

# County of Dickenson, Virginia



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

**COUNTY OF DICKENSON, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

---

**COUNTY OF DICKENSON, VIRGINIA**  
**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2021**

---

**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

---

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

---

**FINANCIAL SECTION**

---

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

	<u>Exhibit</u>	<u>Page</u>
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
Statement of Net Position .....	1	12
Statement of Activities .....	2	13
Fund Financial Statements:		
Balance Sheet - Governmental Funds .....	3	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	4	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	5	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	6	17
Statement of Fiduciary Net Position - Fiduciary Funds .....	7	18
Statement of Changes in Fiduciary Net Position - Fiduciary Funds .....	8	19
Notes to the Financial Statements .....		20-91

**Required Supplementary Information:**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund .....	9	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special Revenue Fund - Coal Road Tax Fund .....	10	93
<b>Pension Plans:</b>		
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) .....	11	94
Schedule of Changes in Net Pension Liability and Related Ratios-Component Unit School Board (nonprofessional) .....	12	95
Schedule of Employer Contributions .....	13	96
Notes to Required Supplementary Information .....	14	97

COUNTY OF DICKENSON, VIRGINIA  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2021

---

TABLE OF CONTENTS (CONTINUED)

---

FINANCIAL SECTION (CONTINUED)

---

Required Supplementary Information: (Continued)	<u>Exhibit</u>	<u>Page</u>
<b>Health Insurance Plans:</b>		
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios		
Component Unit-School Board .....	15	98
Notes to Required Supplementary Information .....	16	99
<b>Group Life Insurance Plan:</b>		
Schedule of Employer's Share of Net OPEB Liability .....	17	100
Schedule of Employer Contributions .....	18	101
Notes to Required Supplementary Information.....	19	102
<b>Teacher Employee Health Insurance Credit (HIC) Plan:</b>		
Schedule of School Board's Share of Net OPEB Liability .....	20	103
Schedule of Employer Contributions .....	21	104
Notes to Required Supplementary Information.....	22	105
<b>Health Insurance Credit (HIC) Plan:</b>		
Schedule of Changes in Net OPEB Liability and Related Ratios.....	23	106
Schedule of Employer Contributions .....	24	107
Notes to Required Supplementary Information.....	25	108
<b>Other Supplementary Information:</b>		
Combining and Individual Fund Financial Statements and Schedules:		
Combining Statement of Fiduciary Net Position - Fiduciary Funds .....	26	109
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds .....	27	110
Discretely Presented Component Unit - School Board:		
Balance Sheet .....	28	111
Statement of Revenues, Expenditures, and Changes in Fund Balances -		
Governmental Funds .....	29	112
Schedule of Revenues, Expenditures, and Changes in Fund Balances -		
Budget and Actual .....	30	113
	<u>Schedule</u>	<u>Page</u>
Supporting Schedules:		
Schedule of Revenues - Budget and Actual - Governmental Funds .....	1	114-119
Schedule of Expenditures - Budget and Actual - Governmental Funds .....	2	120-124

**COUNTY OF DICKENSON, VIRGINIA**  
**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2021**

---

**TABLE OF CONTENTS (CONTINUED)**

---

**FINANCIAL SECTION (CONTINUED)**

---

<b>Other Statistical Information:</b>	<b><u>Table</u></b>	<b><u>Page</u></b>
Government-wide information:		
Government-wide Expenses by Function.....	1	125
Government-wide Revenues .....	2	126
Fund information:		
General Governmental Expenditures by Function .....	3	127
General Governmental Revenues by Source .....	4	128
Property Tax Levies and Collections .....	5	129
Assessed Value of Taxable Property .....	6	130
Property Tax Rates .....	7	131
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita .....	8	132
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures.....	9	133

---

**COMPLIANCE SECTION**

---

	<b><u>Page</u></b>
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	134-135
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	136-137
Schedule of Expenditures of Federal Awards .....	138-139
Schedule of Findings and Questioned Costs.....	140-141
Summary Schedule of Prior Audit Findings.....	142

---

## INTRODUCTORY SECTION

---

## COUNTY OF DICKENSON, VIRGINIA

---

### BOARD OF SUPERVISORS

---

Peggy Kiser, Vice-chair Ron Peters	Josh Evans, Chair	Shelbie Willis Rhonda Sluss
---------------------------------------	-------------------	--------------------------------

### COUNTY SCHOOL BOARD

---

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

### SOCIAL SERVICES BOARD

---

James Counts, Vice-chair Ramona Duncan	Ginger Senter, Chair	Dean Rasnick Laura Stanley
---	----------------------	-------------------------------

### PUBLIC SERVICE AUTHORITY BOARD

---

Sam Edwards, Vice-chair Grant Belcher	Zane Counts, Chair	Dr. Lurton Lyle Shelbie Willis
--	--------------------	-----------------------------------

### OTHER OFFICIALS

---

Clerk of the Circuit Court .....	Richard Edwards
Commonwealth's Attorney .....	Josh Newberry
Commissioner of the Revenue.....	Mike Yates
Treasurer .....	Angela Rakes
Sheriff .....	Jeremy Fleming
Superintendent of Schools .....	Haydee Robinson
Interim Director of Social Services .....	Faye Ramey
County Administrator .....	Larry Barton

---

## FINANCIAL SECTION

---





ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

---

**Independent Auditors' Report**

---

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dickenson, Virginia, as of and for the year ended June 30, 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 did not audit the financial statements of the discretely presented component unit Industrial Development Authority, which represent 14%, 15%, and 4% respectively, of the assets, net position, and revenues of discretely presented component units or the Dickenson County School Activity Funds, which represents 6%, 8%, and 1%, respectively, of the assets, fund balance, and revenues of the discretely presented component unit - School Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Industrial Development Authority and Dickenson County School Activity Funds, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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

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

As described in Note 25 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 25 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 5-11, 92-93, 94-108 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary and Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, on our consideration of the County of Dickenson, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Dickenson, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Dickenson, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox, Associates*

Blacksburg, Virginia  
November 19, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Dickenson, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements.

### Financial Highlights:

- The assets and deferred outflows of resources of the County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,159,315 (net position). Of this amount, \$1,549,374 was considered unrestricted.
- The assets and deferred outflows of resources of the School Board component unit exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,928,515 (net position). Of this amount \$(31,926,497) was considered unrestricted.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$23,330,729. Of that amount, \$3,614,804 was considered unassigned, \$859,957 was considered committed, \$18,697,261 was considered restricted and \$158,707 was considered nonspendable.
- During the year, the County had governmental fund revenues that were \$685,782 less than expenditures.

### Overview of the Financial Statements:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison and schedules related to pension and OPEB funding.

#### Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a County’s financial position. In the case of the County’s Primary Government, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$32,159,315 at the close of the most recent fiscal year.

A significant portion of the County’s net position, \$11,912,680 reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County’s net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County’s net position, \$18,697,261, is subject to restrictions on how it may be used. The remaining balance of net position was \$1,549,374.

The following tables summarize the County's Statement of Net Position and Statement of Activities for 2021 and 2020.

Statement of Net Position

	Governmental Activities 2021	Governmental Activities 2020
Current and other assets	\$ 34,483,791	\$ 33,834,453
Capital and other assets	27,824,287	27,650,069
Total assets	<u>\$ 62,308,078</u>	<u>\$ 61,484,522</u>
Deferred outflows of resources	<u>\$ 2,376,454</u>	<u>\$ 1,504,715</u>
Current and other liabilities	\$ 2,197,621	\$ 1,660,503
Long-term liabilities	22,596,200	22,321,949
Total Liabilities	<u>\$ 24,793,821</u>	<u>\$ 23,982,452</u>
Deferred inflows of resources	<u>\$ 7,731,396</u>	<u>\$ 6,873,404</u>
Net position:		
Net investment in capital assets	\$ 11,912,680	\$ 10,760,652
Restricted	18,697,261	20,166,138
Unrestricted	1,549,374	1,206,591
Total net position	<u>\$ 32,159,315</u>	<u>\$ 32,133,381</u>

## Statement of Activities

	Governmental Activities 2021	Governmental Activities 2020
Program revenues		
Charges for services	\$ 397,428	\$ 328,981
Operating grants and contributions	10,026,653	7,817,479
Capital grants and contributions	864,348	2,728,055
General revenues		
Property taxes	10,958,426	11,185,408
Other taxes	7,329,656	7,538,067
Revenue from use of money and property	7,253	17,486
Miscellaneous	236,887	146,498
Grants and contributions not restricted to specific programs	1,403,066	1,497,938
Total revenues	<u>\$ 31,223,717</u>	<u>\$ 31,259,912</u>
Expenses		
General government	1,864,225	2,594,258
Judicial administration	1,893,402	1,667,814
Public Safety	5,217,532	5,795,499
Public works	3,731,964	3,840,409
Health and welfare	6,896,991	6,943,896
Education	6,896,548	7,702,559
Parks, recreation and cultural	526,476	556,784
Community development	3,531,076	4,029,435
Interest on debt	639,569	371,553
Total expenses	<u>\$ 31,197,783</u>	<u>\$ 33,502,207</u>
Change in net position	<u>\$ 25,934</u>	<u>\$ (2,242,295)</u>

## Financial Analysis of the County's Funds

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



Governmental Funds – The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County’s net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$23,330,729; 80% or \$18,697,261 constitutes restricted fund balance, which is not available for current spending since it has been restricted by external parties such as grantors, laws or legislation; 1% or \$158,707 constitutes nonspendable funds or prepaid items; and 4% or \$859,957 constitutes committed fund balance, which represents amounts that have been committed by the Board of Directors for specific future uses. The remaining balance, \$3,614,804 or 15% is unassigned, meaning there are no restrictions placed on the funds. The general fund is the operating fund of the County. At the end of the current fiscal year, total fund balance of the general fund was \$4,633,468 of this amount \$158,707 was considered nonspendable, \$859,957 was considered committed, and \$3,614,804 was considered unassigned. The Coal Road Tax fund had restricted fund balances of \$12,621,485 and the School Construction fund had restricted fund balance of \$6,075,776.

Total governmental fund revenues decreased \$36,195 and expenses decreased \$2,304,424 over prior year amounts. For fiscal year ended June 30, 2021, revenues exceeded expenses by \$25,934, as compared to the fiscal year ended June 30, 2020, revenues exceeded expenses by \$2,242,295, excluding other financing sources to help cover the extra expenditures.

#### General Fund Budgetary Highlights

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

#### Capital Assets and Debt Administration

Capital assets – The County’s investment in capital assets for its governmental funds activities as of June 30, 2021 amounts to \$27,824,287 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress.

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

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

Primary Government:	
Accrued leave	\$ 501,128
Bond premium	1,617,071
Notes payable	14,294,536
Net Pension liability	6,173,959
Landfill post-closure costs	9,506
Total	<u>\$ 22,596,200</u>

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

#### Economic Factors

The June 2021 unemployment rate for the County of Dickenson, Virginia was 6.4%, which is an decrease from a rate of 9.0% in June 2020. This is above the state’s average unemployment rate of 4.3% and above the national average rate of 5.9%.

#### Request for Information

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

## **Basic Financial Statements**

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

	Component Units			
	Primary Government	School	Public Service	Industrial
	Governmental	Board	Authority	Development
	Activities			Authority
<b>ASSETS</b>				
Cash and investments	\$ 23,605,051	\$ 6,102,008	\$ 2,890,153	\$ 301,648
Investments	412,324	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	8,595,143	-	-	-
Other local taxes receivable	671,146	-	-	-
Accounts receivable	-	41,017	222,535	-
Notes receivable	-	-	-	1,050,531
Other receivables	-	-	-	40,568
Due from primary government	-	-	76,631	-
Due from other governmental units	1,041,420	3,353,357	-	-
Prepaid items	158,707	282,153	-	-
Restricted assets:				
Cash and cash equivalents	-	-	672,486	146,110
Capital assets (net of accumulated depreciation):				
Land	3,185,716	2,594,378	34,592	2,670,213
Buildings and improvements	22,746,662	53,409,786	216,730	14,556,591
Machinery and equipment	1,300,957	1,562,106	314,918	-
Infrastructure	-	-	35,829,645	-
Construction in progress	590,952	3,642,204	-	-
Total assets	\$ 62,308,078	\$ 70,987,009	\$ 40,257,690	\$ 18,765,661
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 2,376,454	\$ 5,143,723	\$ 270,571	\$ -
OPEB related items	-	1,132,083	-	-
Total deferred outflows of resources	\$ 2,376,454	\$ 6,275,806	\$ 270,571	\$ -
<b>LIABILITIES</b>				
Accounts payable	\$ 664,663	\$ 1,179,813	\$ 75,090	\$ 517
Accrued liabilities	60,389	1,303,517	-	-
Customers' deposits	-	-	334,167	-
Accrued interest payable	57,017	-	7,633	-
Unearned revenue	1,415,552	-	-	-
Long-term liabilities:				
Due within one year	1,772,355	802,610	478,512	595,100
Due in more than one year	20,823,845	37,861,539	7,164,454	6,497,551
Total liabilities	\$ 24,793,821	\$ 41,147,479	\$ 8,059,856	\$ 7,093,168
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 7,672,332	\$ -	\$ -	\$ -
Pension related items	59,064	2,228,949	18,395	-
OPEB related items	-	400,120	-	-
Total deferred inflows of resources	\$ 7,731,396	\$ 2,629,069	\$ 18,395	\$ -
<b>NET POSITION</b>				
Net investment in capital assets	\$ 11,912,680	\$ 61,208,474	\$ 29,600,781	\$ 10,993,400
Restricted				
Coal Road	12,621,485	-	-	-
School Construction	6,075,776	3,646,538	-	-
School Activity Fund	-	86,611	-	-
DSS Building	-	-	-	43,047
Economic Development	-	-	-	34,347
Agricultural Center	-	-	-	30,120
COVID-19	-	-	-	4,905
Debt service and bond covenants	-	-	338,319	-
Assigned				
School Activity Fund	-	421,163	-	-
Unrestricted	1,549,374	(31,876,519)	2,510,910	566,674
Total net position	\$ 32,159,315	\$ 33,486,267	\$ 32,450,010	\$ 11,672,493

