

COUNTY OF NOTTOWAY, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR
ENDED JUNE 30, 2021

COUNTY OF NOTTOWAY, VIRGINIA

Board of Supervisors

Sherman C. Vaughn, Chairperson

Lynn K. Shekleton, Vice-Chairperson

John Roark

Helen M. Simmons

Steve W. Bowen

School Board

Shelli Hinton, Chairperson

Jamie Higgins, Vice Chairperson

Jimmy Fowlkes

Clive Pettis, Sr.

Bill Outlaw

Board of Social Services

Barbara Briggins, Chairperson

Jacqueline Downs, Vice Chairperson

Ronald Scruggs

John Roark

Carrie M. Gravely

Other Officials

Judge of the Circuit Court	Honorable Paul W. Cella
Clerk of the Circuit Court	Jane L. Brown
Commonwealth's Attorney	Leanne Watrous
Treasurer	Ellen F. Myatt
Sheriff	Robert L. Jones
Superintendent of Schools	Tameshia V. Grimes, Ph.D.
Director of Social Services	Bernetta Watkins
Commissioner of the Revenue	Christy A. Hudson
County Administrator	Philip S. T. Costin

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

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-9
<u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Exhibit 1 Statement of Net Position	10
Exhibit 2 Statement of Activities	11
Fund Financial Statements	
Exhibit 3 Balance Sheet-Governmental Funds	12
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	14
Exhibit 6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	15
Exhibit 7 Statement of Fiduciary Net Position-Fiduciary Fund	16
Exhibit 8 Statement of Changes in Fiduciary Net Position-Fiduciary Fund	17
Notes to Financial Statements	18-84

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

TABLE OF CONTENTS

	<u>Page</u>
<u>Required Supplementary Information:</u>	
Exhibit 9 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-General Fund	85
Exhibit 10 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-Special Revenue Fund-Landfill Fund	86
Exhibit 11 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-Special Revenue Fund-LRA Land Sale Fund	87
Exhibit 12 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios-Primary Government	88-89
Exhibit 13 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios-Component Unit School Board (nonprofessional)	90-91
Exhibit 14 Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan-Pension Plans	92-93
Exhibit 15 Schedule of Employer Contributions-Pension Plans	94
Exhibit 16 Notes to Required Supplementary Information-Pension Plans	95
Exhibit 17 Schedule of County's Share of Net OPEB Liability—Group Life Insurance (GLI) Plan	96
Exhibit 18 Schedule of Employer Contributions-Group Life Insurance (GLI) Plan	97
Exhibit 19 Notes to Required Supplementary Information—Group Life Insurance (GLI) Plan	98
Exhibit 20 Schedule of Changes in the School Board's Net OPEB Liability and Related Related Ratios—Health Insurance Credit (HIC) Plan	99
Exhibit 21 Schedule of Employer Contributions—Health Insurance Credit (HIC) Plan	100
Exhibit 22 Notes to Required Supplementary Information—Health Insurance Credit (HIC) Plan	101
Exhibit 23 Schedule of School Board's Share of Net OPEB Liability—Teacher Employee Health Insurance Credit (HIC) Plan	102
Exhibit 24 Schedule of Employer Contributions—Teacher Employee Health Insurance Credit (HIC) Plan	103
Exhibit 25 Notes to Required Supplementary Information—Teacher Employee Health Insurance Credit (HIC) Plan	104

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

TABLE OF CONTENTS

	<u>Page</u>
<u>Required Supplementary Information: (Continued)</u>	
Exhibit 26 Schedule of Employer’s Share of Net LODA OPEB Liability—Line of Duty Act (LODA) Program	105
Exhibit 27 Schedule of Employer Contributions—Line of Duty Act (LODA) Program	106
Exhibit 28 Notes to Required Supplementary Information—Line of Duty Act (LODA) Program	107
Exhibit 29 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios—Component Unit School Board	108
Exhibit 30 Notes to Required Supplementary Information—Component Unit School Board	109
<u>Other Supplementary Information:</u>	
Combining and Individual Fund Statements and Schedules:	
Exhibit 31 Combining Balance Sheet-Nonmajor Special Revenue Funds	110
Exhibit 32 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Nonmajor Special Revenue Funds	111
Exhibit 33 Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-Nonmajor Special Revenue Funds	112-113
Discretely Presented Component Unit School Board:	
Exhibit 34 Combining Balance Sheet-Governmental Funds	114
Exhibit 35 Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	115
Exhibit 36 Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual - School Operating, Cafeteria, Textbook, and School Activity Funds	116-117
Discretely Presented Component Unit Industrial Development Authority:	
Exhibit 37 Statement of Net Position	118
Exhibit 38 Statement of Revenues, Expenses and Changes in Net Position	119
Exhibit 39 Statement of Cash Flows	120

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

TABLE OF CONTENTS

	<u>Page</u>
<u>Supporting Schedules:</u>	
Schedule 1 Governmental Funds-Schedule of Revenues-Budget and Actual	121-127
Schedule 2 Governmental Funds-Schedule of Expenditures-Budget and Actual	128-133
<u>Other Statistical Information:</u>	
Table 1 Government-Wide Expenses by Function-Last Ten Fiscal Years	134
Table 2 Government-Wide Revenues-Last Ten Fiscal Years	135
Table 3 General Governmental Expenditures by Function-Last Ten Fiscal Years	136
Table 4 General Governmental Revenues by Source-Last Ten Fiscal Years	137
Table 5 Property Tax Levies and Collections-Last Ten Fiscal Years	138
Table 6 Assessed Value of Taxable Property-Last Ten Fiscal Years	139
Table 7 Property Tax Rates-Last Ten Fiscal Years	140
Table 8 Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	141
<u>Compliance:</u>	
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	142-143
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	144-145
Schedule of Expenditures of Federal Awards	146-147
Notes to Schedule of Expenditures of Federal Awards	148
Schedule of Findings and Questioned Costs	149-150
Summary Schedule of Prior Audit Findings	151



Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As described in Note 23 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary*. Our opinion is not modified with respect to this matters.

Restatement of Beginning Balances

As described in Note 23 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-9, 85-87, and 88-109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Nottoway, Virginia's basic financial statements. The 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

Supplementary and Other Information (Continued)

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021, on our consideration of County of Nottoway, 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 Nottoway, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Nottoway, Virginia's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'D. F. C.', followed by a horizontal line extending to the right.

Richmond, Virginia
December 7, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Nottoway, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021.

Financial Highlights

Government-wide Financial Statements

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$35,967,259 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources over expenditures and other financial uses of \$691,348 (Exhibit 5) after making contributions totaling \$4,412,502 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$23,304,936, an increase of \$691,348 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,880,182 or 99.16% of total general fund expenditures and other uses.
- < The combined long-term obligations increased by \$1,908,740 during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board. The School Board does not issue separate financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$35,967,259 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Nottoway, Virginia's Net Position		
	Governmental Activities	
	2021	2020
Current and other assets	\$ 26,447,642	\$ 26,595,022
Capital assets	17,445,881	17,778,579
Total assets	\$ 43,893,523	\$ 44,373,601
Deferred outflows of resources	\$ 1,183,480	\$ 666,740
Current liabilities	\$ 1,361,719	\$ 1,444,288
Long-term liabilities outstanding	7,372,623	7,551,204
Total liabilities	\$ 8,734,342	\$ 8,995,492
Deferred inflows of resources	\$ 375,402	\$ 477,591
Net position:		
Net investment in capital assets	\$ 16,160,623	\$ 16,141,097
Unrestricted	19,806,636	19,426,161
Total net position	\$ 35,967,259	\$ 35,567,258

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

During the current fiscal year, the County's net position increased by \$400,001. The following table summarizes the County's Statement of Activities

County of Nottoway, Virginia's Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 672,408	\$ 740,213
Operating grants and contributions	5,589,226	3,827,260
General revenues:		
General property taxes	7,761,041	7,728,549
Other local taxes	2,108,720	1,985,544
Grants and other contributions not restricted	1,444,154	1,491,597
Other general revenues	935,298	1,082,979
Total revenues	<u>\$ 18,510,847</u>	<u>\$ 16,856,142</u>
Expenses:		
General government administration	\$ 1,035,420	\$ 1,181,734
Judicial administration	944,915	869,583
Public safety	4,636,802	3,189,310
Public works	1,892,872	1,604,449
Health and welfare	2,880,258	2,713,014
Education	4,764,460	4,986,918
Parks, recreation, and cultural	410,145	364,639
Community development	1,490,862	779,363
Interest and other fiscal charges	55,112	64,558
Total expenses	<u>\$ 18,110,846</u>	<u>\$ 15,753,568</u>
Change in net position	\$ 400,001	\$ 1,102,574
Net position, beginning	35,567,258	34,464,684
Net position, ending	<u>\$ 35,967,259</u>	<u>\$ 35,567,258</u>

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$23,304,936, an increase of \$691,348 in comparison with the prior year. Approximately 72.43% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

During the year, revenues and other financing sources were more than budgetary estimates by \$1,205,406, and expenditures and other financing uses were less than budgetary estimates by \$3,551,688, resulting in a positive variance of \$4,757,094.

Capital Asset and Debt Administration

< Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2021 amounted to \$17,226,075 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

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

< Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$1,241,306. Of this amount, \$1,241,306 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total debt decreased by \$345,946.

Additional information on the County of Nottoway, Virginia's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare to national indices.

All these factors were considered in preparing the County's budget for the 2022 fiscal year.

The fiscal year 2022 budget increased by approximately 5.83 percent. All tax rates remained the same for fiscal year 2022.

Requests for Information

This financial report is designed to provide a general overview of the County of Nottoway, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 328 West Court House Road, Nottoway, Virginia 23955.

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

	Primary Government		
	Governmental	Component Units	
	<u>Activities</u>	<u>School Board</u>	<u>IDA</u>
ASSETS			
Cash and cash equivalents	\$ 21,589,796	\$ 5,572,484	\$ 1,826,714
Receivables (net of allowance for uncollectibles):			
Taxes receivable	623,649	-	-
Accounts receivable	149,989	-	-
Due from other governmental units	2,839,050	587,887	-
Prepaid items	13,770	262,491	-
Net pension asset	1,231,388	-	-
Other assets:			
Notes receivable	-	-	492,483
Capital assets (net of accumulated depreciation):			
Land	8,808,090	88,670	-
Buildings and improvements	5,981,632	-	-
Machinery and equipment	1,195,045	2,043,275	-
Jointly owned assets	1,241,308	8,284,086	-
Construction in progress	219,806	-	-
Total assets	<u>\$ 43,893,523</u>	<u>\$ 16,838,893</u>	<u>\$ 2,319,197</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension related items	\$ 663,933	\$ 4,794,959	\$ -
OPEB related items	519,547	391,892	-
Total deferred outflow of resources	<u>\$ 1,183,480</u>	<u>\$ 5,186,851</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 209,878	\$ 108,836	\$ -
Accrued liabilities	-	625,900	-
Unearned revenue	1,124,054	-	-
Accrued interest payable	27,787	-	-
Due to other governmental units	-	1,993,306	76,378
Long-term liabilities:			
Due within one year	221,346	27,107	-
Due in more than one year	7,151,277	22,638,749	-
Total liabilities	<u>\$ 8,734,342</u>	<u>\$ 25,393,898</u>	<u>\$ 76,378</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 40,286	\$ -	\$ -
Pension related items	115,973	2,238,459	-
OPEB related items	219,143	544,623	-
Total deferred inflows of resources	<u>\$ 375,402</u>	<u>\$ 2,783,082</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 16,160,623	\$ 10,416,031	\$ -
Restricted:			
Net pension asset	1,231,388	-	-
Unrestricted	18,575,248	(16,567,267)	2,242,819
Total net position	<u>\$ 35,967,259</u>	<u>\$ (6,151,236)</u>	<u>\$ 2,242,819</u>

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

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

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>		<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Units</u>	
		<u>Operating Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>School Board</u>		<u>IDA</u>	
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 1,035,420	\$ -	\$ 267,010	\$ -	\$ (768,410)	\$ -	\$ -
Judicial administration	944,915	22,963	425,926	-	(496,026)	-	-
Public safety	4,636,802	124,098	2,760,111	-	(1,752,593)	-	-
Public works	1,892,872	525,197	5,051	-	(1,362,624)	-	-
Health and welfare	2,880,258	-	2,063,616	-	(816,642)	-	-
Education	4,764,460	-	-	-	(4,764,460)	-	-
Parks, recreation, and cultural	410,145	150	67,512	-	(342,483)	-	-
Community development	1,490,862	-	-	-	(1,490,862)	-	-
Interest on long-term debt	55,112	-	-	-	(55,112)	-	-
Total governmental activities	\$ 18,110,846	\$ 672,408	\$ 5,589,226	\$ -	\$ (11,849,212)	\$ -	\$ -
COMPONENT UNITS:							
School Board	\$ 25,998,028	\$ 3,837	\$ 19,933,245	\$ -	\$ -	\$ (6,060,946)	\$ -
Industrial Development Authority	1,880	36,951	-	-	-	-	35,071
Total component units	\$ 25,999,908	\$ 40,788	\$ 19,933,245	\$ -	\$ -	\$ (6,060,946)	\$ 35,071
General revenues:							
General property taxes					\$ 7,761,041	\$ -	\$ -
Local sales and use taxes					1,415,805	-	-
Consumer utility taxes					151,451	-	-
Business licenses					208,076	-	-
Motor vehicle licenses					215,948	-	-
Other local taxes					117,440	-	-
Unrestricted revenues from use of money and property					668,351	2,921	6,367
Miscellaneous					266,947	362,591	-
Grants and contributions not restricted to specific programs					1,444,154	-	-
Contribution from Nottoway County					-	4,596,967	-
Total general revenues					\$ 12,249,213	\$ 4,962,479	\$ 6,367
Change in net position					400,001	(1,098,467)	41,438
Net position - beginning - as restated					35,567,258	(5,052,769)	2,201,381
Net position - ending					\$ 35,967,259	\$ (6,151,236)	\$ 2,242,819

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

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

	<u>General Fund</u>	<u>Landfill Fund</u>	<u>LRA Land Sale Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 16,381,758	\$ -	\$ 5,228,188	\$ 260,894	\$ 21,870,840
Receivables (net of allowance for uncollectibles):					
Taxes receivable	623,649	-	-	-	623,649
Accounts receivable	20,102	129,887	-	-	149,989
Due from other governmental units	2,788,380	29,914	-	20,756	2,839,050
Prepaid items	13,770	-	-	-	13,770
Total assets	<u>\$ 19,827,659</u>	<u>\$ 159,801</u>	<u>\$ 5,228,188</u>	<u>\$ 281,650</u>	<u>\$ 25,497,298</u>
LIABILITIES					
Accounts payable	\$ 178,441	\$ 31,437	\$ -	\$ -	\$ 209,878
Unearned revenue	1,124,054	-	-	-	1,124,054
Reconciled overdraft payable	-	281,044	-	-	281,044
Total liabilities	<u>\$ 1,302,495</u>	<u>\$ 312,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,614,976</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	\$ 577,386	\$ -	\$ -	\$ -	\$ 577,386
Total deferred inflows of resources	<u>\$ 577,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,386</u>
FUND BALANCES					
Nonspendable	\$ 13,770	\$ -	\$ -	\$ -	\$ 13,770
Committed	2,228,338	-	5,228,188	281,650	7,738,176
Unassigned	15,705,670	(152,680)	-	-	15,552,990
Total fund balances	<u>\$ 17,947,778</u>	<u>\$ (152,680)</u>	<u>\$ 5,228,188</u>	<u>\$ 281,650</u>	<u>\$ 23,304,936</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,827,659</u>	<u>\$ 159,801</u>	<u>\$ 5,228,188</u>	<u>\$ 281,650</u>	<u>\$ 25,497,298</u>

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

County of Nottoway, 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	\$	23,304,936
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Capital assets, cost	\$ 29,373,435	
Accumulated depreciation	<u>(11,927,554)</u>	17,445,881
The net pension asset is not an available resource and, therefore, is not reported in the funds.		1,231,388
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes		537,100
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 663,933	
OPEB related items	<u>519,547</u>	1,183,480
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bonds	\$ (1,241,306)	
Premium on general obligation bond	(43,952)	
Net OPEB liabilities	(1,087,579)	
Landfill closure liability	(4,740,805)	
Compensated absences	(258,981)	
Accrued interest payable	<u>(27,787)</u>	(7,400,410)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (115,973)	
OPEB related items	<u>(219,143)</u>	(335,116)
Net position of governmental activities		<u><u>\$ 35,967,259</u></u>

