,012</u>	<u>\$ 238,173</u>	<u>\$ 3,989,559</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,318,886</u>	<u>\$ (693,012)</u>	<u>\$ (53,069)</u>	<u>\$ 572,805</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 464,717	\$ -	\$ 464,717
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 464,717</u>	<u>\$ -</u>	<u>\$ 464,717</u>
Net change in fund balances	\$ 1,318,886	\$ (228,295)	\$ (53,069)	\$ 1,037,522
Fund balances - beginning, restated	905,830	761,324	398,939	2,066,093
Fund balances - ending	<u>\$ 2,224,716</u>	<u>\$ 533,029</u>	<u>\$ 345,870</u>	<u>\$ 3,103,615</u>

COUNTY OF HALIFAX, VIRGINIA

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 67,476	\$ 67,476
Miscellaneous	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	82,556	82,556
Federal	2,850,000	2,850,000	4,227,228	1,377,228
Total revenues	\$ 2,850,000	\$ 2,850,000	\$ 4,377,260	\$ 1,527,260
EXPENDITURES				
Current:				
Education	\$ 2,850,000	\$ 2,850,000	\$ 3,058,374	\$ (208,374)
Total expenditures	\$ 2,850,000	\$ 2,850,000	\$ 3,058,374	\$ (208,374)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 1,318,886	\$ 1,318,886
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 1,318,886	\$ 1,318,886
Fund balances - beginning, restated	-	-	905,830	905,830
Fund balances - ending	\$ -	\$ -	\$ 2,224,716	\$ 2,224,716

School Textbook Fund				Student Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	185,104	185,104
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,104	\$ 185,104
\$ -	\$ -	\$ 693,012	\$ (693,012)	\$ -	\$ -	\$ 238,173	\$ (238,173)
\$ -	\$ -	\$ 693,012	\$ (693,012)	\$ -	\$ -	\$ 238,173	\$ (238,173)
\$ -	\$ -	\$ (693,012)	\$ (693,012)	\$ -	\$ -	\$ (53,069)	\$ (53,069)
\$ -	\$ -	\$ 464,717	\$ 464,717	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 464,717	\$ 464,717	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (228,295)	\$ (228,295)	\$ -	\$ -	\$ (53,069)	\$ (53,069)
-	-	761,324	761,324	-	-	398,939	398,939
\$ -	\$ -	\$ 533,029	\$ 533,029	\$ -	\$ -	\$ 345,870	\$ 345,870

## Balance Sheet

Discretely Presented Component Unit - Regional Library

June 30, 2021

		<u>Regional Library</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	8,268
Prepaid items		5,821
Total assets	\$	<u>14,089</u>
<b>FUND BALANCES</b>		
Assigned		
Library operations	\$	14,089
Total fund balance	\$	<u>14,089</u>
Total liabilities and fund balances	\$	<u>14,089</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Total fund balances per above	\$	14,089
Items related to measurement of the net pension and OPEB liabilities are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and OPEB expense over future years.		
Deferred outflows - pension related	\$ 41,357	
Deferred outflows - OPEB related	7,600	
Deferred inflows - OPEB related	<u>(400)</u>	48,557
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB liability	\$ (20,500)	
Net pension liability	<u>(72,715)</u>	<u>(93,215)</u>
Net position of governmental activities	\$	<u>(30,569)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Discretely Presented Component Unit - Regional Library  
For the Year Ended June 30, 2021

	<u>Regional Library</u>
<b>REVENUES</b>	
Charges for services	\$ 7,750
Miscellaneous	15,881
Intergovernmental:	
Local government	328,991
Commonwealth	119,215
Federal	38,917
Total revenues	\$ <u>510,754</u>
<b>EXPENDITURES</b>	
Current:	
Parks, recreation, and cultural	\$ 510,712
Total expenditures	\$ <u>510,712</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>42</u>
Net change in fund balances	\$ 42
Fund balances - beginning	14,047
Fund balances - ending	\$ <u><u>14,089</u></u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Net change in fund balances - total governmental funds - per above	\$ 42
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.	
Increase (decrease) in deferred outflows related to net pension liability	\$ 14,489
Increase (decrease) in deferred outflows related to net OPEB liability	7,600
(Increase) decrease in deferred inflows related to the measurement of the net pension liability	6,582
(Increase) decrease in deferred inflows related to the measurement of net OPEB liability	2,100
(Increase) decrease in net OPEB liability	(13,100)
(Increase) decrease in net pension liability	<u>(35,577)</u>
Change in net position of governmental activities	\$ <u><u>(17,864)</u></u>