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

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

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Primary Governmental Activities	Component Units		
							School Board	Public Service Authority	Industrial Development Authority
<b>PRIMARY GOVERNMENT:</b>									
Governmental activities:									
General government administration	\$ 1,864,225	\$ 2,592	\$ 270,341	\$ -	\$ -	(1,591,292)	\$ -	\$ -	\$ -
Judicial administration	1,893,402	114,690	601,737	-	-	(1,176,975)	-	-	-
Public safety	5,217,532	44,850	2,711,406	-	-	(2,461,276)	-	-	-
Public works	3,731,964	234,064	15,238	-	-	(3,482,662)	-	-	-
Health and welfare	6,896,991	-	5,414,153	-	-	(1,482,838)	-	-	-
Education	6,896,548	-	217,069	-	-	(6,679,479)	-	-	-
Parks, recreation, and cultural	526,476	1,232	15,221	-	-	(510,023)	-	-	-
Community development	3,531,076	-	781,488	-	864,348	(1,885,240)	-	-	-
Interest on long-term debt	639,569	-	-	-	-	(639,569)	-	-	-
Total governmental activities	\$ 31,197,783	\$ 397,428	\$ 10,026,653	\$ 864,348	\$ -	(19,909,354)	\$ -	\$ -	\$ -
Total primary government	\$ 31,197,783	\$ 397,428	\$ 10,026,653	\$ 864,348	\$ -	(19,909,354)	\$ -	\$ -	\$ -
<b>COMPONENT UNITS:</b>									
School Board	\$ 28,810,779	\$ 412,562	\$ 29,768,780	\$ -	\$ -	-	1,370,563	\$ -	\$ -
Public Service Authority	3,766,574	2,415,953	-	359,700	-	-	-	(990,921)	-
Industrial Development Authority	1,868,249	-	-	150,000	-	-	-	-	(1,718,249)
Total component units	\$ 34,445,602	\$ 2,828,515	\$ 29,768,780	\$ 509,700	\$ -	-	1,370,563	\$ (990,921)	\$ (1,718,249)
General revenues:									
General property taxes						\$ 10,958,426	\$ -	\$ -	\$ -
Other local taxes:									
Local sales and use taxes						899,151	-	-	-
Consumers' utility taxes						302,566	-	-	-
Consumption taxes						56,751	-	-	-
Vehicle registration withholding stops						23,925	-	-	-
Bank stock taxes						25,478	-	-	-
Hotel and motel room taxes						32,422	-	-	-
Coal severance taxes						4,925,974	-	-	-
Gas severance taxes						1,052,952	-	-	-
Moped/ATV sales tax						10,437	-	-	-
Unrestricted revenues from use of money and property						7,253	1,557	10,615	420,124
Miscellaneous						236,887	374,489	68,535	5,750
Payments from County of Dickenson						-	5,384,628	-	215,032
Grants and contributions not restricted to specific programs						1,403,066	-	449,307	1,023,200
Total general revenues						\$ 19,935,288	\$ 5,760,674	\$ 528,457	\$ 1,664,106
Change in net position						\$ 25,934	\$ 7,131,237	\$ (462,464)	\$ (54,143)
Net position - beginning, as restated						\$ 32,133,381	\$ 26,355,030	\$ 32,912,474	\$ 11,726,636
Net position - ending						\$ 32,159,315	\$ 33,486,267	\$ 32,450,010	\$ 11,672,493

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

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

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and equivalents	\$ 5,209,039	\$ 12,320,236	6,075,776	\$ 23,605,051
Investments	288,762	123,562	-	412,324
Receivables (net of allowance for uncollectibles):				
Taxes receivable	8,595,143	-	-	8,595,143
Other local taxes receivable	356,941	314,205	-	671,146
Due from other governmental units	1,041,420	-	-	1,041,420
Prepaid items	158,707	-	-	158,707
Total assets	<u>\$ 15,650,012</u>	<u>\$ 12,758,003</u>	<u>\$ 6,075,776</u>	<u>\$ 34,483,791</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 553,145	\$ 111,518	\$ -	\$ 664,663
Accrued liabilities	60,389	-	-	60,389
Unearned revenue	1,390,552	25,000	-	1,415,552
Total liabilities	<u>\$ 2,004,086</u>	<u>\$ 136,518</u>	<u>\$ -</u>	<u>\$ 2,140,604</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 9,012,458	\$ -	\$ -	\$ 9,012,458
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	\$ 158,707	\$ -	\$ -	\$ 158,707
Restricted				
Coal Road	-	12,621,485	-	12,621,485
School Construction	-	-	6,075,776	6,075,776
Committed				
Debt service	800,000	-	-	800,000
Law Library	34,504	-	-	34,504
Drug Restitution	25,453	-	-	25,453
Unassigned	3,614,804	-	-	3,614,804
Total fund balances	<u>\$ 4,633,468</u>	<u>\$ 12,621,485</u>	<u>\$ 6,075,776</u>	<u>\$ 23,330,729</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,650,012</u>	<u>\$ 12,758,003</u>	<u>\$ 6,075,776</u>	<u>\$ 34,483,791</u>

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

County of Dickenson, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 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	\$ 23,330,729
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Land	\$ 3,185,716
Buildings and improvements	22,746,662
Machinery and equipment	1,300,957
Construction in progress	<u>590,952</u>
	27,824,287
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenues in the funds.	
Unavailable revenue - property taxes	1,340,126
Deferred outflows or resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	2,376,454
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and note payable	\$ (14,294,536)
Bond premium	(1,617,071)
Landfill postclosure liability	(9,506)
Net pension liability	(6,173,959)
Compensated absences	(501,128)
Accrued interest payable	<u>(57,017)</u>
	(22,653,217)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	(59,064)
Net position of governmental activities	<u><u>\$ 32,159,315</u></u>

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

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

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
<b>REVENUES</b>				
General property taxes	\$ 11,193,653	\$ -	\$ -	\$ 11,193,653
Other local taxes	4,340,193	2,989,463	-	7,329,656
Permits, privilege fees, and regulatory licenses	9,427	-	-	9,427
Fines and forfeitures	54,786	-	-	54,786
Revenue from the use of money and property	7,059	194	-	7,253
Charges for services	333,215	-	-	333,215
Miscellaneous	236,887	-	-	236,887
Recovered costs	1,999,555	-	-	1,999,555
Intergovernmental	12,194,067	100,000	400,776	12,694,843
Total revenues	<u>\$ 30,368,842</u>	<u>\$ 3,089,657</u>	<u>\$ 400,776</u>	<u>\$ 33,859,275</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,982,131	\$ -	\$ -	\$ 1,982,131
Judicial administration	1,531,170	-	-	1,531,170
Public safety	5,146,351	-	-	5,146,351
Public works	2,451,553	1,115,858	-	3,567,411
Health and welfare	7,193,866	-	-	7,193,866
Education	5,453,387	-	1,054,087	6,507,474
Parks, recreation, and cultural	459,896	-	-	459,896
Community development	1,904,101	1,564,365	-	3,468,466
Nondepartmental	1,801,034	-	-	1,801,034
Capital projects	401,123	-	-	401,123
Debt service:				
Principal retirement	848,441	-	800,000	1,648,441
Interest and other fiscal charges	345,931	-	425,000	770,931
Bond issuance costs	242,558	-	-	242,558
Total expenditures	<u>\$ 29,761,542</u>	<u>\$ 2,680,223</u>	<u>\$ 2,279,087</u>	<u>\$ 34,720,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 607,300</u>	<u>\$ 409,434</u>	<u>\$ (1,878,311)</u>	<u>\$ (861,577)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to refunded bond escrow	\$ (9,091,276)	\$ -	\$ -	\$ (9,091,276)
Issuance of refunding bonds	9,267,071	-	-	9,267,071
Total other financing sources (uses)	<u>\$ 175,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,795</u>
Net change in fund balances	\$ 783,095	\$ 409,434	\$ (1,878,311)	\$ (685,782)
Fund balances - beginning	3,850,373	12,212,051	7,954,087	24,016,511
Fund balances - ending	<u>\$ 4,633,468</u>	<u>\$ 12,621,485</u>	<u>\$ 6,075,776</u>	<u>\$ 23,330,729</u>

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



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

---

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

Net change in fund balances - total governmental funds	\$	(685,782)
--	----	-----------

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

Capital outlays	\$ 1,437,235	
Depreciation expense	<u>(1,191,610)</u>	245,625

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

Loss on disposal of asset		(71,407)
---------------------------	--	----------

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

Property taxes		(235,227)
----------------	--	-----------

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.

Debt issued or incurred:		
Issuance of VRA refunding bond	\$ (7,650,000)	
Premium on issuance	(1,617,071)	
Principal payments:		
General obligation and rural development bonds	9,189,087	
VSB note payable	255,794	
QSCB	800,000	
Capital leases	<u>494,836</u>	1,472,646

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

Changes in compensated absences	\$ (24,201)	
Changes in accrued interest payable	(26,856)	
Changes in pension related items	(648,751)	
Increase in landfill postclosure care liability	<u>(113)</u>	(699,921)

Change in net position of governmental activities	\$	<u>25,934</u>
---	----	---------------

County of Dickenson, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2021

---

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 896,013
Total assets	<u>\$ 896,013</u>
<b>NET POSITION</b>	
Restricted:	
Special Welfare	\$ 178,232
Town of Clincho	2,729
Town of Clintwood	19,016
Town of Haysi	5,750
Fringe Benefits	48,264
Dickenson County Behavioral Health Services	641,012
EQT Funds	1,010
Total net position	<u>\$ 896,013</u>

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

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

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Expenditure reimbursement	\$ 167,546
Tax collections	192,815
Receipts from other governments	2,952,117
VSRS withholdings	1,349,243
Patient service revenue	1,904,172
Total contributions	\$ 6,565,893
Total additions	\$ 6,565,893
<b>DEDUCTIONS:</b>	
Special welfare payments	\$ 248,797
DCBHS payments	4,973,883
VSRS payments	1,351,274
Payments of sales tax to other governments	201,396
Total deductions	\$ 6,775,350
 Net increase (decrease) in fiduciary net position	 \$ (209,457)
 Net position, beginning - as restated	 1,105,470
Net position, ending	\$ 896,013

COUNTY OF DICKENSON, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021

---

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

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

**A. Financial reporting entity**

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

Blended component units - None

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

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

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

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

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

Jointly Governed Organizations - The County of Dickenson and the Counties of Wise, Lee, Scott, the City of Norton, and the Towns of Wise, Big Stone Gap, Coeburn, and St. Paul participate in supporting the Lonesome Pine Regional Library. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2021, the County contributed \$332,553 to the Library.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

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

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

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

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

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

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

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

The County reports the following major governmental funds:

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

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

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

The School Board reports the following major fund types:

The School operating 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 appropriations from the County and state and federal grants.

The School CIP Fund is a capital projects fund that accounts for and reports school construction projects that are not funded by debt issuances.

The School Activity Fund is a special revenue fund that accounts for and reports all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the individual schools.

Additionally, the government reports the following fund types:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

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

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

3. Prepaid Items

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



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

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

4. Receivables and Payables

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

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

5. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on December 5<sup>th</sup>. Personal property taxes are due and collectible annually on December 5<sup>th</sup>. The County bills and collects its own property taxes.

6. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$537,818 at June 30, 2021 and is comprised of property taxes.

7. Use of Estimates

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

---

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

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

8. Capital Assets

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

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

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

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

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

9. Pensions

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

10. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, 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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

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

11. Deferred Outflows/Inflows of Resources

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

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

*The remainder of this page left blank intentionally.*

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

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

12. Compensated Absences

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

13. Long-term Obligations

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

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

14. Fund Balance

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

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

14. Fund Balance (continued)

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

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

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

15. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

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

15. Net Position (continued)

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

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

A. Budgetary information

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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

A. Budgetary information (continued)

7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.
8. All budgetary data presented in the accompanying financial statements is the revised budget.
9. For fiscal year ended June 30, 2021, the school fund had expenditures in excess of total appropriations.

**Note 3-Deposits and Investments:**

Deposits

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

Investments

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

Interest Rate Risk

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

**Investment Maturities (in years)**

<u>Investment Type</u>	<u>Fair Value</u>	<u>1 Year</u>	<u>1-5 Years</u>
Certificate of Deposits	\$ 412,324	\$ 353,068	\$ 59,256

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

**Custodial Credit Risk**

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

**Credit Risk of Debt Securities**

The County's debt investments of \$229,507 are unrated as of June 30, 2021. The remainder of investments consist of non-negotiable certificates of deposit with maturities of 2021 and 2022 and balances of \$182,817 at year end.

**Note 4-Fair Value Measurements:**

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

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

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

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

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

Investment Type	Balance at June 30, 2021	Fair Value Level 1
Certificate of Deposits	\$ 229,507	\$ 229,507



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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

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

	<u>Primary Government</u>	<u>Component Unit- School Board</u>
<b><u>Other Local Government Entities:</u></b>		
Regional Jail	\$ 147,845	\$ -
<b><u>Commonwealth of Virginia:</u></b>		
State sales tax	164,711	336,695
Categorical aid-shared expenses	158,134	-
Categorical aid-Comprehensive Services Act	101,417	-
Categorical aid-Virginia Public Assistance	152,362	-
Categorical aid-other	62,374	-
Noncategorical aid	56,825	-
<b><u>Federal Government:</u></b>		
Categorical aid-other	2,250	2,965,794
Categorical aid-Virginia Public Assistance	195,502	50,868
	\$ <u>1,041,420</u>	\$ <u>3,353,357</u>

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

**Primary Government - Governmental Activities Indebtedness:**

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

	<u>Beginning Balance</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance</u>
Direct Borrowings and Placements	16,889,417	7,650,000	(10,244,881)	14,294,536
Premium on Issuance	-	1,617,071	-	1,617,071
Capital Leases	494,836	-	(494,836)	-
Net Pension Liability	4,451,376	2,926,581	(1,203,998)	6,173,959
Landfill Post Closure Liability	9,393	113	-	9,506
Compensated Absences	476,927	381,896	(357,695)	501,128
Total	\$ <u>22,321,949</u>	\$ <u>12,575,661</u>	\$ <u>(12,301,410)</u>	\$ <u>22,596,200</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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

Primary Government - Governmental Activities Indebtedness: (continued)

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

Direct Borrowings and Placements		
Year Ending		
June 30,	Principal	Interest
2022	\$ 1,248,740	\$ 733,993
2023	1,005,248	740,527
2024	1,011,907	724,992
2025	778,641	710,835
2026	755,000	700,900
2027-2031	3,950,000	3,126,125
2032-2036	1,510,000	887,375
2037-2041	1,855,000	553,575
2042-2046	2,180,000	191,299
Totals	<u>\$ 14,294,536</u>	<u>\$ 8,369,621</u>

Details of long-term indebtedness:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance at June 30	Amount Due Within One Year
Direct Borrowings and Placements:						
QSCB	6.238%	12/01/2011	2031	\$10,000,000	\$ 5,800,000	\$ 800,000
Virginia Small Business Financing Authority <sup>(1)</sup>	2.440%	06/02/2015	2025	2,075,242	844,536	263,740
VRA 2021 A Refunding Bond <sup>(1)(2)</sup>	2.25-4.596%	05/26/2021	2048	7,650,000	7,650,000	185,000
Premium on VRA 2021 Refunding Bond	n/a	n/a	n/a	n/a	1,617,071	147,769
Total Direct Borrowings and Placements					<u>\$15,911,607</u>	<u>\$ 1,396,509</u>
Other Obligations:						
Net Pension Liability	n/a	n/a	n/a	n/a	\$ 6,173,959	\$ -
Landfill Postclosure Liability	n/a	n/a	n/a	n/a	9,506	-
Compensated Absences	n/a	n/a	n/a	n/a	501,128	375,846
Total Other Obligations					<u>\$ 6,684,593</u>	<u>\$ 375,846</u>
Total Long-term Obligations					<u>\$22,596,200</u>	<u>\$ 1,772,355</u>

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

(2) Unassigned general fund balance shall increase to no less than two months of regular operating revenues or expenditures by no later than the end of fiscal year 2022 and shall be maintained through the lease term. The judicial center is collateral on the issuance.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 7-Long-term Obligations-Component Unit School Board:**

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

	Beginning Balance	Increase	Decrease	Ending Balance	Amount Due Within One Year
Net pension liability	\$ 22,161,059	\$ 8,462,209	\$ (6,108,830)	\$ 24,514,438	\$ -
Net OPEB liabilities	12,285,016	1,798,714	(1,004,166)	13,079,564	-
Compensated absences	1,085,145	798,861	(813,859)	1,070,147	802,610
Total	<u>\$ 35,531,220</u>	<u>\$ 11,059,784</u>	<u>\$ (7,926,855)</u>	<u>\$ 38,664,149</u>	<u>\$ 802,610</u>

*The remainder of this page left blank intentionally.*

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 8-Pension Plans:**

***Plan Description***

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

***Benefit Structures***

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 8-Pension Plans: (Continued)**

***Benefit Structures (Continued)***

- 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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 8-Pension Plans: (Continued)**

***Contributions***

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

The County's contractually required employer contribution rate for the year ended June 30, 2021 was 11.68% 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 \$605,704 and \$491,201 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit Public Service Authority's contractually required employer contribution rate for the year ended June 30, 2021 was 11.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit Public Service Authority were \$69,891 and \$55,094 for the years ended June 30, 2021 and June 30, 2020, respectively.