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

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

	General Fund	Landfill Fund	LRA Land Sale Fund	Other Governmental Funds	Total
REVENUES					
General property taxes	\$ 7,801,081	\$ -	\$ -	\$ -	\$ 7,801,081
Other local taxes	1,930,164	177,781	-	775	2,108,720
Permits, privilege fees, and regulatory licenses	116,092	-	-	-	116,092
Fines and forfeitures	5,637	-	-	-	5,637
Revenue from the use of money and property	668,351	-	-	-	668,351
Charges for services	25,482	525,197	-	-	550,679
Miscellaneous	266,947	-	-	-	266,947
Recovered costs	213,553	-	-	-	213,553
Intergovernmental:					
Commonwealth	4,129,467	191,790	-	127,858	4,449,115
Federal	2,584,265	-	-	-	2,584,265
Total revenues	<u>\$ 17,741,039</u>	<u>\$ 894,768</u>	<u>\$ -</u>	<u>\$ 128,633</u>	<u>\$ 18,764,440</u>
EXPENDITURES					
Current:					
General government administration	\$ 1,547,222	\$ -	\$ -	\$ -	\$ 1,547,222
Judicial administration	820,113	-	-	-	820,113
Public safety	4,589,304	-	-	325,527	4,914,831
Public works	474,494	1,238,996	-	-	1,713,490
Health and welfare	2,816,464	-	-	-	2,816,464
Education	4,418,513	-	-	-	4,418,513
Parks, recreation, and cultural	314,395	-	-	-	314,395
Community development	1,463,869	-	-	-	1,463,869
Debt service:					
Principal retirement	345,946	-	-	-	345,946
Interest and other fiscal charges	68,249	-	-	-	68,249
Total expenditures	<u>\$ 16,858,569</u>	<u>\$ 1,238,996</u>	<u>\$ -</u>	<u>\$ 325,527</u>	<u>\$ 18,423,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 882,470</u>	<u>\$ (344,228)</u>	<u>\$ -</u>	<u>\$ (196,894)</u>	<u>\$ 341,348</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 164,874	\$ -	\$ -	\$ 164,874
Transfers out	(164,874)	-	-	-	(164,874)
Sale of property	350,000	-	-	-	350,000
Total other financing sources (uses)	<u>\$ 185,126</u>	<u>\$ 164,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,000</u>
Net change in fund balances	\$ 1,067,596	\$ (179,354)	\$ -	\$ (196,894)	\$ 691,348
Fund balances - beginning	16,880,182	26,674	5,228,188	478,544	22,613,588
Fund balances - ending	<u>\$ 17,947,778</u>	<u>\$ (152,680)</u>	<u>\$ 5,228,188</u>	<u>\$ 281,650</u>	<u>\$ 23,304,936</u>

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

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

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

Net change in fund balances - total governmental funds	\$	691,348
--	----	---------

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 expense exceeded capital outlays in the current period. The following is a summary of items supporting this adjustment:

Capital asset additions	\$ 609,228	
Depreciation expense	(757,461)	
Jointly owned asset allocation	<u>(184,465)</u>	(332,698)

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

Property taxes		(40,040)
----------------	--	----------

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

Principal retirement on general obligation bonds	\$ 190,783	
Principal retirement on state literary fund loans	155,163	
Increase in landfill closure liability	<u>(152,662)</u>	193,284

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

Decrease (increase) in compensated absences	\$ 39,175	
Decrease (increase) in premium on general obligation bond	6,278	
Decrease (increase) in accrued interest payable	6,859	
Pension expense	(121,507)	
OPEB expense	<u>(42,698)</u>	(111,893)

Change in net position of governmental activities	\$	<u><u>400,001</u></u>
---	----	-----------------------

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

County of Nottoway, Virginia
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

		Custodial Fund Special Welfare
ASSETS		
Cash and cash equivalents	\$	2,733
Total assets	\$	2,733
 NET POSITION		
Restricted for other organizations	\$	2,733
Total net position	\$	2,733

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

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

	<u>Custodial Fund</u>
	<u>Special Welfare</u>
ADDITIONS	
Contributions:	
Other governmental entities	\$ 2,360
Miscellaneous	7,879
Total additions	\$ 10,239
DEDUCTIONS	
Recipient payments	\$ 2,360
Purchases for supplies	7,435
Total deductions	\$ 9,795
Net increase (decrease) in fiduciary net position	\$ 444
Net position, beginning - as restated	\$ 2,289
Net position, ending	\$ 2,733

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021

Note 1—Summary of Significant Accounting Policies:

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

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

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

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

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units on June 30, 2021.

Discretely Presented Component Units. The School Board members are elected by the citizens of Nottoway County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County can approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2021.

The Industrial Development Authority of Nottoway County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2021. The Industrial Development Authority of Nottoway County does not issue a separate financial report.

C. Other Related Organizations

Included in the County's Financial Report

None

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the way these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are 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 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 principle and interest expenditures pm 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 these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

D. 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 measurable and available only when cash is received by the government.

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

1. Governmental Funds

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

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

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special Revenue Funds consist of the following funds: Landfill, E-911, LRA Land Sale, Forfeited Assets, and Dare. The Landfill and LRA Land Sale funds are reported as major funds.

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

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

3. Component Unit

The Nottoway County School Board has the following funds:

Governmental Fund:

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

Special Revenue Funds:

School Textbook Fund - This fund accounts for the revenues and expenditures for textbook purchases for the School Board. The School Textbook Fund is considered a major fund for financial reporting purposes.

School Cafeteria Fund - This fund is the operating fund of the school cafeteria and accounts for all revenues and expenditures applicable to the general operations of the school nutrition system. Revenues are derived primarily from charges for services and state and federal grants. The School Cafeteria Fund is considered a major fund of the School Board for financial reporting purposes.

School Activity Fund - This fund accounts the revenues and expenditures applicable to the activity funds for the individual schools. Revenues are derived primarily from fundraising and activity fees. The School Activity Fund is considered a major fund of the School Board for financial reporting purposes.

E. Cash and Cash Equivalents

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

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, 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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an 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 \$212,153 on June 30, 2021 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

H. Capital Assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-45
Motor vehicles	3-10
Equipment	2-15

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the statement of net position. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

J. Use of Estimates

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

K. Fund Balance

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

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 1—Summary of Significant Accounting Policies: Continued)

K. Fund Balance (Continued)

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.

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

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

	General Fund	Major Special Revenue Fund Landfill Fund	Major Special Revenue Fund LRA Land Sale Fund	Other Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 13,770	\$ -	\$ -	\$ -	\$ 13,770
Total Nonspendable Fund Balance	<u>\$ 13,770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,770</u>
Committed:					
Encumbrances and carry-over from prior year	\$ 2,114,360	\$ -	\$ -	\$ -	\$ 2,114,360
Community development block grant	113,978	-	-	-	113,978
DARE	-	-	-	99	99
E-911	-	-	-	281,105	281,105
Forfeited assets	-	-	-	446	446
Local Reuse Authority land sale	-	-	5,228,188	-	5,228,188
Total Committed Fund Balance	<u>\$ 2,228,338</u>	<u>\$ -</u>	<u>\$ 5,228,188</u>	<u>\$ 281,650</u>	<u>\$ 7,738,176</u>
Unassigned	<u>\$ 15,705,670</u>	<u>\$ (152,680)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,552,990</u>
Total Fund Balances	<u><u>\$ 17,947,778</u></u>	<u><u>\$ (152,680)</u></u>	<u><u>\$ 5,228,188</u></u>	<u><u>\$ 281,650</u></u>	<u><u>\$ 23,304,936</u></u>

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

L. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

M. 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liability measurement date. For more detailed information, 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 and amounts prepaid on the next year's taxes and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on next year's taxes 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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

N. 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 applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximate 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.

O. Pensions

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

P. 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 nonprofessional, Teacher HIC, and LODA OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2—Stewardship, Compliance, and Accounting:

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 2—Stewardship, Compliance, and Accounting: (Continued)

5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County units.

Expenditures and Appropriations - Expenditures exceeded appropriations in the Textbook Fund on June 30, 2021.

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 more than 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). The County had no investments on June 30, 2021.

The remained of the page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 4—Due to/from Other Governments:

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>	<u>Component Unit Industrial Development Authority</u>
Other Local Governments:			
County of Nottoway School Board	\$ 1,993,306	\$ -	\$ -
Nottoway County Industrial Development Authority	76,378	-	-
Commonwealth of Virginia:			
Local sales tax	237,486	-	-
Shared expenses	131,291	-	-
Rolling stock tax	72,970	-	-
VPA funds	43,343	-	-
State sales tax	-	341,179	-
Comprehensive services act	160,772	-	-
Wireless grant	10,784	-	-
Communications tax	39,885	-	-
Federal Government:			
School fund grants	-	211,971	-
School nutrition grant	-	34,737	-
VPA funds	72,835	-	-
Total due from other governments	<u>\$ 2,839,050</u>	<u>\$ 587,887</u>	<u>\$ -</u>

At June 30, 2021, amounts due to other local governments are as follows:

Other Local Governments:			
County of Nottoway	<u>\$ -</u>	<u>\$ 1,993,306</u>	<u>\$ 76,378</u>

The remained of the page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 5—Capital Assets:

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

Primary Government:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 8,808,090	\$ -	\$ -	\$ 8,808,090
Construction in progress	-	219,806	-	219,806
Total capital assets not subject to depreciation	<u>\$ 8,808,090</u>	<u>\$ 219,806</u>	<u>\$ -</u>	<u>\$ 9,027,896</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 10,972,934	\$ 7,001	\$ -	\$ 10,979,935
Machinery and equipment	4,768,034	382,421	84,159	5,066,296
Jointly owned assets	4,938,208	-	638,900	4,299,308
Total capital assets subject to depreciation	<u>\$ 20,679,176</u>	<u>\$ 389,422</u>	<u>\$ 723,059</u>	<u>\$ 20,345,539</u>
Accumulated Depreciation:				
Buildings and improvements	\$ 4,707,896	\$ 290,407	\$ -	\$ 4,998,303
Machinery and equipment	3,649,838	305,572	84,159	3,871,251
Jointly owned assets	3,350,953	161,482	454,435	3,058,000
Total accumulated depreciation	<u>\$ 11,708,687</u>	<u>\$ 757,461</u>	<u>\$ 538,594</u>	<u>\$ 11,927,554</u>
Total capital assets being depreciated, net	<u>\$ 8,970,489</u>	<u>\$ (368,039)</u>	<u>\$ 184,465</u>	<u>\$ 8,417,985</u>
Governmental activities capital assets, net	<u>\$ 17,778,579</u>	<u>\$ (148,233)</u>	<u>\$ 184,465</u>	<u>\$ 17,445,881</u>

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Component Unit - School Board:				
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 88,670	\$ -	\$ -	\$ 88,670
Total capital assets not subject to depreciation	<u>\$ 88,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,670</u>
Capital assets subject to depreciation:				
Machinery and equipment	\$ 7,392,315	\$ 711,814	\$ -	\$ 8,104,129
Jointly owned assets	28,053,339	-	(638,900)	28,692,239
Total capital assets subject to depreciation	<u>\$ 35,445,654</u>	<u>\$ 711,814</u>	<u>\$ (638,900)</u>	<u>\$ 36,796,368</u>
Accumulated Depreciation:				
Machinery and equipment	\$ 5,607,169	\$ 453,685	\$ -	\$ 6,060,854
Jointly owned assets	19,036,362	917,356	(454,435)	20,408,153
Total accumulated depreciation	<u>\$ 24,643,531</u>	<u>\$ 1,371,041</u>	<u>\$ (454,435)</u>	<u>\$ 26,469,007</u>
Total capital assets being depreciated, net	<u>\$ 10,802,123</u>	<u>\$ (659,227)</u>	<u>\$ (184,465)</u>	<u>\$ 10,327,361</u>
Governmental activities capital assets, net	<u>\$ 10,890,793</u>	<u>\$ (659,227)</u>	<u>\$ (184,465)</u>	<u>\$ 10,416,031</u>

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government:		
Governmental activities:		
General government administration	\$	26,287
Judicial administration		112,759
Public safety		135,862
Public works		169,065
Health and welfare		41,591
Education		161,482
Parks, recreation and cultural		90,057
Community development		<u>20,358</u>
Total Primary Government	\$	<u>757,461</u>
Component Unit School Board	\$	<u>1,371,041</u>

Note 6—Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 164,874
Landfill Fund	<u>164,874</u>	<u>-</u>
Total	<u>\$ 164,874</u>	<u>\$ 164,874</u>
Component Unit-School Board:		
School Operating Fund	\$ -	\$ 142,309
School Textbook Fund	<u>142,309</u>	<u>-</u>
Total	<u>\$ 142,309</u>	<u>\$ 142,309</u>

The remained of the page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 7—Long-Term Obligations:

Primary Government:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2021:

	<u>Balance at July 1, 2020</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance at June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 298,156	\$ 29,816	\$ 68,991	\$ 258,981	\$ 25,898
Net OPEB liabilities	1,027,423	649,663	589,507	1,087,579	-
Landfill closure liability	<u>4,588,143</u>	<u>152,662</u>	<u>-</u>	<u>4,740,805</u>	<u>-</u>
Total incurred by County	<u>\$ 5,913,722</u>	<u>\$ 832,141</u>	<u>\$ 658,498</u>	<u>\$ 6,087,365</u>	<u>\$ 25,898</u>
Incurred by School Board:					
Direct borrowings and placements:					
State Literary Fund Loans	\$ 155,163	\$ -	\$ 155,163	\$ -	\$ -
General obligation bonds	1,432,089	-	190,783	1,241,306	195,448
Add issuance premium	<u>50,230</u>	<u>-</u>	<u>6,278</u>	<u>43,952</u>	<u>-</u>
Total incurred by School Board	<u>\$ 1,637,482</u>	<u>\$ -</u>	<u>\$ 352,224</u>	<u>\$ 1,285,258</u>	<u>\$ 195,448</u>
Total Governmental Activities Obligations	<u>\$ 7,551,204</u>	<u>\$ 832,141</u>	<u>\$ 1,010,722</u>	<u>\$ 7,372,623</u>	<u>\$ 221,346</u>

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

Year Ending June 30	<u>Direct Borrowing and Direct Placements</u>	
	<u>School Obligations</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 195,448	\$ 55,949
2023	200,034	46,831
2024	204,988	37,347
2025	210,683	27,121
2026	139,109	18,391
2027	143,311	11,189
2028	<u>147,733</u>	<u>3,767</u>
Total	<u>\$ 1,241,306</u>	<u>\$ 200,595</u>

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Compensated absences (payable from the General Fund)					\$ 258,981	\$ 25,898
Net OPEB liability (payable from the General Fund)					\$ 1,087,579	\$ -
Landfill closure and post-closure					\$ 4,740,805	\$ -
Total long-term obligations incurred by the County					\$ 6,087,365	\$ 25,898
Direct borrowings and placements:						
<u>General Obligation Bonds:</u>						
General Obligation Bond outstanding \$360,201	5.10% through 5.60%	11/10/04	01/15/25	\$ 1,204,354	\$ 291,322	\$ 70,243
General Obligation Bond outstanding \$949,984 plus unamortized premium of \$43,952	5.10%	11/01/07	07/15/27	2,449,690	993,936	125,205
Total General Obligation Bonds					\$ 1,285,258	\$ 195,448
Total Direct Borrowings and Placements					\$ 1,285,258	\$ 195,448
Total long-term obligations incurred by the County					\$ 6,087,365	\$ 25,898
Total long-term obligations incurred by School Board, payable from the General Fund					\$ 1,285,258	\$ 195,448
Total long-term obligations - governmental activities					\$ 7,372,623	\$ 221,346

Component Unit - School Board:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2021:

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021	Amounts Due Within One Year
Governmental Obligations :					
Incurred by School Board:					
Compensated absences	\$ 170,026	\$ 118,042	\$ 17,003	\$ 271,065	\$ 27,107
Net pension liability	17,466,706	7,751,560	6,066,650	19,151,616	-
Net OPEB liabilities	3,120,384	778,237	655,446	3,243,175	-
Total Governmental Obligations	\$ 20,757,116	\$ 8,647,839	\$ 6,739,099	\$ 22,665,856	\$ 27,107

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 7—Long-Term Obligations: (Continued)

Component Unit - School Board: (Continued)

Details of long-term obligations are as follows:

Net pension liability	\$	19,151,616
Net OPEB liabilities		3,243,175
Compensated absences (Payable from the School Fund)		<u>271,065</u>
Total governmental obligations	\$	<u><u>22,665,856</u></u>

Note 8—Unearned and Deferred/Unavailable Revenue:

Unearned and 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. Unearned and deferred/unavailable revenue is comprised of the following:

	<u>Government- wide Statements</u>	<u>Balance Sheet</u>
	Governmental Activities	Governmental Funds
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 537,100
Prepaid property taxes due in December but paid in advance by taxpayers	<u>40,286</u>	<u>40,286</u>
Total	<u>\$ 40,286</u>	<u>\$ 577,386</u>

Note 9—Contingent Liabilities:

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 9—Contingent Liabilities: (Continued)

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

Note 10—Litigation:

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

Note 11—Risk Management:

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

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

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

The County also participates with other localities in a public entity risk pool for their coverage of general liability and auto insurance with Virginia Municipal League and public officials liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County and Component Unit School Board pay an annual premium to the pools for general insurance through member premiums. The County and 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 12—Pension Plans:

Plan Description

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Benefit Structures

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

- a. Employees with a 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 equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equal 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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Average Final Compensation and Service Retirement Multiplier (Continued)

compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	53	35
Inactive members:		
Vested inactive members	17	1
Non-vested inactive members	28	4
Long-term disability (LTD)	6	-
Inactive members active elsewhere in VRS	54	15
Total inactive members	99	20
Active members	84	32
Total covered employees	<u>236</u>	<u>87</u>

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—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 1.02% 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 \$19,942 and \$21,577 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 2.40% 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 \$14,833 and \$13,532 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability/Asset

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

Actuarial Assumptions - General Employees

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

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (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 the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 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%

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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%

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not consider 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%.

