County of Wythe, Virginia
Financial Statements

Fiscal Year Ended June 30, 2021

COUNTY OF WYTHE, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

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

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INTRODUCTORY SECTION

BOARD OF SUPERVISORS

Brian Vaught, Chair

Ryan Lawson, Vice Chair
Rolland Cook
Jamie Smith
B. G. "Gene" Horney, Jr.
Coy L. McRoberts
Stacy Terry

Martha Collins, Clerk

COUNTY SCHOOL BOARD

Charmer Frye, Chair

Peggy Wagy, Vice Chair
Don Goode
Ann Manley
Tonya Freeman
Lee Johnson
Stephen Sage

Catrina Hall, Clerk

SOCIAL SERVICES BOARD

Patty O'Quinn, Chair

Jonathan Hammon, Vice Chair
Sandra Thomas
Maggie Harless
Brian Vaught

Kimberly Ayers, Clerk

OTHER OFFICIALS

Judge of the Circuit Court ..... Josiah T. Showalter, Jr.
Clerk of the Circuit Court ..... Jeremiah Musser
Judge of the General District Court .....J.D. Bolt
Judge of the Juvenile & Domestic Relations Court ..... Bradley Dalton
Commonwealth's Attorney ..... Mike Jones
Commissioner of the Revenue..... Kathy Vaught
Treasurer ..... Lori Guynn
Sheriff .....Keith Dunagan
Superintendent of Schools ..... Dr. Scott L. Jeffries
Director of Social Services ..... Kimberly Ayers
County Administrator ..... Stephen Bear
County Attorney ..... Scot S. Farthing

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit (School Board), each major fund, and the aggregate remaining fund information of the County of Wythe, 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.

Except for the matter described in the "Basis for Disclaimer of Opinion on the Discretely Presented Component Unit-APEX Center" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Discretely Presented Component Unit-School Board	Unmodified
Discretely Presented Component Unit-APEX Center	Disclaimer
General Fund	Unmodified
County Capital Projects Fund	Unmodified
Water Department Fund	Unmodified
Sewer Department Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Disclaimer of Opinion on the Discretely Presented Component Unit-APEX Center

The financial statements of the APEX Center were not available for inclusion in these financial statements and therefore have been omitted. The amounts by which this omission would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the discretely presented component unit-APEX Center have not been determined.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Discretely Presented Component Unit-APEX Center" paragraph, we have not been able to obtain sufficient appropriate audit evidence from other auditors to provide a basis for an audit opinion on the financial statements of the discretely presented component unit-APEX Center. Accordingly, we do not express an opinion on these financial statements.

Unmodified Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit-School Board, each major fund, and the aggregate remaining fund information of the County of Wythe, 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 22 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balance

As described in Note 22 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 budgetary comparison information and schedules related to pension and OPEB funding on pages 98 and 99-112 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

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

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the County of Wythe, 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 the County of Wythe, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Wythe, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 6, 2021

Basic Financial Statements

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Cash and cash equivalents	$ 58,146,870	$ 3,758,533	$ 61,905,403	$ 5,438,553
Receivables (net of allowance for uncollectibles):				
Taxes receivable	2,163,868	-	2,163,868	-
Other local taxes	429,453	-	429,453	-
Accounts receivable	6,258	534,627	540,885	23,620
Due from other governmental units	1,895,237	3,709,616	5,604,853	1,408,743
Inventories	-	-	-	79,010
Prepaid items	-	-	-	938,515
Investment in land	14,029,913	-	14,029,913	-
Restricted assets:				
Cash and cash equivalents	-	1,672,144	1,672,144	-
Certificates of deposits	425,744	-	425,744	-
Capital assets (net of accumulated depreciation):				
Land	4,032,359	233,205	4,265,564	774,089
Buildings and improvements	52,179,672	-	52,179,672	12,765,048
Machinery and equipment	3,856,856	301,183	4,158,039	2,144,956
Infrastructure	889,139	42,352,037	43,241,176	-
Construction in progress	837,752	120,934	958,686	78,775
Total assets	$ 138,893,121	$ 52,682,279	$ 191,575,400	$ 23,651,309
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	$ 2,500,323	$ 131,128	$ 2,631,451	$ 8,971,852
OPEB related items	276,431	13,081	289,512	1,232,173
Total deferred outflows of resources	$ 2,776,754	$ 144,209	$ 2,920,963	$ 10,204,025
LIABILITIES				
Accounts payable	$ 566,986	$ 94,479	$ 661,465	$ 490,427
Salaries payable	-	-	-	3,330,042
Customer deposits	-	86,358	86,358	-
Accrued interest payable	413,808	24,753	438,561	-
Unearned revenue	2,830,738	8,149	2,838,887	-
Deposits held in escrow	7,000	-	7,000	-
Long-term liabilities:				
Due within one year	4,054,072	1,398,350	5,452,422	485,273
Due in more than one year	51,458,811	22,687,909	74,146,720	45,661,843
Total liabilities	$ 59,331,415	$ 24,299,998	$ 83,631,413	$ 49,967,585
DEFERRED INFLOWS OF RESOURCES				
Property taxes paid in advance	$ 146,493	$ -	$ 146,493	$ -
Pension related items	-	-	-	3,691,252
OPEB related items	237,483	11,085	248,568	2,283,825
Total deferred inflows of resources	$ 383,976	$ 11,085	$ 395,061	$ 5,975,077
NET POSITION				
Net investment in capital assets	$ 13,679,809	$ 19,278,655	$ 32,958,464	$ 15,762,868
Restricted:				
Law library	14,059	-	14,059	-
Property seizure	246,399	-	246,399	-
Road project (VDOT)	425,744	-	425,744	-
Bond covenants	-	1,585,786	1,585,786	-
Courtroom security	278,217	-	278,217	-
Clerk's records grant	26,449	-	26,449	-
JAG	2,591	-	2,591	-
Electronic summons	284,150	-	284,150	-
Concealed weapons	40,270	-	40,270	-
School activity fund	-	-	-	1,457,498
School cafeterias	-	-	-	777,589
Unrestricted	66,956,796	7,650,964	74,607,760	(40,085,283)
Total net position	$ 81,954,484	$ 28,515,405	$ 110,469,889	$ (22,087,328)

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: School Board
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	$ 2,405,893	$ 4,038	$ 911,386	$ -	$ (1,490,469)	$ -	$ (1,490,469)	$ -
Judicial administration	1,656,324	10,562	1,036,068	-	(609,694)	-	(609,694)	-
Public safety	8,111,446	1,399,623	3,041,917	-	(3,669,906)	-	(3,669,906)	-
Public works	4,443,048	24,769	64,926	-	(4,353,353)	-	(4,353,353)	-
Health and welfare	11,083,463	-	8,520,209	-	(2,563,254)	-	(2,563,254)	-
Education	13,491,919	-	39,593	-	(13,452,326)	-	(13,452,326)	-
Parks, recreation, and cultural	618,110	93,541	-	-	(524,569)	-	(524,569)	-
Community development	2,301,827	-	817,000	10,262	(1,474,565)	-	(1,474,565)	-
Interest on long-term debt	1,418,111	-	-	-	(1,418,111)	-	(1,418,111)	-
Total governmental activities	$ 45,530,142	$ 1,532,533	$ 14,431,099	$ 10,262	$ (29,556,248)	$ -	$ (29,556,248)	$ -
Business-type activities:								
Water and sewer	$ 4,365,906	$ 3,536,492	$ -	$ -	$ -	$ (829,414)	$ (829,414)	$ -
Total business-type activities	$ 4,365,906	$ 3,536,492	$ -	$ -	$ -	$ (829,414)	$ (829,414)	$ -
Total primary government	$ 49,896,048	$ 5,069,025	$ 14,431,099	$ 10,262	$ (29,556,248)	$ (829,414)	$ (30,385,662)	$ -
COMPONENT UNIT:								
School Board	$ 47,309,907	$ 1,169,560	$ 33,044,485	$ -	$ -	$ -	$ -	$ (13,095,862)
Total component unit	$ 47,309,907	$ 1,169,560	$ 33,044,485	$ -	$ -	$ -	$ -	$ (13,095,862)
General revenues:								
General property taxes					$ 22,612,055	$ -	$ 22,612,055	$ -
Other local taxes:								
Local sales and use taxes					4,539,460	-	4,539,460	-
Consumers' utility taxes					791,416	-	791,416	-
Motor vehicle licenses					462,634	-	462,634	-
Bank stock taxes					38,435	-	38,435	-
Taxes on recordation and wills					231,144	-	231,144	-
Hotel and motel room taxes					186,292	-	186,292	-
Restaurant food taxes					976,014	-	976,014	-
Admission tax					787	-	787	-
Unrestricted revenues from use of money and property					957,730	62,844	1,020,574	33,639
Miscellaneous					14,695	-	14,695	19,597
Payments from the County of Wythe, Virginia					-	-	-	13,423,459
Grants and contributions not restricted to specific programs					2,372,208	-	2,372,208	-
Transfers					47,684	(47,684)	-	-
Total general revenues and transfers					$ 33,230,554	$ 15,160	$ 33,245,714	$ 13,476,695
Change in net position					$ 3,674,306	$ (814,254)	$ 2,860,052	$ 380,833
Net position - beginning, as restated					78,280,178	29,329,659	107,609,837	(22,468,161)
Net position - ending					$ 81,954,484	$ 28,515,405	$ 110,469,889	$ (22,087,328)

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

Exhibit 3

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

	General	County Capital Projects	Total
ASSETS			
Cash and cash equivalents	48,615,667	$ 9,531,203	$ 58,146,870
Receivables (net of allowance for uncollectibles):			
Property taxes receivable	2,163,868	-	2,163,868
Other local taxes receivable	429,453	-	429,453
Accounts receivable	-	6,258	6,258
Due from other governmental units	1,895,237	-	1,895,237
Restricted assets:			
Temporarily restricted:			
Certificates of deposit	425,744	-	425,744
Land held for resale	14,029,913	-	14,029,913
Total assets	$ 67,559,882	$ 9,537,461	$ 77,097,343
LIABILITIES			
Accounts payable	$ 566,986	$ -	$ 566,986
Unearned revenue	2,830,738	-	2,830,738
Deposits held in escrow	7,000	-	7,000
Total liabilities	$ 3,404,724	$ -	$ 3,404,724
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	$ 2,033,959	$ -	$ 2,033,959
Unavailable revenue-land held for resale	14,029,913	-	14,029,913
Total deferred inflows of resources	$ 16,063,872	$ -	$ 16,063,872
FUND BALANCES			
Restricted			
Law library	$ 14,059	$ -	$ 14,059
Property seizure	246,399	-	246,399
Road project (VDOT)	425,744	-	425,744
Courtroom security	278,217	-	278,217
Clerk's records grant	26,449	-	26,449
JAG	2,591	-	2,591
Electronic summons	284,150	-	284,150
Concealed weapons	40,270	-	40,270
Committed for capital projects	2,149,735	9,537,461	11,687,196
Assigned for police activity	1,034,439	-	1,034,439
Unassigned	43,589,233	-	43,589,233
Total fund balances	$ 48,091,286	$ 9,537,461	$ 57,628,747
Total liabilities, deferred inflows of resources, and fund balances	$ 67,559,882	$ 9,537,461	$ 77,097,343

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

County of Wythe, 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		$ 57,628,747
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	$ 4,032,359	
Buildings and improvements	52,179,672	
Infrastructure	889,139	
Machinery and equipment	3,856,856	
Construction in progress	837,752	61,795,778
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds. These amounts are as follows:		
Unavailable revenue - property taxes	$ 1,887,466	
Land held for resale	14,029,913	15,917,379
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	$ 2,500,323	
OPEB related items	276,431	2,776,754
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	$ (38,936,296)	
Literary loans	(9,017,055)	
Accrued interest payable	(413,808)	
Unamortized bond premium	(22,851)	
Compensated absences	(365,330)	
Capital lease	(139,767)	
Net OPEB liabilities	(1,379,489)	
Net pension liability	(5,652,095)	(55,926,691)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
OPEB related items		(237,483)
Net position of governmental activities		$ 81,954,484

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

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

	General	County Capital Projects	Total
REVENUES			
General property taxes	$ 22,397,874	$ -	$ 22,397,874
Other local taxes	7,226,182	-	7,226,182
Permits, privilege fees, and regulatory licenses	192,555	-	192,555
Fines and forfeitures	962,297	-	962,297
Revenue from the use of money and property	813,083	144,647	957,730
Charges for services	346,654	31,027	377,681
Miscellaneous	14,695	-	14,695
Recovered costs	655,849	120,910	776,759
Intergovernmental	16,813,569	-	16,813,569
Total revenues	$ 49,422,758	$ 296,584	$ 49,719,342
EXPENDITURES			
Current:			
General government administration	$ 2,929,124	$ -	$ 2,929,124
Judicial administration	1,478,694	-	1,478,694
Public safety	8,517,010	-	8,517,010
Public works	2,206,047	-	2,206,047
Health and welfare	10,881,405	-	10,881,405
Education	12,259,661	-	12,259,661
Parks, recreation, and cultural	561,101	-	561,101
Community development	1,892,650	-	1,892,650
Capital projects	2,854,185	-	2,854,185
Debt service:			
Principal retirement	2,936,600	-	2,936,600
Interest and other fiscal charges	1,639,075	-	1,639,075
Total expenditures	$ 48,155,552	$ -	$ 48,155,552
Excess (deficiency) of revenues over (under) expenditures	$ 1,267,206	$ 296,584	$ 1,563,790
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 5,760,912	$ 5,288,333	$ 11,049,245
Transfers out	(5,324,941)	(5,676,620)	(11,001,561)
Debt service principal (current refunding)	(24,555,603)	-	(24,555,603)
Proceeds of general obligation bonds	26,365,882	-	26,365,882
Proceeds of capital leases	21,595	-	21,595
Sale of capital assets	29,302	-	29,302
Total other financing sources (uses)	$ 2,297,147	$ (388,287)	$ 1,908,860
Net change in fund balances	$ 3,564,353	$ (91,703)	$ 3,472,650
Fund balances - beginning	44,526,933	9,629,164	54,156,097
Fund balances - ending	$ 48,091,286	$ 9,537,461	$ 57,628,747

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

County of Wythe, 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		$ 3,472,650
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.		
Capital outlays	$ 2,265,352	
Depreciation expense	(2,539,242)	(273,890)
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, trade-ins, and donations) is to decrease net position.		
Disposal of assets		(12,186)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes		214,181
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.		
Debt issued or incurred:		
Issuance of general obligation debt	$ (26,365,882)	
Issuance of capital lease	(21,595)	
Principal repayments:		
General obligation bonds, literary loans, and lease agreements	27,492,203	1,104,726
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	$ 25,359	
Change in accrued interest payable	207,820	
Change in OPEB related items	53,198	
Change in pension related items	(1,130,696)	
Amortization of bond premium	13,144	(831,175)
Change in net position of governmental activities		$ 3,674,306