***Net Pension Liability***

At June 30, 2021, the County and Component Unit Public Service Authority reported a liability of \$6,173,959 and \$692,487, respectively, for its proportionate share of the net pension liability. The County's and Component Unit Public Service Authority's net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. In order to allocate the net pension liability to all employers included in the plan, the County and Component Unit Public Service Authority are required to determine its proportionate share of the net pension liability. Creditable compensation as of June 30, 2020 and 2019 was used as a basis for allocation to determine the County and Component Unit Public Service Authority's proportionate share of the net pension liability. At June 30, 2020 and 2019, the County's proportion was 67.9755% and 68.9258%, respectively. At June 30, 2020 and 2019, the Component Unit Public Service Authority's proportion was 7.6243% and 8.0193%, respectively.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 8-Pension Plans: (Continued)**

***Actuarial Assumptions - General Employees***

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

**Post-Disablement:**

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

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

<b>Asset Class (Strategy)</b>	<b>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>
		<b>Inflation</b>	<b>2.50%</b>
		<b>*Expected arithmetic nominal return</b>	<b>7.14%</b>

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

*The remainder of this page left blank intentionally.*

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

***Discount Rate***

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

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

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

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

Proportionate share of the County Retirement Plan:

County	\$ 9,548,523	\$ 6,173,959	\$ 3,374,738
Component Unit Public Service Authority	\$ 1,070,986	\$ 692,487	\$ 378,519

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

For the year ended June 30, 2021, the County and Component Unit Public Service Authority recognized pension expense of \$1,254,455 and \$136,311, respectively. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2021, the County and Component Unit Public Service Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit Public Service Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 835,043	\$ -	\$ 94,772	\$ -
Change in assumptions	333,235	-	38,771	-
Net difference between projected and actual earnings on pension plan investments	602,472	-	67,137	-
Change in proportionate share	-	59,064	-	18,395
Employer contributions subsequent to the measurement date	605,704	-	69,891	-
Total	\$ 2,376,454	\$ 59,064	\$ 270,571	\$ 18,395

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

\$605,704 and \$69,891 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit Public Service Authority's contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 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>	<u>Primary Government</u>	<u>Component Unit Public Service Authority</u>
2022	\$ 565,997	\$ 60,957
2023	611,799	66,050
2024	338,809	33,399
2025	195,081	21,879

***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 (Nonprofessional)**

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

**Component Unit 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 pension plan:

	<b><u>Component Unit School Board Nonprofessional</u></b>
Inactive members or their beneficiaries currently receiving benefits	127
Inactive members:	
Vested inactive members	4
Non-vested inactive members	21
Inactive members active elsewhere in VRS	<u>10</u>
Total inactive members	35
Active members	<u>66</u>
Total covered employees	<u><u>228</u></u>

***Contributions***

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 40.89% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$530,236 and \$574,667 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

***Net Pension Liability***

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

***Changes in Net Pension Liability***

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ 12,620,895	\$ 5,618,179	\$ 7,106,243
Changes for the year:			
Service cost	\$ 129,577	\$ -	\$ 129,577
Interest	819,701	-	819,701
Differences between expected and actual experience	187,914	-	187,914
Contributions - employer	-	576,724	(576,724)
Contributions - employee	-	89,102	(89,102)
Net investment income	-	105,034	(105,034)
Benefit payments, including refunds	(954,360)	(954,360)	-
Administrative expenses	-	(3,730)	3,730
Other changes	-	(122)	122
Net changes	\$ 182,832	\$ (187,352)	\$ 370,184
Balances at June 30, 2020	\$ 12,803,727	\$ 5,430,827	\$ 7,372,900

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board (Nonprofessional) Net Pension Liability	\$ 8,586,902	\$ 7,372,900	\$ 6,331,127

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

For the year ended June 30, 2021, the Component Unit School Board (nonprofessional) recognized pension expense of \$738,864. At June 30, 2021, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,008	\$ -
Net difference between projected and actual earnings on pension plan investments	161,904	-
Employer contributions subsequent to the measurement date	530,236	-
Total	\$ 785,148	\$ -



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 8-Pension Plans: (Continued)**

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

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

\$530,236 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 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>	<u>Component Unit School Board (Nonprofessional)</u>
2022	\$ 92,605
2023	52,339
2024	57,103
2025	52,865

**Component Unit School Board (Professional)**

***Plan Description***

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

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$1,597,561 and \$1,559,321 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

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

At June 30, 2021, the school division reported a liability of \$17,141,538 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was 0.11780% as compared to 0.11518% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$1,436,909. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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

	<b>Component Unit School Board (Professional)</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,004,759
Change in assumptions	1,170,125	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	287,085	1,224,190
Net difference between projected and actual earnings on pension plan investments	1,303,804	-
Employer contributions subsequent to the measurement date	1,597,561	-
Total	<u>\$ 4,358,575</u>	<u>\$ 2,228,949</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

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

\$1,597,561 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>	<u>Component Unit School Board (Professional)</u>
2022	\$ (493,292)
2023	92,326
2024	482,877
2025	455,970
2026	(5,816)

***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.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 8-Pension Plans: (Continued)**

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

***Actuarial Assumptions (Continued)***

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

***Net Pension Liability***

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

		<b><u>Teacher Employee Retirement Plan</u></b>
Total Pension Liability	\$	51,001,855
Plan Fiduciary Net Position		<u>36,449,229</u>
Employers' Net Pension Liability (Asset)	\$	<u><u>14,552,626</u></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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 8-Pension Plans: (Continued)**

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Dickenson County School Board's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 25,150,486	\$ 17,141,538	\$ 10,517,125

***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.

***Aggregate Pension Information***

	Primary Government				Component Unit Public Service Authority				Component Unit School Board			
	Deferred	Deferred	Net Pension	Pension	Deferred	Deferred	Net Pension	Pension	Deferred	Deferred	Net Pension	Pension
	Outflows	Inflows	Liability	Expense	Outflows	Inflows	Liability	Expense	Outflows	Inflows	Liability	Expense
			(Asset)				(Asset)				(Asset)	
VRS Pension Plans:												
Primary Government	\$ 2,376,454	\$ 59,064	\$ 6,173,959	\$ 1,254,455	\$ 270,571	\$ 18,395	\$ 692,487	\$ 136,311	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	-	-	-	-	785,148	-	7,372,900	738,864
School Board Professional	-	-	-	-	-	-	-	-	4,358,575	2,228,949	17,141,538	1,436,909
Totals	\$ 2,376,454	\$ 59,064	\$ 6,173,959	\$ 1,254,455	\$ 270,571	\$ 18,395	\$ 692,487	\$ 136,311	\$ 5,143,723	\$ 2,228,949	\$ 24,514,438	\$ 2,175,773

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 9-Other Postemployment Benefits-Health Insurance:**

In addition to the pension benefits described in Note 8, the School Board administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plan. The plan does not issue a publicly available financial report.

***Benefits Provided***

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

***Plan Membership***

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

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

***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2021 was \$345,838.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 9-Other Postemployment Benefits-Health Insurance: (Continued)**

***Total OPEB Liability***

The School Boards total OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019 and rolled forward to June 30, 2021.

***Actuarial Assumptions***

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Component Unit-School Board:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.16%
Mortality Rates:	
Pre-Retirement	RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020. 5% of deaths are assumed to be service related.
Post-Retirement	RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.
Post-Disablement	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 9-Other Postemployment Benefits-Health Insurance: (Continued)**

***Discount Rate***

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

***Changes in Total OPEB Liability***

	<b>Component Unit - School Board</b>	
	<b>Total OPEB Liability</b>	
Balances at June 30, 2020	\$	9,900,823
Changes for the year:		
Service cost		497,344
Interest		225,998
Changes in assumptions		36,691
Benefit payments		(345,838)
Net changes		414,195
Balances at June 30, 2021	\$	10,315,018

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

<b>Rate</b>		
<b>1% Decrease (1.16%)</b>	<b>Current Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
\$ 11,058,216	\$ 10,315,018	\$ 9,592,931

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 9-Other Postemployment Benefits-Health Insurance: (Continued)**

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

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

Rates		
1% Decrease	Healthcare Cost Trend	1% Increase
\$ 8,984,628	\$ 10,315,018	\$ 11,896,195

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

For the year ended June 30, 2021, the School Board recognized OPEB expense in the amount of \$865,581. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 316,459	\$ -
Changes of assumptions	406,875	75,640
Total	\$ 723,334	\$ 75,640

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

Year Ending June 30,	
2022	\$ 142,239
2023	140,736
2024	130,035
2025	130,035
2026	104,649

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan):**

***Plan Description***

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

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% ( $1.34\% \times 60\%$ ) and the employer component was 0.54% ( $1.34\% \times 40\%$ ). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 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 Component Unit-School Board (Non-professional) were \$7,112 and \$7,275 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Professional) were \$53,074 and \$52,183 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the Component Unit-School Board (Nonprofessional) reported a liability of \$114,482 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2021, the Component Unit-School Board (Professional) reported a liability of \$821,735 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, Component Unit-School Board (Nonprofessional)'s proportion was 0.00690% as compared to 0.00688% at June 30, 2019.

At June 30, 2020, the Component Unit-School Board (Professional)'s proportion was 0.04920% as compared to 0.04848% at June 30, 2019.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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

For the year ended June 30, 2021, the Component Unit-School Board (Nonprofessional) recognized GLI OPEB expense of \$2,763. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

For the year ended June 30, 2021, the Component Unit-School Board (Professional) recognized GLI OPEB expense of \$5,280. 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:

	Component Unit School Board			
	Nonprofessional		Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,343	\$ 1,029	\$ 52,707	\$ 7,381
Net difference between projected and actual earnings on GLI OPEB plan investments	3,439	-	24,684	-
Change in assumptions	5,725	2,390	41,096	17,158
Changes in proportionate share	542	4,659	9,697	83,993
Employer contributions subsequent to the measurement date	7,112	-	53,074	-
Total	<u>\$ 24,161</u>	<u>\$ 8,078</u>	<u>\$ 181,258</u>	<u>\$ 108,532</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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

\$7,112 and \$53,074 reported as deferred outflows of resources related to the GLI OPEB resulting from the Component Unit-School Board (nonprofessional) and Component Unit-School Board (professional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 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>Component Unit-School Board (Nonprofessional)</u>	<u>Component Unit-School Board (Professional)</u>
2022	\$ 122	\$ (13,679)
2023	1,093	(6,708)
2024	2,969	10,284
2025	3,817	22,029
2026	915	6,831
Thereafter	55	895

*Remaining portion of this page left blank intentionally.*

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Actuarial Assumptions***

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

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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

**Mortality Rates - Teachers (Continued)**

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

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



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***NET GLI OPEB Liability***

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

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

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

*Remaining portion of this page left blank intentionally.*

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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

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

<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	<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 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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Discount Rate**

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Proportionate share of the GLI Plan Net OPEB Liability:			
Component Unit-School Board (Nonprofessional)	\$ 150,496	\$ 114,482	\$ 85,236
Component Unit-School Board (Professional)	\$ 1,080,234	\$ 821,735	\$ 611,810

**GLI Plan Fiduciary Net Position**

Detailed information about the Group Life Insurance 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 11- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):**

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

***HIC Plan Notes***

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 11- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 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 \$119,166 and \$120,425 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$1,507,891 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 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 was 0.11560% as compared to 0.11331% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$84,917. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 11- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 20,136
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	6,682	-
Change in assumptions	29,809	8,239
Changes in proportionate share	25,526	179,495
Employer contributions subsequent to the measurement date	<u>119,166</u>	<u>-</u>
Total	\$ <u>181,183</u>	\$ <u>207,870</u>

\$119,116 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	\$ (38,569)
2023	(37,907)
2024	(38,129)
2025	(26,298)
2026	(5,568)
Thereafter	618

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 11- 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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 11- 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%

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 11- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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

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

<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	<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 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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 11- 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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,687,927	\$ 1,507,891	\$ 1,354,874

***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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 12—Health Insurance Credit (HIC) Plan (OPEB Plan):**

***Plan Description***

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

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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 12—Health Insurance Credit (HIC) Plan (OPEB 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 HIC OPEB plan:

	<u>Number</u>
Active members	66
Total covered employees	<u>66</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 Component Unit School Board's contractually required employer contribution rate for the year ended June 30, 2021 was 1.75% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan were \$22,147 and \$0 for the years ended June 30, 2021 and June 30, 2020, respectively.

***Net HIC OPEB Liability***

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

***Actuarial Assumptions***

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 12—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

***Actuarial Assumptions (Continued)***

\*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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 12—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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

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

<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	<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 DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 12—Health Insurance Credit (HIC) Plan (OPEB Plan): (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***

	<b>Total HIC OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net HIC OPEB Liability (Asset) (a) - (b)</b>
Balances at June 30, 2019	\$ -	\$ -	\$ -
Changes for the year:			
Benefit changes	320,438	-	320,438
Net changes	\$ 320,438	\$ -	\$ 320,438
Balances at June 30, 2020	\$ 320,438.00	\$ -	\$ 320,438

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

The following presents the Component Unit School Board's HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the Component Unit 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:

	<b>Rate</b>		
	<b>1% Decrease (5.75%)</b>	<b>Current Discount (6.75%)</b>	<b>1% Increase (7.75%)</b>
Component Unit School Board			
Net HIC OPEB Liability	\$ 348,773	\$ 320,438	\$ 295,683



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 12—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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

For the year ended June 30, 2021, the Component Unit School Board recognized HIC Plan OPEB expense of \$320,348. At June 30, 2021, the Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions subsequent to the measurement date	\$ 22,147	\$ -
Total	\$ 22,147	\$ -

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

\$22,147 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit 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.