This page intentionally left blank

## Supporting Schedules

This page intentionally left blank

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 13,500,000	\$ 13,500,000	\$ 14,099,422	\$ 599,422
Real and personal public service corporation taxes	5,434,000	5,434,000	5,738,037	304,037
Personal property taxes	7,069,315	7,069,315	8,044,889	975,574
Mobile home taxes	75,000	75,000	68,977	(6,023)
Machinery and tools taxes	1,515,000	1,515,000	1,546,163	31,163
Penalties and administrative fees	563,000	563,000	738,985	175,985
Interest	320,000	320,000	334,242	14,242
Total general property taxes	\$ 28,476,315	\$ 28,476,315	\$ 30,570,715	\$ 2,094,400
Other local taxes:				
Local sales and use taxes	\$ 3,350,000	\$ 3,350,000	\$ 3,852,044	\$ 502,044
Local sales and use taxes - additional 1% for education	3,300,000	3,300,000	2,818,444	(481,556)
Consumers' utility taxes	950,000	950,000	891,981	(58,019)
Utility consumption tax	110,000	110,000	99,888	(10,112)
Business license taxes	340,000	340,000	420,878	80,878
Utility license taxes	40,000	40,000	23,023	(16,977)
Motor vehicle licenses	975,000	975,000	1,125,258	150,258
Solid waste disposal fee	925,000	925,000	944,253	19,253
Taxes on recordation and wills	190,000	190,000	283,138	93,138
Transient lodging tax	225,000	225,000	249,358	24,358
Meals tax	280,000	280,000	293,658	13,658
Total other local taxes	\$ 10,685,000	\$ 10,685,000	\$ 11,001,923	\$ 316,923
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 35,000	\$ 35,000	\$ 15,485	\$ (19,515)
Transfer fees	1,000	1,000	1,330	330
Building permits	264,000	284,515	325,032	40,517
Total permits, privilege fees, and regulatory licenses	\$ 300,000	\$ 320,515	\$ 341,847	\$ 21,332
Fines and forfeitures:				
Court fines and forfeitures	\$ 65,000	\$ 65,000	\$ 25,692	\$ (39,308)
Revenue from use of money and property:				
Revenue from use of money	\$ 25,000	\$ 25,000	\$ 4,753	\$ (20,247)
Revenue from use of property	272,247	272,247	267,699	(4,548)
Total revenue from use of money and property	\$ 297,247	\$ 297,247	\$ 272,452	\$ (24,795)
Charges for services:				
Charges for law library	\$ 8,500	\$ 8,500	\$ 5,621	\$ (2,879)
Sheriff fees	2,500	2,500	2,872	372
Charges for courthouse maintenance	22,000	22,000	8,545	(13,455)
Courthouse construction fees	20,000	20,000	12,770	(7,230)
Charges for courthouse security	45,000	45,000	46,021	1,021
Charges for commonwealth's attorney	4,500	4,500	4,050	(450)
Animal redemption fees	1,500	2,000	2,620	620
Charges for sanitation and waste removal	320,000	320,000	303,768	(16,232)
Charges for parks and recreation	7,000	7,000	4,445	(2,555)
Charges for land use application	5,000	5,000	1,400	(3,600)
Other charges for services	10,000	10,000	7,921	(2,079)
Charges for planning fees	15,000	15,000	18,685	3,685
Charges for project lifesaver program	-	-	505	505
Total charges for services	\$ 461,000	\$ 461,500	\$ 419,223	\$ (42,277)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 112,500	\$ 114,315	\$ 250,185	\$ 135,870
County fair donations and other revenue	20,000	20,000	17,642	(2,358)
Insurance recoveries	-	22,361	30,871	8,510
Crime prevention collections	-	6,049	710	(5,339)
Total miscellaneous	<u>\$ 132,500</u>	<u>\$ 162,725</u>	<u>\$ 299,408</u>	<u>\$ 136,683</u>
Recovered costs:				
Soil and water conservation technician	\$ 174,628	\$ 183,699	\$ 179,558	\$ (4,141)
Detention home refund	-	-	39,746	39,746
Other recovered costs	10,000	10,000	10,325	325
Total recovered costs	<u>\$ 184,628</u>	<u>\$ 193,699</u>	<u>\$ 229,629</u>	<u>\$ 35,930</u>
Total revenue from local sources	<u>\$ 40,601,690</u>	<u>\$ 40,662,001</u>	<u>\$ 43,160,889</u>	<u>\$ 2,498,888</u>
Intergovernmental:				
Revenue from local government:				
Town of South Boston	<u>\$ 108,642</u>	<u>\$ 108,642</u>	<u>\$ 100,085</u>	<u>\$ (8,557)</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 70,000	\$ 70,000	\$ 61,508	\$ (8,492)
Mobile home titling tax	50,000	50,000	45,280	(4,720)
Motor vehicle rental tax	10,000	10,000	10,940	940
State recordation tax	40,000	40,000	-	(40,000)
Personal property tax relief funds	1,503,234	1,503,234	1,503,234	-
Communications taxes	975,000	975,000	855,479	(119,521)
Games of skill tax	-	45,000	75,456	30,456
Total noncategorical aid	<u>\$ 2,648,234</u>	<u>\$ 2,693,234</u>	<u>\$ 2,551,897</u>	<u>\$ (141,337)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 518,225	\$ 518,225	\$ 514,245	\$ (3,980)
Drug prosecutor	128,613	128,613	127,770	(843)
Sheriff	1,690,841	1,690,841	1,669,544	(21,297)
Commissioner of revenue	151,374	151,374	150,441	(933)
Treasurer	128,141	142,672	136,358	(6,314)
Registrar/electoral board	42,436	42,436	44,536	2,100
Clerk of the Circuit Court	335,000	394,953	372,684	(22,269)
Total shared expenses	<u>\$ 2,994,630</u>	<u>\$ 3,069,114</u>	<u>\$ 3,015,578</u>	<u>\$ (53,536)</u>
Other categorical aid:				
Emergency medical services grants	\$ 35,000	\$ 35,000	\$ 37,918	\$ 2,918
E-911 grants	413,414	413,414	298,819	(114,595)
Virginia juvenile community crime control act grant	63,762	63,762	63,762	-
Fire program funds	90,000	90,000	101,057	11,057
Other state funds	15,000	15,000	37,331	22,331
Total other categorical aid	<u>\$ 617,176</u>	<u>\$ 617,176</u>	<u>\$ 538,887</u>	<u>\$ (78,289)</u>
Total categorical aid	<u>\$ 3,611,806</u>	<u>\$ 3,686,290</u>	<u>\$ 3,554,465</u>	<u>\$ (131,825)</u>
Total revenue from the Commonwealth	<u>\$ 6,260,040</u>	<u>\$ 6,379,524</u>	<u>\$ 6,106,362</u>	<u>\$ (273,162)</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 45,000	\$ 45,000	\$ 47,821	\$ 2,821
Total noncategorical aid	\$ 45,000	\$ 45,000	\$ 47,821	\$ 2,821
Categorical aid:				
Homeland security grant program	\$ -	\$ -	\$ 12,196	\$ 12,196
COVID-19 Coronavirus Relief Fund	2,958,604	5,917,208	5,467,795	(449,413)
COVID-19 Help America Vote Act Requirements Payments	-	114,197	114,197	-
COVID-19 Coronavirus Relief Fund-Broadband and utility relief	-	77,886	77,886	-
Total categorical aid	\$ 2,958,604	\$ 6,109,291	\$ 5,672,074	\$ (437,217)
Total revenue from the federal government	\$ 3,003,604	\$ 6,154,291	\$ 5,719,895	\$ (434,396)
Total General Fund	\$ 49,973,976	\$ 53,304,458	\$ 55,087,231	\$ 1,782,773
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,861	\$ 1,861
Total revenue from use of money and property	\$ -	\$ -	\$ 1,861	\$ 1,861
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 77,082	\$ 77,082
Total revenue from local sources	\$ -	\$ -	\$ 78,943	\$ 78,943
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,375,166	\$ 1,375,166	\$ 1,478,464	\$ 103,298
Children Services Act	2,615,795	2,615,795	2,779,965	164,170
Total categorical aid	\$ 3,990,961	\$ 3,990,961	\$ 4,258,429	\$ 267,468
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 2,553,879	\$ 2,553,879	\$ 2,725,129	\$ 171,250
Comprehensive Services Act program - Federal	-	-	132,071	132,071
Total categorical aid	\$ 2,553,879	\$ 2,553,879	\$ 2,857,200	\$ 303,321
Total Virginia Public Assistance Fund	\$ 6,544,840	\$ 6,544,840	\$ 7,194,572	\$ 649,732
<b>State and Federal Grants Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 6,899	\$ 6,899
Total miscellaneous	\$ -	\$ -	\$ 6,899	\$ 6,899
Total revenue from local sources	\$ -	\$ -	\$ 6,899	\$ 6,899
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Litter control grant	\$ 14,297	\$ 14,297	\$ 16,000	\$ 1,703
Community corrections board grant	527,712	831,184	819,623	(11,561)
Crime victims assistance	87,000	87,000	24,116	(62,884)
DHCD - VATI grant	-	-	51	51
Commission for the arts grant	4,500	4,500	4,500	-
Tobacco Commission grants	-	-	44,848	44,848
Other state funds	-	65,202	65,202	-
Total categorical aid	\$ 633,509	\$ 1,002,183	\$ 974,340	\$ (27,843)
Total revenue from the Commonwealth	\$ 633,509	\$ 1,002,183	\$ 974,340	\$ (27,843)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>State and Federal Grants Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Community development block grant	\$ -	\$ 404,174	\$ 168,749	\$ (235,425)
Local law enforcement block grant	-	-	1,172	1,172
Drug forfeiture	181,666	181,666	59,808	(121,858)
Highway planning and construction	-	-	178,555	178,555
Crime victims assistance	11,889	11,889	90,374	78,485
Other federal funds	-	5,850	-	(5,850)
Total categorical aid	\$ 193,555	\$ 603,579	\$ 498,658	\$ (99,071)
Total revenue from the federal government	\$ 193,555	\$ 603,579	\$ 498,658	\$ (99,071)
Total State and Federal Grants Fund	\$ 827,064	\$ 1,605,762	\$ 1,479,897	\$ (120,015)
<b>William M. Tuck Airport Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 72,000	\$ 81,000	\$ 108,325	\$ 27,325
Total revenue from local sources	\$ 72,000	\$ 81,000	\$ 108,325	\$ 27,325
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Airport aid	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Total categorical aid	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Total revenue from the Commonwealth	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Revenue from the federal government:				
Categorical aid:				
Airport aid - FAA	\$ 2,000,000	\$ 2,000,000	\$ 2,775	\$ (1,997,225)
Total revenue from the federal government	\$ 2,000,000	\$ 2,000,000	\$ 2,775	\$ (1,997,225)
Total William M. Tuck Airport Fund	\$ 2,122,000	\$ 2,131,000	\$ 111,100	\$ (2,019,900)
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 7,723	\$ 7,723
Total revenue from use of money and property	\$ -	\$ -	\$ 7,723	\$ 7,723
Miscellaneous:				
Miscellaneous	\$ -	\$ 9,374	\$ 9,374	\$ -
Total miscellaneous	\$ -	\$ 9,374	\$ 9,374	\$ -
Total revenue from local sources	\$ -	\$ 9,374	\$ 17,097	\$ 7,723
Total County Capital Projects Fund	\$ -	\$ 9,374	\$ 17,097	\$ 7,723
Total Primary Government	\$ 59,467,880	\$ 63,595,434	\$ 63,889,897	\$ 300,313