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

Exhibit 7

County of Wythe, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2021

	Enterprise Funds		
	Water Department	Sewer Department	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 775,320	$ 2,983,213	$ 3,758,533
Accounts receivable	283,980	250,647	534,627
Due from other governmental units	3,709,616	-	3,709,616
Total unrestricted current assets	$ 4,768,916	$ 3,233,860	$ 8,002,776
Restricted current assets:			
Cash and cash equivalents	$ 1,655,111	$ 17,033	$ 1,672,144
Total restricted current assets	$ 1,655,111	$ 17,033	$ 1,672,144
Total current assets	$ 6,424,027	$ 3,250,893	$ 9,674,920
Noncurrent assets:			
Capital assets:			
Land	$ 211,245	$ 21,960	$ 233,205
Infrastructure	37,288,777	27,613,170	64,901,947
Machinery and equipment	458,606	129,515	588,121
Accumulated depreciation	(12,148,266)	(10,688,582)	(22,836,848)
Construction in progress	23,608	97,326	120,934
Total capital assets	$ 25,833,970	$ 17,173,389	$ 43,007,359
Total noncurrent assets	$ 25,833,970	$ 17,173,389	$ 43,007,359
Total assets	$ 32,257,997	$ 20,424,282	$ 52,682,279
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	$ 68,490	$ 62,638	$ 131,128
OPEB related items	6,911	6,170	13,081
Total deferred outflows of resources	$ 75,401	$ 68,808	$ 144,209
LIABILITIES			
Current liabilities:			
Accounts payable	$ 90,882	$ 3,597	$ 94,479
Customers' deposits	69,325	17,033	86,358
Accrued interest payable	19,080	5,673	24,753
Compensated absences - current portion	9,815	12,169	21,984
Unearned revenue	5,704	2,445	8,149
Bonds payable - current portion	765,242	611,124	1,376,366
Total current liabilities	$ 960,048	$ 652,041	$ 1,612,089
Noncurrent liabilities:			
Compensated absences - net of current portion	$ 3,271	$ 4,056	$ 7,327
Bonds payable - net of current portion	16,873,620	5,478,718	22,352,338
Net pension liability	140,003	123,844	263,847
Net OPEB liabilities	34,171	30,226	64,397
Total noncurrent liabilities	$ 17,051,065	$ 5,636,844	$ 22,687,909
Total liabilities	$ 18,011,113	$ 6,288,885	$ 24,299,998
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	$ 5,882	$ 5,203	$ 11,085
Total deferred inflows of resources	$ 5,882	$ 5,203	$ 11,085
NET POSITION			
Net investment in capital assets	$ 8,195,108	$ 11,083,547	$ 19,278,655
Restricted for bond covenants	1,585,786	-	1,585,786
Unrestricted	4,535,509	3,115,455	7,650,964
Total net position	$ 14,316,403	$ 14,199,002	$ 28,515,405

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

Exhibit 8

County of Wythe, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Enterprise Funds		
	Water Department	Sewer Department	Total
OPERATING REVENUES			
Charges for services:			
Water and sewer billings	$ 1,881,578	$ 1,642,817	$ 3,524,395
Miscellaneous	2,800	9,297	12,097
Total operating revenues	$ 1,884,378	$ 1,652,114	$ 3,536,492
OPERATING EXPENSES			
Personnel services	$ 189,028	$ 221,298	$ 410,326
Fringe benefits	114,055	94,525	208,580
Professional services	204,467	28,980	233,447
Operating expenses	523,259	301,973	825,232
Purchase of water - regional plant	411,558	-	411,558
Repair and maintenance	51,512	78,776	130,288
Depreciation	931,002	714,796	1,645,798
Total operating expenses	$ 2,424,881	$ 1,440,348	$ 3,865,229
Operating income (loss)	$ (540,503)	$ 211,766	$ (328,737)
NONOPERATING REVENUES (EXPENSES)			
Interest income	$ 28,955	$ 33,889	$ 62,844
Gain on sale of assets	5,883	-	5,883
Interest expense	(324,679)	(176,702)	(501,381)
Bond issuance costs	(5,179)	-	(5,179)
Total nonoperating revenues (expenses)	$ (295,020)	$ (142,813)	$ (437,833)
Income before contributions and transfers	$ (835,523)	$ 68,953	$ (766,570)
Transfers in	36,608	-	36,608
Transfers out	(42,146)	(42,146)	(84,292)
Change in net position	$ (841,061)	$ 26,807	$ (814,254)
Total net position - beginning	15,157,464	14,172,195	29,329,659
Total net position - ending	$ 14,316,403	$ 14,199,002	$ 28,515,405

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

County of Wythe, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Enterprise Funds		
	Water Department	Sewer Department	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,942,304	$ 1,563,912	$ 3,506,216
Payments to suppliers	(1,134,391)	(413,435)	(1,547,826)
Payments to and for employees	(276,451)	(289,790)	(566,241)
Net cash provided by (used for) operating activities	$ 531,462	$ 860,687	$ 1,392,149
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	$ (42,146)	$ (42,146)	$ (84,292)
Transfers from other funds	36,608	-	36,608
Net cash provided by (used for) noncapital financing activities	$ (5,538)	$ (42,146)	$ (47,684)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital asset additions	$ (115,831)	$ (260,857)	$ (376,688)
Construction grants	282,339	-	282,339
Principal payments on bonds	(1,434,509)	(589,410)	(2,023,919)
Proceeds from indebtedness	957,313	30,604	987,917
Bond issuance costs	(5,179)	-	(5,179)
Interest expense	(328,093)	(180,803)	(508,896)
Proceeds from sales of capital assets	5,883	-	5,883
Net cash provided by (used for) capital and related financing activities	$ (638,077)	$ (1,000,466)	$ (1,638,543)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	$ 28,955	$ 33,889	$ 62,844
Net cash provided by (used for) investing activities	$ 28,955	$ 33,889	$ 62,844
Net increase (decrease) in cash and cash equivalents	$ (83,198)	$ (148,036)	$ (231,234)
Cash and cash equivalents - beginning (including $1,417,275 of restricted cash)	2,513,629	3,148,282	5,661,911
Cash and cash equivalents - ending (including $1,672,144 of restricted cash)	$ 2,430,431	$ 3,000,246	$ 5,430,677
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (540,503)	$ 211,766	$ (328,737)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	$ 931,002	$ 714,796	$ 1,645,798
(Increase) decrease in accounts receivable	44,510	(91,856)	(47,346)
(Increase) decrease in deferred outflows of resources	(32,441)	(37,702)	(70,143)
Increase (decrease) in customer deposits	7,712	1,209	8,921
Increase (decrease) in accounts payable	56,405	(3,706)	52,699
Increase (decrease) in deferred revenue	5,704	2,445	8,149
Increase (decrease) in compensated absences	421	1,100	1,521
Increase (decrease) in net pension liability	62,530	63,068	125,598
Increase (decrease) in net OPEB liabilities	2,762	5,484	8,246
Increase (decrease) in deferred inflows of resources	(6,640)	(5,917)	(12,557)
Total adjustments	$ 1,071,965	$ 648,921	$ 1,720,886
Net cash provided by (used for) operating activities	$ 531,462	$ 860,687	$ 1,392,149

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

Exhibit 10

County of Wythe, Virginia
Statement of Fiduciary Net Position
June 30, 2021

	Custodial Fund Special Welfare
ASSETS	
Cash and cash equivalents	$ 34,433
Total assets	$ 34,433
NET POSITION	
Restricted - amounts held for special welfare clients	$ 34,433
Total net position	$ 34,433

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

Exhibit 11

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

	Custodial Fund Special Welfare
ADDITIONS	
Gifts, donations, and aid	$ 37,685
Revenue from the use of money	414
Total additions	$ 38,099
Deductions	
Special welfare payments	$ 40,480
Total deductions	$ 40,480
Net increase (decrease) in fiduciary net position	$ (2,381)
Total net position, beginning of year, as restated	$ 36,814
Total net position, end of year	$ 34,433

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

Note 1-Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity:

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

Blended component units – The County has no blended component units.

Discretely Presented Component Units –

The component unit column in the financial statements includes the financial data of the County's discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Wythe County School Board ("the School Board") operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type. Separate financial statements are not issued for the Component Unit – School Board.

The financial data for the following component unit is not including in the component unit columns in the financial statements:

The Appalachian Regional Exposition Center Authority ("the APEX Center") operates a multi-use arena with seating capacity of 4,500. The APEX Center is fiscally dependent upon the County because the County provides significant funding. The APEX Center is presented as an enterprise fund type. Complete financial statements for the APEX Center may be attained from the APEX Center at 200 Apex Drive, Wytheville, Virginia 24382.

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

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

A. Financial Reporting Entity: (Continued)

Jointly Governed Organizations –

The Counties of Wythe and Grayson participate in supporting the Wythe/Grayson Regional Library. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2021, the County contributed $324,455 to the Library.

The Counties of Wythe and Smyth participate in supporting the Smyth/Wythe Airport Authority. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2021, the County contributed $53,720 to the Airport.

B. Government-wide and fund financial statements:

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

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

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

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

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

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

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

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

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 un-collectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenue. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County.

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

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of the Law Library Fund and the Property Seizure Fund.

The County reports the following major capital projects funds:

The County Capital Projects Fund accounts for and reports financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. It accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

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

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

The government reports the following major proprietary funds:

The *water department fund and sewer department fund* account for the activities of the County water and sewer system, which includes water distribution and sewage collections systems throughout the County.

Additionally, the government reports the following fund types:

Fiduciary funds (Trust and Custodial funds) account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Custodial funds include the special welfare fund.

The School Board reports the following major governmental funds:

The *School Operating Fund* is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from appropriations from the County and state and federal grants.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's water and sewer function and various other functions of the government.

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. Cash and Cash Equivalents

   Cash and cash equivalents include cash on hand and 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. Accordingly, investments totaling $3,280,674 are reported as cash and cash equivalents in the accompanying financial statements.

2. Investments

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

3. Receivables and Payables

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

4. Property Taxes

   Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on December 5th.

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

5. Allowance for Uncollectible Accounts

   The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $1,143,114 on June 30, 2021. This allowance consists of delinquent taxes in the amount of $237,926 and delinquent water and sewer bills of $905,188.

6. 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.

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

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

7. Inventory

Land held for resale includes land, land improvement, and infrastructure at the Progress Park located in Wythe County. This inventory is valued at original cost. Fair market value cannot be determined as comparable sites do not exist within the vicinity of the County.

8. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year.

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

Assets	Years
Buildings	40
Building improvements	40
Structures, lines, and accessories	20-40
Machinery and equipment	4-30

9. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The County accrues salary-related payments associated with the payment of compensated absences. The School Board and Social Services department accrue payments associated with sick leave upon retirement. The County does not pay for sick leave upon retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

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

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

10. 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.

11. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' 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.

12. 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 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.

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

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

13. 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.

14. Net Position Flow Assumption

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

15. Deferred Outflows/Inflows of Resources

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

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

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

15. Deferred Outflows/Inflows of Resources (Continued)

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 three types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable and unavailable revenue is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30th, property taxes paid in advance, and the value of land held for resale which are deferred and recognized as an inflow of resources in the period that the amounts become available. Under the accrual basis, tax amounts prepaid are reported as deferred inflows are 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.

16. 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:

Non-spendable – amounts that cannot be spent because they are not in spendable form, such as prepaid items and inventory or are required to be maintained intact (corpus of a permanent fund).

Restricted - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of 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 - 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 - 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.

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

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

16. 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.

The 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).

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary information

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund and the School Operating Fund

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Capital Projects Fund. The School Fund is integrated only at the level of legal adoption.

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2-Stewardship, Compliance, and Accountability: (Continued)

A. Budgetary information (Continued)

7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project.

8. All budgetary data presented in the accompanying financial statements is the revised budget as of June 30.

B. Excess of expenditures over appropriations

For fiscal year 2021, expenditures in the Medical Examiner's Office exceeded appropriations by $20.

C. Deficit fund equity

On June 30, 2021, there were no funds with deficit fund equity.

Note 3-Deposits and Investments:

A. Deposits

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

B. 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).

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County and its discretely presented component unit has an investment policy for custodial credit risk included within the County investment policy. The County's investments on June 30, 2021 were held in the County's name by the County's custodial bank. The County's investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Note 3-Deposits and Investments: (Continued)

B. Investments (Continued)

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2021, were rated by Standard and Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard and Poor's rating scale.

County's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings
	AAAm
Wells Fargo Advantage MM Fund	$ 827,216
SNAP (State Non-arbitrage Pool)	2,004,805
VIP (Virginia Investment Pool)	448,653

Interest Rate Risk

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

Investment Maturities (in years)

Investment Type	Fair Value	1 Year or less	1-5 Years
Wells Fargo Advantage MM Fund	$ 827,216	$ 827,216	-
Certificates of deposit	425,744	425,744	
State Non-arbitrage Pool (SNAP)	2,004,805	2,004,805	-
VML/VACO Virginia Investment Pool (VIP)	448,653	448,653	-

Concentration of Credit Risk

On June 30, 2021, the County did not have any investments meeting the GASB 40 definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

Note 3-Deposits and Investments: (Continued)

C. Investments (Continued)

External Investment Pools

The primary government is a participant in the Virginia Investment Pool (VIP). VIP is a Section 115 governmental fund created under the Joint Exercise of Powers statute of the Commonwealth of Virginia to provide political subdivisions with an investment vehicle to pool surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. The VIP Trust is governed by a Board of Trustees. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above VML/VACO Investment Pool investment at the net asset value (NAV). VML/VACO VIP allows the County to have the option to have access to withdrawal funds twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

The primary government is a participant in the Virginia State Non-Arbitrage Program (SNAP) sponsored by the Virginia Treasury Board. SNAP provides comprehensive investment management, accounting and arbitrage calculation services for the proceeds of tax-exempt financings of Virginia governments. The Treasury Board has hired a program/investment manager, rebate calculation agent, central depository, custodian bank, and legal counsel to manage the program and provide services to investors. The value of the positions in the external investment pools (SNAP) is the same as the value of the pool shares. As SNAP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

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Note 4-Due from Other Governmental Units:

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

	Primary Government		
	Governmental Activities	Business-type Activities	Component Unit School Board
Local Government:			
New River Valley Regional Water Authority	$ -	$2,219,600	$ -
Town of Wytheville	-	1,490,016	-
Commonwealth of Virginia:			
Local sales tax	831,289	-	-
Local communication tax	87,572	-	-
State sales tax	-	-	676,652
Categorical aid	247,201	-	-
Non-categorical aid	19,082	-	-
Virginia public assistance funds	148,952	-	-
Community services act	254,438	-	-
Federal Government:			
Virginia public assistance funds	235,564	-	-
Categorical aid	71,139	-	732,091
Totals	$1,895,237	$3,709,616	$ 1,408,743

The County constructed certain debt financed assets that are used by the New River Regional Water Authority and the Town of Wytheville, Virginia. The County has recorded a receivable in the Water Fund of $3,709,616 for repayment of shared construction costs. The County bills these entities as debt service payments are due.