***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.

**Note 13-Aggregate OPEB Information:**

	<u>Component Unit School Board</u>			
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 24,161	\$ 8,078	\$ 114,482	\$ 2,763
School Board Professional	181,258	108,532	821,735	5,280
Health Insurance Credit Plan:				
Teacher Health Insurance Credit Plan	181,183	207,870	1,507,891	84,917
School Board Health Insurance Credit Plan	22,147	-	320,438	320,438
School Stand-Alone Plan	723,334	75,640	10,315,018	865,581
Totals	\$ 1,132,083	\$ 400,120	\$ 13,079,564	\$ 1,278,979

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 14-Capital Assets:**

Capital asset activity for the year ended June 30, 2021 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 3,255,716	\$ -	\$ (70,000)	\$ 3,185,716
Construction in progress	256,288	742,654	(407,990)	590,952
Total capital assets, not being depreciated	<u>\$ 3,512,004</u>	<u>\$ 742,654</u>	<u>\$ (477,990)</u>	<u>\$ 3,776,668</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 32,130,056	\$ 534,878	\$ (117,342)	\$ 32,547,592
Machinery and equipment	5,359,096	567,693	-	5,926,789
Total capital assets being depreciated	<u>\$ 37,489,152</u>	<u>\$ 1,102,571</u>	<u>\$ (117,342)</u>	<u>\$ 38,474,381</u>
Accumulated depreciation:				
Buildings and improvements	\$ (9,068,214)	\$ (848,651)	\$ 115,935	\$ (9,800,930)
Machinery and equipment	(4,282,873)	(342,959)	-	(4,625,832)
Total accumulated depreciation	<u>\$ (13,351,087)</u>	<u>\$ (1,191,610)</u>	<u>\$ 115,935</u>	<u>\$ (14,426,762)</u>
Total capital assets being depreciated, net	<u>\$ 24,138,065</u>	<u>\$ (89,039)</u>	<u>\$ (1,407)</u>	<u>\$ 24,047,619</u>
Governmental activities capital assets, net	<u><u>\$ 27,650,069</u></u>	<u><u>\$ 653,615</u></u>	<u><u>\$ (479,397)</u></u>	<u><u>\$ 27,824,287</u></u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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

Capital asset activity for the School Board for the year ended June 30, 2021 was as follows:

Discretely Presented Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 2,594,378	\$ -	\$ -	\$ 2,594,378
Construction in progress	-	3,642,204	-	3,642,204
Total capital assets, not being depreciated	<u>\$ 2,594,378</u>	<u>\$ 3,642,204</u>	<u>\$ -</u>	<u>\$ 6,236,582</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 62,823,970	\$ 9,746	\$ -	\$ 62,833,716
Machinery and equipment	7,194,441	557,570	-	7,752,011
Total capital assets being depreciated	<u>\$ 70,018,411</u>	<u>\$ 567,316</u>	<u>\$ -</u>	<u>\$ 70,585,727</u>
Accumulated depreciation:				
Buildings and improvements	\$ (7,904,356)	\$ (1,519,574)	\$ -	\$ (9,423,930)
Machinery and equipment	(5,953,602)	(236,303)	-	(6,189,905)
Total accumulated depreciation	<u>\$ (13,857,958)</u>	<u>\$ (1,755,877)</u>	<u>\$ -</u>	<u>\$ (15,613,835)</u>
Total capital assets being depreciated, net	<u>\$ 56,160,453</u>	<u>\$ (1,188,561)</u>	<u>\$ -</u>	<u>\$ 54,971,892</u>
Governmental activities capital assets, net	<u>\$ 58,754,831</u>	<u>\$ 2,453,643</u>	<u>\$ -</u>	<u>\$ 61,208,474</u>

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

Primary Government

Governmental activities:

General government administration	\$ 108,456
Judicial administration	265,452
Public safety	240,397
Public works	98,658
Health and welfare	24,597
Education	389,074
Parks, recreation, and cultural	63,556
Community Development	<u>1,420</u>

Total depreciation expense-governmental activities \$ 1,191,610

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 15-Risk Management:**

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

**Note 16-Contingent Liabilities:**

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

**Note 17-Surety Bonds:**

Primary Government:

Fidelity & Deposit Company of Maryland-Surety:

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

VACo Insurance Programs

All County employees-blanket bond	\$	250,000
-----------------------------------	----	---------

Hartford Insurance Company-Surety:

All Social Services employees-blanket bond	\$	100,000
--	----	---------

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

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

Component Unit - School Board:

Nationwide Insurance -Surety	
Haydee Robinson, Superintendent	\$ 10,000
Tonya Baker, Clerk of the School Board	10,000
Laura Taylor, Deputy Clerk of the School Board	10,000
All School Board employees: blanket bond	10,000

**Note 18-Landfill Post Closure Care Cost:**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The landfill has stopped accepting waste and \$9,506 is the total estimated post closure care liability at June 30, 2021. The liability represents what it cost to perform all post closure care in 2021. Actual costs post closure monitoring may change due to inflation, deflation, changes in technology or changes in regulations. The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the Department of Environmental Quality's assurance requirements for landfill post closure costs.

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

*The remainder of this page left blank intentionally.*

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,340,126
2nd half assessments due in December 2021	7,010,775	7,010,775
Prepaid property taxes due in December 2021 but paid in advance by taxpayers	661,557	661,557
	<u>\$ 7,672,332</u>	<u>\$ 9,012,458</u>

**Note 20-Litigation:**

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

**Note 21-Concentration Risk:**

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

**COUNTY OF DICKENSON, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2021**

**Note 22-Self Health Insurance:**

The County and School Board of Dickenson, Virginia established a limited risk management program for health insurance. Premiums are paid into the health plan fund from the County and School Board and are available to pay claims, and administrative costs of the program. During the fiscal year 2021, the County and the School board has a total of \$1,780,388 and \$5,117,011 that was paid in benefits and administrative costs, respectively. The risk assumed by the County and the School Board is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type (Keycare, Bluecare, etc.). The County and the School Board have incurred but not reported claims of \$61,344 and \$281,440 have not been accrued as a liability based primarily on actual cost incurred prior to June 30, but paid after year-end, respectively. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions. Changes in the claims liability during fiscal year 2021 and the prior fiscal year were as follows:

**County:**

Fiscal Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2020-21	\$ 77,562	\$ 1,764,170	\$ (1,780,388)	\$ 61,344
2019-20	57,578	1,889,943	(1,869,959)	77,562

**School Board:**

Fiscal Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2020-21	\$ 413,647	\$ 4,984,804	\$ (5,117,011)	\$ 281,440
2019-20	670,244	4,889,173	(5,145,770)	413,647

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

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

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2021 was \$33,771.

**Note 24-Commitments and Contingencies:**

The County and School Board were involved in major construction projects during the fiscal year as presented below, along with the anticipated funding source:

Project	Contract Amount	Contract Amount		Funding Source
		Outstanding at June 30,		
Cranesnest Trail	\$ 615,548	\$ 74,852		Local funds
Elementary School	21,609,099	18,316,263		US Army Corps of Engineers



COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

**Note 25 - Adoption of Accounting Principle:**

The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. This Statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purpose and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

	<b>Fund Balance</b>	<b>Net Position</b>	
	Component unit -	Component unit -	
	School Board	School Board	Custodial Funds
Beginning balance, as previously stated	\$ 1,267,730	\$ 25,761,157	\$ -
Implementation of GASB 84	593,873	593,873	1,105,470
Beginning balance, as restated	<u>\$ 1,861,603</u>	<u>\$ 26,355,030</u>	<u>1,105,470</u>

**Note 26 - COVID-19 Pandemic Funding Subsequent Event:**

The COVID-19 pandemic and its impact on operations continues to evolve. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

**CARES Act Funding**

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

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding of \$2,498,380. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$343,875.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 26 - COVID-19 Pandemic Funding Subsequent Event: (Continued)**

**ARPA Funding**

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

On June 7, 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$1,390,552 from the initial allocation are reported as unearned revenues as of June 30.

**ESF Funding**

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

**Note 27 - Upcoming Pronouncements:**

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021

---

**Note 27 - Upcoming Pronouncements: (Continued)**

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.

## **Required Supplementary Information**

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
<b>REVENUES</b>				
General property taxes	\$ 12,177,000	\$ 12,177,000	\$ 11,193,653	\$ (983,347)
Other local taxes	4,035,500	4,112,700	4,340,193	227,493
Permits, privilege fees, and regulatory licenses	9,700	9,700	9,427	(273)
Fines and forfeitures	42,000	42,000	54,786	12,786
Revenue from the use of money and property	8,500	8,500	7,059	(1,441)
Charges for services	297,732	242,732	333,215	90,483
Miscellaneous	43,000	183,000	236,887	53,887
Recovered costs	240,950	466,685	1,999,555	1,532,870
Intergovernmental:				
Commonwealth	5,918,671	6,018,667	6,586,715	568,048
Federal	2,889,962	6,642,924	5,607,352	(1,035,572)
Total revenues	\$ 25,663,015	\$ 29,903,908	\$ 30,368,842	\$ 464,934
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,307,172	\$ 1,822,833	\$ 1,982,131	\$ (159,298)
Judicial administration	1,252,875	1,486,640	1,531,170	(44,530)
Public safety	3,880,499	4,679,194	5,146,351	(467,157)
Public works	1,798,493	2,226,000	2,451,553	(225,553)
Health and welfare	7,700,691	6,924,120	7,193,866	(269,746)
Education	5,523,387	5,453,387	5,453,387	-
Parks, recreation, and cultural	487,721	481,608	459,896	21,712
Community development	328,928	2,028,544	1,904,101	124,443
Nondepartmental	2,059,477	3,177,810	1,801,034	1,376,776
Capital projects	50,000	350,000	401,123	(51,123)
Debt service:				
Principal retirement	881,700	881,700	848,441	33,259
Interest and other fiscal charges	371,536	371,536	345,931	25,605
Bond Issuance Costs	-	-	242,558	(242,558)
Total expenditures	\$ 25,642,479	\$ 29,883,372	\$ 29,761,542	\$ 121,830
Excess (deficiency) of revenues over (under) expenditures	\$ 20,536	\$ 20,536	\$ 607,300	\$ 586,764
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to Refunded Bonds Escrow Agent	\$ -	\$ -	\$ (9,091,276)	\$ (9,091,276)
Issuance of Refunding Bonds	-	-	9,267,071	9,267,071
Total other financing sources (uses)	\$ -	\$ -	\$ 175,795	\$ 175,795
Net change in fund balances	\$ 20,536	\$ 20,536	\$ 783,095	\$ 762,559
Fund balances - beginning	-	-	3,850,373	3,850,373
Fund balances - ending	\$ 20,536	\$ 20,536	\$ 4,633,468	\$ 4,612,932

County of Dickenson, Virginia  
Special Revenue Fund-Coal Road Tax Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 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>				
Other local taxes	\$ 2,850,000	\$ 2,850,000	\$ 2,989,463	\$ 139,463
Revenue from the use of money and property	1,000	1,000	194	(806)
Intergovernmental:				
Commonwealth	-	-	100,000	100,000
Total revenues	<u>\$ 2,851,000</u>	<u>\$ 2,851,000</u>	<u>\$ 3,089,657</u>	<u>\$ 238,657</u>
<b>EXPENDITURES</b>				
Current:				
Public works	\$ 1,503,100	\$ 1,503,100	\$ 1,115,858	\$ 387,242
Community development	1,347,900	1,347,900	1,564,365	(216,465)
Total expenditures	<u>\$ 2,851,000</u>	<u>\$ 2,851,000</u>	<u>\$ 2,680,223</u>	<u>\$ 170,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 409,434</u>	<u>\$ 409,434</u>
Net change in fund balances	\$ -	\$ -	\$ 409,434	\$ 409,434
Fund balances - beginning	-	-	12,212,051	12,212,051
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,621,485</u>	<u>\$ 12,621,485</u>

County of Dickenson, Virginia  
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2020

Date (1)	Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Proportionate Share of the NPLA (3)	Covered Payroll (4)	Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
<b>Primary Government - Dickenson County Retirement Plan</b>					
2020	67.9755%	\$ 6,173,959	\$ 5,344,568	115.52%	76.74%
2019	68.9258%	4,451,376	4,960,386	89.74%	82.38%
2018	69.4945%	3,185,675	4,931,102	64.60%	86.44%
2017	69.4945%	3,236,229	4,853,848	66.67%	85.64%
2016	71.5412%	4,204,689	4,961,118	84.75%	81.06%
2015	73.0764%	3,452,312	4,900,886	70.44%	84.15%
2014	73.0764%	2,806,983	4,836,327	58.04%	86.32%
<b>Component Unit Public Service Authority</b>					
2020	7.6243%	\$ 692,487	\$ 599,457	115.52%	76.74%
2019	8.0193%	517,904	577,125	89.74%	82.38%
2018	7.9871%	366,134	566,738	64.60%	86.44%
2017	7.9871%	371,945	567,935	65.49%	85.64%
2016	8.4128%	494,447	565,268	87.47%	81.06%
2015	8.3263%	393,355	558,405	70.44%	84.15%
2014	8.3263%	319,828	551,049	58.04%	86.32%
<b>Component Unit School Board (professional)</b>					
2020	0.11780%	\$ 17,141,538	\$ 10,133,506	169.16%	71.47%
2019	0.11518%	15,158,343	9,497,640	159.60%	73.51%
2018	0.12033%	14,151,000	9,590,414	147.55%	74.81%
2017	0.12317%	15,148,000	9,599,056	157.81%	72.92%
2016	0.13937%	19,532,000	10,630,160	183.74%	68.28%
2015	0.13813%	17,386,000	10,002,824	173.81%	70.68%
2014	0.13882%	16,776,000	10,115,746	165.84%	70.88%

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

County of Dickinson, Virginia  
Schedule of Changes in Net Pension Liability and Related Ratios  
Component Unit School Board (nonprofessional)

Pension Plans For the Measurement Dates of June 30, 2014 through June 30, 2020						
	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>						
Service cost	\$ 129,577	\$ 129,184	\$ 132,297	\$ 148,144	\$ 151,440	\$ 155,770
Interest	819,701	836,210	841,539	828,266	808,963	792,187
Changes of assumptions	-	284,980	-	162,640	-	-
Differences between expected and actual experience	187,914	(97,735)	(111,188)	(27,037)	228,526	186,523
Benefit payments	(954,360)	(955,216)	(922,336)	(922,456)	(903,887)	(885,765)
<b>Net change in total pension liability</b>	\$ 182,832	\$ 197,423	\$ (59,688)	\$ 189,557	\$ 285,042	\$ (879,670)
<b>Total pension liability - beginning</b>	12,620,895	12,423,472	12,483,160	12,293,603	12,008,561	11,759,846
<b>Total pension liability - ending (a)</b>	\$ 12,803,727	\$ 12,620,895	\$ 12,423,472	\$ 12,483,160	\$ 12,293,603	\$ 11,759,846
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 576,724	\$ 616,599	\$ 427,517	\$ 420,094	\$ 424,936	\$ 449,539
Contributions - employee	89,102	80,086	64,068	63,163	68,659	74,927
Net investment income	105,034	356,321	397,883	624,791	88,640	255,532
Benefit payments	(954,360)	(955,216)	(922,336)	(922,456)	(903,887)	(885,765)
Administrator charges	(3,730)	(3,670)	(3,722)	(3,948)	(3,699)	(3,803)
Other	(122)	(224)	(343)	(543)	(40)	(54)
<b>Net change in plan fiduciary net position</b>	\$ (187,352)	\$ 93,896	\$ (36,933)	\$ 181,101	\$ (325,391)	\$ (109,624)
<b>Plan fiduciary net position - beginning</b>	5,618,179	5,524,283	5,561,216	5,380,115	5,705,506	5,815,130
<b>Plan fiduciary net position - ending (b)</b>	\$ 5,430,827	\$ 5,618,179	\$ 5,524,283	\$ 5,561,216	\$ 5,380,115	\$ 5,705,506
<b>School Division's net pension liability - ending (a) - (b)</b>	\$ 7,372,900	\$ 7,002,716	\$ 6,899,189	\$ 6,921,944	\$ 6,913,488	\$ 6,303,055
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	42.42%	44.51%	44.47%	44.55%	43.76%	47.51%
<b>Covered payroll</b>	\$ 1,408,522	\$ 1,344,974	\$ 1,297,178	\$ 1,297,374	\$ 1,381,996	\$ 1,436,362
<b>School Division's net pension liability as a percentage of covered payroll</b>	523.45%	520.66%	531.86%	533.53%	500.25%	438.82%
						411.28%