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Charges for services:				
Charges for education	\$ 265,299	\$ 265,299	\$ 196,369	\$ (68,930)
Total charges for services	\$ 265,299	\$ 265,299	\$ 196,369	\$ (68,930)
Miscellaneous:				
Other miscellaneous	\$ 8,116	\$ 8,116	\$ 94,019	\$ 85,903
Total revenue from local sources	\$ 273,415	\$ 273,415	\$ 290,388	\$ 16,973
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Halifax, Virginia	\$ 14,000,077	\$ 14,000,077	\$ 10,784,733	\$ (3,215,344)
Total revenues from local governments	\$ 14,000,077	\$ 14,000,077	\$ 10,784,733	\$ (3,215,344)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 6,026,113	6,026,113	\$ 6,444,569	\$ 418,456
Basic school aid	16,691,894	16,691,894	16,561,820	(130,074)
Medicaid	-	-	429,613	429,613
Gifted and talented	163,256	163,256	161,619	(1,637)
Remedial education	819,361	819,361	811,146	(8,215)
Special education	3,899,665	3,899,665	3,860,565	(39,100)
Vocational standards of quality payments	351,155	351,155	347,634	(3,521)
Fringe benefits	3,801,095	3,801,095	3,762,983	(38,112)
Early reading intervention	120,926	120,926	120,926	-
Lottery payments	1,148,985	1,148,985	1,271,664	122,679
K-3 Primary class	966,089	966,089	992,813	26,724
At risk payments	1,670,988	1,670,988	2,157,797	486,809
VPSA technology grant	395,396	395,396	284,000	(111,396)
Other state funds	2,250,390	2,250,390	1,563,833	(686,557)
Total categorical aid	\$ 38,305,313	\$ 38,305,313	\$ 38,770,982	\$ 465,669
Total revenue from the Commonwealth	\$ 38,305,313	\$ 38,305,313	\$ 38,770,982	\$ 465,669
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 4,738,288	\$ 4,738,288	\$ 1,638,821	\$ (3,099,467)
Title VI-B, special education flow-through	-	-	1,374,197	1,374,197
Vocational education	-	-	104,533	104,533
Title VI-B, special education pre-school	-	-	71,016	71,016
Title II, Part A; Improving teacher quality - state grants	73,482	73,482	341,250	267,768
JROTC	58,800	58,800	37,047	(21,753)
Title VI, Rural and low income schools	-	-	31,372	31,372
Student support and academic enrichment program	-	-	138,232	138,232
TANF-Preschool Initiative	-	-	155,161	155,161
CARES Act - ESSR	2,337,924	2,337,924	835,122	(1,502,802)
CARES Act - Coronavirus Relief Funds	-	-	784,403	784,403
Total categorical aid	\$ 7,208,494	\$ 7,208,494	\$ 5,511,154	\$ (1,697,340)
Total revenue from the federal government	7,208,494	7,208,494	5,511,154	(1,697,340)
Total School Operating Fund	\$ 59,787,299	\$ 59,787,299	\$ 55,357,257	\$ (4,430,042)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Funds:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ -	\$ -	\$ 67,476	\$ 67,476
Total revenue from local sources	\$ -	\$ -	\$ 67,476	\$ 67,476
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ -	\$ -	\$ 82,556	\$ 82,556
Total revenue from the Commonwealth	\$ -	\$ -	\$ 82,556	\$ 82,556
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 2,850,000	\$ 2,850,000	\$ 4,227,228	\$ 1,377,228
Total revenue from the federal government	\$ 2,850,000	\$ 2,850,000	\$ 4,227,228	\$ 1,377,228
Total School Cafeteria Fund	\$ 2,850,000	\$ 2,850,000	\$ 4,377,260	\$ 1,527,260
<b>Student Activity Fund</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 185,104	\$ 185,104
Total miscellaneous revenue	\$ -	\$ -	\$ 185,104	\$ 185,104
Total Student Activity Fund	\$ -	\$ -	\$ 185,104	\$ 185,104
Total Discretely Presented Component Unit-School Board	\$ 62,637,299	\$ 62,637,299	\$ 59,919,621	\$ (2,717,678)