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Note 5-Interfund Transfers/Component Unit Contributions:

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

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	$ 5,760,912	$ 5,324,941
County Capital Projects Fund	5,288,333	5,676,620
Water Fund	36,608	42,146
Sewer Fund	-	42,146
Component Unit-School Board:		
School Operating Fund	18,078	851,511
School Activity Fund	851,511	18,078
Total	$11,955,442	$ 11,955,442

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization. There were no interfund obligations on June 30, 2021.

Primary government contributions to component units for the year ended June 30, 2021, consisted of the following:

Component Unit:	
School Board	$ 12,191,201
APEX Center	200,000

There were no component unit obligations on June 30, 2021.

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Note 6-Long-Term Obligations:

Primary Government - Governmental Activities Obligations:

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

	Balance July 1, 2020	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2021
Direct borrowings and placements:				
General obligation bonds	$ 39,488,778	$ 26,365,882	$(26,918,364)	$ 38,936,296
GO bond premium	35,995	-	(13,144)	22,851
Literary loans	9,518,003	-	(500,948)	9,017,055
Capital leases	191,063	21,595	(72,891)	139,767
Compensated absences	390,689	267,658	(293,017)	365,330
Net OPEB liabilities	1,241,071	331,777	(193,359)	1,379,489
Net pension liability	3,054,818	4,067,219	(1,469,942)	5,652,095
Total	$ 53,920,417	$ 31,054,131	$(29,461,665)	$ 55,512,883

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

	Direct Borrowings and Placements			
Year Ending	General Obligation Bonds		Literary Loans	
June 30,	Principal	Interest	Principal	Interest
2022	$ 3,208,549	$ 895,947	$ 500,948	$ 180,341
2023	3,256,739	793,399	500,948	170,322
2024	2,675,126	706,284	500,948	160,303
2025	2,286,626	642,875	500,948	150,284
2026	2,334,661	589,332	500,948	140,265
2027-2031	11,267,230	2,179,829	2,504,740	551,042
2032-2036	10,361,880	1,002,222	2,504,740	300,568
2037-2040	3,545,485	98,280	1,502,835	60,113
Totals	$ 38,936,296	$ 6,908,168	$ 9,017,055	$ 1,713,238

Note 6-Long-Term Obligations: (Continued)

Primary Government - Governmental Activities Obligations: (Continued)

Details of long-term obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General Obligation Bonds:						
GO bond	3.1-5.35%	11/6/03	2024	$ 7,435,478	$ 1,279,952	$ 418,159
VPSA GO bond	2.35-5.1%	11/7/02	2023	9,209,707	1,041,493	516,072
VPSA GO bond	4.255%-5.1%	10/24/06	2027	3,593,557	1,178,020	189,878
Rural Development GO bond	3.75%	12/29/10	2023	1,550,000	242,949	128,533
VML/VACO Series 2017	3.05%	12/12/17	2038	10,000,000	8,897,000	405,000
GO bond	1.73%	10/15/20	2040	16,883,882	16,883,882	1,085,907
GO bond	2.14%	10/15/20	2038	9,482,000	9,413,000	465,000
Total General Obligation Bonds					$ 38,936,296	$ 3,208,549
Add: Unamortized premium on						
$7,435,478 GO bond	n/a	11/6/03	2024	476,903	$ 14,413	$ 7,861
$3,593,557 GO bond	n/a	10/24/06	2027	102,414	8,438	2,226
Total Unamortized Premiums					$ 22,851	$ 10,087
Total General Obligation Bonds and Unamortized Premiums					$ 38,959,147	$ 3,218,636
Literary Loans:						
State Literary Fund Loan	2.00%	10/1/18	2039	7,500,000	$ 6,750,000	$ 375,000
State Literary Fund Loan	2.00%	10/1/18	2039	2,518,951	2,267,055	125,948
Total Literary Loans					$ 9,017,055	$ 500,948
Total Direct Borrowings and Placements					$ 47,976,202	$ 3,719,584
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	$ 365,330	$ 273,998
Net OPEB Liabilities	n/a	n/a	n/a	n/a	1,379,489	-
Capital Leases	n/a	n/a	n/a	n/a	139,767	60,490
Net Pension Liability	n/a	n/a	n/a	n/a	5,652,095	-
Total Other Obligations					$ 7,536,681	$ 334,488
Total Long-Term Obligations					$ 55,512,883	$ 4,054,072

Note 6-Long-Term Obligations: (Continued)

Primary Government - Governmental Activities Obligations: (Continued)

The County's 2013 refunding bond requires that the County maintains liquidity such that on June 30 of each year, the balance of cash and cash equivalents held in the general fund shall be at least equal to forty percent (40%) of the amount of the County's general obligation debt outstanding on such date. As of June 30th, the County was in compliance with this bond covenant.

The County's general obligation bonds (with the exception of the 2020 bonds) and literary loans are subject to the state aid intercept program. Under terms of the program, the County's State aid is redirected to bond holders to cure any event(s) of default.

In an event of default occurs with VPSA bonds, the principal of the bond(s) may be declared immediately due and payable to the register owner of the bond(s) by written notice to the County.

Primary Government – Business-type Activities Obligations:

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

	Balance July 1, 2020	Increase/ Issuances	Decrease/ Retirements	Balance June 30, 2021
Direct borrowings and placements:				
General obligation and revenue bonds	$ 24,769,281	$ 987,917	$ (2,023,919)	$ 23,733,279
General obligation bond discount	(5,490)	-	915	(4,575)
Compensated absences	27,790	22,364	(20,843)	29,311
Net OPEB liabilities	56,151	17,780	(9,534)	64,397
Net pension liability	138,249	195,626	(70,028)	263,847
Total	$ 24,985,981	$ 1,223,687	$ (2,123,409)	$ 24,086,259

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Note 6-Long-Term Obligations: (Continued)

Primary Government – Business-type Activities Obligations: (Continued)

Details of long-term obligations:

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

Year Ending June 30,	Direct Borrowings and Placements General Obligation and Revenue Bonds Principal	Interest
2022	$ 1,377,281	$ 567,391
2023	1,428,202	531,671
2024	1,473,106	490,575
2025	1,493,442	449,312
2026	1,536,705	407,200
2027-2031	3,575,278	1,728,271
2032-2036	3,676,675	1,306,146
2037-2041	2,692,048	906,438
2042-2046	2,527,641	590,521
2047-2051	2,596,872	288,250
2052-2056	1,216,094	67,504
2057-2060	139,935	4,793
Totals	$ 23,733,279	$ 7,338,072

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Note 6-Long-Term Obligations: (Continued)

Primary Government – Business-type Activities Obligations: (Continued)

Details of long-term obligations: (Continued)

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General Obligation and Revenue Bonds						
VRA GO Bond	0.00%	2/1/14	2025	$ 110,100	$ 20,960	$ 5,240
VRA GO Bond	0.00%	5/15/12	2033	1,369,871	756,006	68,493
VRA GO Bond	0.65%	9/30/16	2029	2,103,600	1,768,021	103,538
Rural Development Bond	4.50%	7/24/97	2037	2,521,100	1,534,270	72,056
Rural Development Bond	4.50%	10/31/02	2042	497,100	364,177	11,321
Rural Development Bond	4.50%	10/31/02	2042	547,700	402,451	12,466
Rural Development Bond	4.125%	6/23/10	2040	1,511,260	1,330,899	24,158
Rural Development Bond*	2.375%	3/31/10	2040	1,100,000	332,267	8,203
Rural Development Bond	2.375%	6/29/11	2051	640,000	547,229	12,824
Rural Development Bond	2.375%	6/14/11	2051	3,316,000	2,839,233	66,332
Rural Development Bond	2.375%	8/11/10	2049	1,065,000	861,617	22,476
Rural Development Bond	2.125%	11/16/12	2052	1,374,000	1,207,553	27,612
Rural Development Bond	2.125%	10/7/15	2055	3,754,000	3,500,303	72,109
Rural Development Bond	2.500%	5/19/16	2056	1,358,000	1,277,924	26,950
Rural Development Bond	3.500%	5/19/16	2056	684,000	647,439	12,404
GO Bond	4.36%	12/15/05	2026	5,900,000	1,984,557	361,798
GO Bond	2.00%	11/19/14	2020	151,809	102,621	4,598
VML/VACO Series 2017	2.25%	12/20/2017	2026	3,184,693	2,051,782	393,739
Rural Development Bond	2.13%	9/19/2019	2060	1,252,000	1,216,053	20,946
GO Bond	1.73%	10/15/2020	2040	701,118	701,118	45,093
VRA GO Bond**	0.00%	6/23/2021	2046	668,300	30,604	-
Rural Development Bond**	1.50%	8/3/2021	2060	286,000	256,195	4,925
Total General Obligation and Revenue Bonds					$ 23,733,279	$ 1,377,281
Less: Unamortized GO Bond discount					$ (4,575)	$ (915)
Total Direct Borrowings and Placements					$ 23,728,704	$ 1,376,366
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	$ 29,311	$ 21,984
Net OPEB Liabilities	n/a	n/a	n/a	n/a	64,397	-
Net Pension Liability	n/a	n/a	n/a	n/a	263,847	-
Total Other Obligations					$ 357,555	$ 21,984
Total Long-term obligations					$ 24,086,259	$ 1,398,350

* Loan issued by Carroll County PSA in the amount of $5,000,000 with an underlying agreement that Wythe County is responsible for 7.9733% of such loan.

** As of June 30, 2021, entire bond has not been drawndown.

Note 6-Long-Term Obligations: (Continued)

Primary Government – Business-type Activities Obligations: (Continued)

Details of long-term obligations: (Continued)

The County's general obligation bonds are subject to the state aid intercept program. Under terms of the program, the County's State aid is redirected to bond holders to cure any event(s) of default.

In an event of default occurs with VRA bonds, the principal of the bond(s) may be declared immediately due and payable to the register owner of the bond(s) by written notice to the County.

Note 7-Long-Term Obligations - Component Unit:

Discretely Presented Component Unit – School Board Obligations:

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

	Balance July 1, 2020	Increase	Decrease	Balance June 30, 2021
Compensated absences	$ 687,786	$ 475,084	$ (515,840)	$ 647,030
Net OPEB liabilities	9,702,986	1,538,371	(2,685,539)	8,555,818
Net pension liability	33,908,260	13,693,415	(10,657,407)	36,944,268
Total	$ 44,299,032	$ 15,706,870	$ (13,858,786)	$ 46,147,116

Details of long-term obligations:

	Balance Governmental Activities	Amount Due Within One Year
Other Obligations:		
Compensated Absences	$ 647,030	$ 485,273
Net OPEB Liabilities	8,555,818	-
Net Pension Liability	36,944,268	-
Total Long-term obligations	$ 46,147,116	$ 485,273

Note 8-Pension Plans:

Aggregate Pension Information

The following is a summary of deferred outflows, deferred inflows, net pension liabilities, and pension expense for the year ended June 30, 2021.

	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	$ 2,631,451	$ -	$ 5,915,942	$ 1,910,890	$ -	$ -	$ -	$ -
School Board Nonprofessional	-	-	-	-	284,835	73,553	788,268	219,746
School Board Professional	-	-	-	-	8,687,017	3,617,699	36,156,000	3,377,717
Totals	$ 2,631,451	$ -	$ 5,915,942	$ 1,910,890	$ 8,971,852	$ 3,691,252	$ 36,944,268	$ 3,597,463

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of the public-school divisions are automatically covered by the VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by a Virginia Retirement System (the System) along with plans for other groups in the Commonwealth of Virginia. However, several entities whose financial information is not included in the primary government report, participate in the VRS plan through Wythe County and the participating entities report their proportionate information on the basis of a cost-sharing plan.

Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

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

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

Note 8-Pension Plans: (Continued)

Benefit Structures (Continued)

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

Note 8-Pension Plans: (Continued)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2021 was 10.35% 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 $728,445 and $569,220 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

On June 30, 2021, the County reported a liability of $5,915,942 for its proportionate share of the net pension liability. The County's net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. In order to allocate the net pension liability to all employers included in the plan, the County is required to determine its proportionate share of the net pension liability. Contributions as of June 30, 2020 and 2019 were used as a basis for allocation to determine the County's proportionate share of the net pension liability. On June 30, 2020 and 2019, the County's proportion was 96.25% and 95.20%, respectively.

Actuarial Assumptions – General Employees

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

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

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

Note 8-Pension Plans: (Continued)

Actuarial Assumptions – General Employees (Continued)

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%

Note 8-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 Wythe County's Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

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

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.

Note 8-Pension Plans: (Continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits (Continued)

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

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

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

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Note 8-Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

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%.

Note 8-Pension Plans: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2020, the rate contributed by the employer for the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the County Retirement Plan Net Pension Liability (Asset)	$ 10,704,272	$ 5,915,942	$ 1,936,052

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

For the year ended June 30, 2021, the County recognized pension expense of $1,910,890. 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.

Note 8-Pension Plans: (Continued)

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

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 695,453	$ -
Change in assumptions	220,383	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,991	-
Net difference between projected and actual earnings on pension plan investments	974,179	-
Employer contributions subsequent to the measurement date	728,445	-
Total	$ 2,631,451	$ -

$728,445 reported as deferred outflows of resources related to pensions resulting from the County'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:

Year ended June 30	Primary Government
2022	$ 707,260
2023	540,656
2024	340,406
2025	314,684
Thereafter	-

Note 8-Pension Plans: (Continued)

Pension Plan Data

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

Component Unit School Board (Nonprofessional)

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

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:

	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	75
Inactive members:	
Vested inactive members	8
Non-vested inactive members	28
Inactive members active elsewhere in VRS	27
Total inactive members	63
Active members	63
Total covered employees	201

Contributions

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 8.12% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

Note 8-Pension Plans: (Continued)

Component Unit School Board (nonprofessional) (Continued)

Contributions (Continued)

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were $106,062 and $113,181 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

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

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Note 8-Pension Plans: (Continued)

Component Unit School Board (nonprofessional) (Continued)

Changes in Net Pension Liability

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	$ 6,730,285	$ 6,077,465	$ 652,820
Changes for the year:			
Service cost	$ 142,476	$ -	$ 142,476
Interest	436,571	-	436,571
Differences between expected and actual experience	(153,501)	-	(153,501)
Contributions - employer	-	113,181	(113,181)
Contributions - employee	-	67,883	(67,883)
Net investment income	-	113,225	(113,225)
Benefit payments, including refunds of employee contributions	(525,140)	(525,140)	-
Administrative expenses	-	(4,059)	4,059
Other changes	-	(132)	132
Net changes	$ (99,594)	$ (235,042)	$ 135,448
Balances at June 30, 2020	$ 6,630,691	$ 5,842,423	$ 788,268

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	$ 1,470,759	$ 788,268	$ 211,018

Note 8-Pension Plans: (Continued)

Component Unit School Board (nonprofessional) (Continued)

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

For the year ended June 30, 2021, the Component Unit School Board (nonprofessional) recognized pension expense of $219,746. On June 30, 2021, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 830	$ 73,553
Changes of assumptions	1,633	-
Net difference between projected and actual earnings on pension plan investments	176,310	-
Employer contributions subsequent to the measurement date	106,062	-
Total	$ 284,835	$ 73,553

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Note 8-Pension Plans: (Continued)

Component Unit School Board (nonprofessional) (Continued)

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

$106,062 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Component Unit School Board (nonprofessional)
2022	$ (69,293)
2023	56,308
2024	61,155
2025	57,050
Thereafter	-

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system).