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



County of Dickenson, Virginia  
Schedule of Employer Contributions  
Pension Plans  
Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2021	\$ 605,704	\$ 605,704	\$ -	\$ 5,405,725	11.20%
2020	491,201	491,201	-	5,344,568	9.19%
2019	462,491	462,491	-	4,960,386	9.32%
2018	472,220	472,220	-	4,931,102	9.58%
2017	468,027	468,027	-	4,853,848	9.64%
2016	524,813	524,813	-	4,961,118	10.58%
2015	593,971	593,971	-	4,900,886	12.12%
<b>Component Unit Public Service Authority</b>					
2021	\$ 69,891	\$ 69,891	\$ -	\$ 623,756	11.20%
2020	55,094	55,094	-	599,457	9.19%
2019	53,809	53,809	-	577,125	9.32%
2018	54,273	54,273	-	566,738	9.58%
2017	52,992	52,992	-	567,935	9.33%
2016	61,715	61,715	-	565,268	10.92%
2015	60,755	60,755	-	558,405	10.88%
<b>Component Unit School Board (nonprofessional)</b>					
2021	\$ 530,236	\$ 530,236	\$ -	\$ 1,318,681	40.21%
2020	574,667	574,667	-	1,408,522	40.80%
2019	538,569	538,569	-	1,344,974	40.04%
2018	427,516	427,516	-	1,297,178	32.96%
2017	426,007	426,007	-	1,297,374	32.84%
2016	424,936	424,936	-	1,381,996	30.75%
2015	449,539	449,539	-	1,436,362	31.30%
2014	351,545	351,545	-	1,445,420	24.32%
2013	364,800	364,800	-	1,463,297	24.93%
2012	418,554	418,554	-	1,659,613	25.22%
<b>Component Unit School Board (professional)</b>					
2021	\$ 1,597,561	\$ 1,597,561	\$ -	\$ 9,841,093	16.23%
2020	1,559,321	1,559,321	-	10,133,506	15.39%
2019	1,471,114	1,471,114	-	9,497,640	15.49%
2018	1,555,617	1,555,617	-	9,590,414	16.22%
2017	1,401,514	1,401,514	-	9,599,056	14.60%
2016	1,490,224	1,490,224	-	10,630,160	14.02%
2015	1,485,000	1,485,000	-	10,002,824	14.85%
2014	1,179,496	1,179,496	-	10,115,746	11.66%
2013	1,019,141	1,019,141	-	8,740,489	11.66%
2012	720,333	720,333	-	11,379,668	6.33%

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

County of Dickenson, Virginia  
Notes to Required Supplementary Information  
Pension Plans  
Year Ended June 30, 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, valuations were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

Component Unit School Board - Professional Employees

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

County of Dickenson, Virginia  
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
Component Unit-School Board  
Healthcare OPEB Plan  
For the Measurements Dates of June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 497,344	\$ 531,562	\$ 481,879	\$ 494,100
Interest	225,998	404,482	418,377	384,114
Changes in assumptions	36,691	393,632	309,715	(308,384)
Differences between expected and actual experience	-	448,317	-	-
Effect of plan changes	-	(2,745,118)	-	-
Benefit payments	(345,838)	(311,504)	(712,078)	(731,425)
<b>Net change in total OPEB liability</b>	<b>\$ 414,195</b>	<b>\$ (1,278,629)</b>	<b>\$ 497,893</b>	<b>\$ (161,595)</b>
<b>Total OPEB liability - beginning</b>	<b>9,900,823</b>	<b>11,179,452</b>	<b>10,681,559</b>	<b>10,843,154</b>
<b>Total OPEB liability - ending</b>	<b>\$ 10,315,018</b>	<b>\$ 9,900,823</b>	<b>\$ 11,179,452</b>	<b>\$ 10,681,559</b>
 <b>Covered-employee payroll</b>	 \$ 7,307,586	 \$ 7,307,586	 \$ 10,804,200	 \$ 10,804,200
 <b>School's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 141.15%	 135.49%	 103.47%	 98.86%

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

County of Dickenson, Virginia  
Notes to Required Supplementary Information - Healthcare OPEB Plan  
For the Year Ended June 30, 2021

---

Valuation Date: 07/01/2019  
Measurement Date: 06/30/2021

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal
Discount Rate	2.16%
Inflation	2.50%

Healthcare Trend Rates:	
Pre-Medicare	The healthcare trend starts at 9.00% in 2019, declines to 4.90% in 2020, increases to 5.30% in 2021, and declines gradually thereafter to an ultimate rate of 4.00% in 2073 and thereafter.
Post-Medicare	The healthcare trend starts at 6.20% in 2019, declines to 4.90% in 2020, increases to 5.30% in 2021, and declines gradually thereafter to an ultimate rate of 4.00% in 2073 and thereafter.
Retirement Age	The average age at retirement is 62

Mortality Rates:	
Pre-Retirement	RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020. 5% of deaths are assumed to be service related.
Post-Retirement	RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2% increase compounded from ages 75 to 90.
Post-Disablement	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
<b>Component Unit-School Board (nonprofessional)</b>					
2020	0.00690%	\$ 114,482	\$ 1,411,615	8.11%	52.64%
2019	0.00688%	111,956	1,346,471	8.31%	52.00%
2018	0.00683%	104,000	1,298,811	8.01%	51.22%
2017	0.00703%	106,000	1,297,374	8.17%	48.86%
<b>Component Unit-School Board (professional)</b>					
2020	0.04920%	\$ 821,735	\$ 10,133,306	8.11%	52.64%
2019	0.04848%	788,899	9,497,640	8.31%	52.00%
2018	0.05047%	766,000	9,597,490	7.98%	51.22%
2017	0.05223%	786,000	9,634,620	8.16%	48.86%

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

County of Dickenson, Virginia  
Schedule of Employer Contributions  
Group Life Insurance (GLI) Plan  
For the Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Component Unit-School Board (nonprofessional)</b>					
2021	\$ 7,112	\$ 7,112	\$ -	\$ 1,318,681	0.54%
2020	7,275	7,275	-	1,411,615	0.52%
2019	6,942	6,942	-	1,346,471	0.52%
2018	6,754	6,754	-	1,298,811	0.52%
2017	6,746	6,746	-	1,297,374	0.52%
2016	6,634	6,634	-	1,381,995	0.48%
2015	6,895	6,895	-	1,436,361	0.48%
2014	6,971	6,971	-	1,452,341	0.48%
2013	7,024	7,024	-	1,463,296	0.48%
2012	4,647	4,647	-	1,659,613	0.28%
<b>Component Unit-School Board (professional)</b>					
2021	\$ 53,074	\$ 53,074	\$ -	\$ 9,841,093	0.54%
2020	52,183	52,183	-	10,133,306	0.52%
2019	49,128	49,128	-	9,497,640	0.52%
2018	49,887	49,887	-	9,597,490	0.52%
2017	50,100	50,100	-	9,634,620	0.52%
2016	51,176	51,176	-	10,661,650	0.48%
2015	49,314	49,314	-	10,273,783	0.48%
2014	48,728	48,728	-	10,151,704	0.48%
2013	48,472	48,472	-	10,098,320	0.48%
2012	34,040	34,040	-	12,157,237	0.28%

County of Dickenson, Virginia  
Notes to Required Supplementary Information  
Group Life Insurance (GLI) Plan  
Year Ended June 30, 2021

---

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

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

**Teachers**

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

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

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2020	0.11560%	\$ 1,507,891	10,133,306	14.88%	9.95%
2019	0.11331%	1,483,338	9,497,640	15.62%	8.97%
2018	0.11863%	1,507,000	9,590,414	15.71%	8.08%
2017	0.12163%	1,543,000	9,599,056	16.07%	7.04%

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



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

---

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Component Unit-School Board (professional)</b>					
2021	\$ 119,166	\$ 119,166	\$ -	\$ 9,841,093	1.21%
2020	120,425	120,425	-	10,133,306	1.19%
2019	113,553	113,553	-	9,497,640	1.20%
2018	117,961	117,961	-	9,590,414	1.23%
2017	106,550	106,550	-	9,599,056	1.11%
2016	112,636	112,636	-	10,626,089	1.06%
2015	108,864	108,864	-	10,270,211	1.06%
2014	112,683	112,683	-	10,151,704	1.11%
2013	110,514	110,514	-	9,956,295	1.11%
2012	68,278	68,278	-	11,379,669	0.60%

County of Dickenson, Virginia  
Notes to Required Supplementary Information  
Teacher Employee Health Insurance Credit (HIC) Plan  
Year Ended June 30, 2021

---

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

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

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

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

	<u>2020</u>
<b>Total HIC OPEB Liability</b>	
Changes in benefit terms	\$ 320,438
<b>Net change in total HIC OPEB liability</b>	\$ 320,438
<b>Total HIC OPEB Liability - beginning</b>	-
<b>Total HIC OPEB Liability - ending (a)</b>	<u>\$ 320,438</u>
 <b>Plan fiduciary net position - ending (b)</b>	 \$ -
 <b>Component Unit School Board's net HIC OPEB liability - ending (a) - (b)</b>	 \$ 348,524
 <b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	 -
 <b>Covered payroll</b>	 \$ -
 <b>Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll</b>	 -

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

County of Dickenson, Virginia  
Schedule of Employer Contributions  
Health Insurance Credit (HIC) Plan  
For the Year Ending 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)
2021	\$ 22,147	\$ 22,147	\$ -	\$ 1,265,543	1.75%

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

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

---

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

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

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

Mortality Rates (pre-retirement, post-retirement)	Updated to a more current mortality table - RP-2014
Retirement Rates	Lowered retirement rates at older ages and extended final
Withdrawal Rates	Adjusted termination rates to better fit experience at each
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%

## **Other Supplementary Information**

## **FIDUCIARY FUNDS**

---

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

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

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

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

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

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

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

County of Dickenson, Virginia  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2021

	Custodial Funds						
	Special Welfare	Town of Clinchco	Town of Clintwood	Town of Haysi	Fringe Benefits	Dickenson County Behavioral Health Services	EQT Funds
<b>ASSETS</b>							<b>Total</b>
Cash and cash equivalents	\$ 178,232	\$ 2,729	\$ 19,016	\$ 5,750	\$ 48,264	\$ 641,012	\$ 1,010
Total assets	\$ 178,232	\$ 2,729	\$ 19,016	\$ 5,750	\$ 48,264	\$ 641,012	\$ 896,013
<b>NET POSITION</b>							
Restricted:							
Special Welfare	\$ 178,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,232
Town of Clincho	-	2,729	-	-	-	-	2,729
Town of Clintwood	-	-	19,016	-	-	-	19,016
Town of Haysi	-	-	-	5,750	-	-	5,750
Fringe Benefits	-	-	-	-	48,264	-	48,264
Dickenson County Behavioral Health Services	-	-	-	-	-	641,012	641,012
EQT Funds	-	-	-	-	-	-	1,010
Total net position	\$ 178,232	\$ 2,729	\$ 19,016	\$ 5,750	\$ 48,264	\$ 641,012	\$ 896,013



County of Dickenson, Virginia  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds

For the Year Ended June 30, 2021

	Special Welfare	Town of Clinchco	Town of Clintwood	Town of Haysi	Fringe Benefits	Dickenson County Behavioral Health Services	EQT Funds	Total
<b>ADDITIONS</b>								
Contributions:								
Expenditure reimbursement	\$ 167,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,546
Tax collections	-	16,834	132,872	43,109	-	-	-	192,815
Receipts from other governments	-	-	-	-	-	2,952,117	-	2,952,117
VSRS withholdings	-	-	-	-	1,349,243	-	-	1,349,243
Patient service revenue	-	-	-	-	-	1,904,172	-	1,904,172
Total contributions	\$ 167,546	\$ 16,834	\$ 132,872	\$ 43,109	\$ 1,349,243	\$ 4,856,289	\$ -	\$ 6,565,893
<b>DEDUCTIONS:</b>								
Special welfare payments	\$ 248,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,797
DCBHS payments	-	-	-	-	-	4,973,883	-	4,973,883
VSRS payments	-	-	-	-	1,351,274	-	-	1,351,274
Payments of sales tax to other governments	-	16,888	140,692	43,816	-	-	-	201,396
Total deductions	\$ 248,797	\$ 16,888	\$ 140,692	\$ 43,816	\$ 1,351,274	\$ 4,973,883	\$ -	\$ 6,775,350
Net increase (decrease) in fiduciary net position	\$ (81,251)	\$ (54)	\$ (7,820)	\$ (707)	\$ (2,031)	\$ (117,594)	\$ -	\$ (209,457)
Net position, beginning - as restated	259,483	2,783	26,836	6,457	50,295	758,606	1,010	1,105,470
Net position, ending	\$ 178,232	\$ 2,729	\$ 19,016	\$ 5,750	\$ 48,264	\$ 641,012	\$ 1,010	\$ 896,013

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

### **MAJOR GOVERNMENTAL FUNDS**

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

School Activity Fund - The School Activity Fund accounts for and reports the operations of the individual schools.

School CIP Fund - The School CIP Fund is a capital projects fund that accounts for and reports school construction projects that are not funded by debt issuances.

County of Dickenson, Virginia  
Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2021

	School Operating Fund	School CIP Fund	School Activity Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,191,320	\$ 2,352,536	\$ 558,152	\$ 6,102,008
Receivables (net of allowance for uncollectibles):				
Accounts receivable	40,362	-	655	41,017
Due from other governmental units	1,244,613	2,108,744	-	3,353,357
Prepaid items	282,153	-	-	282,153
Total assets	<u>\$ 4,758,448</u>	<u>\$ 4,461,280</u>	<u>\$ 558,807</u>	<u>\$ 9,778,535</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 364,016	\$ 814,742	\$ 1,055	\$ 1,179,813
Accrued liabilities	1,303,517	-	-	1,303,517
Total liabilities	<u>\$ 1,667,533</u>	<u>\$ 814,742</u>	<u>\$ 1,055</u>	<u>\$ 2,483,330</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 282,153	\$ -	\$ -	\$ 282,153
Assigned:				
School activity fund	-	-	421,163	421,163
Restricted:				
School construction	-	3,646,538	-	3,646,538
School activity fund	-	-	86,611	86,611
Unassigned	2,808,762	-	49,978	2,858,740
Total fund balances	<u>\$ 3,090,915</u>	<u>\$ 3,646,538</u>	<u>\$ 557,752</u>	<u>\$ 7,295,205</u>
Total liabilities and fund balances	<u>\$ 4,758,448</u>	<u>\$ 4,461,280</u>	<u>\$ 558,807</u>	<u>\$ 9,778,535</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Total fund balances per above			\$ 7,295,205	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Land			\$ 2,594,378	
Buildings and improvements			53,409,786	
Machinery and equipment			1,562,106	
Construction in progress			<u>3,642,204</u>	61,208,474
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.				
Pension related items			\$ 5,143,723	
OPEB related items			<u>1,132,083</u>	6,275,806
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.				
Net pension liability			\$ (24,514,438)	
Compensated absences			(1,070,147)	
Net OPEB liabilities			<u>(13,079,564)</u>	(38,664,149)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items			\$ (2,228,949)	
OPEB related items			<u>(400,120)</u>	(2,629,069)
Net position of governmental activities			<u>\$ 33,486,267</u>	

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

	School Operating Fund	School CIP Fund	School Activity Fund*	Total
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ 1,557	\$ -	\$ 1,557
Charges for services	39,619	-	372,943	412,562
Miscellaneous	374,489	-	-	374,489
Recovered costs	141,274	-	-	141,274
Intergovernmental:				-
Local government	5,384,628	1,054,087	-	6,438,715
Commonwealth	17,260,152	-	-	17,260,152
Federal	5,052,261	6,402,280	-	11,454,541
Total revenues	<u>\$ 28,252,423</u>	<u>\$ 7,457,924</u>	<u>\$ 372,943</u>	<u>\$ 36,083,290</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 26,429,238	\$ -	\$ 409,064	\$ 26,838,302
Capital projects	-	3,811,386	-	3,811,386
Total expenditures	<u>\$ 26,429,238</u>	<u>\$ 3,811,386</u>	<u>\$ 409,064</u>	<u>\$ 30,649,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,823,185</u>	<u>\$ 3,646,538</u>	<u>\$ (36,121)</u>	<u>\$ 5,433,602</u>
Net change in fund balances	\$ 1,823,185	\$ 3,646,538	\$ (36,121)	\$ 5,433,602
Fund balances - beginning, as restated	1,267,730	-	593,873	1,861,603
Fund balances - ending	<u>\$ 3,090,915</u>	<u>\$ 3,646,538</u>	<u>\$ 557,752</u>	<u>\$ 7,295,205</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 \$ 5,433,602

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

Capital outlays	\$ 4,209,520	
Depreciation expense	(1,755,877)	2,453,643

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

Change in pension related items	\$ (41,258)	
Change in OPEB related items	(729,748)	
Change in compensated absences	14,998	(756,008)

Change in net position of governmental activities	\$	<u>7,131,237</u>
---	----	------------------

\*The School Activity Fund does not require a legally adopted budget.