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Discount Rate (Continued)

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.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ 16,148,697	\$ 18,114,952	\$ (1,966,255)
Changes for the year:			
Service cost	\$ 306,582	\$ -	\$ 306,582
Interest	1,058,565	-	1,058,565
Differences between expected and actual experience	(100,885)	-	(100,885)
Contributions - employer	-	25,227	(25,227)
Contributions - employee	-	165,877	(165,877)
Net investment income	-	350,762	(350,762)
Benefit payments, including refunds			
Refunds of employee contributions	(932,516)	(932,516)	-
Administrative expenses	-	(12,072)	12,072
Other changes	-	(399)	399
Net changes	\$ 331,746	\$ (403,121)	\$ 734,867
Balances at June 30, 2020	\$ 16,480,443	\$ 17,711,831	\$ (1,231,388)

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

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	\$ 6,120,473	\$ 6,323,764	\$ (203,291)
Changes for the year:			
Service cost	\$ 79,684	\$ -	\$ 79,684
Interest	402,742	-	402,742
Differences between expected and actual experience	78,252	-	78,252
Contributions - employer	-	13,955	(13,955)
Contributions - employee	-	43,309	(43,309)
Net investment income	-	119,302	(119,302)
Benefit payments, including refunds			
Refunds of employee contributions	(307,853)	(307,853)	-
Administrative expenses	-	(4,218)	4,218
Other changes	-	(140)	140
Net changes	\$ 252,825	\$ (135,645)	\$ 388,470
Balances at June 30, 2020	\$ 6,373,298	\$ 6,188,119	\$ 185,179

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 662,727	\$ (1,231,388)	\$ (2,816,040)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 895,969	\$ 185,179	\$ (417,158)

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

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

For the year ended June 30, 2021, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$145,099 and \$147,686 respectively. On June 30, 2021, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 115,973	\$ 44,377	\$ 11,764
Changes of assumptions	121,276	-	19,973	-
Net difference between projected and actual earnings on pension plan investments	522,715	-	185,446	-
Employer contributions subsequent to the measurement date	19,942	-	14,833	-
Total	<u>\$ 663,933</u>	<u>\$ 115,973</u>	<u>\$ 264,629</u>	<u>\$ 11,764</u>

\$19,942 and \$14,833 reported as deferred outflows of resources related to pensions resulting from the County’s and Component Unit School Board’s (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (Nonprofessional)
2022	\$ 33,263	\$ 44,677
2023	145,564	69,847
2024	179,882	63,720
2025	169,309	59,788
2026	-	-
Thereafter	-	-

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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,793,025 and \$1,731,912 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$18,966,437 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. On June 30, 2020, the school division's proportion was 0.13030% as compared to 0.13272% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$1,739,219. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,111,726
Change in assumptions	1,294,697	-
Net difference between projected and actual earnings on pension plan investments	1,442,608	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,114,969
Employer contributions subsequent to the measurement date	<u>1,793,025</u>	<u>-</u>
Total	<u>\$ 4,530,330</u>	<u>\$ 2,226,695</u>

\$1,793,025 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2022	\$ (340,832)
2023	167,809
2024	357,772
2025	361,190
2026	(35,329)

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

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

Net Pension Liability

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

		<u>Teacher Employee Retirement Plan</u>
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 NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—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%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 27,828,024	\$ 18,966,437	\$ 11,636,786

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 663,933	\$ 115,973	\$ (1,231,388)	\$ 145,099	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	264,629	11,764	185,179	147,686
School Board Professional	-	-	-	-	4,530,330	2,226,695	18,966,437	1,739,219
Totals	<u>\$ 663,933</u>	<u>\$ 115,973</u>	<u>\$ (1,231,388)</u>	<u>\$ 145,099</u>	<u>\$ 4,794,959</u>	<u>\$ 2,238,459</u>	<u>\$ 19,151,616</u>	<u>\$ 1,886,905</u>

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—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 program 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 amount is increased annually based on the VRS Plan 2 cost-of-living adjustment. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Contributions (Continued)

an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$20,024 and \$18,838 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$60,229 and \$59,048 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$4,929 and \$4,832 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

On June 30, 2021, the County reported a liability of \$293,715 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$920,864 and \$75,431, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation 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. On June 30, 2020, the County's proportion was .01760% as compared to .01821% at June 30, 2019. On June 30, 2020, the Component Unit School Board professional and nonprofessional groups' proportion was .05520% and .00450%, respectively as compared to .05644% and .00460% respectively at June 30, 2019.

For the year ended June 30, 2021, the County recognized GLI OPEB expense of \$9,318. For the year ended June 30, 2021, the Component Unit School Board professional group recognized GLI OPEB expense of \$20,140. For the year ended June 30, 2021, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$1,094. 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.

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

	Primary Government		Component School Board (Professional)		Component School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,839	\$ 2,638	\$ 59,065	\$ 8,272	\$ 4,838	\$ 677
Net difference between projected and actual earnings on GLI OPEB plan investments	8,823	-	27,662	-	2,266	-
Changes of assumptions	14,689	6,133	46,054	19,228	3,772	1,575
Changes in proportionate share	-	10,818	-	65,593	-	7,175
Employer contributions subsequent to the measurement date	20,024	-	60,229	-	4,929	-
Total	\$ 62,375	\$ 19,589	\$ 193,010	\$ 93,093	\$ 15,805	\$ 9,427

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

\$20,024, \$60,229, and \$4,929, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 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:

Year Ended June 30	Primary Government	Component Unit School Board (Professional)	Component Unit School Board (Nonprofessional)
2022	\$ 2,542	\$ (1,106)	\$ (646)
2023	5,033	6,706	(6)
2024	7,307	13,835	578
2025	7,408	18,188	1,294
2026	648	2,249	233
Thereafter	(176)	(184)	(4)

Actuarial Assumptions

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Actuarial Assumptions: (Continued)

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

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 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%

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Actuarial Assumptions: (Continued)

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

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

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

NET GLI OPEB Liability

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not consider 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%.

Discount Rate

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County’s proportionate share of the GLI Plan Net OPEB Liability	\$ 386,111	\$ 293,715	\$ 218,681
Component School Board (Professional)’s proportionate share of the GLI Plan Net OPEB Liability	\$ 1,210,547	\$ 920,864	\$ 685,615
Component School Board (Nonprofessional)’s proportionate share of the GLI Plan Net OPEB Liability	\$ 99,160	\$ 75,431	\$ 56,161

Group Life Insurance Plan Fiduciary Net Position

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

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

Plan Description

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Plan Description (Continued)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	-
Inactive members:	
Vested inactive members	-
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	-
Active members	32
Total covered employees	<u>32</u>

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board's contractually required employer contribution rate for the year ended June 30, 2021 was 0.83% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$7,576 for the year ended June 30, 2021.

Net HIC OPEB Liability

The 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*

*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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Long-Term Expected Rate of Return

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

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

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

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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ -	\$ -	\$ -
Changes for the year:			
Benefit changes	\$ 111,701	\$ -	\$ 111,701
Net changes	\$ 111,701	\$ -	\$ 111,701
Balances at June 30, 2020	\$ 111,701	\$ -	\$ 111,701

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 122,872	\$ 111,701	\$ 102,020

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 School Board recognized HIC Plan OPEB expense of \$111,701. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to the measurement date	\$ 7,576	\$ -
Total	\$ 7,576	\$ -

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

\$7,576 reported as deferred outflows of resources related to the HIC OPEB resulting from the 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 15—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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division’s contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$134,650 and \$136,125 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

On June 30, 2021, the school division reported a liability of \$1,688,044 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee HIC Plan 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 Plan 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. On June 30, 2020, the school division’s proportion of the VRS Teacher Employee Health Insurance Credit Program was .12940% as compared to .13161% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC OPEB expense of \$113,765. 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.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 22,544
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	7,481	-
Changes of assumptions	33,370	9,223
Change in proportionate share	-	133,497
Employer contributions subsequent to the measurement date	<u>134,650</u>	<u>-</u>
Total	<u>\$ 175,501</u>	<u>\$ 165,264</u>

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 15—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)

\$134,650 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	\$ (24,475)
2023	(23,734)
2024	(23,982)
2025	(22,619)
2026	(17,782)
Thereafter	(11,821)

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.

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2021; 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%

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Net Teacher Employee HIC OPEB Liability

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

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,448,676
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.

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Long-Term Expected Rate of Return

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

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

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

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,889,589	\$ 1,688,044	\$ 1,516,745

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.

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Line of Duty Act (LODA) Program:

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing, multiple-employer plan administered by the Virginia Retirement System (the System). Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

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

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the Line of Duty Act Program (LODA). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program. Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors, and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by LODA.

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Line of Duty Act (LODA) Program: (Continued)

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer’s contractually required employer contribution rate for the LODA Program for the year ended June 30, 2021 was \$717.31 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$32,996 and \$25,761 for the years ended June 30, 2021 and June 30, 2020, respectively.

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB

On June 30, 2021, the entity reported a liability of \$793,864 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2020 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The entity’s proportion of the Net LODA OPEB Liability was based on the entity’s actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. On June 30, 2020, the entity’s proportion was .18960% as compared to .20377% on June 30, 2019.

For the year ended June 30, 2021, the entity recognized LODA OPEB expense of \$86,392. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

On June 30, 2021, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 84,270	\$ 108,230
Net difference between projected and actual earnings on LODA OPEB program investments	-	1,129
Changes of assumptions	212,524	49,470
Change in proportionate	127,382	40,725
Employer contributions subsequent to the measurement date	<u>32,996</u>	<u>-</u>
Total	<u>\$ 457,172</u>	<u>\$ 199,554</u>

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Line of Duty Act (LODA) Program: (Continued)

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB: (Continued)

\$32,996 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity’s contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA 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 LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ 32,314
2023	32,522
2024	32,745
2025	32,810
2026	32,880
Thereafter	61,351

Actuarial Assumptions

The total LODA 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:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.375%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	2.21%, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.21% was used since it approximates the risk-free rate of return.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program’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 LODA Program is as follows (amounts expressed in thousands):

	LODA Program
Total LODA OPEB Liability	\$ 423,147
Plan Fiduciary Net Position	4,333
LODA Net OPEB Liability (Asset)	<u>\$ 418,814</u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.02%

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Line of Duty Act (LODA) Program: (Continued)

Net LODA OPEB Liability (Continued)

The total LODA 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 OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program’s investments was set at 2.21% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.21% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2020.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they 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 participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of the Covered Employer’s Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the discount rate of 2.21%, as well as what the covered employer’s proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	Discount Rate		
	1% Decrease (1.21)	Current (2.21%)	1% Increase (3.21%)
County's proportionate share of the LODA Net OPEB Liability	\$ 942,306	\$ 793,864	\$ 681,972

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Line of Duty Act (LODA) Program: (Continued)

Sensitivity of the Covered Employer’s Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer’s proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

	Health Care Trend Rates		
	1% Decrease (6.00% decreasing to 3.75%)	Current (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
County's proportionate share of the LODA Net OPEB Liability	\$ 656,155	\$ 793,864	\$ 973,987

LODA OPEB Fiduciary Net Position

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

Note 17—Medical and Dental Pay-As-You-Go (OPEB Plan):

School Board

Plan Description

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

Benefits Provided

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board with 20 years of service and years of participation in the school’s health plan are eligible to receive postemployment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Mathews County Public School’s retiree medical plan. Retirees are responsible for 100% of the premiums.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 17—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Plan Membership

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

	Component Unit School Board
Total active employees with coverage	174
Total active employees without coverage	130
Total retirees with coverage	3
Total	<u>307</u>

Contributions

The School 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 \$18,514.

Total OPEB Liability

The School Board's 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, 2020.

Actuarial Assumptions

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

Inflation	2.50% per year as of June 30, 2020
Salary Increases	The salary increase rate was 2.50% per annum
Discount Rate	2.66% as of June 30, 2020
Investment Rate of Return	N/A

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 17—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Actuarial Assumptions (Continued)

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

Pre-Commencement: 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-Commencement: 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 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females

These mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2016 Annual Financial Statement for the Virginia Retirement System.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the S&P 500 Municipal Bond Index as of June 30, 2020.

Changes in Total OPEB Liability

		Component Unit School Board Total OPEB Liability
		<hr/>
Balances at June 30, 2020	\$	404,198
Changes for the year:		
Service cost		49,865
Interest		11,586
Contributions - employer		(18,514)
Net changes	\$	<hr/> 42,937 <hr/>
Balances at June 30, 2021	\$	<hr/> <hr/> 447,135 <hr/> <hr/>

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 17—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

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 (1.66%) or one percentage point higher (3.66%) than the current discount rate:

	Rate		
	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Component Unit School Board:			
Total OPEB liability	\$ 480,249	\$ 447,135	\$ 415,490

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 (6.50% decreasing to 5.75% over 10 years) or one percentage point higher (8.50% decreasing to 7.75% over 10 years) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (6.50% decreasing to 5.75%)	Healthcare Cost Trend (7.50% decreasing to 6.75%)	1% Increase (8.50% decreasing to 7.75%)
Component Unit School Board:			
Total OPEB liability	\$ 388,548	\$ 447,135	\$ 517,044

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 (\$7,758). Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements. At June 30 2021, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 155,541
Changes of assumptions	-	121,298
Total	\$ -	\$ 276,839

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 17—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Year Ended June 30	Component Unit School Board
2022	\$ (69,209)
2023	(69,209)
2024	(69,209)
2025	(69,212)
Thereafter	-

Note 18—Summary of Other Postemployment Benefit Plans:

Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 13):								
County	\$ 62,375	\$ 19,589	\$ 293,715	\$ 9,318	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	15,805	9,427	75,431	1,094
School Board Professional	-	-	-	-	193,010	93,093	920,864	20,140
School Board Health Insurance Credit Program (Note 14)	-	-	-	-	7,576	-	111,701	111,701
Teacher Health Insurance Credit Program (Note 15)	-	-	-	-	175,501	165,264	1,688,044	113,765
Line of Duty Act Program (Note 16)	457,172	199,554	793,864	86,392	-	-	-	-
School Stand-Alone Plan (Note 17)	-	-	-	-	-	276,839	447,135	-
Totals	<u>\$ 519,547</u>	<u>\$ 219,143</u>	<u>\$ 1,087,579</u>	<u>\$ 95,710</u>	<u>\$ 391,892</u>	<u>\$ 544,623</u>	<u>\$ 3,243,175</u>	<u>\$ 246,700</u>

Note 19—Surety Bonds:

	<u>Amount</u>
Commonwealth of Virginia, Department of General Services, Division of Risk Management-Surety	
Jane L. Brown, Clerk of the Circuit Court	\$ 500,000
Ellen F. Myatt, Treasurer	400,000
Christy A. Hudson, Commissioner of the Revenue	3,000
Robert L. Jones, Sheriff	30,000
State Farm Insurance - Surety	
Steve Bowen, Chairperson	2,500
Sherman C. Vaughn, Vice-Chairperson	2,500
Noel Shekleton, Supervisor	2,500
Helen M. Simmons, Supervisor	2,500
John Roark, Supervisor	2,500
Ronald E. Roark, County Administrator	5,000

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 19–Surety Bonds: (Continued)

	<u>Amount</u>
Utica Mutual Insurance - Surety	
Clerk of the School Board	15,000
Deputy Clerk of School Board	15,000
Payroll Clerk	15,000
Great American Insurance Company - Surety	
All Social Services Employees - Blanket Bond	100,000

Note 20–Jointly Governed Organizations:

The County in conjunction with other localities, has created the Piedmont Regional Jail, the Piedmont Juvenile Detention Center, the Amelia-Nottoway Vocational Center and the Crossroads Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdiction. During the year, the County contributed \$62,939 to the operations of the Crossroads Community Services Board.