Additional information regarding the plan description is included in the first section of this note.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were $3,468,853 and $3,302,199 for the years ended June 30, 2021 and June 30, 2020, respectively.

Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

On June 30, 2021, the school division reported a liability of $36,156,000 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 0.2485% as compared to 0.2527% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of $3,377,717. 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.

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

	Component Unit School Board (professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,119,298
Net difference between projected and actual earnings on pension plan investments	2,750,064	-
Changes of assumptions	2,468,100	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,498,401
Employer contributions subsequent to the measurement date	3,468,853	-
Total	$ 8,687,017	$ 3,617,699

Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

$3,468,853 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:

Year ended June 30	
2022	$ (502,390)
2023	510,535
2024	886,473
2025	771,464
Thereafter	(65,617)

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.

Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

Mortality rates:

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

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

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

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

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

Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Net Pension Liability

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

		Teacher Employee Retirement Plan
Total Pension Liability	$	51,001,855
Plan Fiduciary Net Position		36,449,229
Employers' Net Pension Liability (Asset)	$	14,552,626
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.

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Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	$ 53,048,972	$ 36,156,000	$ 22,183,376

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.

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Note 9-Capital Assets:

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

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 4,032,359	$ -	$ -	$ 4,032,359
Construction in progress	1,134,969	516,555	(813,772)	837,752
Total capital assets not being depreciated	$ 5,167,328	$ 516,555	$ (813,772)	$ 4,870,111
Capital assets, being depreciated:				
Buildings and improvements	$ 71,150,333	$ 792,275	$ -	$ 71,942,608
Infrastructure	3,322,389	62,376	-	3,384,765
Machinery and equipment	7,751,967	1,707,918	(311,684)	9,148,201
Total capital assets being depreciated	$ 82,224,689	$ 2,562,569	$ (311,684)	$ 84,475,574
Accumulated depreciation:				
Buildings and improvements	$ (17,979,167)	$ (1,783,769)	$ -	$ (19,762,936)
Infrastructure	(2,327,712)	(167,914)	-	(2,495,626)
Machinery and equipment	(5,003,284)	(587,559)	299,498	(5,291,345)
Total accumulated depreciation	$ (25,310,163)	$ (2,539,242)	$ 299,498	$ (27,549,907)
Total capital assets being depreciated, net	$ 56,914,526	$ 23,327	$ (12,186)	$ 56,925,667
Governmental activities capital assets, net	$ 62,081,854	$ 539,882	$ (825,958)	$ 61,795,778

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Note 9-Capital Assets: (Continued)

Primary Government: (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 233,205	$ -	$ -	$ 233,205
Construction in progress	67,007	303,739	(249,812)	120,934
Total capital assets not being depreciated	$ 300,212	$ 303,739	$ (249,812)	$ 354,139
Capital assets, being depreciated:				
Infrastructure	$ 64,617,928	$ 284,019	$ -	$ 64,901,947
Machinery and equipment	549,379	38,742	-	588,121
Total capital assets being depreciated	$ 65,167,307	$ 322,761	$ -	$ 65,490,068
Accumulated depreciation:				
Infrastructure	$ (20,951,871)	$ (1,598,039)	$ -	$ (22,549,910)
Machinery and equipment	(239,179)	(47,759)	-	(286,938)
Total accumulated depreciation	$ (21,191,050)	$ (1,645,798)	$ -	$ (22,836,848)
Total capital assets being depreciated, net	$ 43,976,257	$ (1,323,037)	$ -	$ 42,653,220
Business-type activities capital assets, net	$ 44,276,469	$ (1,019,298)	$ (249,812)	$ 43,007,359

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

Governmental activities:	
General government administration	$ 85,567
Judicial administration	11,022
Public safety	474,323
Public works	290,053
Health and welfare	32,928
Education	1,232,258
Parks, recreation, and culture	16,753
Community development	396,338
Total depreciation expense-governmental activities	$ 2,539,242
Business type activities:	
Water and sewer	$ 1,645,798
Total depreciation expense-Primary Government	$ 4,185,040

Note 9-Capital Assets: (Continued)

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

Discretely Presented Component Unit-School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 774,089	$ -	$ -	$ 774,089
Construction in progress	-	78,775	-	78,775
Total capital assets not being depreciated	$ 774,089	$ 78,775	$ -	$ 852,864
Capital assets, being depreciated:				
Buildings and improvements	$ 28,253,600	$ 268,137	$ -	$ 28,521,737
Machinery and equipment	9,296,504	545,809	(110,262)	9,732,051
Total capital assets being depreciated	$ 37,550,104	$ 813,946	$ (110,262)	$ 38,253,788
Accumulated depreciation:				
Buildings and improvements	$(15,211,383)	$ (545,306)	$ -	$ (15,756,689)
Machinery and equipment	(7,345,162)	(352,195)	110,262	(7,587,095)
Total accumulated depreciation	$(22,556,545)	$ (897,501)	$ 110,262	$ (23,343,784)
Total capital assets being depreciated, net	$ 14,993,559	$ (83,555)	$ -	$ 14,910,004
Governmental activities capital assets, net	$ 15,767,648	$ (4,780)	$ -	$ 15,762,868

All depreciation of the component-unit School Board is posted to the education function in the financial statements.

Note 10-Risk Management:

The County and School Board are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The County and School Board participate with other localities in a public entity risk pool for their coverage of worker's compensation with the Virginia Municipal League Pool and public officials' liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County pays an annual premium to the pools for its general insurance coverage. The agreement for the formation of the pools provides that the pool will be self-sustaining through member premiums. The County and 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 11-Commitments and Contingent Liabilities:

Federal programs in which the County and its component unit participate were audited in accordance with the provisions of U.S. Office of Management and Budget Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no material matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

The County has provided a support agreement to First Bank and Trust Company and VCC Bank related to a $19.2 million dollar loan issued by a business locating in Wythe County. Terms of the support agreement require the County to cover any principal and interest payments due on the loan that are not remitted by the business. The County retains an interest in assets of the Company as collateral under terms of the agreement. For the year ending June 30, 2021, the County has not paid and is not liable for any amounts under the support agreement.

Note 12-Surety Bonds:

Primary Government:

Fidelity & Deposit Company of Maryland-Surety:	
Jeremiah Musser, Clerk of the Circuit Court	$ 1,500,000
Lori Guynn, Treasurer	400,000
Kathy Vaught, Commissioner of the Revenue	3,000
Keith Dunagan, Sheriff	30,000
Aetna Casualty and Surety - Surety:	
All social services employees: blanket bond	$ 100,000
United States Fidelity and Guaranty Company-Surety:	
Stephen Bear, County Administrator	$ 2,000
Martha Collins, Clerk	2,000
Tim Spraker, Building Inspector	2,000

Component Unit – School Board:

United States Fire Insurance Company - Surety:	
Catrina Hall, Clerk of the School Board	$ 25,000
All school board employees: blanket bond	10,000

Note 13-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.

	Government-wide Statements		Balance Sheet
	Governmental Activities	Business Activities	Governmental Funds
Primary Government:			
Deferred/unavailable revenue:			
Unavailable property tax revenue representing uncollected property tax billings that are not available for funding of current expenditures	$ -	$ -	$ 1,887,466
Prepaid property taxes due subsequent to June 30, 2021 but paid in advance by the taxpayers	146,493	-	146,493
Unavailable revenue represents the proceeds of land held for resale of which are not available for funding of current expenditures	-	-	14,029,913
Total deferred/unavailable revenue	$ 146,493	$ -	$ 16,063,872
Unearned revenue:			
Unspent ARPA funds received during the current fiscal year	$ 2,785,765	$ -	$ 2,785,765
Unspent Coronavirus Relief Funds received during the current fiscal year	44,973	8,149	44,973
Total unearned revenue	$ 2,830,738	$ 8,149	$ 2,830,738

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Note 14-Aggregate Other Postemployment Benefits Information:

The following is a summary of deferred outflows, deferred inflows, net pension liabilities, and pension expense for the year ended June 30, 2021.

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability (Asset)	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability (Asset)	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program								
County	$ 167,947	$ 44,518	$ 594,478	$ 25,705	$ -	$ -	$ -	$ -
School Board Nonprofessional	-	-	-	-	28,897	3,608	120,824	5,902
School Board Professional	-	-	-	-	367,014	147,516	1,741,431	44,660
Health Insurance Credit Program	-	-	-	-	15,527	4,639	130,816	13,431
Teacher Health Insurance Credit Program	-	-	-	-	336,035	265,362	3,187,847	223,111
County Stand-Alone Plan	121,565	204,050	849,408	18,865	-	-	-	-
School Stand-Alone Plan	-	-	-	-	484,700	1,862,700	3,374,900	31,200
Totals	$ 289,512	$ 248,568	$ 1,443,886	$ 44,570	$ 1,232,173	$ 2,283,825	$ 8,555,818	$ 318,304

Note 15-Other Postemployment Benefits – Health Insurance - County:

Plan Description

In addition to the pension benefits described in Note 9, the County administers a cost-sharing defined benefit healthcare plan. Several entities participate in the defined benefit healthcare plan through the County and the participating entities report their proportionate information on the basis of a cost-sharing plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

The County administers a cost-sharing healthcare plan ("the Plan"). The Plan provides for participation by eligible retirees of the County and their dependents in the health and dental insurance programs available to County employees. The Plan will provide retiring employees the option to continue health and dental insurance offered by the County. An eligible County retiree may receive this benefit until the retiree is eligible to receive Medicare. To be eligible for this benefit a retiree must have 10 years of service with the County and the employee must have attained the age of fifty (50). Alternatively, an employee is also eligible to participate at age fifty-five (55) with 5 years of service. The benefits, employee contributions and the employer contributions are governed by the County Board and can be amended through Board action. The Plan does not issue a publicly available financial report.

Contributions

The Board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2021 was $43,024.

Note 15-Other Postemployment Benefits - Health Insurance - County: (Continued)

Total OPEB Liability

On June 30, 2021, the County reported a liability of $849,408 for its proportionate share of the total OPEB liability. The County's total OPEB liability was measured as of July 1, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. On June 30, 2020 and 2019, the County's proportion was 96.25% and 95.62%, respectively.

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%
Salary Increases	Salaries are assumed to increase 2.50%
Discount Rate	2.45%

Mortality is based on the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

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

Discount Rate

The discount rate has been set equal to 2.45% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

Sensitivity of the Employer's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.45%) or one percentage point higher (3.45%) than the current discount rate:

	Rate	
1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
$ 926,986	$ 849,408	$ 779,338

Note 15-Other Postemployment Benefits - Health Insurance - County: (Continued)

Sensitivity of the Employer's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, 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 (4.00%) or one percentage point higher (6.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (as noted above)	Healthcare Cost Trend (as noted above)	1% Increase (as noted above)
$ 764,612	$ 849,408	$ 948,834

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

For the year ended June 30, 2021, the County recognized OPEB expense in the amount of $18,865. On June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,321	$ 174,983
Change in assumptions	66,220	29,067
Employer contributions subsequent to the measurement date	43,024	-
Total	$ 121,565	$ 204,050

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Note 15-Other Postemployment Benefits - Health Insurance - County: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

$43,024 reported as deferred outflows of resources related to OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net 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 OPEB will be recognized in the OPEB expense in future reporting periods as follows:

Year Ended June 30	
2022	$ (38,596)
2023	(38,596)
2024	(38,596)
2025	(17,999)
2026	8,278
Thereafter	-

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

Note 16-Other Postemployment Benefits - Health Insurance - Component Unit School Board:

Plan Description

In addition to the pension benefits described in Note 9, the School Board administers a single employer defined benefit healthcare plan, The Wythe County Public Schools Other Postemployment 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

The Component Unit School Board administers a single-employer healthcare plan ("the Plan"). The Plan provides for participation by eligible retirees of the School Board and their dependents in the health and dental insurance programs available to School Board employees. The Plan will provide retiring employees the option to continue health and dental insurance offered by the School Board. An eligible School Board retiree may receive this benefit until the retiree is eligible to receive Medicare. To be eligible for this benefit a retiree must have 10 years of service with the School Board and the employee must have attained the age of fifty (50). Alternatively, an employee is also eligible to participate at age fifty-five (55) with 5 years of service. The benefits, employee contributions and the employer contributions are governed by the School Board and can be amended through Board action.

Note 16-Other Postemployment Benefits - Health Insurance - Component Unit School Board: (Continued)

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits	39
Active employees	522
Total retirees without coverage	-
Total	561

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2021 was $195,000.

Total OPEB Liability

The School Board's total OPEB liability was measured as of July 1, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of that date.

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%
Salary Increases	Salaries are assumed to increase 2.50% annually.
Discount Rate	2.45%

Mortality is based on the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

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

Note 16-Other Postemployment Benefits - Health Insurance - Component Unit School Board: (Continued)

Changes in Total OPEB Liability

	Component Unit School Board Total OPEB Liability
Beginning Balance	$ 4,432,800
Changes for the year:	
Service cost	177,200
Interest	141,300
Difference between expected and actual experience	(1,360,100)
Changes in assumptions	178,700
Benefit payments	(195,000)
Net changes	(1,057,900)
Ending Balance	$ 3,374,900

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 (1.45%) or one percentage point higher (3.45%) than the current discount rate:

Rate		
1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
$ 3,651,000	$ 3,374,900	$ 3,118,800

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 (4.00%) or one percentage point higher (6.00%) than the current healthcare cost trend rates:

Rates		
	Healthcare Cost	
1% Decrease (as noted above)	Trend (as noted above)	1% Increase (as noted above)
$ 3,030,000	$ 3,374,900	$ 3,779,000

Note 16-Other Postemployment Benefits - Health Insurance - Component Unit School Board: (Continued)

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 $31,200. On June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,597,900
Change in assumptions	289,700	264,800
Employer contributions subsequent to the measurement date	195,000	-
Total	$ 484,700	$ 1,862,700

$195,000 reported as deferred outflows of resources related to OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net 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 OPEB will be recognized in the OPEB expense in future reporting periods as follows:

Year Ended June 30	
2022	$ (291,300)
2023	(291,300)
2024	(291,300)
2025	(291,300)
2026	(255,100)
Thereafter	(152,700)

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

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions

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

Contributions to the Group Life Insurance Plan from the County were $40,823 and $38,116 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (nonprofessional) were $7,888 and $7,748 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (professional) were $115,914 and $111,698 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 Group Life Insurance Plan OPEB

County of Wythe, Virginia Group Life Insurance Plan

On June 30, 2021, the entity reported a liability of $594,478 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, the participating employer's proportion was 0.0365% as compared to 0.0327% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of $25,705. 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.