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 234,347	\$ 247,508	\$ 182,813	\$ 64,695
General and financial administration:				
County administrator	\$ 269,913	\$ 275,297	\$ 262,205	\$ 13,092
Legal services	55,000	55,000	31,092	23,908
Commissioner of revenue	437,549	440,212	415,774	24,438
Assessment	235,209	277,543	276,455	1,088
Treasurer	464,191	485,220	483,661	1,559
Central accounting	593,685	602,048	557,905	44,143
Professional services	65,500	65,500	56,400	9,100
COVID-19 expenses - payments to Towns	815,309	1,630,618	1,630,618	-
COVID-19 expenses - other general government	423,945	847,890	376,787	471,103
Total general and financial administration	\$ 3,360,301	\$ 4,679,328	\$ 4,090,897	\$ 588,431
Board of elections:				
Electoral board and officials	\$ 104,461	\$ 104,461	\$ 90,420	\$ 14,041
Registrar	129,895	132,195	118,295	13,900
Total board of elections	\$ 234,356	\$ 236,656	\$ 208,715	\$ 27,941
Total general government administration	\$ 3,829,004	\$ 5,163,492	\$ 4,482,425	\$ 681,067
Judicial administration:				
Courts:				
Circuit court	\$ 53,543	\$ 54,438	\$ 52,548	\$ 1,890
General district court	11,095	11,095	9,636	1,459
Special magistrates	2,800	3,150	3,237	(87)
Juvenile and domestic relations district court	12,700	12,700	8,973	3,727
Law library	8,500	8,500	7,790	710
Courthouse security	392,127	399,757	293,439	106,318
Courthouse maintenance	22,000	22,000	-	22,000
Clerk of the circuit court	557,764	641,897	596,471	45,426
COVID-19 expenses - judicial	76,505	267,206	264,198	3,008
Total courts	\$ 1,137,034	\$ 1,420,743	\$ 1,236,292	\$ 184,451
Commonwealth's attorney:				
Commonwealth's attorney	\$ 770,331	\$ 799,496	\$ 755,637	\$ 43,859
Multi-jurisdictional drug prosecutor	180,124	188,135	182,372	5,763
Total commonwealth's attorney	\$ 950,455	\$ 987,631	\$ 938,009	\$ 49,622
Total judicial administration	\$ 2,087,489	\$ 2,408,374	\$ 2,174,301	\$ 234,073
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,341,770	\$ 3,539,383	\$ 3,188,025	\$ 351,358
COVID-19 expenses - sheriff	79,401	158,802	158,802	-
Drug task force	-	-	2,514	(2,514)
Emergency operations center	1,235,776	2,246,070	1,122,275	1,123,795
Total law enforcement and traffic control	\$ 4,656,947	\$ 5,944,255	\$ 4,471,616	\$ 1,472,639

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 763,291	\$ 785,530	\$ 750,348	\$ 35,182
COVID-19 expenses - volunteer fire and rescue	455,094	910,188	910,188	-
Ambulance and rescue services	259,100	262,347	260,531	1,816
Contribution to rescue squad	5,000	5,000	-	5,000
Emergency services	116,507	117,833	98,454	19,379
Forestry service	32,975	32,975	32,975	-
Total fire and rescue services	\$ 1,631,967	\$ 2,113,873	\$ 2,052,496	\$ 61,377
Correction and detention:				
Regional jail and other corrections	\$ 3,326,923	\$ 3,326,923	\$ 3,264,010	\$ 62,913
Inspections:				
Building	\$ 266,631	\$ 292,921	\$ 291,883	\$ 1,038
Other protection:				
Animal control	\$ 276,492	\$ 281,344	\$ 283,302	\$ (1,958)
Medical examiner	500	500	580	(80)
Total other protection	\$ 276,992	\$ 281,844	\$ 283,882	\$ (2,038)
Total public safety	\$ 10,159,460	\$ 11,959,816	\$ 10,363,887	\$ 1,595,929
Public works:				
Sanitation and waste removal:				
Public works and environmental services	\$ 2,663,653	\$ 2,685,871	\$ 2,642,295	\$ 43,576
Contribution to Halifax County Service Authority -debt service	118,594	118,594	118,594	-
Total sanitation and waste removal	\$ 2,782,247	\$ 2,804,465	\$ 2,760,889	\$ 43,576
Maintenance of general buildings and grounds:				
General properties	\$ 831,578	\$ 836,072	\$ 724,319	\$ 111,753
Total maintenance of general buildings and grounds	\$ 831,578	\$ 836,072	\$ 724,319	\$ 111,753
Total public works	\$ 3,613,825	\$ 3,640,537	\$ 3,485,208	\$ 155,329
Health and welfare:				
Health:				
Supplement of local health department	\$ 249,199	\$ 249,199	\$ 228,049	\$ 21,150
Mental health and mental retardation:				
Community services board	\$ 180,000	\$ 180,000	\$ 180,000	\$ -
Welfare:				
Tax relief for the elderly	\$ -	\$ -	\$ 90,932	\$ (90,932)
COVID-19 expenses - social services	43,144	86,288	86,288	-
Other social services	10,000	10,000	10,000	-
Total welfare	\$ 53,144	\$ 96,288	\$ 187,220	\$ (90,932)
Total health and welfare	\$ 482,343	\$ 525,487	\$ 595,269	\$ (69,782)