Note 21–Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$4,740,805 reported as landfill closure and postclosure care liability at June 30, 2021, represents the cumulative amount reported based on the use of 68% of the estimated capacity of the landfill with the total amount of \$6,971,722 to be recognized over the landfill's remaining life. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. Actual cost may be higher due to inflation, changes in the technology, or changes in regulation. The County intends to fund these costs from tipping fee revenues and from any funds accumulated for this purpose in the Landfill Fund.

The County has demonstrated financial assurance requirements for closure, 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.

Note 22–Lease-Purchase/Notes Receivable:

On May 15, 2001, the Industrial Development Authority entered into a lease-purchase agreement with Colonial Forest Products to sell a shell building. The agreement called for monthly installments of principal and interest of \$7,567 for 20 years to be received by the Industrial Development Authority. The interest rate is 5.5%, and the total amount financed was \$1,100,000. On June 30, 2021, the balance of the lease-purchase receivable was \$77,914.

On August 30, 2013, the Industrial Development Authority entered into a lease-purchase agreement with Trout River Plant. The agreement called for monthly installments of principal and interest of \$5,084 for 15 years to be received by the Industrial Development Authority. The total amount financed is \$700,000. On June 30, 2021, the balance of the lease-purchase receivable was \$414,569.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 23—Adoption of Accounting Principles:

The County implemented provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The implementation of this Statement resulted in the following restatement of net position:

	Net Position	Fund Balance	
	Component-Unit	Primary Government	Component-Unit
	School Board	Custodial Funds	Special Revenue Fund
		Special Welfare	School Activity
Net position/Fund Balance, July 1, 2020, as previously reported	\$ (5,372,794)	\$ -	\$ -
Restatement			
Implementation of GASB 84	320,025	2,289	320,025
Net position/Fund Balance, July 1, 2020, as restated	\$ (5,052,769)	\$ 2,289	\$ 320,025

Note 24-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.

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.

The remainder of this page left blank intentionally.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 24-Upcoming Pronouncements: (Continued)

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.

Note 25-COVID-19 Pandemic Funding and Subsequent Events:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

CARES Act Funding

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 25-COVID-19 Pandemic Funding and Subsequent Events: (Continued)

CARES Act Funding (Continued)

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 \$2,657,866. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$325,658. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. Unspent CRF funds in the amount of \$1,124,054 are reported as unearned revenue as of June 30.

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 July 1, 2021, the County received \$1,479,319 for 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.

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.

The remainder of this page left blank intentionally.

County of Nottoway, 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 Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 7,160,657	\$ 7,160,657	\$ 7,801,081	\$ 640,424
Other local taxes	1,629,000	1,629,000	1,930,164	301,164
Permits, privilege fees, and regulatory licenses	81,975	113,520	116,092	2,572
Fines and forfeitures	12,000	12,000	5,637	(6,363)
Revenue from the use of money and property	820,130	820,130	668,351	(151,779)
Charges for services	47,367	47,367	25,482	(21,885)
Miscellaneous	273,890	437,290	266,947	(170,343)
Recovered costs	46,900	46,900	213,553	166,653
Intergovernmental:				
Commonwealth	4,949,153	5,214,507	4,129,467	(1,085,040)
Federal	-	1,404,262	2,584,265	1,180,003
Total revenues	<u>\$ 15,021,072</u>	<u>\$ 16,885,633</u>	<u>\$ 17,741,039</u>	<u>\$ 855,406</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,737,332	\$ 3,113,232	\$ 1,547,222	\$ 1,566,010
Judicial administration	904,962	955,157	820,113	135,044
Public safety	3,488,262	5,384,730	4,589,304	795,426
Public works	428,826	671,852	474,494	197,358
Health and welfare	2,903,808	3,047,708	2,816,464	231,244
Education	4,813,529	4,813,529	4,418,513	395,016
Parks, recreation, and cultural	284,300	351,179	314,395	36,784
Community development	761,613	1,658,674	1,463,869	194,805
Debt service:				
Principal retirement	345,946	319,094	345,946	(26,852)
Interest and other fiscal charges	68,250	95,102	68,249	26,853
Total expenditures	<u>\$ 15,736,828</u>	<u>\$ 20,410,257</u>	<u>\$ 16,858,569</u>	<u>\$ 3,551,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (715,756)</u>	<u>\$ (3,524,624)</u>	<u>\$ 882,470</u>	<u>\$ 4,407,094</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (164,874)	\$ (164,874)	\$ (164,874)	\$ -
Sale of property	-	-	350,000	350,000
Total other financing sources (uses)	<u>\$ (164,874)</u>	<u>\$ (164,874)</u>	<u>\$ 185,126</u>	<u>\$ 350,000</u>
Net change in fund balances	\$ (880,630)	\$ (3,689,498)	\$ 1,067,596	\$ 4,757,094
Fund balances - beginning balance	880,630	3,689,498	16,880,182	13,190,684
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,947,778</u>	<u>\$ 17,947,778</u>

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

	Landfill Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	\$ 180,700	\$ 180,700	\$ 177,781	\$ (2,919)
Charges for services	468,000	523,000	525,197	2,197
Intergovernmental:				
Commonwealth	243,000	243,000	191,790	(51,210)
Total revenues	<u>\$ 891,700</u>	<u>\$ 946,700</u>	<u>\$ 894,768</u>	<u>\$ (51,932)</u>
EXPENDITURES				
Current:				
Public works	\$ 1,056,574	\$ 1,269,336	\$ 1,238,996	\$ 30,340
Total expenditures	<u>\$ 1,056,574</u>	<u>\$ 1,269,336</u>	<u>\$ 1,238,996</u>	<u>\$ 30,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (164,874)</u>	<u>\$ (322,636)</u>	<u>\$ (344,228)</u>	<u>\$ (21,592)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 164,874	\$ 164,874	\$ 164,874	\$ -
Net change in fund balances	\$ -	\$ (157,762)	\$ (179,354)	\$ (21,592)
Fund balances - beginning balance	-	157,762	26,674	(131,088)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (152,680)</u>	<u>\$ (152,680)</u>

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

	LRA Land Sale Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning balance	-	-	5,228,188	5,228,188
Fund balances - ending	\$ -	\$ -	\$ 5,228,188	\$ 5,228,188

County of Nottoway, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability			
Service cost	\$ 306,582	\$ 319,547	\$ 292,563
Interest	1,058,565	1,046,566	1,025,368
Differences between expected and actual experience	(100,885)	(195,804)	(294,236)
Changes of assumptions	-	428,306	-
Benefit payments	(932,516)	(801,712)	(640,030)
Net change in total pension liability	<u>\$ 331,746</u>	<u>\$ 796,903</u>	<u>\$ 383,665</u>
Total pension liability - beginning	<u>16,148,697</u>	<u>15,351,794</u>	<u>14,968,129</u>
Total pension liability - ending (a)	<u><u>\$ 16,480,443</u></u>	<u><u>\$ 16,148,697</u></u>	<u><u>\$ 15,351,794</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 25,227	\$ 25,696	\$ 58,707
Contributions - employee	165,877	166,243	166,195
Net investment income	350,762	1,156,056	1,230,211
Benefit payments	(932,516)	(801,712)	(640,030)
Administrator charges	(12,072)	(11,887)	(10,754)
Other	(399)	(723)	(1,091)
Net change in plan fiduciary net position	<u>\$ (403,121)</u>	<u>\$ 533,673</u>	<u>\$ 803,238</u>
Plan fiduciary net position - beginning	<u>18,114,952</u>	<u>17,581,279</u>	<u>16,778,041</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 17,711,831</u></u>	<u><u>\$ 18,114,952</u></u>	<u><u>\$ 17,581,279</u></u>
County's net pension liability (asset) - ending (a) - (b)	<u>\$ (1,231,388)</u>	<u>\$ (1,966,255)</u>	<u>\$ (2,229,485)</u>
Plan fiduciary net position as a percentage of the total pension liability	107.47%	112.18%	114.52%
Covered payroll	<u>\$ 3,566,769</u>	<u>\$ 3,530,871</u>	<u>\$ 3,507,488</u>
County's net pension liability (asset) as a percentage of covered payroll	-34.52%	-55.69%	-63.56%

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

Exhibit 12

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	313,968	\$ 294,153	\$ 298,465	\$ 281,373
	1,024,181	1,001,985	1,004,479	951,942
	(569,715)	(317,448)	(710,757)	-
	(141,997)		-	-
	(578,927)	(744,286)	(511,345)	(454,219)
\$	<u>47,510</u>	<u>\$ 234,404</u>	<u>\$ 80,842</u>	<u>\$ 779,096</u>
	14,920,619	14,686,215	14,605,373	13,826,277
\$	<u><u>14,968,129</u></u>	<u><u>\$ 14,920,619</u></u>	<u><u>\$ 14,686,215</u></u>	<u><u>\$ 14,605,373</u></u>
\$	59,339	\$ 206,557	\$ 209,913	\$ 240,675
	161,154	158,802	161,754	160,078
	1,847,888	258,106	680,665	2,040,771
	(578,927)	(744,286)	(511,345)	(454,219)
	(10,797)	(9,732)	(9,323)	(10,945)
	(1,640)	(112)	(143)	108
\$	<u>1,477,017</u>	<u>\$ (130,665)</u>	<u>\$ 531,521</u>	<u>\$ 1,976,468</u>
	15,301,024	15,431,689	14,900,168	12,923,700
\$	<u><u>16,778,041</u></u>	<u><u>\$ 15,301,024</u></u>	<u><u>\$ 15,431,689</u></u>	<u><u>\$ 14,900,168</u></u>
\$	(1,809,912)	\$ (380,405)	\$ (745,474)	\$ (294,795)
	112.09%	102.55%	105.08%	102.02%
\$	3,357,499	\$ 3,270,921	\$ 3,298,543	\$ 3,211,013
	-53.91%	-11.63%	-22.60%	-9.18%

County of Nottoway, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Component Unit School Board (nonprofessional)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability			
Service cost	\$ 79,684	\$ 75,790	\$ 82,194
Interest	402,742	400,261	391,078
Differences between expected and actual experience	78,252	(92,892)	(2,381)
Changes of assumptions	-	157,717	-
Benefit payments	(307,853)	(276,832)	(402,568)
Net change in total pension liability	<u>\$ 252,825</u>	<u>\$ 264,044</u>	<u>\$ 68,323</u>
Total pension liability - beginning	6,120,473	5,856,429	5,788,106
Total pension liability - ending (a)	<u><u>\$ 6,373,298</u></u>	<u><u>\$ 6,120,473</u></u>	<u><u>\$ 5,856,429</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 13,955	\$ 14,788	\$ 50,613
Contributions - employee	43,309	42,612	43,250
Net investment income	119,302	402,668	432,669
Benefit payments	(307,853)	(276,832)	(402,568)
Administrator charges	(4,218)	(4,127)	(3,912)
Other	(140)	(252)	(381)
Net change in plan fiduciary net position	<u>\$ (135,645)</u>	<u>\$ 178,857</u>	<u>\$ 119,671</u>
Plan fiduciary net position - beginning	6,323,764	6,144,907	6,025,236
Plan fiduciary net position - ending (b)	<u><u>\$ 6,188,119</u></u>	<u><u>\$ 6,323,764</u></u>	<u><u>\$ 6,144,907</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ 185,179	\$ (203,291)	\$ (288,478)
Plan fiduciary net position as a percentage of the total pension liability	97.09%	103.32%	104.93%
Covered payroll	\$ 929,141	\$ 902,367	\$ 911,302
School Division's net pension liability as a percentage of covered payroll	19.93%	-22.53%	-31.66%

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

Exhibit 13

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	83,092	\$ 98,522	\$ 105,472	\$ 107,776
	411,351	398,827	397,914	378,446
	(405,417)	(58,959)	(231,118)	-
	(55,603)			-
	<u>(243,521)</u>	<u>(275,438)</u>	<u>(243,013)</u>	<u>(173,181)</u>
\$	<u>(210,098)</u>	\$ 162,952	\$ 29,255	\$ 313,041
	5,998,204	5,835,252	5,805,997	5,492,956
\$	<u><u>5,788,106</u></u>	<u><u>5,998,204</u></u>	<u><u>5,835,252</u></u>	<u><u>5,805,997</u></u>
\$	55,195	\$ 76,827	\$ 85,134	\$ 97,577
	46,424	44,242	49,309	57,300
	664,164	93,374	246,344	743,198
	(243,521)	(275,438)	(243,013)	(173,181)
	(3,896)	(3,503)	(3,430)	(3,985)
	<u>(589)</u>	<u>(40)</u>	<u>(54)</u>	<u>39</u>
\$	<u>517,777</u>	\$ (64,538)	\$ 134,290	\$ 720,948
	5,507,459	5,571,997	5,437,707	4,716,759
\$	<u><u>6,025,236</u></u>	<u><u>5,507,459</u></u>	<u><u>5,571,997</u></u>	<u><u>5,437,707</u></u>
\$	(237,130)	\$ 490,745	\$ 263,255	\$ 368,290
	104.10%	91.82%	95.49%	93.66%
\$	969,477	\$ 918,183	\$ 1,009,199	\$ 1,148,431
	-24.46%	53.45%	26.09%	32.07%

County of Nottoway, Virginia

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

	<u>2020</u>	<u>2019</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.13030%	0.13272%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 18,966,437	\$ 17,466,706
Employer's Covered Payroll	11,343,771	11,109,027
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	167.20%	157.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	73.51%

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.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.13957%	0.14409%	0.14417%	0.14656%	0.14748%
\$ 16,414,000	\$ 17,720,000	\$ 20,204,000	\$ 18,446,000	\$ 17,822,000
11,428,307	11,409,651	10,656,586	10,934,055	10,831,896
143.63%	155.31%	189.59%	168.70%	164.53%
74.81%	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions
Pension Plans
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)
Primary Government					
2021	\$ 19,942	\$ 19,942	- \$	3,690,150	0.54%
2020	21,577	21,577	-	3,566,769	0.60%
2019	25,065	25,065	-	3,530,871	0.71%
2018	58,675	58,675	-	3,507,488	1.67%
2017	67,821	67,821	-	3,357,499	2.02%
2016	211,302	211,302	-	3,270,921	6.46%
2015	213,086	213,086	-	3,298,543	6.46%
2014	241,147	241,147	-	3,211,013	7.51%
2013	228,542	228,542	-	3,043,168	7.51%
2012	190,628	190,628	-	2,960,066	6.44%
Component Unit School Board (nonprofessional)					
2021	\$ 14,833	\$ 14,833	- \$	912,743	1.63%
2020	13,532	13,532	-	929,141	1.46%
2019	14,260	14,260	-	902,367	1.58%
2018	50,613	50,613	-	911,302	5.55%
2017	57,781	57,781	-	969,477	5.96%
2016	78,505	78,505	-	918,183	8.55%
2015	86,287	86,287	-	1,009,199	8.55%
2014	97,732	97,732	-	1,148,431	8.51%
2013	97,628	97,628	-	1,147,220	8.51%
2012	63,682	63,682	-	1,097,964	5.80%
Component Unit School Board (professional)					
2021	\$ 1,793,025	\$ 1,793,025	- \$	11,128,081	16.11%
2020	1,731,912	1,731,912	-	11,343,771	15.27%
2019	1,709,337	1,709,337	-	11,109,027	15.39%
2018	1,686,356	1,686,356	-	11,428,307	14.76%
2017	1,658,194	1,658,194	-	11,409,651	14.53%
2016	1,545,205	1,545,205	-	10,656,586	14.50%
2015	1,585,438	1,585,438	-	10,934,055	14.50%
2014	1,262,999	1,262,999	-	10,831,896	11.66%
2013	1,270,428	1,270,428	-	10,895,610	11.66%
2012	1,185,685	1,185,685	-	10,465,003	11.33%