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

Component Unit School Board (nonprofessional) Group Life Insurance Plan

On June 30, 2021, the entity reported a liability of $120,824 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, the participating employer's proportion was 0.0072% as compared to 0.0071% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of $5,902. 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.

Component Unit School Board (professional) Group Life Insurance Plan

On June 30, 2021, the entity reported a liability of $1,741,431 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, the participating employer's proportion was 0.1044% as compared to 0.1073% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of $44,660. 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.

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Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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 Unit School		Component Unit School	
	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	$ 38,130	$ 5,340	$ 7,750	$ 1,085	$ 111,697	$ 15,641
Net difference between projected and actual earnings on GLI OPEB plan investments	17,858	-	3,629	-	52,311	-
Change in assumptions	29,731	12,414	6,043	2,523	87,092	36,362
Changes in proportion	41,405	26,764	3,587	-	-	95,513
Employer contributions subsequent to the measurement date	40,823	-	7,888	-	115,914	-
Total	$ 167,947	$ 44,518	$ 28,897	$ 3,608	$ 367,014	$ 147,516

$40,823, $7,888, and $115,914 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2022	$ 11,990	$ 3,114	$ 4,482
2023	17,033	4,139	19,255
2024	20,447	4,579	33,848
2025	21,006	4,217	41,349
2026	10,209	1,226	5,306
Thereafter	1,921	126	(656)

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

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

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

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

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.

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers (Continued)

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

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

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.

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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.

Note 17-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 are 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)	$ 1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64%

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

Note 17-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 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%.

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	$ 781,485	$ 594,478	$ 442,608
Component Unit School Board's (nonprofessional) proportionate share of the GLI Plan Net OPEB Liability	$ 158,832	$ 120,824	$ 89,958
Component Unit School Board's (professional) proportionate share of the GLI Plan Net OPEB Liability	$ 2,289,244	$ 1,741,431	$ 1,296,555

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

GLI Plan Fiduciary Net Position

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

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

	Number
Inactive members or their beneficiaries currently receiving benefits	31
Total inactive members	31
Active members	63
Total covered employees	94

Contributions

The contribution requirements for active employees are governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board (nonprofessional) 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 Component Unit School Board (nonprofessional) to the HIC Plan were $11,995 and $12,038 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net HIC OPEB Liability

The Component Unit School Board's (nonprofessional) 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.

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Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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.

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.

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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%

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Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	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%.

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2019	$ 156,715	$ 24,495	$ 132,220
Changes for the year:			
Service cost	$ 2,694	$ -	$ 2,694
Interest	9,908	-	9,908
Benefit changes	2,048	-	2,048
Differences between expected and actual experience	(3,640)	-	(3,640)
Contributions - employer	-	12,034	(12,034)
Net investment income	-	410	(410)
Benefit payments	(19,855)	(19,855)	-
Administrative expenses	-	(30)	30
Net changes	$ (8,845)	$ (7,441)	$ (1,404)
Balances at June 30, 2020	$ 147,870	$ 17,054	$ 130,816

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

The following presents the Component Unit School Board's (nonprofessional) HIC Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the Component Unit School Board's (nonprofessional) 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%)
Component Unit School Board's (nonprofessional) Net HIC OPEB Liability	$ 143,655	$ 130,816	$ 119,250

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

For the year ended June 30, 2021, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of $13,431. On June 30, 2021, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's (nonprofessional) HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,250	$ 4,635
Net difference between projected and actual earnings on HIC OPEB plan investments	1,584	4
Change in assumptions	698	-
Employer contributions subsequent to the measurement date	11,995	-
Total	$ 15,527	$ 4,639

Note 18-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)

$11,995 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30		
2022	$	196
2023		(800)
2024		(689)
2025		186
2026		-
Thereafter		-

HIC Plan Data

Information about the VRS Political Subdivision HIC Program 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 19-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 health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Plan Description (Continued)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees are governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were $258,889 and $257,119 for the years ended June 30, 2021 and June 30, 2020, respectively.

Note 19-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

At June 30, 2021, the school division reported a liability of $3,187,847 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30,2019 and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was 0.2444% as compared to 0.2502% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC OPEB expense of $223,111. Since there was a change in proportionate share measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 42,572
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	14,127	-
Change in assumptions	63,019	17,417
Change in proportion	-	205,373
Employer contributions subsequent to the measurement date	258,889	-
Total	$ 336,035	$ 265,362

Note 19-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)

$258,889 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:

Year Ended June 30		
2022	$	(37,953)
2023		(36,553)
2024		(37,022)
2025		(33,157)
2026		(23,155)
Thereafter		(20,376)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit 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.

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates – Teachers

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

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

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

The actuarial assumptions used in the June 30, 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%

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Note 19-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)	$	1,304,516
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.

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Note 19-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%.

Note 19-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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 3,568,462	$ 3,187,847	$ 2,864,352

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.

Note 20-Line of Duty Act (LODA) (OPEB Benefits):

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2021 was $49,242.

Note 21-Capital Leases:

The County entered into capital leases for the purchase of police vehicles. These lease agreements qualify as capital leases for accounting purposes and therefore have been recorded at the present value of future minimum lease payments as of the inception date.

Total capital assets acquired through the capital leases are as follows:

Police vehicles	$	253,426
Accumulated Depreciation		(55,740)
Net Book Value of Capital Assets	$	197,686

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Note 21-Capital Leases: (Continued)

Present value of future minimum lease payments:

Year Ending June 30,	Capital Lease
2022	$ 75,660
2023	58,461
2024	18,979
2025	7,501
2026	6,251
Total minimum lease payments	$ 166,852
Less: amount representing interest	(27,085)
Present value of future minimum lease payments	$ 139,767

Note 22-Adoption of Accounting Principle:

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

	Fund Balance	Net Position	
			Custodial Funds
	Component Unit-School Board	Component Unit-School Board	Special Welfare
Beginning balance, as previously stated	$ 2,357,108	$ (24,062,029)	$ -
Implementation of GASB 84	1,593,868	1,593,868	36,814
Beginning balance, as restated	$ 3,950,976	$ (22,468,161)	$ 36,814

Note 23-COVID-19 Pandemic Funding and Subsequent Event:

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.

Note 23-COVID-19 Pandemic Funding and Subsequent Event: (Continued)

CARES Act Funding

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

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding of $5,005,136. In addition, the County also received CRF funding Utility Relief of $8,149. The School Board received CRF funding from the Virginia Department of Education in the amount of $658,315. 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 $44,973 and Utility Relief funds in the amount of $8,149 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 June 2, 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of $2,785,765 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

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

Note 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.

Note 24-Upcoming Pronouncements: (Continued)

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

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

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

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

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

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

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

Required Supplementary Information

County of Wythe, 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	$ 21,532,600	$ 21,532,600	$ 22,397,874	$ 865,274
Other local taxes	6,002,000	6,002,000	7,226,182	1,224,182
Permits, privilege fees, and regulatory licenses	67,400	67,400	192,555	125,155
Fines and forfeitures	860,000	860,000	962,297	102,297
Revenue from the use of money and property	883,055	883,055	813,083	(69,972)
Charges for services	387,000	387,000	346,654	(40,346)
Miscellaneous	-	2,500	14,695	12,195
Recovered costs	913,044	953,194	655,849	(297,345)
Intergovernmental:				
Commonwealth	9,413,715	9,496,859	8,597,923	(898,936)
Federal	2,811,706	5,404,219	8,215,646	2,811,427
Total revenues	$ 42,870,520	$ 45,588,827	$ 49,422,758	$ 3,833,931
EXPENDITURES				
Current:				
General government administration	$ 2,742,127	$ 3,544,649	$ 2,929,124	$ 615,525
Judicial administration	1,621,804	1,645,115	1,478,694	166,421
Public safety	7,471,357	9,499,135	8,517,010	982,125
Public works	2,390,010	2,557,194	2,206,047	351,147
Health and welfare	11,742,661	11,955,350	10,881,405	1,073,945
Education	13,682,640	13,705,460	12,259,661	1,445,799
Parks, recreation, and cultural	673,127	715,991	561,101	154,890
Community development	1,238,972	2,462,457	1,892,650	569,807
Capital projects	3,119,050	8,027,441	2,854,185	5,173,256
Debt service:				
Principal retirement	3,254,682	3,235,582	2,936,600	298,982
Interest and other fiscal charges	1,640,263	1,640,263	1,639,075	1,188
Total expenditures	$ 49,576,693	$ 58,988,637	$ 48,155,552	$ 10,833,085
Excess (deficiency) of revenues over (under) expenditures	$ (6,706,173)	$ (13,399,810)	$ 1,267,206	$ 14,667,016
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 157,192	$ 154,692	$ 5,760,912	$ 5,606,220
Transfers out	-	-	(5,324,941)	(5,324,941)
Debt service-current refunding-principal	-	-	(24,555,603)	(24,555,603)
Issuance of general obligation bonds	2,350,000	2,350,000	26,365,882	24,015,882
Issuance of capital leases	-	-	21,595	21,595
Sale of capital assets	-	-	29,302	29,302
Total other financing sources (uses)	$ 2,507,192	$ 2,504,692	$ 2,297,147	$ (207,545)
Net change in fund balances	$ (4,198,981)	$ (10,895,118)	$ 3,564,353	$ 14,459,471
Fund balances - beginning	4,198,981	10,895,118	44,526,933	33,631,815
Fund balances - ending	$ -	$ -	$ 48,091,286	$ 48,091,286

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

Date (1)	Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Proportionate Share of the NPLA (3)	Covered Payroll (4)	Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
Primary Government					
2020	96.25%	$ 5,915,942	$ 7,451,177	79.40%	84.70%
2019	95.20%	3,193,067	6,376,852	50.07%	91.14%
2018	95.66%	1,923,366	6,523,683	29.48%	94.30%
2017	96.16%	1,841,338	6,519,560	28.24%	94.37%
2016	96.35%	3,656,416	6,168,475	59.28%	88.53%
2015	96.42%	2,513,192	6,040,131	41.61%	92.90%
2014	96.42%	2,483,113	6,030,523	41.18%	91.69%
Component Unit School Board (professional)					
2020	0.2485%	$ 36,156,000	$ 21,533,806	167.90%	71.47%
2019	0.2527%	33,255,440	20,985,461	158.47%	73.51%
2018	0.2585%	30,404,000	20,774,929	146.35%	74.81%
2017	0.2652%	32,609,000	20,823,957	156.59%	72.92%
2016	0.2678%	37,532,000	20,401,102	183.97%	68.28%
2015	0.2741%	34,501,000	20,379,338	169.29%	70.68%
2014	0.2808%	33,939,000	18,333,516	185.12%	70.88%

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

Exhibit 14

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	$ 142,476	$ 134,549	$ 132,216	$ 121,007	$ 136,260	$ 149,645	$ 133,560
Interest	436,571	428,825	417,302	414,940	412,919	398,722	388,911
Changes in assumptions	-	164,871	-	(31,193)	-	-	-
Differences between expected and actual experience	(153,501)	83,874	29,714	(54,011)	(67,963)	90,642	-
Benefit payments	(525,140)	(415,806)	(413,447)	(420,552)	(484,117)	(388,295)	(376,325)
Net change in total pension liability	$ (99,594)	$ 396,313	$ 165,785	$ 30,191	$ (2,901)	$ 250,714	$ 146,146
Total pension liability - beginning	6,730,285	6,333,972	6,168,187	6,137,996	6,140,897	5,890,183	5,744,037
Total pension liability - ending (a)	$ 6,630,691	$ 6,730,285	$ 6,333,972	$ 6,168,187	$ 6,137,996	$ 6,140,897	$ 5,890,183
Plan fiduciary net position							
Contributions - employer	$ 113,181	$ 109,285	$ 116,776	$ 115,538	$ 133,755	$ 134,262	$ 133,742
Contributions - employee	67,883	65,072	63,367	62,491	59,098	60,221	62,468
Net investment income	113,225	386,449	418,789	639,326	90,042	247,316	764,259
Benefit payments	(525,140)	(415,806)	(413,447)	(420,552)	(484,117)	(388,295)	(376,325)
Administrator charges	(4,059)	(3,986)	(3,737)	(3,850)	(3,593)	(3,530)	(4,237)
Other	(132)	(243)	(368)	(562)	(39)	(51)	40
Net change in plan fiduciary net position	$ (235,042)	$ 140,771	$ 181,380	$ 392,391	$ (204,854)	$ 49,923	$ 579,947
Plan fiduciary net position - beginning	6,077,465	5,936,694	5,755,314	5,362,923	5,567,777	5,517,854	4,937,907
Plan fiduciary net position - ending (b)	$ 5,842,423	$ 6,077,465	$ 5,936,694	$ 5,755,314	$ 5,362,923	$ 5,567,777	$ 5,517,854
School Division's net pension liability - ending (a) - (b)	$ 788,268	$ 652,820	$ 397,278	$ 412,873	$ 775,073	$ 573,120	$ 372,329
Plan fiduciary net position as a percentage of the total pension liability	88.11%	90.30%	93.73%	93.31%	87.37%	90.67%	93.68%
Covered payroll	$ 1,468,734	$ 1,415,719	$ 1,355,799	$ 1,329,756	$ 1,240,650	$ 1,228,806	$ 1,243,058
School Division's net pension liability as a percentage of covered payroll	53.67%	46.11%	29.30%	31.05%	62.47%	46.64%	29.95%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is unavailable. However, additional years will be included as they become available.

Exhibit 15

County of Wythe, Virginia
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	$ 728,445	$ 728,445	$ -	$ 7,463,513	9.76%
2020	569,220	569,220	-	7,451,177	7.64%
2019	504,820	504,820	-	6,376,852	7.92%
2018	548,796	548,796	-	6,523,683	8.41%
2017	553,130	553,130	-	6,519,560	8.48%
2016	709,867	709,867	-	6,168,475	11.51%
2015	700,844	700,844	-	6,040,131	11.60%
Component Unit School Board (Nonprofessional)					
2021	$ 106,062	$ 106,062	$ -	$ 1,432,655	7.40%
2020	113,181	113,181	-	1,468,734	7.71%
2019	109,285	109,285	-	1,415,719	7.72%
2018	116,776	116,776	-	1,355,799	8.61%
2017	115,538	115,538	-	1,329,756	8.69%
2016	133,755	133,755	-	1,240,650	10.78%
2015	134,362	134,362	-	1,228,806	10.93%
2014	133,742	133,742	-	1,243,058	10.76%
2013	125,228	125,228	-	1,162,746	10.77%
2012	138,525	138,525	-	1,565,251	8.85%
Component Unit School Board (Professional)					
2021	$ 3,468,853	$ 3,468,853	$ -	$ 21,293,933	16.29%
2020	3,302,199	3,302,199	-	21,533,806	15.33%
2019	3,237,661	3,237,661	-	20,985,461	15.43%
2018	3,359,679	3,359,679	-	20,774,929	16.17%
2017	3,028,364	3,028,364	-	20,823,957	14.54%
2016	2,853,193	2,853,193	-	20,401,102	13.99%
2015	2,946,998	2,946,998	-	20,379,338	14.46%
2014	2,137,688	2,137,688	-	18,333,516	11.66%
2013	2,372,402	2,372,402	-	20,346,501	11.66%
2012	1,215,732	1,215,732	-	19,205,877	6.33%

Current year and prior year contributions for the Primary Government and Component Unit School Board (professional) are from County and School Board records. For Component Unit School Board (nonprofessional), current year contributions are from School Board records and prior year contributions are from the VRS actuarial valuation performed each year.