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 97,040	\$ 97,040	\$ 96,355	\$ 685
Contribution to County School Board	14,000,000	14,000,000	10,784,733	3,215,267
Total education	<u>\$ 14,097,040</u>	<u>\$ 14,097,040</u>	<u>\$ 10,881,088</u>	<u>\$ 3,215,952</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 199,493	\$ 230,914	\$ 152,863	\$ 78,051
County fair	34,100	34,100	13,422	20,678
Total parks and recreation	<u>\$ 233,593</u>	<u>\$ 265,014</u>	<u>\$ 166,285</u>	<u>\$ 98,729</u>
Cultural enrichment:				
Halifax County war memorial	\$ -	\$ -	\$ 170	\$ (170)
Total cultural enrichment	<u>-</u>	<u>-</u>	<u>170</u>	<u>(170)</u>
Library:				
Contribution to county library	\$ 218,800	\$ 218,800	\$ 223,181	\$ (4,381)
COVID-19 expenses - library	2,191	4,381	4,381	-
Total library	<u>\$ 220,991</u>	<u>\$ 223,181</u>	<u>\$ 227,562</u>	<u>\$ (4,381)</u>
Total parks, recreation, and cultural	<u>\$ 454,584</u>	<u>\$ 488,195</u>	<u>\$ 394,017</u>	<u>\$ 94,178</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 57,928	\$ 57,928	\$ 46,757	\$ 11,171
Tri-County Community Action Agency	50,766	50,766	50,766	-
Southside Planning District	45,301	45,301	45,301	-
Halifax County tourism	149,118	150,352	127,433	22,919
COVID-19 expenses - broadband	961,582	2,001,049	2,001,049	-
COVID-19 expenses - community development	101,435	202,869	202,869	-
Contribution to Industrial Development Authority	402,088	1,102,088	195,972	906,116
Total planning and community development	<u>\$ 1,768,217</u>	<u>\$ 3,610,353</u>	<u>\$ 2,670,147</u>	<u>\$ 940,206</u>
Environmental management:				
Environmental management	\$ 192,628	\$ 200,864	\$ 200,230	\$ 634
Cooperative extension program:				
Extension office	\$ 113,786	\$ 113,786	\$ 86,714	\$ 27,072
Agricultural development agent	60,724	60,724	984	59,740
Total cooperative extension program	<u>\$ 174,510</u>	<u>\$ 174,510</u>	<u>\$ 87,698</u>	<u>\$ 86,812</u>
Total community development	<u>\$ 2,135,355</u>	<u>\$ 3,985,727</u>	<u>\$ 2,958,075</u>	<u>\$ 1,027,652</u>
Nondepartmental:				
Miscellaneous	\$ 1,000	\$ 1,815	\$ 32,650	\$ (30,835)
Total nondepartmental	<u>\$ 1,000</u>	<u>\$ 1,815</u>	<u>\$ 32,650</u>	<u>\$ (30,835)</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Debt service:				
Principal retirement	\$ 5,449,390	\$ 5,291,150	\$ 5,025,794	\$ 265,356
Interest and other fiscal charges	2,066,846	2,281,544	2,224,388	57,156
Total debt service	<u>\$ 7,516,236</u>	<u>\$ 7,572,694</u>	<u>\$ 7,250,182</u>	<u>\$ 322,512</u>
Total General Fund	<u>\$ 44,376,335</u>	<u>\$ 49,843,177</u>	<u>\$ 42,617,102</u>	<u>\$ 7,226,075</u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration and assistance	\$ 4,909,033	\$ 4,940,186	\$ 5,018,179	\$ (77,993)
Comprehensive services	3,437,888	3,437,888	3,880,103	(442,215)
Total welfare and social services	<u>\$ 8,346,921</u>	<u>\$ 8,378,074</u>	<u>\$ 8,898,282</u>	<u>\$ (520,208)</u>
Total Virginia Public Assistance Fund	<u>\$ 8,346,921</u>	<u>\$ 8,378,074</u>	<u>\$ 8,898,282</u>	<u>\$ (520,208)</u>
<b>State and Federal Grants Fund:</b>				
Judicial administration:				
Courts:				
Crime victims grant	\$ 98,889	\$ 98,889	\$ 86,980	\$ 11,909
Supreme court grant	65,000	65,280	61,292	3,988
Federal drug court	144,315	144,615	26,617	117,998
Total judicial administration	<u>\$ 308,204</u>	<u>\$ 308,784</u>	<u>\$ 174,889</u>	<u>\$ 133,895</u>
Public safety:				
Correction and detention:				
Community corrections board	\$ 527,712	\$ 836,454	\$ 817,708	\$ 18,746
Total public safety	<u>\$ 527,712</u>	<u>\$ 836,454</u>	<u>\$ 817,708</u>	<u>\$ 18,746</u>
Parks, recreation, and cultural:				
Cultural enrichment:				
Commission for the Arts	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Community development:				
Planning and community development:				
Improvement council	\$ 14,297	\$ 14,297	\$ 7,573	\$ 6,724
Housing project	-	404,174	137,122	267,052
Tobacco heritage	-	65,202	224,238	(159,036)
Total community development	<u>\$ 14,297</u>	<u>\$ 483,673</u>	<u>\$ 368,933</u>	<u>\$ 114,740</u>
Total State and Federal Grants Fund	<u>\$ 860,213</u>	<u>\$ 1,638,911</u>	<u>\$ 1,371,530</u>	<u>\$ 267,381</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>William M. Tuck Airport Fund:</b>				
Community development:				
Planning and community development:				
Airport expenditures	\$ 72,000	\$ 81,000	\$ 85,825	\$ (4,825)
Capital projects:				
Capital projects	\$ 2,050,000	\$ 2,050,000	\$ 59,726	\$ 1,990,274
Total William M. Tuck Airport Fund	<u>\$ 2,122,000</u>	<u>\$ 2,131,000</u>	<u>\$ 145,551</u>	<u>\$ 1,985,449</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Capital projects expenditures:				
VFD capital project	\$ 100,000	\$ 100,000	\$ 75,000	\$ 25,000
Broadband system	200,000	598,032	-	598,032
Public works equipment	180,000	439,278	180,000	259,278
Collection centers	225,000	494,942	-	494,942
Commonwealth Attorney renovation	-	-	18,750	(18,750)
Event center	-	137,625	-	137,625
Courthouse renovation	-	7,063,568	6,523,133	540,435
Volunteer fire department projects	150,000	150,000	-	150,000
Total capital projects	<u>\$ 855,000</u>	<u>\$ 8,983,445</u>	<u>\$ 6,796,883</u>	<u>\$ 2,186,562</u>
Total County Capital Projects Fund	<u>\$ 855,000</u>	<u>\$ 8,983,445</u>	<u>\$ 6,796,883</u>	<u>\$ 2,186,562</u>
Total Primary Government	<u>\$ 56,560,469</u>	<u>\$ 70,974,607</u>	<u>\$ 59,829,348</u>	<u>\$ 11,145,259</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
School board and administration	\$ 4,066,574	\$ 4,066,574	\$ 3,803,790	\$ 262,784
Instruction costs:				
Elementary and secondary schools	\$ 40,194,458	\$ 40,194,458	\$ 37,431,479	\$ 2,762,979
Federal programs	7,076,212	7,076,212	5,457,903	1,618,309
Total instruction costs	<u>\$ 47,270,670</u>	<u>\$ 47,270,670</u>	<u>\$ 42,889,382</u>	<u>\$ 4,381,288</u>
Operating costs:				
Pupil transportation	\$ 4,268,757	\$ 4,268,757	\$ 5,050,999	\$ (782,242)
Operation and maintenance of schools	4,066,179	4,066,179	3,929,479	136,700
Total operating costs	<u>\$ 8,334,936</u>	<u>\$ 8,334,936</u>	<u>\$ 8,980,478</u>	<u>\$ (645,542)</u>
Total education	<u>\$ 59,672,180</u>	<u>\$ 59,672,180</u>	<u>\$ 55,673,650</u>	<u>\$ 3,998,530</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Debt service:				
Principal retirement	\$ 77,057	\$ 77,057	\$ 77,057	\$ -
Interest and other fiscal charges	38,062	38,062	38,062	-
Total debt service	<u>\$ 115,119</u>	<u>\$ 115,119</u>	<u>\$ 115,119</u>	<u>\$ -</u>
Total School Operating Fund	<u>\$ 59,787,299</u>	<u>\$ 59,787,299</u>	<u>\$ 55,788,769</u>	<u>\$ 3,998,530</u>
<b>Special Revenue Funds:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services	\$ 2,850,000	\$ 2,850,000	\$ 3,058,374	\$ (208,374)
Total School Cafeteria Fund	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 3,058,374</u>	<u>\$ (208,374)</u>
<b>School Textbook Fund:</b>				
Education:				
Instruction	\$ -	\$ -	\$ 693,012	\$ (693,012)
Total School Textbook Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 693,012</u>	<u>\$ (693,012)</u>
<b>School Capital Projects Fund:</b>				
Capital projects expenditures:				
School construction projects	\$ -	\$ -	\$ 661,873	\$ (661,873)
Total School Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661,873</u>	<u>\$ (661,873)</u>
<b>Student Activity Fund</b>				
Education:				
Instruction	\$ -	\$ -	\$ 238,173	\$ (238,173)
Total Student Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,173</u>	<u>\$ (238,173)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 62,637,299</u>	<u>\$ 62,637,299</u>	<u>\$ 60,440,201</u>	<u>\$ 2,435,271</u>