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

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

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of County's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 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)
Primary Government:					
2020	0.01760% \$	293,715 \$	3,622,748	8.11%	52.64%
2019	0.01821%	296,325	3,568,736	8.30%	52.00%
2018	0.01849%	281,000	3,515,613	7.99%	51.22%
2017	0.01828%	275,000	3,372,357	8.15%	48.86%
Component Unit School Board (nonprofessional):					
2020	0.00450% \$	75,431 \$	929,141	8.12%	52.64%
2019	0.00460%	74,854	902,367	8.30%	52.00%
2018	0.00482%	73,000	915,978	7.97%	51.22%
2017	0.00525%	79,000	969,477	8.15%	48.86%
Component Unit School Board (professional):					
2020	0.05200% \$	920,864 \$	11,355,290	8.11%	52.64%
2019	0.05644%	918,429	11,063,129	8.30%	52.00%
2018	0.05898%	895,000	11,215,533	7.98%	51.22%
2017	0.06141%	924,000	11,328,465	8.16%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the 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)
Primary Government					
2021	\$ 20,024	\$ 20,024	\$ -	\$ 3,708,082	0.54%
2020	18,838	18,838	-	3,622,748	0.52%
2019	18,557	18,557	-	3,568,736	0.52%
2018	18,281	18,281	-	3,515,613	0.52%
2017	17,536	17,536	-	3,372,357	0.52%
2016	15,710	15,710	-	3,273,001	0.48%
2015	15,833	15,833	-	3,298,543	0.48%
2014	15,413	15,413	-	3,211,013	0.48%
2013	14,654	14,654	-	3,052,850	0.48%
2012	8,298	8,298	-	2,963,458	0.28%
Component Unit School Board (nonprofessional)					
2021	\$ 4,929	\$ 4,929	\$ -	\$ 912,743	0.54%
2020	4,832	4,832	-	929,141	0.52%
2019	4,692	4,692	-	902,367	0.52%
2018	4,763	4,763	-	915,978	0.52%
2017	5,041	5,041	-	969,477	0.52%
2016	4,429	4,429	-	922,759	0.48%
2015	4,911	4,911	-	1,023,122	0.48%
2014	5,512	5,512	-	1,148,431	0.48%
2013	5,524	5,524	-	1,150,839	0.48%
2012	3,074	3,074	-	1,097,964	0.28%
Component Unit School Board (professional)					
2021	\$ 60,229	\$ 60,229	\$ -	\$ 11,153,579	0.54%
2020	59,048	59,048	-	11,355,290	0.52%
2019	57,528	57,528	-	11,063,129	0.52%
2018	58,321	58,321	-	11,215,533	0.52%
2017	58,908	58,908	-	11,328,465	0.52%
2016	52,810	52,810	-	11,002,059	0.48%
2015	52,434	52,434	-	10,923,794	0.48%
2014	52,045	52,045	-	10,842,711	0.48%
2013	52,241	52,241	-	10,883,562	0.48%
2012	29,470	29,470	-	10,524,933	0.28%

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in the 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>
Total HIC OPEB Liability	
Changes in benefit terms	\$ 111,701
Net change in total HIC OPEB liability	<u>\$ 111,701</u>
Total HIC OPEB Liability - beginning	-
Total HIC OPEB Liability - ending (a)	<u><u>\$ 111,701</u></u>
Plan fiduciary net position	
Net change in plan fiduciary net position	\$ -
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	<u><u>\$ -</u></u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 111,701
Plan fiduciary net position as a percentage of the total HIC OPEB liability	100.00%
Covered payroll	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	0.00%

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2021

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2021	\$ 7,576	\$ 7,576	\$ -	\$ 912,743	0.83%

Schedule is intended to show information for 10 years. The school board enrolled in non-professional HIC coverage in 2021. Additional years will be included as they become available.

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

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

Date (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	0.12940% \$	1,688,044 \$	11,343,771	14.88%	9.95%
2019	0.13161%	1,722,903	11,039,238	15.61%	8.97%
2018	0.13868%	1,761,000	11,215,959	15.70%	8.08%
2017	0.14331%	1,818,000	11,310,137	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.

Schedule of Employer Contributions

Teacher Employee Health Insurance Credit (HIC) Plan

For the Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to		Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
		Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2021	\$ 134,650	\$ 134,650	\$ -	\$ 11,128,081	1.21%
2020	136,125	136,125	-	11,343,771	1.20%
2019	132,471	132,471	-	11,039,238	1.20%
2018	137,956	137,956	-	11,215,959	1.23%
2017	125,543	125,543	-	11,310,137	1.11%
2016	116,517	116,517	-	10,992,178	1.06%
2015	115,499	115,499	-	10,896,110	1.06%
2014	119,717	119,717	-	10,785,295	1.11%
2013	120,627	120,627	-	10,867,305	1.11%
2012	62,790	62,790	-	10,465,003	0.60%

Notes to Required Supplementary Information
 Teacher Employee 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:

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%

Schedule of Employer's Share of Net LODA OPEB Liability
 Line of Duty Act (LODA) Program
 For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (3)	Covered- Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2020	0.18960%	\$ 793,864	N/A	N/A	1.02%
2019	0.20377%	731,098	N/A	N/A	0.79%
2018	0.16114%	505,000	N/A	N/A	0.60%
2017	0.15256%	401,000	N/A	N/A	1.30%

Covered payroll for the LODA Program is not a relevant measurement as over 75% of covered participants are volunteers rather than employees.

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, one one year of data is available. However, additional years will be added as they become available.

Schedule of Employer Contributions

Line of Duty Act (LODA) Program

For the Years Ended June 30, 2016 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2021	\$ 32,996	\$ 32,996	\$ -	N/A	N/A
2020	25,761	25,761	-	N/A	N/A
2019	27,349	27,349	-	N/A	N/A
2018	17,163	17,163	-	N/A	N/A
2017	16,454	16,454	-	N/A	N/A
2016	14,268	14,268	-	N/A	N/A

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

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

Notes to Required Supplementary Information

Line of Duty Act (LODA) Program

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. Changes to the actuarial assumptions as a result of the experience study are as follows:

Employees in the Non-Largest Ten Locality Employers with Public Safety Employees

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Component Unit School Board
 For the Years Ended June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 49,865	\$ 48,649	\$ 74,394	\$ 70,851
Interest	11,586	21,233	23,153	21,465
Changes of assumptions	-	(181,946)	-	-
Differences between expected and actual experience	-	(233,311)	-	-
Benefit payments	(18,514)	(18,062)	(41,583)	(38,503)
Net change in total OPEB liability	\$ 42,937	\$ (363,437)	\$ 55,964	\$ 53,813
Total OPEB liability - beginning	404,198	767,635	711,671	657,858
Total OPEB liability - ending	\$ 447,135	\$ 404,198	\$ 767,635	\$ 711,671
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A
School's total OPEB liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

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

County of Nottoway, Virginia
Notes to Required Supplementary Information - Component Unit School Board
For the Year Ended June 30, 2021

Valuation Date: 7/1/2020
 Measurement Date: 6/30/2021

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	2.66% per year as of June 30, 2020
Healthcare Trend Rate	7.5% grading to 6.75% uniformly over 3 years and following the Getzen model thereafter.

County of Nottoway, Virginia
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2021

	<u>E-911</u> <u>Fund</u>	<u>Dare</u> <u>Fund</u>	<u>Forfeited</u> <u>Asset</u> <u>Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 260,349	\$ 99	\$ 446	\$ 260,894
Due from other governmental units	20,756	-	-	20,756
Total assets	\$ 281,105	\$ 99	\$ 446	\$ 281,650
 FUND BALANCES				
Fund balances:				
Committed	\$ 281,105	\$ 99	\$ 446	\$ 281,650
Total fund balances	\$ 281,105	\$ 99	\$ 446	\$ 281,650

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

	<u>E-911</u> <u>Fund</u>	<u>Dare</u> <u>Fund</u>	<u>Forfeited</u> <u>Asset</u> <u>Fund</u>	<u>Total</u>
REVENUES				
Other local taxes	\$ 775	\$ -	\$ -	\$ 775
Intergovernmental:				
Commonwealth	127,858	-	-	127,858
Total revenues	<u>\$ 128,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,633</u>
EXPENDITURES				
Current:				
Public safety	\$ 325,527	\$ -	\$ -	\$ 325,527
Total expenditures	<u>\$ 325,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (196,894)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (196,894)</u>
Net change in fund balances	\$ (196,894)	\$ -	\$ -	\$ (196,894)
Fund balances - beginning	477,999	99	446	478,544
Fund balances - ending	<u>\$ 281,105</u>	<u>\$ 99</u>	<u>\$ 446</u>	<u>\$ 281,650</u>

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

	E-911 Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	\$ 440	\$ 440	\$ 775	\$ 335
Intergovernmental:				
Commonwealth	137,500	344,106	127,858	(216,248)
Total revenues	<u>\$ 137,940</u>	<u>\$ 344,546</u>	<u>\$ 128,633</u>	<u>\$ (215,913)</u>
EXPENDITURES				
Current:				
Public safety	\$ 137,940	\$ 461,743	\$ 325,527	\$ 136,216
Total expenditures	<u>\$ 137,940</u>	<u>\$ 461,743</u>	<u>\$ 325,527</u>	<u>\$ 136,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (117,197)</u>	<u>\$ (196,894)</u>	<u>\$ (79,697)</u>
Net change in fund balances	\$ -	\$ (117,197)	\$ (196,894)	\$ (79,697)
Fund balances - beginning	-	117,197	477,999	360,802
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,105</u>	<u>\$ 281,105</u>

Dare Fund					Forfeited Asset Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)		
Original	Final			Original	Final				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
-	-	-	-	-	-	-	-		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
\$ -	\$ 99	\$ -	\$ 99	-	-	-	-		
\$ -	\$ 99	\$ -	\$ 99	\$ -	\$ -	\$ -	\$ -		
\$ -	\$ (99)	\$ -	\$ 99	\$ -	\$ -	\$ -	\$ -		
\$ -	\$ (99)	\$ -	\$ 99	\$ -	\$ -	\$ -	\$ -		
-	99	99	-	-	-	446	446		
\$ -	\$ -	\$ 99	\$ 99	\$ -	\$ -	\$ 446	\$ 446		

County of Nottoway, Virginia
Combining Balance Sheet - Governmental Funds
Discretely Presented Component Unit - School Board
June 30, 2021

	School Operating Fund	Textbook Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,019,840	\$ 1,882,771	\$ 321,945	\$ 347,928	\$ 5,572,484
Due from other governmental units	553,150	-	34,737	-	587,887
Prepaid items	262,491	-	-	-	262,491
Total assets	<u>\$ 3,835,481</u>	<u>\$ 1,882,771</u>	<u>\$ 356,682</u>	<u>\$ 347,928</u>	<u>\$ 6,422,862</u>
LIABILITIES					
Accounts payable	\$ 108,836	-	-	-	\$ 108,836
Accrued liabilities	625,900	-	-	-	625,900
Due to other governmental units	1,993,306	-	-	-	1,993,306
Total liabilities	<u>\$ 2,728,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 2,728,042</u>
FUND BALANCES					
Nonspendable	\$ 262,491	-	-	-	\$ 262,491
Committed	1,107,440	1,882,771	356,682	347,928	3,694,821
Unassigned	(262,492)	-	-	-	(262,492)
Total fund balances	<u>\$ 1,107,439</u>	<u>\$ 1,882,771</u>	<u>\$ 356,682</u>	<u>\$ 347,928</u>	<u>\$ 3,694,820</u>
Total liabilities and fund balances	<u>\$ 3,835,481</u>	<u>\$ 1,882,771</u>	<u>\$ 356,682</u>	<u>\$ 347,928</u>	<u>\$ 6,422,862</u>

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

Total fund balances per above \$ 3,694,820

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Capital assets, cost	\$ 36,885,038	
Accumulated depreciation	<u>(26,469,007)</u>	10,416,031

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

Pension related items	\$ 4,794,959	
OPEB related items	<u>391,892</u>	5,186,851

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

Compensated absences	\$ (271,065)	
Net pension liability	(19,151,616)	
Net OPEB liabilities	<u>(3,243,175)</u>	(22,665,856)

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

Pension related items	\$ (2,238,459)	
OPEB related items	<u>(544,623)</u>	(2,783,082)

Net position of governmental activities \$ (6,151,236)

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

	School Operating Fund	Textbook Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 2,921	\$ -	\$ 2,921
Charges for services	1,242	-	2,595	-	3,837
Miscellaneous	20,596	303	55,044	286,648	362,591
Intergovernmental:					
Local government	4,412,502	-	-	-	4,412,502
Commonwealth	16,207,117	-	18,408	-	16,225,525
Federal	3,153,140	-	554,580	-	3,707,720
Total revenues	<u>\$ 23,794,597</u>	<u>\$ 303</u>	<u>\$ 633,548</u>	<u>\$ 286,648</u>	<u>\$ 24,715,096</u>
EXPENDITURES					
Current:					
Education	\$ 23,506,364	\$ 133,802	\$ 833,588	\$ 258,745	\$ 24,732,499
Capital projects	412,333	-	-	-	412,333
Total expenditures	<u>\$ 23,918,697</u>	<u>\$ 133,802</u>	<u>\$ 833,588</u>	<u>\$ 258,745</u>	<u>\$ 25,144,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (124,100)</u>	<u>\$ (133,499)</u>	<u>\$ (200,040)</u>	<u>\$ 27,903</u>	<u>\$ (429,736)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 142,309	\$ -	\$ -	\$ 142,309
Transfers out	(142,309)	-	-	-	(142,309)
Total other financing sources (uses)	<u>\$ (142,309)</u>	<u>\$ 142,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (266,409)	\$ 8,810	\$ (200,040)	\$ 27,903	\$ (429,736)
Fund balances - beginning, as restated	1,373,848	1,873,961	556,722	320,025	4,124,556
Fund balances - ending	<u>\$ 1,107,439</u>	<u>\$ 1,882,771</u>	<u>\$ 356,682</u>	<u>\$ 347,928</u>	<u>\$ 3,694,820</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 \$ (429,736)

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 expense exceeded capital outlays in the current period.