Schedule is intended to show information for 10 years. Prior to 2015, the County information reported in the County's report included participants that are not reported in the County's report. Therefore, no additional data is currently available for the County. Additional years will be included as they become available.

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Exhibit 17

County of Wythe, Virginia
Schedule of County's Proportionate Share of the Total Health Insurance OPEB Liability
For the Measurement Dates of July 1, 2017 through July 1, 2020

Date (1)	Proportion of the Total OPEB Liability (Asset) (TOLA) (2)	Proportionate Share of the TOLA (3)	Covered-Employee Payroll (4)	Proportionate Share of the TOLA as a Percentage of Covered-Employee Payroll (3)/(4) (5)
2020	96.25%	$ 849,408	$ 7,150,316	11.88%
2019	95.62%	767,083	5,440,144	14.10%
2018	95.66%	741,073	5,442,289	13.62%
2017	95.66%	991,422	5,837,938	16.98%

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.

Exhibit 18

County of Wythe, Virginia
Schedule of Changes in Total Health Insurance OPEB Liability (Asset) and Related Ratios
Component Unit School Board
For the Measurement Dates of July 1, 2017 through July 1, 2020

	2020	2019	2018	2017
Total OPEB liability				
Service cost	$ 177,200	$ 168,800	$ 197,600	$ 192,800
Interest	141,300	165,600	183,100	178,300
Changes in assumptions	(1,360,100)	186,300	(437,300)	-
Differences between expected and actual experience	178,700	(383,600)	(256,900)	-
Benefit payments	(195,000)	(216,800)	(239,500)	(239,500)
Net change in total OPEB liability	$ (1,057,900)	$ (79,700)	$ (553,000)	$ 131,600
Total OPEB liability - beginning	4,432,800	4,512,500	5,065,500	4,933,900
Total OPEB liability - ending	$ 3,374,900	$ 4,432,800	$ 4,512,500	$ 5,065,500
Covered-employee payroll	$ 21,850,300	$ 21,538,700	$ 21,538,700	$ 20,624,300
Component Unit School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	15.45%	20.58%	20.95%	24.56%

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

County of Wythe, Virginia
Notes to Required Supplementary Information - County and Component Unit School Board Health Insurance OPEB
For the Year Ended June 30, 2021

Primary Government

Valuation Date: 7/1/2020
Measurement Date: 7/1/2020

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	2.45%
Inflation	2.50%
Healthcare Trend Rate	5.00%.
Salary Increase Rates	Salaries are assumed to increase 2.50% annually.
Retirement Age	The average age at retirement is 62.
Mortality Rates	Mortality is based on the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

Component Unit School Board

Valuation Date: 7/1/2020
Measurement Date: 7/1/2020

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	2.45%
Inflation	2.50%
Healthcare Trend Rate	5.00%.
Salary Increase Rates	Salaries are assumed to increase 2.50% annually.
Retirement Age	The average age at retirement is 62.
Mortality Rates	Mortality is based on the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

County of Wythe, Virginia
Schedule of Employer'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	0.0365%	$ 594,478	$ 7,325,551	8.12%	52.64%
2019	0.0327%	530,139	6,376,851	8.31%	52.00%
2018	0.0344%	522,299	6,523,683	8.01%	51.22%
2017	0.0354%	532,726	6,519,560	8.17%	48.86%
Component Unit School Board (nonprofessional)					
2020	0.0072%	$ 120,824	$ 1,487,842	8.12%	52.64%
2019	0.0071%	116,187	1,417,544	8.20%	52.00%
2018	0.0071%	108,000	1,355,799	7.97%	51.22%
2017	0.0072%	108,000	1,329,756	8.12%	48.86%
Component Unit School Board (professional)					
2020	0.1044%	$ 1,741,431	$ 21,549,379	8.08%	52.64%
2019	0.1073%	1,745,894	21,028,211	8.30%	52.00%
2018	0.1092%	1,658,000	20,774,929	7.98%	51.22%
2017	0.1129%	1,699,000	20,823,957	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However,

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2021	$ 40,823	$ 40,823	$ -	$ 7,507,607	0.54%
2020	38,116	38,116	-	7,325,551	0.52%
2019	33,160	33,160	-	6,376,851	0.52%
2018	33,739	33,739	-	6,523,683	0.52%
2017	33,958	33,958	-	6,519,560	0.52%
2016	33,034	29,918	3,116	6,168,475	0.49%
2015	32,066	29,041	3,026	6,040,131	0.48%
Component Unit School Board (nonprofessional)					
2021	$ 7,888	$ 7,888	$ -	$ 1,449,080	0.54%
2020	7,748	7,748	-	1,487,842	0.52%
2019	7,371	7,371	-	1,417,544	0.52%
2018	7,051	7,051	-	1,355,799	0.52%
2017	6,915	6,915	-	1,329,756	0.52%
2016	5,946	5,946	-	1,240,650	0.48%
2015	5,893	5,893	-	1,228,806	0.48%
2014	5,967	5,967	-	1,243,058	0.48%
2013	5,581	5,581	-	1,162,746	0.48%
2012	4,383	4,383	-	1,565,251	0.28%
Component Unit School Board (professional)					
2021	$ 115,914	$ 115,914	$ -	$ 21,430,397	0.54%
2020	111,698	111,698	-	21,549,379	0.52%
2019	109,348	109,348	-	21,028,211	0.52%
2018	108,031	108,031	-	20,774,929	0.52%
2017	108,289	108,289	-	20,823,957	0.52%
2016	98,014	98,014	-	20,401,102	0.48%
2015	97,823	97,823	-	20,379,338	0.48%
2014	98,598	98,598	-	18,333,516	0.54%
2013	97,639	97,639	-	20,346,501	0.48%
2012	53,739	53,739	-	19,205,877	0.28%

Schedule is intended to show information for 10 years. Prior to 2015 the County information reported in the County's reported included participants that are not reported in the County's report. Therefore, no additional data is currently available for the County. Additional years will be included as they become available.

County of Wythe, Virginia
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%

Exhibit 23

County of Wythe, Virginia

Schedule of Changes in the Component Unit School Board (nonprofessional) Net OPEB Liability and Related Ratios

Health Insurance Credit (HIC) Plan

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

	2020	2019	2018	2017
Total HIC OPEB Liability				
Service cost	$ 2,694	$ 2,703	$ 2,000	$ 2,000
Interest	9,908	10,626	10,000	11,000
Changes in benefit terms	2,048	-	-	-
Differences between expected and actual experience	(3,640)	(3,647)	5,000	-
Changes of assumptions	-	3,036	-	-
Benefit payments	(19,855)	(15,620)	(16,000)	(16,000)
Other	-	617	-	-
Net change in total HIC OPEB liability	$ (8,845)	$ (2,285)	$ 1,000	$ (3,000)
Total HIC OPEB Liability - beginning	156,715	159,000	158,000	161,000
Total HIC OPEB Liability - ending (a)	$ 147,870	$ 156,715	$ 159,000	$ 158,000
Plan fiduciary net position				
Contributions - employer	$ 12,034	$ 11,429	$ 11,000	$ 11,000
Net investment income	410	1,507	2,000	3,000
Benefit payments	(19,855)	(15,620)	(16,000)	(16,000)
Administrator charges	(30)	(30)	-	-
Other	-	209	(1,000)	1,000
Net change in plan fiduciary net position	$ (7,441)	$ (2,505)	$ (4,000)	$ (1,000)
Plan fiduciary net position - beginning	24,495	27,000	31,000	32,000
Plan fiduciary net position - ending (b)	$ 17,054	$ 24,495	$ 27,000	$ 31,000
Component Unit School Board's (nonprofessional) net HIC OPEB liability - ending (a) - (b)	$ 130,816	$ 132,220	$ 132,000	$ 127,000
Plan fiduciary net position as a percentage of the total HIC OPEB liability	11.53%	15.63%	16.98%	19.62%
Covered payroll	$ 1,468,734	$ 1,415,719	$ 1,355,799	$ 1,329,756
Component Unit School Board's (nonprofessional) net HIC OPEB liability as a percentage of covered payroll	8.91%	9.34%	9.74%	9.55%

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

County of Wythe, Virginia
Schedule of Component Unit School Board's (professional) Share of Net OPEB Liability
Teacher Health Insurance Credit (HIC) Program
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	0.2444%	$ 3,187,847	$ 21,500,625	14.83%	9.95%
2019	0.2502%	3,275,885	20,985,461	15.61%	8.97%
2018	0.2567%	3,259,000	20,774,929	15.69%	8.08%
2017	0.2639%	3,347,000	20,823,957	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.

Exhibit 25

County of Wythe, Virginia
Schedule of Employer Contributions
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 Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Component Unit School Board (nonprofessional)					
2021	$ 11,995	$ 11,995	$ -	$ 1,432,655	0.84%
2020	12,038	12,038	-	1,468,734	0.82%
2019	11,757	11,757	-	1,415,719	0.83%
2018	10,843	10,843	-	1,355,799	0.80%
2017	11,000	11,000	-	1,329,756	0.83%
2016	9,538	9,538	-	1,240,650	0.77%
2015	9,454	9,454	-	1,228,806	0.77%
2014	9,572	9,572	-	1,243,058	0.77%
2013	8,977	8,977	-	1,162,746	0.77%
2012	12,052	12,052	-	1,565,251	0.77%
Component Unit School Board (professional)					
2021	$ 258,889	$ 258,889	$ -	$ 21,293,933	1.22%
2020	257,119	257,119	-	21,500,625	1.20%
2019	251,826	251,826	-	20,985,461	1.20%
2018	255,531	255,531	-	20,774,929	1.23%
2017	231,155	231,155	-	20,823,957	1.11%
2016	216,447	216,447	-	20,401,102	1.06%
2015	216,025	216,025	-	20,379,338	1.06%
2014	227,968	227,968	-	18,333,516	1.24%
2013	225,876	225,876	-	20,346,501	1.11%
2012	115,235	115,235	-	19,205,877	0.60%

Component Unit School Board (nonprofessional)

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 though 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%

Component Unit School Board (professional)

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%

Other Supplementary Information

County of Wythe, Virginia
Capital Projects 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				
Revenue from the use of money and property	$ 96,500	$ 96,500	$ 144,647	$ 48,147
Charges for services	32,500	32,500	31,027	(1,473)
Recovered costs	-	-	120,910	120,910
Total revenues	$ 129,000	$ 129,000	$ 296,584	$ 167,584
Excess (deficiency) of revenues over (under) expenditures	$ 129,000	$ 129,000	$ 296,584	$ 167,584
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ -	$ 5,288,333	$ 5,288,333
Transfers out	(129,000)	(129,000)	(5,676,620)	(5,547,620)
Total other financing sources (uses)	$ (129,000)	$ (129,000)	$ (388,287)	$ (259,287)
Net change in fund balances	$ -	$ -	$ (91,703)	$ (91,703)
Fund balances - beginning	-	-	9,629,164	9,629,164
Fund balances - ending	$ -	$ -	$ 9,537,461	$ 9,537,461

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
MAJOR GOVERNMENTAL FUNDS

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

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

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

	School Operating Fund	School Activity Fund	Total School Fund
ASSETS			
Cash and cash equivalents	$ 3,981,825	$ 1,456,728	$ 5,438,553
Receivables (net of allowance for uncollectibles):			
Accounts receivable	20,883	2,737	23,620
Due from other governmental units	1,408,743	-	1,408,743
Inventories (restricted for school cafeterias)	79,010	-	79,010
Prepaid items	930,845	7,670	938,515
Total assets	$ 6,421,306	$ 1,467,135	$ 7,888,441
LIABILITIES			
Liabilities:			
Accounts payable	$ 488,460	$ 1,967	$ 490,427
Salaries payable	3,330,042	-	3,330,042
Total liabilities	$ 3,818,502	$ 1,967	$ 3,820,469
FUND BALANCES			
Nonspendable			
Inventories	$ 79,010	$ -	$ 79,010
Prepaid items	930,845	7,670	938,515
Restricted:			
School activity fund	-	1,457,498	1,457,498
School cafeterias	777,589	-	777,589
Unassigned	815,360	-	815,360
Total fund balances	$ 2,602,804	$ 1,465,168	$ 4,067,972
Total liabilities and fund balances	$ 6,421,306	$ 1,467,135	$ 7,888,441

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total fund balances per above			$ 4,067,972
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land		$ 774,089	
Buildings and improvements		12,765,048	
Machinery and equipment		2,144,956	
Construction in progress		78,775	15,762,868
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items		$ 8,971,852	
OPEB related items		1,232,173	10,204,025
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Compensated absences		$ (647,030)	
Net OPEB liabilities		(8,555,818)	
Net pension liability		(36,944,268)	(46,147,116)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items		$ (3,691,252)	
OPEB related items		(2,283,825)	(5,975,077)
Net position of governmental activities			$ (22,087,328)

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

	School Operating Fund	School Activity Fund*	Total School Fund
REVENUES			
Revenue from the use of money and property	$ 33,639	$ -	$ 33,639
Charges for services	542,332	627,228	1,169,560
Miscellaneous	19,597	-	19,597
Recovered costs	328,721	-	328,721
Intergovernmental:			
Local government	12,191,201	-	12,191,201
Commonwealth	27,450,110	-	27,450,110
Federal	5,594,375	-	5,594,375
Total revenues	$ 46,159,975	$ 627,228	$ 46,787,203
EXPENDITURES			
Current:			
Education	$ 45,083,764	$ 1,589,361	$ 46,673,125
Total expenditures	$ 45,083,764	$ 1,589,361	$ 46,673,125
Excess (deficiency) of revenues over (under) expenditures	$ 1,076,211	$ (962,133)	$ 114,078
OTHER FINANCING SOURCES (USES)			
Transfers in	$ 18,078	$ 851,511	$ 869,589
Transfers out	(851,511)	(18,078)	(869,589)
Sale of capital assets	2,918	-	2,918
Total other financing sources (uses)	$ (830,515)	$ 833,433	$ 2,918
Net change in fund balances	$ 245,696	$ (128,700)	$ 116,996
Fund balances - beginning, as restated	2,357,108	1,593,868	3,950,976
Fund balances - ending	$ 2,602,804	$ 1,465,168	$ 4,067,972