*Other Statistical Information*

COUNTY OF HALIFAX, VIRGINIA

Table 1

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	Business-Type Activities (1)	Total
2011-12	\$ 2,272,954	\$ 1,487,486	\$ 7,594,784	\$ 3,752,716	\$ 7,760,643	\$ 16,442,784	\$ 436,121	\$ 2,132,612	\$ 2,346,703	-	\$ 44,226,803
2012-13	2,325,357	1,596,842	7,458,534	3,531,002	7,551,029	16,578,196	474,772	2,754,844	2,240,418	-	44,510,994
2013-14	2,198,400	1,638,022	7,190,142	3,810,125	6,813,100	17,009,842	454,679	2,014,030	1,177,375	-	42,305,715
2014-15	2,245,594	1,623,467	8,236,832	3,238,819	6,958,509	16,189,829	413,002	1,249,001	2,000,501	-	42,155,554
2015-16	2,173,095	1,971,714	8,892,448	3,380,010	7,117,283	17,100,618	418,643	1,313,406	1,815,323	-	44,182,540
2016-17	2,390,611	1,852,914	8,463,570	3,627,228	7,371,651	17,174,191	407,567	1,139,119	2,307,304	-	44,734,155
2017-18	2,404,121	1,814,319	9,147,202	3,928,409	7,072,573	18,762,954	416,412	1,196,735	1,880,020	-	46,622,745
2018-19	2,487,574	1,923,476	9,625,493	3,952,621	7,542,410	16,788,573	426,953	906,153	1,636,618	-	45,289,871
2019-20	2,570,808	2,116,198	9,587,875	4,350,814	9,704,216	16,662,922	442,867	1,509,284	1,879,334	-	48,824,318
2020-21	4,655,946	2,525,766	11,628,462	4,412,549	9,727,718	13,848,174	405,078	2,639,370	1,741,451	-	51,584,514

Table includes primary government only.

(1) The water and sewer operations, including the blended component unit, were transferred to the Halifax County Service Authority during FY 2008.

## COUNTY OF HALIFAX, VIRGINIA

Table 2

Government-Wide Revenues  
Last Ten Fiscal Years

	PROGRAM REVENUES			GENERAL REVENUES					
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes (1)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs (1)	Total
2011-12	\$ 620,628	\$ 9,329,540	\$ 1,442,756	\$ 22,779,396	\$ 5,236,780	\$ 394,117	\$ 519,922	\$ 2,602,321	\$ 42,925,460
2012-13	672,784	9,034,629	1,461,144	24,306,577	6,164,352	343,065	302,982	2,667,870	44,953,403
2013-14	706,508	8,537,054	928,245	24,807,716	6,583,756	343,804	507,624	2,897,174	45,311,881
2014-15	741,032	8,951,159	201,229	25,366,255	7,086,089	314,961	309,273	2,874,716	45,844,714
2015-16	694,359	9,104,536	17,124	26,313,725	6,725,483	346,296	521,278	2,837,831	46,560,632
2016-17	706,430	9,430,222	639,097	27,264,924	6,680,061	427,396	358,835	2,823,257	48,330,222
2017-18	712,528	9,579,646	98,609	28,200,822	6,686,235	637,656	649,995	2,783,539	49,349,030
2018-19	653,509	10,708,422	2,039,401	28,674,243	7,541,735	695,322	496,019	2,699,565	53,508,216
2019-20	610,430	11,180,599	863,124	28,836,719	7,554,563	580,100	482,904	2,693,426	52,801,865
2020-21	786,762	15,706,258	2,211,768	29,942,039	11,001,923	390,361	392,763	2,599,718	63,031,592

Table includes primary government only.

(1) Beginning in fiscal year 2010 communication tax revenue is reported as noncategorical aid from Commonwealth. In prior years, communication tax revenue was reported as other local taxes.

## COUNTY OF HALIFAX, VIRGINIA

Table 3

General Governmental Expenditures by Function  
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (1)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Debt Service	Total
2011-12	\$ 2,170,032	\$ 1,466,653	\$ 7,524,324	\$ 3,111,801	\$ 7,765,276	\$ 57,736,555	\$ 397,131	\$ 2,347,462	\$ 236,293	\$ 5,496,482	\$ 88,252,009
2012-13	2,241,420	1,589,595	7,625,905	3,322,434	7,524,746	57,919,116	427,362	2,866,356	133,077	5,503,566	89,153,577
2013-14	2,233,023	1,654,197	7,794,656	3,080,549	6,744,418	55,173,973	442,560	2,090,780	131,883	4,784,580	84,130,619
2014-15	2,208,915	1,656,372	8,468,444	3,477,487	7,128,536	55,971,025	412,663	1,382,070	753	5,640,779	86,347,044
2015-16	2,143,280	1,748,263	8,867,753	3,186,652	7,379,474	57,061,154	443,764	1,419,642	64,342	5,617,723	87,932,047
2016-17	2,276,628	1,833,593	8,478,787	2,962,589	7,479,213	57,381,775	425,325	1,256,108	112,162	5,852,201	88,058,381
2017-18	2,374,957	1,868,812	8,822,307	3,261,862	7,190,834	58,368,213	412,002	1,353,714	82,542	6,544,571	90,279,814
2018-19	2,494,071	1,892,341	9,335,563	3,320,623	7,779,675	57,072,242	437,752	1,089,603	90,269	6,559,120	90,071,259
2019-20	2,486,407	2,049,728	11,791,004	3,425,264	9,619,610	55,063,977	449,097	1,640,891	12,195	6,741,030	93,279,203
2020-21	4,482,425	2,349,190	11,181,595	3,485,208	9,493,551	59,663,209	404,017	3,412,833	32,650	7,365,301	101,869,979

Table includes General and Special Revenue funds of the Primary Government and Discretely Presented Component Unit - School Board.

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

## COUNTY OF HALIFAX, VIRGINIA

Table 4

General Governmental Revenues by Source  
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 (1)	Total
2011-12	\$ 22,052,531	\$ 5,236,780	\$ 134,832	\$ 60,924	\$ 394,157	\$ 1,438,063	\$ 2,545,673	\$ 427,976	\$ 54,432,215	\$ 86,723,151
2012-13	24,546,393	6,164,352	154,721	62,785	343,065	1,355,080	1,959,857	903,938	54,462,534	89,952,725
2013-14	24,894,828	6,583,756	185,344	73,681	342,926	1,159,147	1,945,739	739,564	52,160,431	88,085,416
2014-15	25,975,109	7,083,089	181,932	89,105	311,928	1,267,571	2,002,311	612,170	52,608,090	90,131,305
2015-16	26,236,246	6,725,483	144,763	66,606	339,598	1,309,056	2,027,740	202,997	52,962,072	90,014,561
2016-17	26,818,027	6,680,061	173,170	111,148	344,945	1,237,451	1,109,865	458,276	54,723,696	91,656,639
2017-18	28,211,449	6,686,235	149,386	86,070	400,530	2,074,076	1,285,937	248,521	53,654,040	92,796,244
2018-19	28,294,228	7,541,735	152,055	63,844	380,844	1,283,562	518,273	232,810	58,346,706	96,814,057
2019-20	28,844,593	7,554,563	169,516	28,272	383,850	852,570	494,574	244,331	57,159,789	95,732,058
2020-21	30,570,715	11,001,923	341,847	25,692	382,638	419,223	383,389	229,629	69,109,664	112,464,720

Table includes General and Special Revenue funds of the Primary Government and Discretely Presented Component Unit - School Board.