Capital asset additions	\$	711,814	
Depreciation expense		(1,371,041)	
Jointly owned asset allocation		<u>184,465</u>	(474,762)

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

Pension expense	\$	(80,051)	
OPEB expense		(12,879)	
(Increase) decrease in compensated absences		<u>(101,039)</u>	(193,969)

Change in net position of governmental activities \$ (1,098,467)

County of Nottoway, 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					
Revenue from the use of money and property	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)	
Charges for services	3,000	3,000	1,242	(1,758)	
Miscellaneous	25,000	25,000	20,596	(4,404)	
Recovered costs	-	3,500	-	(3,500)	
Intergovernmental:					
Local government	4,807,518	4,807,518	4,412,502	(395,016)	
Commonwealth	16,521,516	16,831,802	16,207,117	(624,685)	
Federal	2,284,357	5,095,979	3,153,140	(1,942,839)	
Total revenues	\$ 23,644,391	\$ 26,769,799	\$ 23,794,597	\$ (2,975,202)	
EXPENDITURES					
Current:					
Education	\$ 23,581,943	\$ 27,669,759	\$ 23,506,364	\$ 4,163,395	
Capital projects	322,500	730,481	412,333	318,148	
Total expenditures	\$ 23,904,443	\$ 28,400,240	\$ 23,918,697	\$ 4,481,543	
Excess (deficiency) of revenues over (under) expenditures	\$ (260,052)	\$ (1,630,441)	\$ (124,100)	\$ 1,506,341	
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ -	\$ -	\$ -	
Transfers out	(150,770)	(150,770)	(142,309)	8,461	
Total other financing sources (uses)	\$ (150,770)	\$ (150,770)	\$ (142,309)	\$ 8,461	
Net change in fund balances	\$ (410,822)	\$ (1,781,211)	\$ (266,409)	\$ 1,514,802	
Fund balances - beginning - as restated	410,822	1,781,211	1,373,848	(407,363)	
Fund balances - ending	\$ -	\$ -	\$ 1,107,439	\$ 1,107,439	

Textbook Fund				School Cafeteria Fund				School Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 2,921	\$ (79)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	163,400	163,400	2,595	(160,805)	-	-	-	-
-	-	303	303	45,000	45,000	55,044	10,044	-	-	286,648	286,648
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	20,307	20,307	18,408	(1,899)	-	-	-	-
-	-	-	-	900,000	900,000	554,580	(345,420)	-	-	-	-
\$ -	\$ -	\$ 303	\$ 303	\$ 1,131,707	\$ 1,131,707	\$ 633,548	\$ (498,159)	\$ -	\$ -	\$ 286,648	\$ 286,648
\$ -	\$ -	\$ 133,802	\$ (133,802)	\$ 1,375,102	\$ 1,466,243	\$ 833,588	\$ 632,655	\$ -	\$ -	\$ 258,745	\$ (258,745)
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 133,802	\$ (133,802)	\$ 1,375,102	\$ 1,466,243	\$ 833,588	\$ 632,655	\$ -	\$ -	\$ 258,745	\$ (258,745)
\$ -	\$ -	\$ (133,499)	\$ (133,499)	\$ (243,395)	\$ (334,536)	\$ (200,040)	\$ 134,496	\$ -	\$ -	\$ 27,903	\$ 27,903
\$ -	\$ -	\$ 142,309	\$ 142,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 142,309	\$ 142,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 8,810	\$ 8,810	\$ (243,395)	\$ (334,536)	\$ (200,040)	\$ 134,496	\$ -	\$ -	\$ 27,903	\$ 27,903
-	-	1,873,961	1,873,961	243,395	334,536	556,722	222,186	-	-	320,025	320,025
\$ -	\$ -	\$ 1,882,771	\$ 1,882,771	\$ -	\$ -	\$ 356,682	\$ 356,682	\$ -	\$ -	\$ 347,928	\$ 347,928

County of Nottoway, Virginia
 Statement of Net Position
 Discretely Presented Component Unit - Industrial Development Authority
 June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,826,714
Notes receivable - current portion	143,044
Total current assets	\$ 1,969,758

Noncurrent assets:

Notes receivable - net of current portion	\$ 349,439
Total noncurrent assets	\$ 349,439
Total assets	\$ 2,319,197

LIABILITIES

Current liabilities:

Due to other governmental units	\$ 76,378
Total current liabilities	\$ 76,378
Total liabilities	\$ 76,378

NET POSITION

Unrestricted	\$ 2,242,819
Total net position	\$ 2,242,819

County of Nottoway, Virginia
 Statement of Revenues, Expenses, and Changes in Net Position
 Discretely Presented Component Unit - Industrial Development Authority
 For the Year Ended June 30, 2021

OPERATING REVENUES

Charges for services:

Rents	\$	36,951
Total operating revenues	\$	<u>36,951</u>

OPERATING EXPENSES

Other charges

Total operating expenses	\$	<u>1,880</u>
Total operating expenses	\$	<u>1,880</u>
Operating income (loss)	\$	<u>35,071</u>

NONOPERATING REVENUES (EXPENSES)

Investment income

Total nonoperating revenues (expenses)	\$	<u>6,367</u>
Total nonoperating revenues (expenses)	\$	<u>6,367</u>

Change in net position	\$	41,438
------------------------	----	--------

Net position - beginning	<u>2,201,381</u>
Net position - ending	<u><u>2,242,819</u></u>

County of Nottoway, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 206,038
Payments for operating activities	(1,880)
Net cash provided by (used for) operating activities	<u>\$ 204,158</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	\$ 6,367
Net cash provided by (used for) investing activities	<u>\$ 6,367</u>
Net increase (decrease) in cash and cash equivalents	\$ 210,525
Cash and cash equivalents - beginning	1,616,189
Cash and cash equivalents - ending	<u><u>\$ 1,826,714</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	<u>\$ 35,071</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in notes receivable	\$ 169,087
Total adjustments	<u>\$ 169,087</u>
Net cash provided by (used for) operating activities	<u><u>\$ 204,158</u></u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 4,559,744	\$ 4,559,744	\$ 4,541,749	\$ (17,995)
Real and personal public service corporation taxes	445,313	445,313	540,883	95,570
Personal property taxes	1,853,100	1,853,100	2,347,316	494,216
Mobile home taxes	10,500	10,500	10,349	(151)
Machinery and tools taxes	117,000	117,000	146,875	29,875
Penalties	115,000	115,000	128,474	13,474
Interest	60,000	60,000	85,435	25,435
Total general property taxes	<u>\$ 7,160,657</u>	<u>\$ 7,160,657</u>	<u>\$ 7,801,081</u>	<u>\$ 640,424</u>
Other local taxes:				
Local sales and use taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,415,805	\$ 215,805
Business license taxes	156,500	156,500	208,076	51,576
Motor vehicle licenses	190,000	190,000	215,948	25,948
Taxes on recordation and wills	80,000	80,000	89,350	9,350
Hotel and motel room taxes	2,500	2,500	985	(1,515)
Total other local taxes	<u>\$ 1,629,000</u>	<u>\$ 1,629,000</u>	<u>\$ 1,930,164</u>	<u>\$ 301,164</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 16,675	\$ 16,720	\$ 10,310	\$ (6,410)
Permits and other licenses	65,300	96,800	105,782	8,982
Total permits, privilege fees, and regulatory licenses	<u>\$ 81,975</u>	<u>\$ 113,520</u>	<u>\$ 116,092</u>	<u>\$ 2,572</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 12,000	\$ 12,000	\$ 5,637	\$ (6,363)
Total fines and forfeitures	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 5,637</u>	<u>\$ (6,363)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 275,000	\$ 275,000	\$ 135,486	\$ (139,514)
Revenue from use of property	545,130	545,130	532,865	(12,265)
Total revenue from use of money and property	<u>\$ 820,130</u>	<u>\$ 820,130</u>	<u>\$ 668,351</u>	<u>\$ (151,779)</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,042	\$ 1,042	\$ 1,042	\$ -
Charges for court costs	7,000	7,000	4,973	(2,027)
Charges for courthouse security	36,000	36,000	14,888	(21,112)
Charges for Commonwealth's Attorney	1,250	1,250	1,599	349
Charges for law library	600	600	1,503	903
Charges for other protection	1,000	1,000	1,327	327
Charges for data processing	350	350	-	(350)
Charges for sale of historical material	125	125	150	25
Total charges for services	<u>\$ 47,367</u>	<u>\$ 47,367</u>	<u>\$ 25,482</u>	<u>\$ (21,885)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 273,890	\$ 437,290	\$ 266,947	\$ (170,343)
Total miscellaneous	<u>\$ 273,890</u>	<u>\$ 437,290</u>	<u>\$ 266,947</u>	<u>\$ (170,343)</u>
Recovered costs:				
Dispatching - Towns	\$ 43,400	\$ 43,400	\$ 26,551	\$ (16,849)
Library contribution	3,500	3,500	2,500	(1,000)
Cost allocation plan	-	-	184,502	184,502
Total recovered costs	<u>\$ 46,900</u>	<u>\$ 46,900</u>	<u>\$ 213,553</u>	<u>\$ 166,653</u>
Total revenue from local sources	<u>\$ 10,071,919</u>	<u>\$ 10,266,864</u>	<u>\$ 11,027,307</u>	<u>\$ 760,443</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 76,500	\$ 76,500	\$ 72,970	\$ (3,530)
Mobile home titling tax	20,000	20,000	10,736	(9,264)
Tax on Deeds	15,000	15,000	23,076	8,076
Moped ATV sales tax	3,000	3,000	12,854	9,854
Game of skill tax	-	-	19,008	19,008
Personal property tax relief funds	1,049,790	1,049,790	1,049,790	-
Total noncategorical aid	<u>\$ 1,164,290</u>	<u>\$ 1,164,290</u>	<u>\$ 1,188,434</u>	<u>\$ 24,144</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 235,982	\$ 235,982	\$ 225,456	\$ (10,526)
Sheriff	890,128	898,808	858,815	(39,993)
Commissioner of revenue	84,091	84,091	83,671	(420)
Treasurer	92,545	92,545	87,904	(4,641)
Registrar/electoral board	42,500	45,969	42,852	(3,117)
Clerk of the Circuit Court	192,614	192,614	185,446	(7,168)
Total shared expenses	<u>\$ 1,537,860</u>	<u>\$ 1,550,009</u>	<u>\$ 1,484,144</u>	<u>\$ (65,865)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Public assistance and welfare administration	\$ 1,300,000	\$ 1,334,968	\$ 504,983	\$ (829,985)
Children's services act	600,000	709,290	600,465	(108,825)
Litter control grant	6,000	6,000	4,962	(1,038)
Bio solids fees	-	-	89	89
Virginia center for rehabilitation	198,664	198,664	187,345	(11,319)
Victim witness grant	62,910	62,910	1,941	(60,969)
Library grant	60,519	73,602	61,512	(12,090)
Forfeited assets	-	-	188	188
VJCCCS grant	18,910	18,910	19,399	489
Wireless grant	-	-	1,216	1,216
E911 services board grant	-	3,000	-	(3,000)
Clerk's records grant	-	-	13,083	13,083
School resource officer	-	92,864	25,600	(67,264)
Fire programs	-	-	36,106	36,106
Total other categorical aid	<u>\$ 2,247,003</u>	<u>\$ 2,500,208</u>	<u>\$ 1,456,889</u>	<u>\$ (1,043,319)</u>
Total categorical aid	<u>\$ 3,784,863</u>	<u>\$ 4,050,217</u>	<u>\$ 2,941,033</u>	<u>\$ (1,109,184)</u>
Total revenue from the Commonwealth	<u>\$ 4,949,153</u>	<u>\$ 5,214,507</u>	<u>\$ 4,129,467</u>	<u>\$ (1,085,040)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 894,829	\$ 894,829
Children's services act	-	-	63,339	63,339
Victim witness	-	-	7,762	7,762
Emergency management preparation	-	-	6,000	6,000
Election security	-	52,583	52,583	-
Coronavirus relief	-	1,351,679	1,556,558	204,879
Ground transportation safety	-	-	1,502	1,502
Byrne justice assistance	-	-	1,692	1,692
Total categorical aid	<u>\$ -</u>	<u>\$ 1,404,262</u>	<u>\$ 2,584,265</u>	<u>\$ 1,180,003</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 1,404,262</u>	<u>\$ 2,584,265</u>	<u>\$ 1,180,003</u>
Total General Fund	<u>\$ 15,021,072</u>	<u>\$ 16,885,633</u>	<u>\$ 17,741,039</u>	<u>\$ 855,406</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds:				
Landfill Fund:				
Revenue from local sources:				
Other local taxes:				
Consumer utility tax	\$ 152,700	\$ 152,700	\$ 151,451	\$ (1,249)
Consumption tax	28,000	28,000	26,330	(1,670)
Total other local taxes	<u>\$ 180,700</u>	<u>\$ 180,700</u>	<u>\$ 177,781</u>	<u>\$ (2,919)</u>
Charges for services:				
Landfill use fees	\$ 468,000	\$ 523,000	\$ 525,197	\$ 2,197
Total charges for services	<u>\$ 468,000</u>	<u>\$ 523,000</u>	<u>\$ 525,197</u>	<u>\$ 2,197</u>
Total revenue from local sources	<u>\$ 648,700</u>	<u>\$ 703,700</u>	<u>\$ 702,978</u>	<u>\$ (722)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	\$ 243,000	\$ 243,000	\$ 191,790	\$ (51,210)
Total noncategorical aid	<u>\$ 243,000</u>	<u>\$ 243,000</u>	<u>\$ 191,790</u>	<u>\$ (51,210)</u>
Total revenue from the Commonwealth	<u>\$ 243,000</u>	<u>\$ 243,000</u>	<u>\$ 191,790</u>	<u>\$ (51,210)</u>
Total Landfill Fund	<u>\$ 891,700</u>	<u>\$ 946,700</u>	<u>\$ 894,768</u>	<u>\$ (51,932)</u>
E-911 Fund:				
Revenue from local sources:				
Other local taxes:				
E-911 taxes	\$ 440	\$ 440	\$ 775	\$ 335
Total other local taxes	<u>\$ 440</u>	<u>\$ 440</u>	<u>\$ 775</u>	<u>\$ 335</u>
Total revenue from local sources	<u>\$ 440</u>	<u>\$ 440</u>	<u>\$ 775</u>	<u>\$ 335</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications Tax	\$ 83,250	\$ 83,250	\$ 63,930	\$ (19,320)
Total noncategorical aid	<u>\$ 83,250</u>	<u>\$ 83,250</u>	<u>\$ 63,930</u>	<u>\$ (19,320)</u>
Categorical aid:				
Wireless grant funds	\$ 54,250	\$ 54,250	\$ 63,928	\$ 9,678
PSAP grant	-	206,606	-	(206,606)
Total categorical aid	<u>\$ 54,250</u>	<u>\$ 260,856</u>	<u>\$ 63,928</u>	<u>\$ (196,928)</u>
Total revenue from the Commonwealth	<u>\$ 137,500</u>	<u>\$ 344,106</u>	<u>\$ 127,858</u>	<u>\$ (216,248)</u>
Total E-911 Fund	<u>\$ 137,940</u>	<u>\$ 344,546</u>	<u>\$ 128,633</u>	<u>\$ (215,913)</u>
Total Primary Government	<u>\$ 16,050,712</u>	<u>\$ 18,176,879</u>	<u>\$ 18,764,440</u>	<u>\$ 587,561</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Total revenue from use of money and property	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>
Charges for services:				
Charges for education	\$ 3,000	\$ 3,000	\$ 1,242	\$ (1,758)
Total charges for services	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 1,242</u>	<u>\$ (1,758)</u>
Miscellaneous:				
Other miscellaneous	\$ 25,000	\$ 25,000	\$ 20,596	\$ (4,404)
Total miscellaneous	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 20,596</u>	<u>\$ (4,404)</u>
Recovered costs:				
Other recovered costs	\$ -	\$ 3,500	\$ -	\$ (3,500)
Total recovered costs	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ (3,500)</u>
Total revenue from local sources	<u>\$ 31,000</u>	<u>\$ 34,500</u>	<u>\$ 21,838</u>	<u>\$ (12,662)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Nottoway, Virginia	\$ 4,807,518	\$ 4,807,518	\$ 4,412,502	\$ (395,016)
Total revenues from local governments	<u>\$ 4,807,518</u>	<u>\$ 4,807,518</u>	<u>\$ 4,412,502</u>	<u>\$ (395,016)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,518,172	\$ 2,518,172	\$ 2,692,294	\$ 174,122
Basic school aid	7,476,095	7,476,095	6,932,375	(543,720)
Remedial education	401,220	401,220	376,480	(24,740)
Regular foster care	4,171	4,171	2,487	(1,684)
Gifted and talented	74,352	74,352	69,767	(4,585)
Preschool and 4 year old at risk	318,453	318,453	182,582	(135,871)
Special education	913,267	913,267	856,953	(56,314)
Project Graduation	5,101	5,101	5,101	-
Vocational education	269,127	269,127	210,152	(58,975)
Textbook payments	150,766	150,766	141,470	(9,296)
Social security and retirement fringe benefits	1,565,601	1,565,601	1,469,063	(96,538)
GED payments	8,836	8,836	1,198	(7,638)
State lottery payments	633,406	633,406	548,948	(84,458)
Early reading intervention	84,217	84,217	78,953	(5,264)
Homebound education	2,492	2,492	4,215	1,723
Remedial summer	46,398	46,398	37,930	(8,468)
At risk payments	882,486	882,486	828,285	(54,201)
VPSA technology funds	232,000	370,764	316,564	(54,200)
Primary class size	569,423	569,423	530,722	(38,701)
Standards of Learning algebra readiness	50,449	50,449	45,255	(5,194)