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		$ 116,996
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital outlays	$ 892,721	
Depreciation expense	(897,501)	(4,780)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	$ 40,756	
Change in OPEB related items	253,795	
Change in pension related items	(25,934)	268,617
Change in net position of governmental activities		$ 380,833

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

Exhibit 30

County of Wythe, 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			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ -	$ -	$ 33,639	$ 33,639
Charges for services	1,245,642	1,245,642	542,332	(703,310)
Miscellaneous	-	-	19,597	19,597
Recovered costs	406,860	406,860	328,721	(78,139)
Intergovernmental:				
Local government	13,637,000	13,637,000	12,191,201	(1,445,799)
Commonwealth	27,474,568	27,474,568	27,450,110	(24,458)
Federal	3,651,718	3,651,718	5,594,375	1,942,657
Total revenues	$ 46,415,788	$ 46,415,788	$ 46,159,975	$ (255,813)
EXPENDITURES				
Current:				
Education	$ 46,415,788	$ 46,415,788	$ 45,083,764	$ 1,332,024
Total expenditures	$ 46,415,788	$ 46,415,788	$ 45,083,764	$ 1,332,024
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ 1,076,211	$ 1,076,211
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ -	$ 18,078	$ 18,078
Transfers out	-	-	(851,511)	(851,511)
Sale of capital assets	-	-	2,918	2,918
Total other financing sources (uses)	$ -	$ -	$ (830,515)	$ (830,515)
Net change in fund balances	$ -	$ -	$ 245,696	$ 245,696
Fund balances - beginning	-	-	2,357,108	2,357,108
Fund balances - ending	$ -	$ -	$ 2,602,804	$ 2,602,804

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 12,309,500	$ 12,309,500	$ 12,941,740	$ 632,240
Real and personal public service corporation taxes	1,858,500	1,858,500	1,941,946	83,446
Personal property taxes	4,624,000	4,624,000	4,931,019	307,019
Mobile home taxes	59,900	59,900	71,028	11,128
Machinery and tools taxes	2,099,500	2,099,500	1,725,059	(374,441)
Merchant's capital taxes	361,200	361,200	405,427	44,227
Penalties	60,000	60,000	124,423	64,423
Interest	160,000	160,000	257,232	97,232
Total general property taxes	$ 21,532,600	$ 21,532,600	$ 22,397,874	$ 865,274
Other local taxes:				
Local sales and use taxes	$ 3,720,000	$ 3,720,000	$ 4,539,460	$ 819,460
Consumers' utility and consumption taxes	700,000	700,000	791,416	91,416
Motor vehicle licenses	390,000	390,000	462,634	72,634
Bank stock taxes	35,000	35,000	38,435	3,435
Taxes on recordation and wills	150,000	150,000	231,144	81,144
Hotel and motel room taxes	187,000	187,000	186,292	(708)
Restaurant food taxes	800,000	800,000	976,014	176,014
Admissions tax	20,000	20,000	787	(19,213)
Total other local taxes	$ 6,002,000	$ 6,002,000	$ 7,226,182	$ 1,224,182
Permits, privilege fees, and regulatory licenses:				
Animal licenses	$ 5,000	$ 5,000	$ 18,232	$ 13,232
Land use application fees	1,000	1,000	2,871	1,871
Transfer fees	500	500	1,167	667
Building permits	45,000	45,000	81,444	36,444
Concealed weapons permits	10,000	10,000	45,414	35,414
Other permits and licenses	5,900	5,900	43,427	37,527
Total permits, privilege fees, and regulatory licenses	$ 67,400	$ 67,400	$ 192,555	$ 125,155
Fines and forfeitures:				
Court fines and forfeitures	$ 800,000	$ 800,000	$ 910,510	$ 110,510
Electronic summons fees	60,000	60,000	51,787	(8,213)
Total fines and forfeitures	$ 860,000	$ 860,000	$ 962,297	$ 102,297
Revenue from use of money and property:				
Revenue from use of money	$ 630,561	$ 630,561	$ 482,156	$ (148,405)
Revenue from use of property	252,494	252,494	330,927	78,433
Total revenue from use of money and property	$ 883,055	$ 883,055	$ 813,083	$ (69,972)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for sheriff's fees	$ 1,500	$ 1,500	$ 1,557	$ 57
Charges for animal control	5,000	5,000	5,586	586
Charges for Commonwealth's Attorney	1,500	1,500	5,508	4,008
Charges for courthouse security	300,000	300,000	235,408	(64,592)
Charges for law library	4,000	4,000	5,054	1,054
Charges for parks and recreation	75,000	75,000	93,541	18,541
Total charges for services	$ 387,000	$ 387,000	$ 346,654	$ (40,346)
Miscellaneous:				
Miscellaneous	$ -	$ 2,500	$ 1,695	$ (805)
Local grants and contributions	-	-	13,000	13,000
Total miscellaneous	$ -	$ 2,500	$ 14,695	$ 12,195
Recovered costs:				
Social services	$ 125,000	$ 125,000	$ 125,379	$ 379
Crossroads	-	-	221,022	221,022
Other recovered costs	788,044	828,194	309,448	(518,746)
Total recovered costs	$ 913,044	$ 953,194	$ 655,849	$ (297,345)
Total revenue from local sources	$ 30,645,099	$ 30,687,749	$ 32,609,189	$ 1,921,440
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	$ 4,000	$ 4,000	$ 3,802	$ (198)
Communication sales and use tax	625,000	625,000	561,482	(63,518)
Mobile home titling tax	20,000	20,000	29,959	9,959
Grantor's tax	75,000	75,000	109,830	34,830
Personal property tax relief funds	1,500,814	1,500,814	1,500,814	-
Total noncategorical aid	$ 2,224,814	$ 2,224,814	$ 2,205,887	$ (18,927)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 542,365	$ 542,365	$ 534,252	$ (8,113)
Sheriff	1,544,326	1,544,326	1,519,888	(24,438)
Commissioner of revenue	109,277	109,277	120,022	10,745
Treasurer	130,674	130,674	128,574	(2,100)
Registrar/electoral board	46,125	46,125	52,663	6,538
Clerk of the Circuit Court	339,442	339,442	347,801	8,359
Total shared expenses	$ 2,712,209	$ 2,712,209	$ 2,703,200	$ (9,009)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid:				
Public assistance and welfare administration	$ 2,788,142	$ 2,788,142	$ 1,688,432	$ (1,099,710)
Comprehensive Services Act program	1,415,781	1,415,781	1,467,640	51,859
Litter control grant	9,200	9,200	8,678	(522)
Fire program grant	60,000	60,000	74,471	14,471
Wireless E-911 grant	26,000	26,000	120,608	94,608
Four for life grant	24,000	30,144	30,144	-
Arts grant	4,500	4,500	-	(4,500)
Asset forfeiture funds	-	-	75,075	75,075
VJCCA	39,741	39,741	39,741	-
VDOT Fund	15,000	15,000	10,262	(4,738)
Victim witness grant	24,328	24,328	11,481	(12,847)
School resource officer	70,000	70,000	-	(70,000)
Other state grants	-	77,000	162,304	85,304
Total other categorical aid	$ 4,476,692	$ 4,559,836	$ 3,688,836	$ (871,000)
Total categorical aid	$ 7,188,901	$ 7,272,045	$ 6,392,036	$ (880,009)
Total revenue from the Commonwealth	$ 9,413,715	$ 9,496,859	$ 8,597,923	$ (898,936)
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	$ 100,000	$ 100,000	$ 166,321	$ 66,321
Total noncategorical aid	$ 100,000	$ 100,000	$ 166,321	$ 66,321
Categorical aid:				
Public assistance and welfare administration	$ 2,553,806	$ 2,553,806	$ 2,858,570	$ 304,764
State and highway safety grants	-	66,620	75,807	9,187
Victim witness grant	72,982	72,982	102,793	29,811
Emergency management grant	-	23,325	24,111	786
Violence against women	28,206	28,206	24,919	(3,287)
Edward Byrne memorial justice assistance grant	-	-	1,250	1,250
COVID-19 Coronavirus relief funds	56,712	2,559,280	4,961,875	2,402,595
Total categorical aid	$ 2,711,706	$ 5,304,219	$ 8,049,325	$ 2,745,106
Total revenue from the federal government	$ 2,811,706	$ 5,404,219	$ 8,215,646	$ 2,811,427
Total General Fund	$ 42,870,520	$ 45,588,827	$ 49,422,758	$ 3,833,931
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ 89,000	$ 89,000	$ 94,547	$ 5,547
Revenue from the use of property	7,500	7,500	50,100	42,600
Total revenue from use of money and property	$ 96,500	$ 96,500	$ 144,647	$ 48,147

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund: (Continued)				
County Capital Projects Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for courthouse maintenance	$ 30,000	$ 30,000	$ 24,769	$ (5,231)
Charges for jail processing	2,500	2,500	6,258	3,758
Total charges for services	$ 32,500	$ 32,500	$ 31,027	$ (1,473)
Recovered costs:				
Miscellaneous	$ -	$ -	$ 120,910	$ 120,910
Total recovered costs	$ -	$ -	$ 120,910	$ 120,910
Total revenue from local sources	$ 129,000	$ 129,000	$ 296,584	$ 167,584
Total County Capital Projects Fund	$ 129,000	$ 129,000	$ 296,584	$ 167,584
Total Primary Government	$ 42,999,520	$ 45,717,827	$ 49,719,342	$ 4,001,515
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 money	$ -	$ -	$ 33,639	$ 33,639
Total revenue from use of money and property	$ -	$ -	$ 33,639	$ 33,639
Charges for services:				
Cafeteria sales	$ 709,642	$ 709,642	$ 12,883	$ (696,759)
Transportation of pupils	36,000	36,000	5	(35,995)
Dual course credits	500,000	500,000	529,444	29,444
Total charges for services	$ 1,245,642	$ 1,245,642	$ 542,332	$ (703,310)
Miscellaneous:				
Miscellaneous	$ -	$ -	$ 19,597	$ 19,597
Total miscellaneous	$ -	$ -	$ 19,597	$ 19,597
Recovered costs:				
E-rate	$ 76,860	$ 76,860	$ 93,527	$ 16,667
Medicaid reimbursements	300,000	300,000	181,532	(118,468)
Sale of supplies	-	-	173	173
Insurance recoveries	-	-	50,967	50,967
Other recovered costs	30,000	30,000	2,522	(27,478)
Total recovered costs	$ 406,860	$ 406,860	$ 328,721	$ (78,139)
Total revenue from local sources	$ 1,652,502	$ 1,652,502	$ 924,289	$ (728,213)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Wythe, Virginia	$ 13,637,000	$ 13,637,000	$ 12,191,201	$ (1,445,799)
Total revenues from local governments	$ 13,637,000	$ 13,637,000	$ 12,191,201	$ (1,445,799)
Revenue from the Commonwealth:				
Categorical aid:				
Adult secondary education	$ 16,772	$ 16,772	$ 16,773	$ 1
Alternative education	133,029	133,029	133,029	-
At risk four-year olds	386,923	386,923	282,639	(104,284)
At risk payments	790,710	790,710	773,479	(17,231)
Basic school aid	13,257,796	13,257,796	12,963,548	(294,248)
Early reading intervention	79,727	79,727	79,727	-
English as second language	1,951	1,951	1,951	-
Gifted and talented	134,289	134,289	131,401	(2,888)
Governor's school	26,572	26,572	-	(26,572)
Group life insurance instructional	56,815	56,815	55,593	(1,222)
Homebound education	42,174	42,174	42,815	641
Other state funds	66,482	66,482	92,249	25,767
Mentor teacher program	2,528	2,528	2,476	(52)
Primary class size	565,535	565,535	554,511	(11,024)
Project graduation	3,691	3,691	3,691	-
Reading recovery	32,716	32,716	31,550	(1,166)
Regional program tuition	145,676	145,676	144,511	(1,165)
Regular foster care	100,000	100,000	67,295	(32,705)
Remedial education	428,692	428,692	419,473	(9,219)
Remedial summer education	1,111	1,111	602	(509)
Retirement	1,856,803	1,856,803	1,816,872	(39,931)
School food	46,005	46,005	24,557	(21,448)
Share of state sales tax	4,895,366	4,895,366	5,247,256	351,890
Social security fringe benefits	795,404	795,404	778,298	(17,106)
State lottery payments	951,554	951,554	1,053,782	102,228
Industry certification	7,500	7,500	9,987	2,487
Special education	1,286,075	1,286,075	1,258,418	(27,657)
Special education - foster children	71,448	71,448	55,069	(16,379)
Algebra readiness	68,333	68,333	65,949	(2,384)
National board certification	7,500	7,500	5,000	(2,500)
No loss funding	-	-	172,875	172,875
Technology resource	388,000	388,000	388,000	-
Textbook payment	277,539	277,539	271,571	(5,968)
Vocational education - adult	2,819	2,819	-	(2,819)
Vocational occupational preparedness	71,857	71,857	40,205	(31,652)
Vocational standards of quality payments	475,176	475,176	464,958	(10,218)
Total categorical aid	$ 27,474,568	$ 27,474,568	$ 27,450,110	$ (24,458)
Total revenue from the Commonwealth	$ 27,474,568	$ 27,474,568	$ 27,450,110	$ (24,458)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Education for Independence	$ -	$ -	$ 87,088	$ 87,088
Forest reserve funds	66,781	66,781	64,377	(2,404)
Title I	1,029,965	1,029,965	901,577	(128,388)
Title VI-B, special education flow-through	866,501	866,501	842,780	(23,721)
Title VI-B, preschool	30,872	30,872	31,006	134
Vocational education	80,000	80,000	154,882	74,882
National school food program	970,000	970,000	108,557	(861,443)
School breakfast program	360,000	360,000	-	(360,000)
Improving teacher quality	132,599	132,599	160,176	27,577
Summer food	40,000	40,000	1,610,396	1,570,396
Title IV student support and academic enrichment grants	75,000	75,000	134,877	59,877
COVID-19 Coronavirus relief funds	-	-	658,315	658,315
ESSER funds	-	-	840,344	840,344
Total categorical aid	$ 3,651,718	$ 3,651,718	$ 5,594,375	$ 1,942,657
Total revenue from the federal government	$ 3,651,718	$ 3,651,718	$ 5,594,375	$ 1,942,657
Total School Operating Fund	$ 46,415,788	$ 46,415,788	$ 46,159,975	$ (255,813)