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

## COUNTY OF HALIFAX, VIRGINIA

Table 5

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1,3,4)	Current Tax Collections (1)	Delinquent Tax Collections (1)(5)	Total Tax Collections	Percent of Current Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Current Tax Levy
2011-12	\$ 23,760,658	\$ 20,348,558	\$ 2,546,293	\$ 22,894,851	85.64%	\$ 1,856,116	7.81%
2012-13	25,032,718	22,313,363	2,972,629	25,285,992	89.14%	1,742,146	6.96%
2013-14	25,423,840	23,063,969	2,718,690	25,782,659	90.72%	1,886,208	7.42%
2014-15	26,260,762	22,795,740	3,834,801	26,630,541	86.81%	1,906,508	7.26%
2015-16	27,063,589	24,486,314	2,443,952	26,930,266	90.48%	2,254,834	8.33%
2016-17	27,820,071	24,555,238	2,936,579	27,491,817	88.26%	2,457,035	8.83%
2017-18	28,865,077	26,422,667	2,308,198	28,730,865	91.54%	2,557,521	8.86%
2018-19	29,446,294	27,163,849	1,735,984	28,899,833	92.25%	2,828,415	9.61%
2019-20	30,239,454	27,282,373	1,914,546	29,196,919	90.22%	2,925,647	9.67%
2020-21	30,465,267	29,774,445	1,226,277	31,000,722	97.73%	2,973,536	9.76%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

(3) 1999-00 was the first year for personal property tax relief by the Commonwealth of Virginia.

(4) In fiscal year 2008 the County assessed and billed property taxes in installments, Dec. 5 and June 5

(5) Delinquent tax collections represent total delinquent taxes collected by fiscal year not tax assessment year.

COUNTY OF HALIFAX, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)(3)	Personal Property (1)	Machinery and Tools	Mobile Homes	Public Utility (2)	Total
2011-12	\$ 2,642,140,247	\$ 208,849,364	\$ 104,232,700	\$ 21,636,849	\$ 1,043,796,759	\$ 4,020,655,919
2012-13	2,611,941,867	206,995,250	115,491,600	21,858,449	939,796,330	3,896,083,496
2013-14	2,604,844,290	216,430,806	109,754,900	21,548,300	974,075,062	3,926,653,358
2014-15	2,592,875,041	214,359,000	113,167,200	18,805,800	1,012,476,276	3,951,683,317
2015-16	2,610,672,606	220,453,300	104,637,400	19,919,600	1,060,511,659	4,016,194,565
2016-17	2,626,126,937	232,771,900	108,532,100	18,811,900	1,092,693,520	4,078,936,357
2017-18	2,625,339,034	242,403,900	108,262,200	18,806,000	1,122,256,625	4,117,067,759
2018-19	2,655,433,747	247,643,900	113,507,800	19,437,900	1,135,037,315	4,171,060,662
2019-20	2,694,851,728	245,845,100	121,191,900	17,953,200	1,111,371,403	4,191,213,331
2020-21	2,715,792,122	252,107,700	123,365,200	16,849,400	1,101,433,389	4,209,547,811

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

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

(3) Starting in FY 2009, real estate is collected semi-annually, assessments are reported on the fiscal year basis.

COUNTY OF HALIFAX, VIRGINIA

Table 7

Property Tax Rates (1)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Estate (2)</u>	<u>Personal Property</u>	<u>Machinery and Tools</u>
2011-12	\$ .43 / .45	\$ 3.60	\$ 1.26
2012-13	.45 / .45	3.60	1.26
2013-14	.45 / .46	3.60	1.26
2014-15	.46 / .48	3.60	1.26
2015-16	.48 / .48	3.60	1.26
2016-17	.48 / .48	3.60	1.26
2017-18	.48 / .48	3.85	1.26
2018-19	.48 / .50	3.85	1.26
2019-20	.50 / .50	3.85	1.26
2020-21	.50 / .50	3.85	1.26

(1) Per \$100 of assessed value.

(2) In fiscal year 2008 the County assessed and billed property taxes in installments, Dec. 5 and June 5  
The rates include first and second half installments, respectively.

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2011-12	36,241	\$ 2,642,140	\$ 53,109,975	\$ 53,109,975	2.01%	\$ 1,465
2012-13	35,849	2,611,942	50,276,791	50,276,791	1.92%	1,402
2013-14	35,407	2,604,844	47,353,729	47,353,729	1.82%	1,337
2014-15	35,200	2,592,875	44,325,482	44,325,482	1.71%	1,259
2015-16	35,125	2,610,673	41,173,927	41,173,927	1.58%	1,172
2016-17	35,125	2,626,127	37,898,511	37,898,511	1.44%	1,079
2017-18	34,563	2,625,339	34,485,686	34,485,686	1.31%	998
2018-19	34,563	2,655,434	30,935,702	30,935,702	1.16%	895
2019-20	34,563	2,694,852	27,243,022	27,243,022	1.01%	788
2020-21	33,911	2,715,792	23,398,127	23,398,127	0.86%	690

(1) US Census Bureau - population estimates

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

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

Excludes revenue bonds, landfill liabilities, capital leases, compensated absences, net pension liability and OPEB liabilities.

COUNTY OF HALIFAX, VIRGINIA

Table 9

Ratio of Annual Debt Service Expenditures for  
Debt to Total General Governmental Expenditures (1)  
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2011-12	\$ 2,938,897	\$ 2,557,585	\$ 5,496,482	\$ 88,252,009	6.23%
2012-13	3,055,320	2,448,246	5,503,566	89,153,577	6.17%
2013-14	3,281,525	1,503,055	4,784,580	84,130,619	5.69%
2014-15	3,028,247	1,933,163	4,961,410	86,347,044	5.75%
2015-16	3,601,356	2,016,367	5,617,723	87,932,047	6.39%
2016-17	3,677,311	2,174,890	5,852,201	88,058,381	6.65%
2017-18	4,269,791	2,274,780	6,544,571	90,279,814	7.25%
2018-19	4,425,587	2,133,533	6,559,120	90,071,259	7.28%
2019-20	4,607,405	2,229,514	6,836,919	93,279,203	7.33%
2020-21	5,025,794	2,224,388	7,250,182	101,869,979	7.12%

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

*Compliance*

This page intentionally left blank

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

---

**To the Honorable Members of  
the Board of Supervisors  
County of Halifax, 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, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Halifax, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County of Halifax, Virginia's basic financial statements, and have issued our report thereon dated December 13, 2021.