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 180,000	\$ 180,000	\$ 39,619	\$ (140,381)
Miscellaneous	484,337	484,337	374,489	(109,848)
Recovered costs	-	-	141,274	141,274
Intergovernmental:				
Local government	5,384,628	5,384,628	5,384,628	-
Commonwealth	17,058,431	17,058,431	17,260,152	201,721
Federal	5,283,392	5,283,392	5,052,261	(231,131)
Total revenues	<u>\$ 28,390,788</u>	<u>\$ 28,390,788</u>	<u>\$ 28,252,423</u>	<u>\$ (138,365)</u>
EXPENDITURES				
Current:				
Education	<u>\$ 29,222,430</u>	<u>\$ 29,222,430</u>	<u>\$ 26,429,238</u>	<u>\$ 2,793,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (831,642)</u>	<u>\$ (831,642)</u>	<u>\$ 1,823,185</u>	<u>\$ 2,654,827</u>
Net change in fund balances	\$ (831,642)	\$ (831,642)	\$ 1,823,185	\$ 2,654,827
Fund balances - beginning	831,642	831,642	1,267,730	436,088
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,090,915</u>	<u>\$ 3,090,915</u>

## **Supporting Schedules**

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

Schedule 1  
Page 1 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 7,646,000	\$ 7,646,000	\$ 7,441,391	\$ (204,609)
Real and personal public service corporation taxes	700,000	700,000	749,696	49,696
Personal property taxes	2,100,000	2,100,000	1,158,101	(941,899)
Mobile home taxes	59,000	59,000	62,220	3,220
Machinery and tools taxes	1,350,000	1,350,000	1,456,325	106,325
Merchant's capital taxes	72,000	72,000	83,741	11,741
Penalties	50,000	50,000	61,730	11,730
Interest	200,000	200,000	180,449	(19,551)
Total general property taxes	<u>\$ 12,177,000</u>	<u>\$ 12,177,000</u>	<u>\$ 11,193,653</u>	<u>\$ (983,347)</u>
Other local taxes:				
Local sales and use taxes	\$ 750,000	\$ 864,200	\$ 899,151	\$ 34,951
Consumers' utility taxes	307,500	307,500	302,566	(4,934)
Consumption taxes	51,000	51,000	56,751	5,751
Vehicle registration withholding stops	20,000	20,000	23,925	3,925
Tax on deeds	25,000	25,000	25,478	478
Hotel and motel room taxes	30,000	30,000	32,422	2,422
Gas severance taxes	750,000	450,000	526,476	76,476
Coal severance taxes	2,100,000	2,363,000	2,462,987	99,987
Moped ATV sales tax	2,000	2,000	10,437	8,437
Total other local taxes	<u>\$ 4,035,500</u>	<u>\$ 4,112,700</u>	<u>\$ 4,340,193</u>	<u>\$ 227,493</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 700	\$ 700	\$ 439	\$ (261)
Building permits	9,000	9,000	8,988	(12)
Total permits, privilege fees, and regulatory licenses	<u>\$ 9,700</u>	<u>\$ 9,700</u>	<u>\$ 9,427</u>	<u>\$ (273)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 42,000	\$ 42,000	\$ 54,786	\$ 12,786
Revenue from use of money and property:				
Revenue from use of money	\$ 8,500	\$ 8,500	\$ 6,129	\$ (2,371)
Revenue from use of property	-	-	930	930
Total revenue from use of money and property	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 7,059</u>	<u>\$ (1,441)</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 13,732	\$ 13,732	\$ 35,423	\$ 21,691
Document production costs	3,000	3,000	2,592	(408)
Charges for Commonwealth's Attorney	11,000	11,000	33,120	22,120
Solid waste tipping fees	190,000	190,000	234,064	44,064
Charges for law library	-	-	1,232	1,232
Charges for parks and recreation	10,000	-	-	-
Charges for office on youth	70,000	25,000	26,784	1,784
Total charges for services	<u>\$ 297,732</u>	<u>\$ 242,732</u>	<u>\$ 333,215</u>	<u>\$ 90,483</u>

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

Schedule 1  
Page 2 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 43,000	\$ 183,000	\$ 236,887	\$ 53,887
Recovered costs:				
Regional jails	\$ -	\$ 150,735	\$ 151,508	\$ 773
E-911 SWVA regional project	-	-	271	271
VPA refunds/recoveries	90,000	165,000	210,224	45,224
Health insurance reimbursement	110,000	110,000	1,562,257	1,452,257
Expenditure refunds	-	-	1,260	1,260
Health department rental	7,150	7,150	41,588	34,438
Other recovered costs	33,800	33,800	32,447	(1,353)
Total recovered costs	\$ 240,950	\$ 466,685	\$ 1,999,555	\$ 1,532,870
Total revenue from local sources	\$ 16,854,382	\$ 17,242,317	\$ 18,174,775	\$ 932,458
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 100,000	\$ 100,000	\$ 97,508	\$ (2,492)
Mobile home titling tax	55,000	55,000	46,617	(8,383)
State recordation tax	25,000	25,000	-	(25,000)
Grantor's tax	31,171	11,171	7,869	(3,302)
Games of Skills Tax	-	-	432	432
Personal property tax relief funds	-	-	817,952	817,952
Communications tax	415,000	415,000	363,273	(51,727)
Total noncategorical aid	\$ 626,171	\$ 606,171	\$ 1,333,651	\$ 727,480
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 355,579	\$ 355,579	\$ 348,243	\$ (7,336)
Sheriff	1,052,963	1,052,963	1,038,304	(14,659)
Commissioner of revenue	132,392	132,392	122,961	(9,431)
Treasurer	111,463	111,463	106,738	(4,725)
Registrar/electoral board	37,000	37,000	39,383	2,383
Clerk of the Circuit Court	210,891	210,891	242,394	31,503
Total shared expenses	\$ 1,900,288	\$ 1,900,288	\$ 1,898,023	\$ (2,265)
Other categorical aid:				
Comprehensive services act	\$ 1,055,012	\$ 505,012	\$ 448,139	\$ (56,873)
School Resource Officer	158,130	158,130	149,844	(8,286)
Public assistance and welfare administration	1,817,570	1,817,570	1,758,333	(59,237)
Litter control grant	8,000	8,000	7,672	(328)
Fire program	48,000	48,000	52,036	4,036
Virginia housing authority	95,000	95,000	106,054	11,054



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

Schedule 1  
Page 3 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
State health department - four for life	\$ 15,000	\$ 15,000	\$ 14,102	\$ (898)
Criminal justice grant	70,000	170,000	15,611	(154,389)
Sheriff grants	-	-	978	978
Special welfare - foster care	5,000	5,000	5,235	235
Dream team drawdown	60,000	60,000	52,240	(7,760)
Preservation grant (Clerk of Court)	-	-	11,100	11,100
VITA grant	-	-	1,878	1,878
VDOT - Local Sharing	-	-	115,015	115,015
Asset forfeiture funds	-	-	2,115	2,115
Postage Reimbursement	-	-	415	415
Reduction in state aid	500	500	1,259	759
Wireless E-911 services	60,000	60,000	62,548	2,548
Cranesnest River Trail	-	569,996	550,467	(19,529)
Total other categorical aid	\$ 3,392,212	\$ 3,512,208	\$ 3,355,041	\$ (157,167)
Total categorical aid	\$ 5,292,500	\$ 5,412,496	\$ 5,253,064	\$ (159,432)
Total revenue from the Commonwealth	\$ 5,918,671	\$ 6,018,667	\$ 6,586,715	\$ 568,048
Revenue from the federal government:				
Payments in lieu of taxes	\$ 40,000	\$ 40,000	\$ 69,415	\$ 29,415
Categorical aid:				
Public assistance and welfare administration	\$ 2,795,462	\$ 2,795,462	\$ 2,704,353	\$ (91,109)
CDBG	-	1,060,030	183,411	(876,619)
Victim witness	-	-	46,832	46,832
Corps of engineers	33,000	33,000	30,470	(2,530)
DMV grants	14,000	14,000	11,765	(2,235)
Emergency management	7,500	7,500	7,500	-
HAVA - Election Cares	-	-	53,193	53,193
American Rescue Plan Act	-	1,390,552	-	(1,390,552)
CARES	-	1,302,380	2,500,413	1,198,033
Total categorical aid	\$ 2,849,962	\$ 6,602,924	\$ 5,537,937	\$ (1,064,987)
Total revenue from the federal government	\$ 2,889,962	\$ 6,642,924	\$ 5,607,352	\$ (1,035,572)
Total General Fund	\$ 25,663,015	\$ 29,903,908	\$ 30,368,842	\$ 464,934
<b>Special Revenue Fund:</b>				
<b>Coal Road Tax Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Coal road improvement taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,462,987	\$ 362,987
Gas severance taxes	750,000	750,000	526,476	(223,524)
Total other local taxes	\$ 2,850,000	\$ 2,850,000	\$ 2,989,463	\$ 139,463

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

Schedule 1  
Page 4 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Fund: (Continued)</b>				
<b>Coal Road Tax Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,000	\$ 1,000	\$ 194	\$ (806)
Total revenue from local sources	\$ 2,851,000	\$ 2,851,000	\$ 2,989,657	\$ 138,657
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT revenue	\$ -	\$ -	\$ 100,000	\$ 100,000
Total Coal Road Tax Fund	\$ 2,851,000	\$ 2,851,000	\$ 3,089,657	\$ 238,657
<b>Capital Projects Fund:</b>				
<b>School Construction Projects Fund:</b>				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
QSCB interest subsidy	\$ -	\$ -	\$ 400,776	\$ 400,776
Total School Construction Projects Fund	\$ -	\$ -	\$ 400,776	\$ 400,776
Total Primary Government	\$ 28,514,015	\$ 32,754,908	\$ 33,859,275	\$ 1,104,367
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria charges	\$ 180,000	\$ 180,000	\$ 39,619	\$ (140,381)
Miscellaneous:				
Other miscellaneous	\$ 484,337	\$ 484,337	\$ 374,489	\$ (109,848)
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 141,274	\$ 141,274
Total revenue from local sources	\$ 664,337	\$ 664,337	\$ 555,382	\$ (108,955)

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

Schedule 1  
Page 5 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Dickenson, Virginia	\$ 5,384,628	\$ 5,384,628	\$ 5,384,628	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,465,670	\$ 2,465,670	\$ 2,638,791	\$ 173,121
Basic school aid	7,516,141	7,516,141	7,757,482	241,341
Remedial summer education	10,669	10,669	5,779	(4,890)
Regular foster care	10,818	10,818	2,307	(8,511)
ISAEF	8,386	8,386	8,387	1
Expanded GED payments	-	-	851	851
Special education regional payments	227,707	227,707	21,604	(206,103)
Breakfast after the bell	2,544	2,544	7,736	5,192
Vision screening grants	2,114	2,114	2,114	-
Gifted and talented	74,620	74,620	76,307	1,687
Remedial education	309,743	309,743	316,748	7,005
Special education	1,086,917	1,086,917	1,111,497	24,580
Textbook payment	151,309	151,309	154,731	3,422
Vocational standards of quality payments	447,720	447,720	457,845	10,125
CTE adult education	54,731	54,731	-	(54,731)
Social security fringe benefits	478,694	478,694	489,519	10,825
Retirement fringe benefits	1,115,075	1,115,075	1,140,292	25,217
State lottery payments	550,557	550,557	600,407	49,850
Early reading intervention	72,267	72,267	66,914	(5,353)
Homebound education	11,162	11,162	9,145	(2,017)
Group life insurance instructional	33,790	33,790	34,554	764
Vocational education - equipment	10,762	10,762	10,762	-
Vocational education - Stem-H industry credentials	-	-	1,379	1,379
Vocational education - occupational prep	-	-	48,983	48,983
School breakfast incentive	24,215	24,215	4,748	(19,467)
School food	14,044	14,044	14,044	-
Industry certification	-	-	5,052	5,052
Special education - foster children	-	-	23,367	23,367
At risk payments	678,940	678,940	693,876	14,936
Project graduation	3,613	3,613	3,613	-
Primary class size	464,485	464,485	419,538	(44,947)
Technology	180,000	180,000	180,000	-
Standards of Learning algebra readiness	46,024	46,024	43,259	(2,765)
No loss funding	734,489	734,489	520,068	(214,421)
Security grant	-	-	180,191	180,191
Mentor teacher program	1,264	1,264	1,126	(138)
VA preschool initiative	266,719	266,719	203,894	(62,825)
English as a second language	3,242	3,242	3,242	-
Total categorical aid	\$ 17,058,431	\$ 17,058,431	\$ 17,260,152	\$ 201,721
Total revenue from the Commonwealth	\$ 17,058,431	\$ 17,058,431	\$ 17,260,152	\$ 201,721

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

Schedule 1  
Page 6 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 800,000	\$ 800,000	\$ 807,037	\$ 7,037
Title II EESA	64,000	64,000	80,039	16,039
Title VI-B, special education flow-through	550,000	550,000	607,959	57,959
Vocational education	51,000	51,000	65,483	14,483
Title VI-B, special education pre-school	28,000	28,000	61,682	33,682
Title II, part A	113,000	113,000	118,040	5,040
Preschool expansion	1,300	1,300	-	(1,300)
School breakfast program	390,000	390,000	9,936	(380,064)
School lunch program	790,000	790,000	111,213	(678,787)
Summer school food	1,493,653	1,493,653	1,798,665	305,012
Fresh fruits and vegetables	5,163	5,163	9,658	4,495
Federal reserve	10,000	10,000	12,127	2,127
Rural and low income schools	39,000	39,000	39,600	600
TANF	-	-	62,825	62,825
ESSER	604,401	604,401	924,122	319,721
Coronavirus relief funds	343,875	343,875	343,875	-
Total categorical aid	\$ 5,283,392	\$ 5,283,392	\$ 5,052,261	\$ (231,131)
 Total revenue from the federal government	 \$ 5,283,392	 \$ 5,283,392	 \$ 5,052,261	 \$ (231,131)
 Total School Operating Fund	 \$ 28,390,788	 \$ 28,390,788	 \$ 28,252,423	 \$ (138,365)
<b>Capital Projects Fund:</b>				
<b>School CIP Fund:</b>				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,557	\$ 1,557
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Dickenson, Virginia	\$ -	\$ -	\$ 1,054,087	\$ 1,054,087
Revenue from the federal government:				
Categorical aid:				
USACE contributions	\$ -	\$ -	\$ 6,402,280	\$ 6,402,280
 Total School CIP Fund	 \$ -	 \$ -	 \$ 7,457,924	 \$ 7,457,924
 Total Discretely Presented Component Unit - School Board	 \$ 28,390,788	 \$ 28,390,788	 \$ 35,710,347	 \$ 7,319,559