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Middle school corps	\$ 5,000	\$ 9,995	\$ 4,995	\$ (5,000)
English as a second language	78,621	78,621	75,434	(3,187)
Mentor teacher program	3,371	3,371	900	(2,471)
School construction	174,855	174,855	-	(174,855)
GO TEC	-	137,467	137,467	-
Other grants	53,637	82,697	657,527	574,830
Total categorical aid	<u>\$ 16,521,516</u>	<u>\$ 16,831,802</u>	<u>\$ 16,207,117</u>	<u>\$ (624,685)</u>
Total revenue from the Commonwealth	<u>\$ 16,521,516</u>	<u>\$ 16,831,802</u>	<u>\$ 16,207,117</u>	<u>\$ (624,685)</u>
Revenue from the federal government:				
Categorical aid:				
Rural education	\$ 39,991	\$ 57,633	\$ 46,106	\$ (11,527)
Title I	1,026,381	1,204,595	840,956	(363,639)
Title II, Part A	114,698	190,801	130,466	(60,335)
Title III, Part A	-	-	11,181	11,181
Title VI-B, special education flow-through	752,471	829,259	309,249	(520,010)
Vocational education	67,624	135,248	77,254	(57,994)
Preschool special education	16,225	38,493	16,479	(22,014)
Sliver grant	12,369	12,369	-	(12,369)
School improvement	-	102,357	52,059	(50,298)
21st century grant	100,000	676,703	328,602	(348,101)
CARES Act	-	1,657,174	325,658	(1,331,516)
CARES Act - fast track broadband	-	-	153,992	153,992
ESSERF	-	-	669,661	669,661
Leasing of land - PILT	-	-	20,854	20,854
ROTC	56,820	56,820	58,083	1,263
Temporary assistance for needy families	-	-	56,258	56,258
ESEA Title IV	82,778	119,527	44,963	(74,564)
Project Hope grant	15,000	15,000	11,319	(3,681)
Total categorical aid	<u>\$ 2,284,357</u>	<u>\$ 5,095,979</u>	<u>\$ 3,153,140</u>	<u>\$ (1,942,839)</u>
Total revenue from the federal government	<u>\$ 2,284,357</u>	<u>\$ 5,095,979</u>	<u>\$ 3,153,140</u>	<u>\$ (1,942,839)</u>
Total School Operating Fund	<u>\$ 23,644,391</u>	<u>\$ 26,769,799</u>	<u>\$ 23,794,597</u>	<u>\$ (2,975,202)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 3,000	\$ 3,000	\$ 2,921	\$ (79)
Charges for services:				
Cafeteria sales	\$ 163,400	\$ 163,400	\$ 2,595	\$ (160,805)
Miscellaneous:				
Other miscellaneous	\$ 45,000	\$ 45,000	\$ 55,044	\$ 10,044
Total revenue from local sources	\$ 211,400	\$ 211,400	\$ 60,560	\$ (150,840)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 20,307	\$ 20,307	\$ 18,408	\$ (1,899)
Total categorical aid	\$ 20,307	\$ 20,307	\$ 18,408	\$ (1,899)
Total revenue from the Commonwealth	\$ 20,307	\$ 20,307	\$ 18,408	\$ (1,899)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 900,000	\$ 900,000	\$ 486,075	\$ (413,925)
Commodities	-	-	68,505	68,505
Total revenue from the federal government	\$ 900,000	\$ 900,000	\$ 554,580	\$ (345,420)
Total School Cafeteria Fund	\$ 1,131,707	\$ 1,131,707	\$ 633,548	\$ (498,159)
School Textbook Fund:				
Revenue from local sources:				
Miscellaneous revenue				
Miscellaneous	\$ -	\$ -	\$ 303	\$ 303
Total miscellaneous	\$ -	\$ -	\$ 303	\$ 303
Total School Textbook Fund	\$ -	\$ -	\$ 303	\$ 303
School Activity Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 286,648	\$ 286,648
Total miscellaneous	\$ -	\$ -	\$ 286,648	\$ 286,648
Total School Activity Fund	\$ -	\$ -	\$ 286,648	\$ 286,648
Total Discretely Presented Component Unit - School Board	\$ 24,776,098	\$ 27,901,506	\$ 24,715,096	\$ (3,186,410)

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

<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>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 661,064	\$ 611,847	\$ 288,240	\$ 323,607
Total legislative	<u>\$ 661,064</u>	<u>\$ 611,847</u>	<u>\$ 288,240</u>	<u>\$ 323,607</u>
General and financial administration:				
County administrator	\$ 282,713	\$ 330,061	\$ 320,019	\$ 10,042
Legal services	15,642	40,642	62,447	(21,805)
Commissioner of revenue	193,989	197,860	202,536	(4,676)
Treasurer	248,150	254,912	242,141	12,771
Data processing	110,870	154,711	72,792	81,919
Other general and financial administration	45,000	1,270,681	149,778	1,120,903
Total general and financial administration	<u>\$ 896,364</u>	<u>\$ 2,248,867</u>	<u>\$ 1,049,713</u>	<u>\$ 1,199,154</u>
Board of elections:				
Electoral board and officials	\$ 179,904	\$ 252,518	\$ 209,269	\$ 43,249
Total board of elections	<u>\$ 179,904</u>	<u>\$ 252,518</u>	<u>\$ 209,269</u>	<u>\$ 43,249</u>
Total general government administration	<u>\$ 1,737,332</u>	<u>\$ 3,113,232</u>	<u>\$ 1,547,222</u>	<u>\$ 1,566,010</u>
Judicial administration:				
Courts:				
Circuit court	\$ 14,940	\$ 14,940	\$ 12,613	\$ 2,327
General district court	9,435	9,506	8,347	1,159
Commissioner of accounts	100	100	-	100
Magistrate	100	100	-	100
Juvenile and domestic relations district court	23,699	33,699	31,952	1,747
Clerk of the circuit court	249,708	263,439	251,515	11,924
Jurors and witnesses	9,412	9,412	1,405	8,007
Sheriff	171,788	175,455	166,936	8,519
Law library	600	7,358	766	6,592
Total courts	<u>\$ 479,782</u>	<u>\$ 514,009</u>	<u>\$ 473,534</u>	<u>\$ 40,475</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 425,180	\$ 441,148	\$ 346,579	\$ 94,569
Total commonwealth's attorney	<u>\$ 425,180</u>	<u>\$ 441,148</u>	<u>\$ 346,579</u>	<u>\$ 94,569</u>
Total judicial administration	<u>\$ 904,962</u>	<u>\$ 955,157</u>	<u>\$ 820,113</u>	<u>\$ 135,044</u>

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

<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>
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,198,658	\$ 1,596,329	\$ 1,472,241	\$ 124,088
Central dispatching	477,992	524,405	462,336	62,069
School resource officer	-	236,820	190,183	46,637
Total law enforcement and traffic control	<u>\$ 1,676,650</u>	<u>\$ 2,357,554</u>	<u>\$ 2,124,760</u>	<u>\$ 232,794</u>
Fire and rescue services:				
Volunteer fire department	\$ 260,000	\$ 445,806	\$ 473,763	\$ (27,957)
Rescue service	416,400	759,759	762,612	(2,853)
State forestry service	12,529	12,529	12,529	-
Total fire and rescue services	<u>\$ 688,929</u>	<u>\$ 1,218,094</u>	<u>\$ 1,248,904</u>	<u>\$ (30,810)</u>
Correction and detention:				
Detention home	\$ 72,000	\$ 72,000	\$ 24,645	\$ 47,355
Piedmont regional jail	815,000	1,451,227	974,755	476,472
Total correction and detention	<u>\$ 887,000</u>	<u>\$ 1,523,227</u>	<u>\$ 999,400</u>	<u>\$ 523,827</u>
Inspections:				
Building	\$ 86,454	\$ 121,244	\$ 88,545	\$ 32,699
Total inspections	<u>\$ 86,454</u>	<u>\$ 121,244</u>	<u>\$ 88,545</u>	<u>\$ 32,699</u>
Other protection:				
Animal control	\$ 149,129	\$ 164,511	\$ 127,495	\$ 37,016
Medical examiner	100	100	200	(100)
Total other protection	<u>\$ 149,229</u>	<u>\$ 164,611</u>	<u>\$ 127,695</u>	<u>\$ 36,916</u>
Total public safety	<u>\$ 3,488,262</u>	<u>\$ 5,384,730</u>	<u>\$ 4,589,304</u>	<u>\$ 795,426</u>
Public works:				
Sanitation and waste removal:				
Litter control	\$ 6,000	\$ 6,000	\$ 5,980	\$ 20
Total sanitation and waste removal	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 5,980</u>	<u>\$ 20</u>
Maintenance of general buildings and grounds:				
General properties	\$ 422,826	\$ 665,852	\$ 468,514	\$ 197,338
Total maintenance of general buildings and grounds	<u>\$ 422,826</u>	<u>\$ 665,852</u>	<u>\$ 468,514</u>	<u>\$ 197,338</u>
Total public works	<u>\$ 428,826</u>	<u>\$ 671,852</u>	<u>\$ 474,494</u>	<u>\$ 197,358</u>

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

<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>
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 112,431	\$ 112,431	\$ 109,207	\$ 3,224
Total health	<u>\$ 112,431</u>	<u>\$ 112,431</u>	<u>\$ 109,207</u>	<u>\$ 3,224</u>
Mental health and mental retardation:				
Community services board	\$ 62,939	\$ 62,939	\$ 62,939	\$ -
Total mental health and mental retardation	<u>\$ 62,939</u>	<u>\$ 62,939</u>	<u>\$ 62,939</u>	<u>\$ -</u>
Welfare:				
Public assistance and welfare administration	\$ 1,897,468	\$ 1,932,078	\$ 1,628,212	\$ 303,866
Comprehensive Services Act	830,970	940,260	1,016,106	(75,846)
Total welfare	<u>\$ 2,728,438</u>	<u>\$ 2,872,338</u>	<u>\$ 2,644,318</u>	<u>\$ 228,020</u>
Total health and welfare	<u>\$ 2,903,808</u>	<u>\$ 3,047,708</u>	<u>\$ 2,816,464</u>	<u>\$ 231,244</u>
Education:				
Other instructional costs:				
Contribution to community colleges	\$ 6,011	\$ 6,011	\$ 6,011	\$ -
Contribution to County School Board	4,807,518	4,807,518	4,412,502	395,016
Total education	<u>\$ 4,813,529</u>	<u>\$ 4,813,529</u>	<u>\$ 4,418,513</u>	<u>\$ 395,016</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 23,581	\$ 63,559	\$ 27,200	\$ 36,359
Total parks and recreation	<u>\$ 23,581</u>	<u>\$ 63,559</u>	<u>\$ 27,200</u>	<u>\$ 36,359</u>
Library:				
Library administration	\$ 260,719	\$ 287,620	\$ 287,195	\$ 425
Total library	<u>\$ 260,719</u>	<u>\$ 287,620</u>	<u>\$ 287,195</u>	<u>\$ 425</u>
Total parks, recreation, and cultural	<u>\$ 284,300</u>	<u>\$ 351,179</u>	<u>\$ 314,395</u>	<u>\$ 36,784</u>
Community development:				
Planning and community development:				
Economic development	\$ 10,338	\$ 802,802	\$ 800,078	\$ 2,724
Planning commission	61,443	61,915	12,024	49,891
Zoning board	2,750	2,750	2,240	510
Total planning and community development	<u>\$ 74,531</u>	<u>\$ 867,467</u>	<u>\$ 814,342</u>	<u>\$ 53,125</u>
Environmental management:				
Soil and water conservation district	\$ 8,500	\$ 8,500	\$ 8,500	\$ -
Other environmental management	5,256	3,556	3,046	510
Total environmental management	<u>\$ 13,756</u>	<u>\$ 12,056</u>	<u>\$ 11,546</u>	<u>\$ 510</u>

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

<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>
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 58,309	\$ 58,309	\$ 53,053	\$ 5,256
Total cooperative extension program	<u>\$ 58,309</u>	<u>\$ 58,309</u>	<u>\$ 53,053</u>	<u>\$ 5,256</u>
Other community development:				
Ft. Pickett local reuse authority	\$ 340,335	\$ 438,909	\$ 367,779	\$ 71,130
Community development block grant	6,000	6,000	364	5,636
Small business incubator	23,020	23,020	9,511	13,509
Lodge at Ft. Pickett	245,662	252,913	207,274	45,639
Total other community development	<u>\$ 615,017</u>	<u>\$ 720,842</u>	<u>\$ 584,928</u>	<u>\$ 135,914</u>
Total community development	<u>\$ 761,613</u>	<u>\$ 1,658,674</u>	<u>\$ 1,463,869</u>	<u>\$ 194,805</u>
Debt service:				
Principal retirement	\$ 345,946	\$ 319,094	\$ 345,946	\$ (26,852)
Interest and other fiscal charges	68,250	95,102	68,249	26,853
Total debt service	<u>\$ 414,196</u>	<u>\$ 414,196</u>	<u>\$ 414,195</u>	<u>\$ 1</u>
Total General Fund	<u>\$ 15,736,828</u>	<u>\$ 20,410,257</u>	<u>\$ 16,858,569</u>	<u>\$ 3,551,688</u>
Special Revenue Funds:				
Landfill Fund:				
Public works:				
Sanitation and waste removal:				
Landfill	\$ 1,056,574	\$ 1,269,336	\$ 1,238,996	\$ 30,340
Total Landfill Fund	<u>\$ 1,056,574</u>	<u>\$ 1,269,336</u>	<u>\$ 1,238,996</u>	<u>\$ 30,340</u>
E-911 Fund:				
Public safety:				
Law enforcement and traffic control:				
Emergency 911 services	\$ 137,940	\$ 461,743	\$ 325,527	\$ 136,216
Total E-911 Fund	<u>\$ 137,940</u>	<u>\$ 461,743</u>	<u>\$ 325,527</u>	<u>\$ 136,216</u>

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

<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>
Special Revenue Funds: (Continued)				
Dare Program Fund:				
Public safety:				
Law enforcement and traffic control:				
Dare program	\$ -	\$ 99	\$ -	\$ 99
Total Dare Program Fund	\$ -	\$ 99	\$ -	\$ 99
Total Primary Government	\$ 16,931,342	\$ 22,141,435	\$ 18,423,092	\$ 3,718,343
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Elementary and secondary schools	\$ 17,481,701	\$ 19,335,352	\$ 16,844,272	\$ 2,491,080
Total instruction costs	\$ 17,481,701	\$ 19,335,352	\$ 16,844,272	\$ 2,491,080
Operating costs:				
Administration, attendance and health services	\$ 2,054,595	\$ 3,617,815	\$ 3,023,370	\$ 594,445
Pupil transportation	1,541,094	1,650,391	1,273,279	377,112
Operation and maintenance of school plant	2,504,553	3,066,201	2,365,443	700,758
Total operating costs	\$ 6,100,242	\$ 8,334,407	\$ 6,662,092	\$ 1,672,315
Total education	\$ 23,581,943	\$ 27,669,759	\$ 23,506,364	\$ 4,163,395
Capital projects:				
School capital projects	\$ 322,500	\$ 730,481	\$ 412,333	\$ 318,148
Total capital projects	\$ 322,500	\$ 730,481	\$ 412,333	\$ 318,148
Total School Operating Fund	\$ 23,904,443	\$ 28,400,240	\$ 23,918,697	\$ 4,481,543
Special Revenue Funds:				
School Textbook Fund:				
Education:				
Instruction:				
Elementary and secondary schools	\$ -	\$ -	\$ 133,802	\$ (133,802)
Total School Textbook Fund	\$ -	\$ -	\$ 133,802	\$ (133,802)
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,375,102	\$ 1,466,243	\$ 765,083	\$ 701,160
Commodities	-	-	68,505	(68,505)
Total School Cafeteria Fund	\$ 1,375,102	\$ 1,466,243	\$ 833,588	\$ 632,655

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

<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>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Activity Fund:				
Education:				
Instructional services:				
School activity accounts	\$ -	\$ -	\$ 258,745	\$ (258,745)
Total instructional services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,745</u>	<u>\$ (258,745)</u>
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,745</u>	<u>\$ (258,745)</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,745</u>	<u>\$ (258,745)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 25,279,545</u>	<u>\$ 29,866,483</u>	<u>\$ 24,886,087</u>	<u>\$ 4,980,396</u>

Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2012	\$ 1,052,738	\$ 749,812	\$ 2,134,591	\$ 1,281,092	\$ 2,550,832	\$ 4,779,326	\$ 328,756	\$ 839,415	\$ 174,484	\$ 13,891,046
2013	1,137,841	760,916	2,508,940	613,101	2,623,446	4,526,212	339,258	1,457,207	211,077	14,177,998
2014	1,161,580	766,111	2,788,375	1,776,879	2,440,221	5,262,880	358,507	774,358	161,935	15,490,846
2015	1,232,743	753,595	2,589,898	1,543,166	2,263,211	4,834,848	361,174	771,383	131,132	14,481,150
2016	936,027	768,920	2,530,134	1,074,068	1,996,214	5,231,092	338,200	608,120	130,484	13,613,259
2017	1,631,110	816,258	2,517,124	1,046,610	2,188,527	4,704,799	357,724	659,625	110,433	14,032,210
2018	1,159,579	755,430	2,527,622	1,697,197	2,306,603	5,589,509	326,545	993,620	97,538	15,453,643
2019	971,169	758,707	2,779,286	2,625,662	2,572,616	5,378,240	329,198	948,845	79,856	16,443,579
2020	1,181,734	869,583	3,189,310	1,604,449	2,713,014	4,986,918	364,639	779,363	64,558	15,753,568

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	
2012	\$ 473,252	\$ 4,031,460	\$ 71,955	\$ 6,396,185	\$ 1,474,067	\$ 728,438	\$ 94,763	\$ 1,443,945	\$ -	\$ 14,714,065
2013	475,600	4,026,666	-	6,034,409	1,555,276	716,771	112,145	1,538,961	56,853	14,516,681
2014	477,320	3,489,580	-	6,666,598	1,586,886	727,700	81,512	1,440,129	-	14,469,725
2015	583,206	3,125,217	-	6,653,238	1,556,878	711,772	68,162	1,625,711	(3,756,634)	10,567,550
2016	523,796	3,188,576	-	6,833,044	1,612,326	629,974	74,480	1,511,423	-	14,373,619
2017	560,025	3,374,947	-	6,918,150	1,703,463	640,964	205,802	1,508,408	-	14,911,759
2018	651,315	3,617,923	280,000	7,415,503	1,673,112	705,220	112,929	1,424,397	-	15,880,399
2019	702,511	3,727,846	-	7,364,578	1,941,382	878,172	431,237	1,578,472	-	16,624,198
2020	740,213	3,827,260	-	7,728,549	1,985,544	949,264	133,715	1,491,597	-	16,856,142

County of Nottoway, 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 Development	Community Development	Debt Service	Total
2012	\$ 1,192,422	\$ 638,417	\$ 2,174,631	\$ 1,099,329	\$ 2,516,591	\$ 22,119,207	\$ 238,858	\$ 738,042	\$ 929,645	\$ 31,647,142
2013	1,104,664	650,265	2,285,758	1,030,169	2,646,524	22,049,473	246,125	660,920	540,574	31,214,472
2014	1,136,864	667,960	2,683,293	1,146,247	2,368,329	21,925,848	276,770	758,808	924,557	31,888,676
2015	1,340,100	675,769	2,560,867	1,104,173	2,285,888	21,667,654	277,835	976,404	888,881	31,777,571
2016	1,204,371	726,542	2,617,795	1,270,202	2,153,350	22,071,187	264,371	690,964	932,866	31,931,648
2017	1,332,833	749,325	2,547,557	954,865	2,189,144	23,113,450	275,677	802,912	624,071	32,589,834
2018	1,495,583	731,994	2,709,387	1,435,031	2,399,535	21,888,576	270,303	996,084	638,142	32,564,635
2019	1,287,921	752,658	2,977,257	3,275,820	2,661,704	22,695,512	280,906	960,520	429,504	35,321,802
2020	1,392,864	798,503	3,234,902	1,580,621	2,691,624	23,276,816	274,609	774,396	421,870	34,446,205
2021	1,547,222	820,113	4,914,831	1,713,490	2,816,464	24,738,510	314,395	1,463,869	414,195	38,743,089

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

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

County of Nottoway, 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
2012	\$ 6,304,420	\$ 1,474,067	\$ 78,966	\$ 16,740	\$ 731,551	\$ 647,763	\$ 327,280	\$ 190,890	\$ 22,902,655	\$ 32,674,332
2013	6,054,653	1,555,276	79,368	7,972	720,347	617,069	362,340	17,747	22,796,756	32,211,528
2014	6,735,452	1,586,886	83,156	5,574	730,188	592,821	274,961	421,890	21,881,997	32,312,925
2015	6,611,983	1,556,878	87,022	3,848	715,020	689,876	242,480	131,576	21,934,976	31,973,659
2016	6,641,274	1,612,326	70,251	4,007	631,785	655,673	172,295	375,401	22,190,197	32,353,209
2017	6,806,196	1,703,463	75,720	10,984	642,575	682,891	273,178	216,534	22,917,302	33,328,843
2018	7,403,795	1,673,112	110,295	11,291	707,712	734,810	194,142	203,498	23,229,771	34,268,426
2019	7,747,405	1,941,382	104,183	14,301	886,934	798,217	499,307	249,109	23,692,236	35,933,074
2020	7,672,218	1,985,544	112,580	12,578	958,656	712,428	203,420	363,383	24,114,357	36,135,164
2021	7,801,081	2,108,720	116,092	5,637	671,272	554,516	629,538	213,553	26,966,625	39,067,034

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

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

Table 5

County of Nottoway, 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 (1,2)	Total Tax Collections	Percent of		Percent of	
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes to Tax Levy
2012	\$ 7,116,812	\$ 6,802,180	95.58%	\$ 319,368	\$ 7,121,548	100.07%	\$ 747,418	10.50%	
2013	7,029,394	6,659,268	94.73%	260,350	6,919,618	98.44%	775,779	11.04%	
2014	7,697,598	7,201,515	93.56%	327,871	7,529,386	97.81%	716,349	9.31%	
2015	7,662,773	7,292,723	95.17%	250,767	7,543,490	98.44%	747,240	9.75%	
2016	7,827,966	7,306,097	93.33%	289,698	7,595,795	97.03%	844,418	10.79%	
2017	7,793,788	7,311,127	93.81%	303,828	7,614,955	97.71%	837,051	10.74%	
2018	8,272,472	7,758,973	93.79%	475,727	8,234,700	99.54%	954,993	11.54%	
2019	8,622,445	8,057,921	93.45%	492,584	8,550,505	99.17%	748,907	8.69%	
2020	8,677,024	8,179,818	94.27%	314,255	8,494,073	97.89%	881,691	10.16%	
2021	8,799,657	8,302,069	94.35%	334,893	8,636,962	98.15%	759,819	8.63%	

(1) Exclusive of penalties and interest. Includes personal property tax relief funds.

(2) Does not include land redemptions.

Table 6

County of Nottoway, Virginia
Assessed Value of Taxable Property (in thousands)
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Service (2)	Total
2012	\$ 819,870	\$ 72,893	\$ 14,799	\$ 72,922	\$ 980,484
2013	945,617	72,954	13,089	77,364	1,109,024
2014	878,681	77,330	14,849	84,102	1,054,962
2015	878,668	80,115	10,050	90,207	1,059,040
2016	892,421	90,649	9,280	90,207	1,082,557
2017	814,187	83,507	9,661	113,068	1,020,423
2018	916,201	85,174	6,548	101,546	1,109,469
2019	942,863	88,760	8,466	118,048	1,158,137
2020	946,223	91,671	9,094	119,080	1,166,068
2021	954,193	95,132	10,867	104,350	1,164,541

(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 Nottoway, Virginia
Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Utility	
				Real Estate	Personal Property
2012	\$ 0.49	\$ 3.50	\$ 1.35	\$ 0.49	\$ 3.50
2013	0.44	3.50	1.35	0.44	3.50
2014	0.47	3.75	1.35	0.47	3.75
2015	0.47	3.75	1.35	0.47	3.75
2016	0.47	3.75	1.35	0.47	3.75
2017	0.47	3.75	1.35	0.47	3.75
2018	0.50	3.75	1.35	0.50	3.75
2019	0.48	3.75	1.35	0.48	3.75
2020	0.48	3.75	1.35	0.48	3.75
2021	0.48	3.75	1.35	0.48	3.75

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2011	15,853	\$ 971,660	\$ 6,477,614	\$ 6,477,614	0.67%	\$ 409
2012	15,853	980,484	5,885,627	5,885,627	0.60%	371
2013	15,853	1,109,024	5,301,684	5,301,684	0.48%	334
2014	15,853	1,054,962	4,609,783	4,609,783	0.44%	291
2015	15,853	1,059,040	4,609,783	4,609,783	0.44%	291
2016	15,853	1,082,557	3,214,548	3,214,548	0.30%	203
2017	15,853	1,020,423	2,760,811	2,760,811	0.27%	174
2018	15,853	1,109,469	2,327,709	2,327,709	0.21%	147
2019	15,853	1,158,137	1,985,013	1,985,013	0.17%	125
2020	15,413	1,166,068	1,637,482	1,637,482	0.14%	106
2021	15,413	1,164,541	1,285,258	1,285,258	0.11%	83

(1) Weldon Cooper Center for Public Service - University of Virginia

(2) From Table 6

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



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Nottoway 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 Nottoway, Virginia's basic financial statements, and have issued our report thereon dated December 7, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Nottoway Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Nottoway, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Nottoway, 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 cost as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Nottoway, 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 Nottoway, Virginia's Response to Finding

County of Nottoway, Virginia's response to the finding identified in our audit is described in the accompany schedule of findings and questioned costs. County of Nottoway, 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.

A handwritten signature in black ink, appearing to read "D. F. Clark", followed by a horizontal line extending to the right.

Richmond, Virginia
December 7, 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 Nottoway
Nottoway, Virginia**

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Programs

In our opinion, County of Nottoway, 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 Nottoway, 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 Nottoway, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Nottoway, Virginia's internal control over compliance.

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

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

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



Richmond, Virginia
December 7, 2021

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Department of Education:				
Temporary Assistance for Needy Families	93.558	0400120/0400121	\$ 56,258	\$ -
Department of Social Services:				
Temporary Assistance for Needy Families	93.558	0400120/0400121	143,884	-
			\$ 200,142	\$ -
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950120/0950121	1,409	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	05001120/0500121	330	-
Low Income Home Energy Assistance	93.568	0600420/0600421	22,838	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900120/0900121	69	-
Foster Care - Title IV-E	93.658	1100120/1100121	139,471	-
Adoption Assistance	93.659	1130120/1130121	25,769	-
Social Services Block Grant	93.667	1000120/1000121	219,773	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150120/9150121	3,022	-
Children's Health Insurance Program	93.767	0540120/0540121	1,992	-
Medicaid Cluster:				
Medical Assistance Program	93.778	1200120/1200121	159,058	-
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760120/0760121	29,329	-
Total Department of Health and Human Services			\$ 803,202	\$ -
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Agriculture:				
Food Distribution--School	10.555	17901-45707	\$ 68,505	\$ -
Department of Education:				
National School Lunch Program	10.555	17901-40623	254,671	-
COVID-19 - National School Lunch Program	10.555	17901-40623	46,426	-
Total AL# 10.555			\$ 369,602	\$ -
School Breakfast Program	10.553	17901-40591	\$ 138,861	\$ -
COVID-19 - School Breakfast Program	10.553	17901-40591	27,611	-
Total AL# 10.553			\$ 166,472	\$ -
Summer Food Service Program for Children	10.559	unavailable	\$ 4,978	\$ -
COVID-19 - Summer Food Service Program for Children	10.559	unavailable	13,528	-
Total AL# 10.553			\$ 18,506	\$ -
Total Child Nutrition Cluster			\$ 554,580	\$ -
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010119/0010120	\$ 211,224	\$ -
Total Department of Agriculture			\$ 765,804	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Assistance:				
Emergency Management Performance Grants	97.042	77501-98308	\$ 6,000	\$ -
Total Department of Homeland Security			\$ 6,000	\$ -
U.S Election Assistance Commission:				
Pass Through Payments:				
State Board of Elections:				
COVID-19 - HAVA Election Security Grants	90.404	unavailable	\$ 52,583	\$ -
Department of Justice:				
Pass Through Payments:				
Compensation Board:				
Crime Victim Assistance	16.575	unavailable	\$ 7,762	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	unavailable	1,692	-
Total Department of Justice			\$ 9,454	\$ -

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Treasury:				
Pass Through Payments:				
Department of Accounts:				
COVID-19 - Coronavirus Relief Fund	21.019	10110-728021	\$ 1,710,550	\$ 1,123,008
Department of Education:				
COVID-19 - Coronavirus Relief Fund	21.019	10110-728021	325,658	-
Total Department of Treasury			<u>\$ 2,036,208</u>	<u>\$ 1,123,008</u>
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	605007-53000	\$ 1,502	\$ -
Department of the Defense:				
Direct Payments:				
JROTC	12.xxx	N/A	\$ 58,083	\$ -
Total Department of Defense			<u>\$ 58,083</u>	<u>\$ -</u>
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	17901-42901	\$ 840,956	\$ -
Special Education Cluster:				
Special Education - Grants to States	84.027	17901-43071	309,249	-
Special Education - Preschool Grants	84.173	17901-62521	16,479	-
Total Special Education Cluster			<u>\$ 325,728</u>	<u>\$ -</u>
Career and Technical Education - Basic Grants to States	84.048	17901-61095	77,254	-
Twenty-First Century Community Learning Centers	84.287	17901-60565	328,602	-
English Language Acquisition State Grants	84.365	17901-60512	11,181	-
Education for Homeless Children and Youth	84.196	unavailable	11,319	-
School Improvement Grants	84.377	unavailable	52,059	-
Rural Education	84.358	17901-43481	46,106	-
Supporting Effective Instruction State Grants	84.367	17901-61480	130,466	-
Student Support and Academic Enrichment Program	84.424	S424A180048	44,963	-
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	10110-728021	195,812	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	not available	473,849	-
Total AL# 84.425			<u>669,661</u>	<u>-</u>
Total Department of Education			<u>\$ 2,538,295</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 6,271,131</u>	<u>\$ 1,123,008</u>

See accompanying notes to schedule of expenditures of federal awards.

County of Nottoway, Virginia

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

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

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

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

Note 3 - Food Donation

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

Note 4 - Loan Balances

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:		
General Fund	\$	2,584,265
Total primary government	\$	<u>2,584,265</u>
Component Unit School Board:		
School Operating Fund	\$	3,153,140
School Cafeteria Fund		554,580
Total component unit school board	\$	<u>3,707,720</u>
Total federal expenditures per basic financial statements	\$	6,291,985
Less: Payment in Lieu of Taxes		<u>20,854</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>6,271,131</u></u>

County of Nottoway, 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 no
 Significant deficiency(ies) identified? yes ✓ none reported
 Noncompliance material to financial statements noted? yes ✓ no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? yes ✓ no
 Significant deficiency(ies) identified? yes ✓ none reported
 Type of auditors' report issued on compliance
 for major programs: unmodified
 Any findings disclosed that are required to be
 reported in accordance 2 CFR section 200.516(a)? yes ✓ no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Funds
84.010	Title I Grants to Local Education Agencies

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

Auditee qualified as low-risk auditee? ✓ yes no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

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

Section II-Financial Statement Findings

2021-001

Financial Reporting

Criteria: Identification of adjustments to the financial statements that was not detected by the entity's internal controls indicates that a material weakness exists. Internal controls should be in place that provide assurance that audited financial statements reconcile to the County's internal documents.

Condition: The financial statements did not contain all necessary adjustments to reconcile to the County's internal documents to comply with generally accepted accounting principles (GAAP).

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

Cause of Condition: Procedures have not been fully implemented to provide the necessary internal controls over financial reporting.

Recommendation: Procedures should be implemented providing for the posting of all year-end adjusting entries to allow for reconciliation between the audited financial statements and the County's general ledger reports. In order to take the next step in addressing this issue, the County should consider employing a governmental accounting consultant, that is independent of the County's Auditor, to assist with the preparation of year end working trial balances.

Management's Response: The County agrees with the finding and is considering corrective action for FY2022.

**County of Nottoway, Virginia
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021**

There were no prior year findings.