**Internal Control over Financial Reporting**

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

## Purpose of this Report

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

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 13, 2021



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

---

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

---

**To the Honorable Members of  
the Board of Supervisors  
County of Halifax, Virginia**

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 13, 2021

COUNTY OF HALIFAX, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Education:				
Temporary Assistance for Needy Families (TANF)	93.558	2101VATANF	\$ 155,161	\$ -
Department of Social Services:				
Temporary Assistance for Needy Families (TANF)	93.558	0400121/0400120	364,145	-
Subtotal CFDA 93.558			519,306	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950119/0950120	\$ 3,605	\$ -
Refugee and Entrant Assistance/Replacement Designee				
Administered Programs	93.566	0500120/0500121	846	-
Low-income Home Energy Assistance	93.568	0600421/0600420	59,373	-
Child Care and Development Cluster:				
Child Care and Development Block Grant	93.575	0770119	(108)	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760120	76,202	-
Subtotal Child Care and Development Cluster			76,094	-
Chafee Education and Training Vouchers Program	93.599	9160119/9160120	471	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900120	186	-
Foster Care - Title IV-E	93.658	1100121/1100120	439,421	-
Adoption Assistance	93.659	1120121/1120120	420,696	-
Social Services Block Grant	93.667	1000121/1000120	408,788	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150119/9150120	5,747	-
Children's Health Insurance Program	93.767	0540121/0540120	5,478	-
Medicaid Cluster:				
Medical Assistance Program	93.778	1200121/1200120	459,191	-
Total Department of Health and Human Services			\$ 2,399,202	\$ -
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Agriculture:				
Food Distribution	10.555	2021IN109941/2020IN16109941	\$ 214,403	\$ -
Summer Food Service Program for Children	10.559	202121N11994 1/202120N11994 1	3,351,600	-
COVID-19 - Summer Food Service Program for Children	10.559	202020N85034 1	560,260	-
Subtotal CFDA 10.559			3,911,860	-
Subtotal Child Nutrition Cluster			\$ 4,126,263	\$ -
Department of Education:				
Child and Adult Care Food Program	10.558	202020N20204	\$ 1,603	\$ -
Fresh Fruit and Vegetable Program	10.582	202120L160341	99,362	-
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0040121/0040120/0010120/0010121	613,159	-
Total Department of Agriculture			\$ 4,840,387	\$ -
Department of Defense:				
Direct payments:				
ROTC Language and Culture Training Grants	12.357	N/A	\$ 37,047	\$ -
Total Department of Defense			\$ 37,047	\$ -
Department of Housing and Urban Development:				
Pass Through Payments:				
Department of Housing and Community Development:				
Community Development Block Grant/States' Program and Non-Entitlement Grants in Hawaii	14.228	HCD50790-CAMS 1804	\$ 168,749	\$ -
Total Department of Housing and Urban Development			\$ 168,749	\$ -

COUNTY OF HALIFAX, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Federal Expenditures
Department of Justice:				
Direct payments:				
Drug Court Discretionary Grant Program	16.585	N/A	\$ 60,980	\$ -
Pass Through Payments:				
Virginia Department of Criminal Justice: Crime Victim Assistance	16.575	17VAGX0018/18V2GX0011	\$ 90,374	\$ -
Total Department of Justice			\$ 151,354	\$ -
Department of Transportation:				
Direct payments:				
Airport Improvement Program	20.106	N/A	\$ 2,775	\$ -
Pass Through Payments:				
Department of Motor Vehicles: Highway Planning and Construction Cluster: Highway Planning and Construction	20.205	EN17-041-782, P101, C501	\$ 178,555	\$ -
Total Department of Transportation			\$ 181,330	\$ -
Institute of Museum and Library Services:				
Pass Through Payments:				
National Leadership Grants	45.312	Not Available	\$ 38,917	\$ -
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Accounts: COVID-19-Coronavirus Relief Fund	21.019	SLT0022	\$ 5,545,681	\$ 1,630,618
Virginia Department of Education: COVID-19-Coronavirus Relief Fund	21.019	SLT0218	784,403	-
Total Department of Treasury			\$ 6,330,084	\$ 1,630,618
Election Assistance Commission				
Pass Through Payments:				
Department of Elections: COVID-19-Help America Vote Act Requirements Payments	90.401	116912	\$ 114,197	\$ -
Total Election Assistance Commission			\$ 114,197	\$ -
Department of Homeland Security				
Pass Through Payments:				
Department of Emergency Management: Emergency Management Performance Grants	97.042	EMP-2019-EP-00006	\$ 12,196	\$ -
Total Department of Homeland Security			\$ 12,196	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	S010A200046/S010A190046	\$ 1,638,821	\$ -
Special Education Cluster:				
Special Education - Grants to States	84.027		1,374,197	-
Special Education - Preschool Grants	84.173	H173A200112/H193A170112	71,016	-
Subtotal Special Education Cluster			1,445,213	-
Career and Technical Education: Basic Grants to States	84.048	V048A200046/V048A190046	104,533	-
Supporting Effective Instruction State Grants	84.367	S367A180044/S367A190044	341,250	-
Rural Education	84.358	S358B190046	31,372	-
Student Support and Academic Enrichment Grants	84.424	S424A180048	138,232	-
COVID-19 Education Stabilization Fund:				
Governor's Emergency Education Relief Fund	84.425C	S425C200042	\$ 1,397	\$ -
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008	833,725	-
Subtotal CFDA 84.425			\$ 835,122	\$ -
Total Department of Education - pass through			\$ 4,534,543	\$ -
Total Department of Education			\$ 4,534,543	\$ -
Total Expenditures of Federal Awards			\$ 18,808,006	\$ 1,630,618

See accompanying notes to schedule of expenditures of federal awards.

## COUNTY OF HALIFAX, VIRGINIA

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

---

#### Note 1 - Basis of Presentation

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

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

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. 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 distributed.

#### Note 4 - Indirect Cost Rate

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

#### Note 5 - Subrecipients

The County passed through \$1,630,618 to subrecipients under CFDA number 21.019.

#### Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$	5,719,895
Special Revenue Funds:		
Virginia Public Assistance Fund		2,857,200
State and Federal Grants Fund		498,658
William M. Tuck Airport Fund		2,775
Total primary government	\$	<u>9,078,528</u>

Component Unit School Board:

School Operating Fund	\$	5,511,154
School Cafeteria Fund		4,227,228
Total component unit School Board	\$	<u>9,738,382</u>

Component Unit Regional Library	\$	<u>38,917</u>
---------------------------------	----	---------------

Less amounts not reported on Schedule of Expenditures of Federal Awards

Department of Interior - Payments in lieu of taxes	15.226	<u>(47,821)</u>
--	--------	-----------------

Total federal expenditures per basic financial statements	\$	<u>18,808,006</u>
---	----	-------------------

Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>18,808,006</u></u>
---	----	--------------------------

#### Note 7 - Loan Balances

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

COUNTY OF HALIFAX, VIRGINIA

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

---

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

***Financial Statements***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? No

Significant Deficiency(ies) identified? No

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

Any audit findings disclosed that are required to be reported in accordance with CFR Section 200.516(a) No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
21.019	COVID-19-Coronavirus Relief Fund
	Special Education Cluster:
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
	COVID-19 Education Stabilization Fund:
84.425C	Governor's Emergency Education Relief Fund
84.425D	Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

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

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

**Section IV - Prior Year Findings**

None