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

Schedule 2  
Page 1 of 5

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 52,333	\$ 101,325	\$ 116,193	\$ (14,868)
General and financial administration:				
County administrator	\$ 255,419	\$ 420,040	\$ 445,941	\$ (25,901)
Audit services	70,000	85,350	69,100	16,250
Legal services	25,500	50,500	37,816	12,684
Commissioner of revenue	251,880	340,912	380,178	(39,266)
Treasurer	253,250	348,561	346,106	2,455
IT/Mapping/Data processing	199,798	217,027	266,792	(49,765)
Total general and financial administration	\$ 1,055,847	\$ 1,462,390	\$ 1,545,933	\$ (83,543)
Board of elections:				
Registrar	\$ 107,351	\$ 145,727	\$ 172,492	\$ (26,765)
Electoral board and officials	91,641	113,391	147,513	(34,122)
Total board of elections	\$ 198,992	\$ 259,118	\$ 320,005	\$ (60,887)
Total general government administration	\$ 1,307,172	\$ 1,822,833	\$ 1,982,131	\$ (159,298)
Judicial administration:				
Courts:				
Circuit court	\$ 51,642	\$ 63,455	\$ 65,401	\$ (1,946)
General district court	13,835	13,835	17,291	(3,456)
Special magistrates	1,000	1,000	891	109
Juvenile court services	134,582	134,582	117,986	16,596
Office on youth	103,312	73,725	72,792	933
Law library	10,000	15,000	14,227	773
Clerk of the circuit court	318,937	399,232	444,006	(44,774)
Total courts	\$ 633,308	\$ 700,829	\$ 732,594	\$ (31,765)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 619,567	\$ 785,811	\$ 798,576	\$ (12,765)
Total judicial administration	\$ 1,252,875	\$ 1,486,640	\$ 1,531,170	\$ (44,530)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,547,495	\$ 2,251,033	\$ 2,282,484	\$ (31,451)
Fire and rescue services:				
Volunteer fire and rescue	\$ 371,573	\$ 371,573	\$ 452,318	\$ (80,745)
E-911 Fund	499,730	499,730	813,620	(313,890)
Total fire and rescue services	\$ 871,303	\$ 871,303	\$ 1,265,938	\$ (394,635)
Correction and detention:				
SWVa Regional Jail Authority	\$ 1,217,454	\$ 1,217,454	\$ 1,209,496	\$ 7,958

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

Schedule 2  
Page 2 of 5

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public Safety: (Continued)				
Inspections:				
Building	\$ 94,262	\$ 111,411	\$ 96,503	\$ 14,908
Other protection:				
Animal warden	\$ 92,370	\$ 129,953	\$ 156,011	\$ (26,058)
Public Safety	-	16,996	48,630	(31,634)
Emergency management	57,615	81,044	87,289	(6,245)
Total other protection	\$ 149,985	\$ 227,993	\$ 291,930	\$ (63,937)
Total public safety	\$ 3,880,499	\$ 4,679,194	\$ 5,146,351	\$ (467,157)
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 1,251,545	\$ 1,473,686	\$ 1,659,775	\$ (186,089)
Litter control	112,969	130,119	171,106	(40,987)
Total sanitation and waste removal	\$ 1,364,514	\$ 1,603,805	\$ 1,830,881	\$ (227,076)
Maintenance of general buildings and grounds:				
General properties	\$ 403,420	\$ 566,286	\$ 564,274	\$ 2,012
Engineering	30,559	55,909	56,398	(489)
Total maintenance of general buildings and grounds	\$ 433,979	\$ 622,195	\$ 620,672	\$ 1,523
Total public works	\$ 1,798,493	\$ 2,226,000	\$ 2,451,553	\$ (225,553)
Health and welfare:				
Health:				
Supplement of local health department	\$ 263,801	\$ 263,801	\$ 263,801	\$ -
Pandemic Response	-	-	256,018	(256,018)
Total health	\$ 263,801	\$ 263,801	\$ 519,819	\$ (256,018)
Mental health and mental retardation:				
Community services board	\$ 218,000	\$ 218,000	\$ 230,700	\$ (12,700)
Welfare:				
Public assistance and welfare administration	\$ 5,591,423	\$ 5,591,423	\$ 5,525,118	\$ 66,305
Comprehensive services board	1,516,258	716,258	761,099	(44,841)
Senior citizens	62,547	62,547	57,500	5,047
Rental assistance	48,662	72,091	99,630	(27,539)
Total welfare	\$ 7,218,890	\$ 6,442,319	\$ 6,443,347	\$ (1,028)
Total health and welfare	\$ 7,700,691	\$ 6,924,120	\$ 7,193,866	\$ (269,746)
Education:				
Other instructional costs:				
Community colleges	\$ 68,759	\$ 68,759	\$ 68,759	\$ -
Contribution to child care center	70,000	-	-	-
Contribution to County School Board	5,384,628	5,384,628	5,384,628	-
Total education	\$ 5,523,387	\$ 5,453,387	\$ 5,453,387	\$ -

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

Schedule 2  
Page 3 of 5

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational	\$ 74,000	\$ 75,800	\$ 52,613	\$ 23,187
Swimming pool	33,576	17,250	14,488	2,762
Tourism	47,592	56,005	59,994	(3,989)
Total parks and recreation	<u>\$ 155,168</u>	<u>\$ 149,055</u>	<u>\$ 127,095</u>	<u>\$ 21,960</u>
Library:				
Contribution to regional library	\$ 332,553	\$ 332,553	\$ 332,553	\$ -
Contribution to branch library	-	-	248	(248)
Total library	<u>\$ 332,553</u>	<u>\$ 332,553</u>	<u>\$ 332,801</u>	<u>\$ (248)</u>
Parks, recreation, and cultural: (continued)				
Total parks, recreation, and cultural	<u>\$ 487,721</u>	<u>\$ 481,608</u>	<u>\$ 459,896</u>	<u>\$ 21,712</u>
Community development:				
Planning and community development:				
Planning and community development	\$ 139,000	\$ 137,200	\$ 102,838	\$ 34,362
Haysi/Breaks/Cranesnest Trail	-	569,996	582,965	(12,969)
Contributions to community organizations	1,300	296,812	263,600	33,212
Industrial Development Authority/Economic Development Corp.	118,701	160,851	111,440	49,411
Pandemic response - contributions to Towns and IDA	-	781,488	781,488	-
Contribution to Dickenson PSA	-	12,270	12,270	-
Total planning and community development	<u>\$ 259,001</u>	<u>\$ 1,958,617</u>	<u>\$ 1,854,601</u>	<u>\$ 104,016</u>
Cooperative extension program:				
Extension office	\$ 69,927	\$ 69,927	\$ 49,500	\$ 20,427
Total community development	<u>\$ 328,928</u>	<u>\$ 2,028,544</u>	<u>\$ 1,904,101</u>	<u>\$ 124,443</u>
Nondepartmental:				
Non-Departmental	<u>\$ 2,059,477</u>	<u>\$ 3,177,810</u>	<u>\$ 1,801,034</u>	<u>\$ 1,376,776</u>
Capital projects:				
Other capital projects	<u>\$ 50,000</u>	<u>\$ 350,000</u>	<u>\$ 401,123</u>	<u>\$ (51,123)</u>
Debt service:				
Principal retirement	\$ 881,700	\$ 881,700	\$ 848,441	\$ 33,259
Interest and other fiscal charges	371,536	371,536	345,931	25,605
Bond issuance costs	-	-	242,558	(242,558)
Total debt service	<u>\$ 1,253,236</u>	<u>\$ 1,253,236</u>	<u>\$ 1,436,930</u>	<u>\$ (183,694)</u>
Total General Fund	<u><u>\$ 25,642,479</u></u>	<u><u>\$ 29,883,372</u></u>	<u><u>\$ 29,761,542</u></u>	<u><u>\$ 121,830</u></u>
<b>Special Revenue Fund:</b>				
<b>Coal Road Tax Fund:</b>				
Public Works:				
Maintenance of Highways, Streets and Bridges:				
Road improvements	<u>\$ 1,503,100</u>	<u>\$ 1,503,100</u>	<u>\$ 1,115,858</u>	<u>\$ 387,242</u>

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

Schedule 2  
Page 4 of 5

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Fund: (Continued)</b>				
<b>Coal Road Tax Fund: (Continued)</b>				
Community Development:				
Planning and Community Development:				
Coalfield Economic Development	\$ 832,275	\$ 832,275	\$ 910,208	\$ (77,933)
Contribution to Public Service Authority	515,625	515,625	499,231	16,394
Total planning and community development	<u>\$ 1,347,900</u>	<u>\$ 1,347,900</u>	<u>\$ 1,564,365</u>	<u>\$ (216,465)</u>
Total community development	<u>\$ 1,347,900</u>	<u>\$ 1,347,900</u>	<u>\$ 1,564,365</u>	<u>\$ (216,465)</u>
Total Coal Road Tax Fund	<u><u>\$ 2,851,000</u></u>	<u><u>\$ 2,851,000</u></u>	<u><u>\$ 2,680,223</u></u>	<u><u>\$ 170,777</u></u>
<b>Capital Projects Fund:</b>				
<b>School Construction Projects Fund:</b>				
Education:				
Other instructional costs:				
Contribution to County School Board	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,054,087</u>	<u>\$ (1,054,087)</u>
Debt service:				
Principal retirement	<u>\$ -</u>	<u>\$ -</u>	<u>800,000</u>	<u>\$ (800,000)</u>
Interest and other fiscal charges	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>(425,000)</u>
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,225,000</u>	<u>\$ (1,225,000)</u>
Total School Construction Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,279,087</u>	<u>\$ (2,279,087)</u>
Total Primary Government	<u><u>\$ 28,493,479</u></u>	<u><u>\$ 32,734,372</u></u>	<u><u>\$ 34,720,852</u></u>	<u><u>\$ (1,986,480)</u></u>
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
Administration and health	<u>\$ 2,804,569</u>	<u>\$ 2,804,569</u>	<u>\$ 2,240,641</u>	<u>\$ 563,928</u>
Instruction costs:				
Instruction	<u>\$ 16,674,372</u>	<u>\$ 16,674,372</u>	<u>\$ 16,519,700</u>	<u>\$ 154,672</u>
Operating costs:				
Pupil transportation	<u>\$ 2,377,025</u>	<u>\$ 2,377,025</u>	<u>\$ 2,525,188</u>	<u>\$ (148,163)</u>
Operation and maintenance of school plant	<u>3,105,386</u>	<u>3,105,386</u>	<u>2,555,267</u>	<u>550,119</u>
School food and other non-instructional costs	<u>3,026,524</u>	<u>3,026,524</u>	<u>1,767,611</u>	<u>1,258,913</u>
Technology	<u>1,234,554</u>	<u>1,234,554</u>	<u>820,831</u>	<u>413,723</u>
Total operating costs	<u>\$ 9,743,489</u>	<u>\$ 9,743,489</u>	<u>\$ 7,668,897</u>	<u>\$ 2,074,592</u>
Total education	<u>\$ 29,222,430</u>	<u>\$ 29,222,430</u>	<u>\$ 26,429,238</u>	<u>\$ 2,793,192</u>
Total School Operating Fund	<u><u>\$ 29,222,430</u></u>	<u><u>\$ 29,222,430</u></u>	<u><u>\$ 26,429,238</u></u>	<u><u>\$ 2,793,192</u></u>



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

Schedule 2  
Page 5 of 5

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board (Continued)</b>				
<b>School CIP Fund:</b>				
Capital projects expenditures:				
High School	\$ -	\$ -	\$ 84,374	\$ (84,374)
Elementary School	-	-	3,727,012	(3,727,012)
Total capital projects	\$ -	\$ -	\$ 3,811,386	\$ (3,811,386)
 Total School CIP Fund	 \$ -	 \$ -	 \$ 3,811,386	 \$ (3,811,386)
 Total Discretely Presented Component Unit - School Board	 \$ 29,222,430	 \$ 29,222,430	 \$ 30,240,624	 \$ (1,018,194)

## **Other Statistical Information**

Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (1)	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2020-21	\$ 1,864,225	\$ 1,893,402	\$ 5,217,532	\$ 3,731,964	\$ 6,896,991	\$ 6,896,548	\$ 526,476	\$ 3,531,076	\$ 639,569	\$ 31,197,783
2019-20	2,594,258	1,667,814	5,795,499	3,840,409	6,943,896	7,702,559	556,784	4,029,435	371,553	33,502,207
2018-19	1,681,546	1,462,797	4,616,342	5,003,175	6,789,722	6,596,252	285,429	3,132,775	529,741	30,097,779
2017-18	1,882,827	1,602,350	5,352,066	2,921,758	6,667,006	7,687,931	276,657	3,483,452	365,201	30,239,248
2016-17	1,889,360	1,846,897	4,816,537	2,344,066	6,696,701	35,018,973	211,727	4,249,320	858,317	57,931,898
2015-16	1,447,189	994,021	3,855,643	2,211,993	6,481,617	26,120,875	211,823	8,974,110	1,703,899	52,001,170
2014-15	1,598,909	492,729	3,819,908	1,603,292	7,263,106	28,868,548	84,497	5,420,583	1,829,169	50,980,741
2013-14	1,144,784	1,110,535	4,976,702	2,835,218	6,547,181	9,635,086	170,643	4,284,122	1,156,525	31,860,796
2012-13	2,050,009	1,138,929	4,885,973	3,022,683	6,385,324	6,766,973	185,519	6,453,207	888,962	31,777,579
2011-12	2,008,466	1,025,378	5,115,076	2,720,172	6,059,904	7,425,648	107,046	6,201,727	163,515	30,826,932

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

Table 2

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

PROGRAM REVENUES				GENERAL REVENUES						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Special Items	Total
2020-21	\$ 397,428	\$ 10,026,653	\$ 864,348	\$ 10,958,426	\$ 7,329,656	\$ 7,253	\$ 236,887	\$ 1,403,066	\$ -	\$ 31,223,717
2019-20	328,981	7,817,479	2,728,055	11,185,408	7,538,067	17,486	146,498	1,497,938	-	31,259,912
2018-19	338,083	7,313,123	1,433,064	11,299,433	9,750,444	21,464	37,065	1,452,230	-	31,644,906
2017-18	330,742	8,040,353	1,961,194	11,195,519	9,769,574	7,307	554,458	1,398,973	-	33,258,120
2016-17	526,988	7,130,074	35,345,442	12,677,750	9,285,792	7,390	36,462	1,488,617	153,799	66,652,314
2105-16	519,966	6,872,593	18,455,204	11,937,747	6,274,918	4,218	270,439	1,562,224	-	45,897,309
2014-15	622,693	7,450,931	607,116	12,667,960	7,875,794	4,241	880,143	1,521,625	-	31,630,503
2013-14	886,995	7,655,082	25,519,376	11,786,105	8,606,472	15,262	59,715	1,545,215	-	56,074,222
2012-13	925,629	7,304,984	6,159,720	11,906,790	9,509,539	32,329	-	2,747,311	-	38,586,302
2011-12	708,119	6,876,198	27,629	14,237,747	10,898,718	15,874	159,191	1,493,178	-	34,416,654

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Nondepartmental	Capital Projects	Debt Service	Total
2020-21	\$ 1,982,131	\$ 1,531,170	\$ 5,146,351	\$ 3,567,411	\$ 7,193,866	\$ 27,961,148	\$ 459,896	\$ 3,468,466	\$ 1,801,034	\$ 3,158,422	\$ 2,661,930	\$ 58,931,825
2019-20	1,964,934	1,505,108	5,354,194	3,585,155	7,431,325	25,820,149	490,924	3,635,646	164,714	842,650	2,544,266	53,339,065
2018-19	1,690,845	1,299,559	4,572,319	4,974,139	7,324,455	25,650,202	222,652	3,134,672	193,153	350,119	3,009,552	52,421,667
2017-18	1,921,533	1,356,334	5,363,666	2,919,903	7,134,052	23,489,065	213,429	3,488,742	124,180	507,440	2,693,496	49,211,840
2016-17	1,925,915	1,287,107	4,804,937	2,253,275	6,802,450	24,093,852	146,594	4,242,373	-	1,452,957	28,651,475	75,660,935
2015-16	1,465,556	1,015,153	4,228,678	2,149,697	6,689,813	24,596,740	185,091	9,028,587	-	14,459,765	18,033,028	81,852,108
2014-15	1,703,249	3,853,976	4,056,384	2,019,276	6,583,461	24,715,042	172,611	5,133,192	-	19,928,691	2,789,575	70,955,457
2013-14	1,730,069	1,450,019	4,737,953	2,761,149	6,705,005	25,631,212	164,694	4,819,178	-	39,178,197	14,121,055	101,298,531
2012-13	2,108,988	1,138,723	4,652,216	2,950,774	6,517,894	24,661,068	179,094	7,317,639	-	-	1,751,172	51,277,568
2011-12	2,051,549	1,078,131	5,171,970	2,641,301	6,178,601	26,973,108	223,472	6,887,222	-	-	820,845	52,026,199

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

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous & Recovered Costs	Inter-governmental (2)	Total
2020-21	\$ 11,193,653	\$ 7,329,656	\$ 9,427	\$ 54,786	\$ 8,810	\$ 745,777	\$ 2,752,205	\$ 41,409,536	\$ 63,503,850
2019-20	11,226,319	7,538,067	9,243	28,736	17,486	402,585	1,165,770	31,508,760	51,896,966
2018-19	11,510,072	9,750,444	9,774	52,429	21,464	465,472	1,186,333	28,885,741	51,881,729
2017-18	12,774,948	9,769,574	12,111	49,822	7,307	527,714	1,505,093	28,829,494	53,476,063
2016-17	12,500,553	9,285,792	8,448	119,047	7,390	699,219	1,118,209	61,365,427	85,104,085
2015-16	10,394,299	6,274,918	10,893	43,014	4,218	775,992	1,330,307	43,843,934	62,677,575
2014-15	13,342,236	7,875,794	9,951	38,973	4,241	883,221	1,614,878	26,416,565	50,185,859
2013-14	11,852,575	8,606,472	16,001	64,460	15,262	1,161,450	997,986	51,726,260	74,440,466
2012-13	12,669,532	9,509,539	12,822	35,276	32,329	1,272,325	895,640	33,583,277	58,010,740
2011-12	13,263,990	10,898,718	21,775	34,191	17,635	1,117,253	1,721,130	27,721,137	54,795,829

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

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of		Percent of	
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Delinquent Taxes to Tax Levy	
2020-21	\$ 11,636,401	\$ 11,312,793	97.22%	\$ 456,633	\$ 11,769,426	101.14%	\$ 2,122,186	18.24%	
2019-20	11,779,824	11,286,783	95.81%	467,122	11,753,905	99.78%	2,259,291	19.18%	
2018-19	11,867,996	11,639,946	98.08%	449,534	12,089,480	101.87%	2,363,137	19.91%	
2017-18	12,635,546	10,232,802	80.98%	2,865,325	13,098,127	103.66%	2,466,700	19.52%	
2016-17	13,280,074	11,811,566	88.94%	402,294	12,213,860	91.97%	4,002,856	30.14%	
2015-16	12,567,077	10,423,096	82.94%	415,937	10,839,033	86.25%	3,812,167	30.33%	
2014-15	13,160,900	12,896,358	97.99%	827,972	13,724,330	104.28%	2,462,240	18.71%	
2013-14	12,867,584	12,599,469	97.92%	521,802	13,121,271	101.97%	3,184,962	24.75%	
2012-13	12,457,549	12,299,417	98.73%	916,967	13,216,384	106.09%	2,713,540	21.78%	
2011-12	10,894,220	9,135,852	83.86%	1,957,654	11,093,506	101.83%	5,146,710	47.24%	

(1) Exclusive of penalties and interest.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
					Real Estate	Personal Property		
2020-21	\$ 1,250,954,053	\$ 116,694,203	\$ 81,288,972	\$ 899,434	\$ 121,847,471	\$ 98,119	\$ 1,571,782,252	
2019-20	1,274,999,676	122,431,888	75,983,735	884,919	118,874,514	160,485	1,593,335,217	
2018-19	1,292,292,300	129,819,711	70,528,717	920,143	109,580,306	224,086	1,603,365,263	
2017-18	1,341,835,375	131,507,513	98,253,636	775,076	103,162,284	162,011	1,675,695,895	
2016-17	1,364,073,644	136,088,656	151,109,249	774,644	107,045,402	191,687	1,759,283,282	
2015-16	1,377,223,700	134,806,776	96,449,867	807,876	116,712,808	238,089	1,726,239,116	
2014-15	1,390,386,000	138,302,847	122,746,615	745,341	113,807,768	264,543	1,766,253,114	
2013-14	1,471,653,492	140,183,821	137,652,367	936,673	111,285,447	284,982	1,861,996,782	
2012-13	1,467,556,192	150,444,999	100,668,822	728,086	105,721,465	249,781	1,825,369,345	
2011-12	1,427,628,192	120,235,607	82,207,942	792,469	61,196,373	169,334	1,692,229,917	

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

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



Table 7

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

Fiscal Year	Real Estate	Personal Property (2)	Machinery and Tools (2)	Merchant's Capital
2020-21	\$ 0.60	\$ 1.85	\$ 1.85	10.50
2019-20	0.60	1.85	1.85	10.50
2018-19	0.60	1.85	1.85	10.50
2017-18	0.56	1.82	1.82	10.50
2016-17	0.56	1.82	1.82	10.50
2015-16	0.56	1.82	1.82	10.50
2014-15	0.56	1.82	1.82	10.50
2013-14	0.56	1.82	1.82	10.50
2012-13	0.60	1.69	1.69	10.50
2011-12	0.60	1.69	1.69	10.50

(1) Per \$100 of assessed value.

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

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of	
					Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2020-21	15,903	\$ 1,571,782	\$ 15,067,071	\$ 15,067,071	0.96%	\$ 947
2019-20	15,903	1,593,335	15,789,087	15,789,087	0.99%	993
2018-19	15,903	1,603,365	16,885,200	16,885,200	1.05%	1,062
2017-18	15,903	1,675,696	18,119,935	18,119,935	1.08%	1,139
2016-17	15,903	1,759,283	17,957,407	17,957,407	1.02%	1,129
2015-16	15,903	1,726,239	44,313,634	44,313,634	2.57%	2,786
2014-15	15,903	1,766,253	51,282,301	51,282,301	2.90%	3,225
2013-14	15,903	1,861,997	31,599,532	31,599,532	1.70%	1,987
2012-13	15,903	1,825,369	26,242,957	26,242,957	1.44%	1,650
2011-12	15,903	1,692,230	985,000	985,000	0.06%	62

(1) Bureau of the Census.

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

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

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2020-21	\$ 1,648,441	\$ 770,931	\$ 2,419,372	\$ 58,931,825	4.11%
2019-20	1,745,503	798,763	2,544,266	53,339,065	4.77%
2018-19	2,075,584	933,968	3,009,552	52,421,667	5.74%
2017-18	1,923,864	769,632	2,693,496	49,211,840	5.47%
2016-17	27,661,723	989,752	28,651,475	75,660,935	37.87%
2015-16	16,312,703	1,720,325	18,033,028	81,852,108	22.03%
2014-15	952,545	1,837,030	2,789,575	70,955,457	3.93%
2013-14	12,949,183	1,171,872	14,121,055	101,298,531	13.94%
2012-13	849,331	901,841	1,751,172	51,277,568	3.42%
2011-12	644,902	175,943	820,845	52,026,199	1.58%

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

---

## COMPLIANCE SECTION

---



**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 Dickenson, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dickenson, Virginia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County of Dickenson, Virginia's basic financial statements and have issued our report thereon dated November 19, 2021. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit Industrial Development Authority and the Dickenson County School Activity Funds, a special revenue fund of the discretely presented component unit - School Board, as described in our report on the County of Dickenson, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider to be material weaknesses.

## Compliance and Other Matters

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

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

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

## Purpose of this Report

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

*Robinson, Jarmer, Cox, Associates*

Blacksburg, Virginia  
November 19, 2021



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

---

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

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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

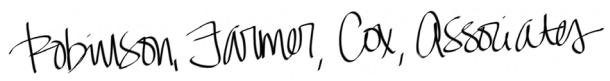
## Report on Internal Control over Compliance

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

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

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

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

  
Blacksburg, Virginia  
November 19, 2021



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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Child Care and Development Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	70120/70121	\$	57,364
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950119/950120		23,402
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	500120/500121		581
Child Care and Development Block Grant	93.575	770119		(468)
Low-Income Home Energy Assistance	93.568	600420/600421		43,712
Chaffee Education and Training Vouchers Program (ETV)	93.599	9160119/9160120/916121		8,976
Adoption and Legal Guardianship Incentive Payments	93.603	1130117/1130118		3,000
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900120		165
Foster Care Title IV-E	93.658	110120/1100121		241,287
Adoption Assistance	93.659	1120120/1120121		859,070
Social Services Block Grant	93.667	1000120/1000121		246,691
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150019/9150120/9152121		7,296
Children's Health Insurance Program	93.767	0540120/0540121		4,894
Medicaid Cluster:				
Medical Assistance Program	93.778	1200120/1200121		401,993
Temporary Assistance for Needy Families (TANF)	93.558	400120/400121	\$ 269,047	
Department of Education:				
Temporary Assistance for Needy Families	93.558	40274	62,825	331,872
Total Department of Health and Human Service			\$	2,229,835
Department of Agriculture:				
Pass Through Payments:				
Department of Education:				
Child Nutrition Cluster:				
COVID-19 - School Breakfast Program	10.553	40263	\$ 9,936	
Summer Food Service Program for Children	10.559	60302/60303	\$ 1,343,575	
Summer Food Service Program for Children (SFSPC) (Food Commodities)	10.559	Unknown	2,463	
COVID-19 - Summer Food Service Program for Children	10.559	60175/60176	410,248	1,756,286
National School Lunch Program	10.555	40254	\$ 238	
COVID-19 - National School Lunch Program	10.555	40264	16,151	
Department of Agriculture:				
Food Distribution (Food Commodities)	10.555	Unknown	136,530	152,919 \$ 1,919,141
Fresh Fruit and Vegetable Program	10.582	40252		10,331
Forest Service Schools and Roads Cluster:				
School and Roads - Grants to States	10.665	43841		11,007
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	010120/010121/040120/040121		537,343
Total Department of Agriculture			\$	2,477,822
Department of Housing and Urban Development:				
Pass Through Payments:				
Department of Housing and Community Development:				
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	Unknown	\$	168,641
Department of Justice:				
Pass Through Payments:				
Office for Victims of Crime:				
Crime Victim Assistance	16.575	17VAGX0018	\$	46,832
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	20VDBX0141		85,775
Total Department of Justice			\$	132,607
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
National Priority Safety Programs	20.616	M60T-2021-59169-9169	\$	11,765
Department of Defense:				
Pass Through Payments:				
Department of Environmental Quality:				
Payments in Lieu of Taxes	15.226	Unknown	\$	1,120

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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number		Federal Expenditures	Expenditures to Subrecipients
Department of Education:					
Pass Through Payments:					
Department of Education:					
Title I Grants to Local Educational Agencies	84.010	42901		\$ 807,037	
Special Education Cluster:					
Special Education Grants to States	84.027	43071	\$ 607,959		
Special Education Preschool Grants	84.173	62521	61,682		669,641
Career and Technical Education - Basic Grants to States	84.048	60031/61095			65,483
Rural Education	84.358	43481			39,600
Supporting Effective Instruction State Grants	84.367	61480			118,040
Student Support and Academic Enrichment Program	84.424	60022			80,039
Education Stabilization Fund Cluster:					
Elementary and Secondary School Emergency Relief Fund	84.425D	60041/60042/60173/60177/70037	\$ 898,515		
Governor's Emergency Education Relief Fund	84.425C	70038	25,607		924,122
Total Department of Education				\$ 2,703,962	
Department of Elections:					
Pass Through Payments:					
Department of Elections:					
COVID 19 - 2018 HAVA Election Security Grants	90.404	Unknown		\$ 53,193	
Department of Homeland Security:					
Pass Through Payments:					
Department of Emergency Management:					
Emergency Management Performance Grants	97.042	Unknown		\$ 7,500	
Department of the Treasury					
Pass-through Payments:					
Department of Accounts:					
COVID 19 - Coronavirus Relief Fund	21.019	SLT0022	\$ 2,414,638		
Department of Education:					
COVID 19 - Coronavirus Relief Fund	21.019	70056	343,875	\$ 2,758,513	\$ 987,367
Appalachian Region Commission					
Pass-through Payments:					
Department of Housing and Community Development:					
Appalachian Area Development	23.002	Unknown		\$ 12,270	
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	Unknown		2,500	
Total Department of Environmental Quality				\$ 14,770	
Total Expenditures of Federal Awards				\$ 10,559,728	

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Dickenson, Virginia and its Component Unit-School Board under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budgets Uniform Guidance. Because the schedule presents only a selected portion of the operations of the County of Dickenson, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Dickenson, Virginia.

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The County did not elect the 10% de minimus indirect cost rate because they only request direct costs for reimbursement.

Note 3 -- Food Donation

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

Note 4 -- Outstanding Balance of Federal Loans

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

Note 5 -- Donated Personal Protective Equipment (PPE) "unaudited":

The County did not receive any donated items during the year.

Note 6 -- Relationship to the Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund (less payments in lieu of taxes and rents and royalties)	\$ 5,607,352
Payments in lieu of taxes	(69,415)
Corps of Engineers Funds Not Subject to Single Audit Requirements	(30,470)
School Construction Project Fund	400,776
QCSB Interest Subsidy	(400,776)
Total primary government	\$ 5,507,467

Component Unit School Board:	
School Operating Fund	\$ 5,052,261
School CIP Fund	6,402,280
Flood Control Projects Not Subject to Single Audit Requirements	(6,402,280)
Total Component Unit Schools	\$ 5,052,261

Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 10,559,728
---	---------------

County of Dickenson, 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?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

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

Identification of major programs:

Federal Assistance	
Lising #	Name of Federal Program or Cluster
10.561	SNAP Cluster
21.019	Coronavirus Relief Fund
84.425	Education Stabilization Fund Cluster
93.667	Social Services Block Grant

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

County of Dickenson, Virginia

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

---

**Section II - Financial Statement Findings**

**2021-001**

Criteria:	An auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report. In addition, the auditee should have sufficient internal controls over the preparation of financial statements in accordance with generally accepted accounting principles.
Condition:	The County's 2021 adjusted trial balance as presented for audit required significant adjusting entries.
Cause:	The County failed to identify all year end accounting adjustments necessary for the financial statements to be prepared in accordance with current reporting standards. The County does not have proper controls in place to detect and correct adjustments in closing their year end financial information.
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the County's internal controls over financial reporting.
Recommendation:	Management should continue to implement and follow review procedures to make adjustments in a timely manner.
Management's Response:	Management will make efforts in the future to eliminate material misstatements from its adjusted trial balance.

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

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

County of Dickenson, Virginia

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2021

---

**2020-001**

---

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

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

Current Status: Finding 2020-001 was repeated in the current year as 2021-001.