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	$ 236,110	$ 372,916	$ 323,320	$ 49,596
Total legislative	$ 236,110	$ 372,916	$ 323,320	$ 49,596
General and financial administration:				
County administrator	$ 492,351	$ 507,351	$ 460,527	$ 46,824
Commissioner of revenue	454,995	454,995	401,688	53,307
Treasurer	374,715	390,927	387,471	3,456
Financial administration	337,294	337,294	303,374	33,920
Assessors	300,000	300,000	70,731	229,269
Mapping	18,122	25,306	23,815	1,491
Public information office	56,049	56,049	16,734	39,315
Technology	202,429	202,898	142,457	60,441
Pandemic response	-	610,127	610,127	-
Total general and financial administration	$ 2,235,955	$ 2,884,947	$ 2,416,924	$ 468,023
Board of elections:				
Electoral board and officials	$ 101,576	$ 119,532	$ 64,151	$ 55,381
Registrar	168,486	167,254	124,729	42,525
Total board of elections	$ 270,062	$ 286,786	$ 188,880	$ 97,906
Total general government administration	$ 2,742,127	$ 3,544,649	$ 2,929,124	$ 615,525
Judicial administration:				
Courts:				
Circuit court	$ 53,569	$ 53,569	$ 52,349	$ 1,220
General district court	10,260	11,043	10,772	271
Juvenile and domestic relations court	9,472	10,472	8,317	2,155
Magistrates	1,630	1,630	881	749
Clerk of the circuit court	508,746	509,056	466,038	43,018
Commissioner of accounts	6,200	12,400	12,400	-
Courtroom security	275,240	286,408	194,336	92,072
Law library	12,808	12,808	9,726	3,082
Total courts	$ 877,925	$ 897,386	$ 754,819	$ 142,567
Commonwealth's attorney:				
Commonwealth's attorney	$ 743,879	$ 747,729	$ 723,875	$ 23,854
Total commonwealth's attorney	$ 743,879	$ 747,729	$ 723,875	$ 23,854
Total judicial administration	$ 1,621,804	$ 1,645,115	$ 1,478,694	$ 166,421
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 3,383,600	$ 3,621,760	$ 3,309,900	$ 311,860
Total law enforcement and traffic control	$ 3,383,600	$ 3,621,760	$ 3,309,900	$ 311,860

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire department	$ 439,284	$ 645,433	$ 558,244	$ 87,189
Consolidated dispatch	667,820	720,211	415,721	304,490
Ambulance and rescue services	150,620	202,376	130,656	71,720
Total fire and rescue services	$ 1,257,724	$ 1,568,020	$ 1,104,621	$ 463,399
Correction and detention:				
Jail	$ 1,700,000	$ 2,195,000	$ 2,175,468	$ 19,532
Probation office	2,795	2,795	2,319	476
Total correction and detention	$ 1,702,795	$ 2,197,795	$ 2,177,787	$ 20,008
Inspections:				
Building	$ 98,243	$ 112,243	$ 100,117	$ 12,126
Total inspections	$ 98,243	$ 112,243	$ 100,117	$ 12,126
Other protection:				
Animal control	$ 191,800	$ 191,825	$ 173,445	$ 18,380
Medical examiner	500	600	620	(20)
Wireless E-911 grant	37,839	37,839	28,734	9,105
Emergency services	103,177	128,177	80,142	48,035
VAVWA Law enforcement	41,976	41,976	41,159	817
PAF	27,000	47,535	28,642	18,893
Victim witness program	98,376	98,376	90,367	8,009
School resource officer	474,870	474,870	403,738	71,132
Sheriff IT	53,457	53,457	53,076	381
Pandemic response	-	924,662	924,662	-
Total other protection	$ 1,028,995	$ 1,999,317	$ 1,824,585	$ 174,732
Total public safety	$ 7,471,357	$ 9,499,135	$ 8,517,010	$ 982,125
Public works:				
Engineering:				
Engineering	$ 152,571	$ 153,321	$ 146,976	$ 6,345
Total engineering	$ 152,571	$ 153,321	$ 146,976	$ 6,345
Sanitation and waste removal:				
Refuse collection and disposal	$ 1,538,542	$ 1,598,542	$ 1,464,107	$ 134,435
Total sanitation and waste removal	$ 1,538,542	$ 1,598,542	$ 1,464,107	$ 134,435

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public works: (Continued)				
Maintenance of general buildings and grounds:				
Courthouse building	$ 283,166	$ 323,166	$ 232,676	$ 90,490
County administrative building	207,915	209,423	133,766	75,657
Sixth Street building	1,555	1,555	320	1,235
Building and grounds maintenance	193,995	193,995	157,527	36,468
Library building	4,062	4,062	1,793	2,269
Fairview house building	7,362	7,362	3,638	3,724
Other properties	842	842	318	524
Pandemic response	-	64,926	64,926	-
Total maintenance of general buildings and grounds	$ 698,897	$ 805,331	$ 594,964	$ 210,367
Total public works	$ 2,390,010	$ 2,557,194	$ 2,206,047	$ 351,147
Health and welfare:				
Health:				
Supplement of local health department	$ 366,166	$ 366,166	$ 366,166	$ -
Pandemic response	2,502,568	936,907	792,555	144,352
Pandemic response-contribution to Town of Wytheville	-	1,401,438	1,401,438	-
Pandemic response-contribution to Town of Rural Retreat	-	250,256	250,256	-
Total health	$ 2,868,734	$ 2,954,767	$ 2,810,415	$ 144,352
Mental health and mental retardation:				
Community services board	$ 164,349	$ 164,349	$ 164,349	$ -
Total mental health and mental retardation	$ 164,349	$ 164,349	$ 164,349	$ -
Welfare:				
Public assistance	$ 8,677,864	$ 8,803,582	$ 7,873,989	$ 929,593
Family resource center	3,750	4,688	4,688	-
District III coop	27,964	27,964	27,964	-
Total welfare	$ 8,709,578	$ 8,836,234	$ 7,906,641	$ 929,593
Total health and welfare	$ 11,742,661	$ 11,955,350	$ 10,881,405	$ 1,073,945
Education:				
Other instructional costs:				
Contributions to Community College	$ 45,640	$ 68,460	$ 68,460	$ -
Contribution to County School Board	13,637,000	13,637,000	12,191,201	1,445,799
Total education	$ 13,682,640	$ 13,705,460	$ 12,259,661	$ 1,445,799
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation Commission	$ 186,391	$ 216,391	$ 127,707	$ 88,684
Rural Retreat Lake campground	96,849	102,213	72,801	29,412
Rural Retreat Lake swimming pool	26,865	34,365	20,721	13,644
Ager Park	16,368	16,368	11,202	5,166
Sheffey Recreation Center	16,149	16,149	179	15,970
Max Meadows ball park	6,050	6,050	4,036	2,014
Total parks and recreation	$ 348,672	$ 391,536	$ 236,646	$ 154,890

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Parks, recreation, and cultural: (Continued)				
Library:				
Contribution to regional library	$ 324,455	$ 324,455	$ 324,455	$ -
Total library	$ 324,455	$ 324,455	$ 324,455	$ -
Total parks, recreation, and cultural	$ 673,127	$ 715,991	$ 561,101	$ 154,890
Community development:				
Planning and community development:				
Planning commission	$ 130,664	$ 134,597	$ 108,330	$ 26,267
Regional water	-	2,985	2,985	-
Wythe County Joint IDA	259,171	634,171	634,171	-
Pandemic response-contribution to Wythe County Joint IDA	-	817,000	817,000	-
Appalachian Regional Expo	411,748	411,748	200,000	211,748
Regional tourism	30,000	30,000	500	29,500
Smyth/Wythe airport commission	53,720	53,720	53,720	-
New River/Highlands RC&D	1,000	1,000	1,000	-
Virginia Industrial Advancement	268,112	270,874	-	270,874
Total planning and community development	$ 1,154,415	$ 2,356,095	$ 1,817,706	$ 538,389
Environmental management:				
Contribution to soil and water district	$ 8,000	$ 8,000	$ 8,000	$ -
Total environmental management	$ 8,000	$ 8,000	$ 8,000	$ -
Cooperative extension program:				
Extension office	$ 76,557	$ 98,362	$ 66,944	$ 31,418
Total cooperative extension program	$ 76,557	$ 98,362	$ 66,944	$ 31,418
Total community development	$ 1,238,972	$ 2,462,457	$ 1,892,650	$ 569,807
Capital projects: (1)				
Progress park improvements and land purchase	$ 46,550	$ 76,550	$ 14,639	$ 61,911
Road construction	226,000	2,226,000	2,000,000	226,000
EXPO Center	-	984,914	98,512	886,402
Other capital projects	2,846,500	4,739,977	741,034	3,998,943
Total capital projects	$ 3,119,050	$ 8,027,441	$ 2,854,185	$ 5,173,256
Debt service:				
Principal retirement	$ 3,254,682	$ 3,235,582	$ 2,936,600	$ 298,982
Interest and other fiscal charges	1,640,263	1,640,263	1,639,075	1,188
Total debt service	$ 4,894,945	$ 4,875,845	$ 4,575,675	$ 300,170
Total General Fund	$ 49,576,693	$ 58,988,637	$ 48,155,552	$ 10,833,085
Total Primary Government	$ 49,576,693	$ 58,988,637	$ 48,155,552	$ 10,833,085

(1) Budgeted within departmental budgets

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration and health services	$ 1,486,662	$ 1,486,662	$ 1,437,022	$ 49,640
Total administration of schools	$ 1,486,662	$ 1,486,662	$ 1,437,022	$ 49,640
Instruction costs:				
Instruction	$ 33,615,429	$ 33,615,429	$ 32,054,638	$ 1,560,791
Technology instruction	1,478,717	1,478,717	2,322,190	(843,473)
Total instruction costs	$ 35,094,146	$ 35,094,146	$ 34,376,828	$ 717,318
Operating costs:				
Pupil transportation	$ 2,860,330	$ 2,860,330	$ 2,596,662	$ 263,668
Operation and maintenance of school plant	4,849,003	4,849,003	4,872,163	(23,160)
Total operating costs	$ 7,709,333	$ 7,709,333	$ 7,468,825	$ 240,508
School food services:				
Administration of school food program	$ 2,125,647	$ 2,125,647	$ 1,801,089	$ 324,558
Total school food services	$ 2,125,647	$ 2,125,647	$ 1,801,089	$ 324,558
Total education	$ 46,415,788	$ 46,415,788	$ 45,083,764	$ 1,332,024
Total School Operating Fund*	$ 46,415,788	$ 46,415,788	$ 45,083,764	$ 1,332,024

* School fund appropriations are monitored at the fund level only

Statistical Information

Table 1

County of Wythe, 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	Water/Sewer Department	Total
2020-21	$ 2,405,893	$ 1,656,324	$ 8,111,446	$ 4,443,048	$ 11,083,463	$ 13,491,919	$ 618,110	$ 2,301,827	$ 1,418,111	$ 4,363,186	$ 49,893,328
2019-20	1,691,818	1,465,861	7,512,947	3,594,343	7,930,667	13,572,672	608,950	1,268,938	1,585,273	4,107,787	43,339,256
2018-19	1,254,724	1,242,975	6,803,794	2,558,930	7,390,268	17,061,608	612,628	1,010,793	1,642,176	3,978,183	43,556,079
2017-18	1,436,286	1,295,981	6,351,152	2,319,128	7,483,031	14,282,432	603,606	571,414	1,107,291	3,799,874	39,250,195
2016-17	2,077,350	1,397,035	5,933,755	2,421,854	7,059,375	14,076,234	587,212	1,132,949	1,134,619	3,625,177	39,445,560
2015-16	1,962,812	1,415,646	6,054,094	2,227,414	6,796,270	14,417,669	546,211	1,407,644	1,217,966	3,318,125	39,363,851
2014-15	1,352,398	1,092,798	6,237,978	2,306,367	6,604,731	14,166,892	553,381	879,896	1,164,014	3,650,586	38,009,041
2013-14	1,557,004	1,136,607	6,416,496	1,960,842	6,223,639	12,134,257	533,197	533,516	1,256,115	3,403,181	35,154,854
2012-13	1,187,678	1,119,156	6,372,381	2,419,128	6,468,123	14,422,799	610,551	787,448	1,284,699	3,519,922	38,191,885
2011-12	1,512,480	1,086,359	6,180,621	2,289,730	7,058,798	12,836,648	626,033	492,238	1,425,958	3,295,194	36,804,059

Table 2

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

	PROGRAM REVENUES			GENERAL REVENUES					
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total
2020-21	$ 5,069,025	$ 14,431,099	$ 266,457	$ 22,612,055	$ 7,226,182	$ 1,020,574	$ 14,695	$ 2,372,208	$ 53,012,295
2019-20	4,660,873	9,111,997	264,800	21,801,978	6,551,370	1,254,952	46,009	2,477,320	46,169,299
2018-19	4,780,969	8,718,675	209,009	21,207,545	6,323,967	1,357,857	46,375	2,480,225	45,124,622
2017-18	5,169,249	8,557,870	1,973,133	19,774,868	6,268,739	1,185,342	403,052	2,541,688	45,873,941
2016-17	5,393,714	8,309,992	1,097,712	18,926,937	5,908,026	1,101,874	292,421	2,459,363	43,490,039
2015-16	4,957,694	7,877,176	824,304	18,844,528	5,796,378	1,104,094	326,712	2,475,547	42,206,433
2014-15	4,879,094	7,434,357	1,611,079	17,470,264	5,869,453	1,054,365	525,963	2,502,844	41,347,419
2013-14	4,568,488	7,498,457	1,909,241	17,303,112	5,448,614	1,393,622	642,961	2,525,329	41,289,824
2012-13	4,743,836	7,955,016	2,282,618	16,817,889	5,483,817	1,342,421	437,423	2,568,029	41,631,049
2011-12	4,244,008	7,596,199	1,289,131	16,761,296	6,101,266	1,439,970	569,158	1,721,897	39,722,925

Table 3

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

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation & Cultural	Community Development	Debt Service	Capital Projects	Totals
2020-21	$ 2,929,124	$ 1,478,694	$ 8,517,010	$ 2,206,047	$ 10,881,405	$ 46,741,585	$ 561,101	$ 1,892,650	$ 4,575,675	$ 2,854,185	$ 82,637,476
2019-20	1,828,190	1,427,165	7,036,194	2,146,372	7,950,908	46,463,419	582,640	830,650	4,916,109	3,562,468	76,744,115
2018-19	1,702,335	1,295,561	6,579,742	2,035,896	7,519,151	54,030,893	618,432	760,131	4,129,790	3,897,373	82,569,304
2017-18	1,698,557	1,380,955	6,422,831	1,987,056	7,669,206	43,931,720	589,712	499,811	11,816,639	5,858,262	81,854,749
2016-17	2,004,152	1,437,378	5,723,203	1,915,022	7,234,170	43,535,284	568,641	489,361	3,792,409	2,269,432	68,969,052
2015-16	1,966,330	1,523,426	6,125,887	1,905,660	6,991,520	42,053,220	535,211	988,124	3,880,823	2,239,793	68,209,994
2014-15	1,805,152	1,176,799	6,201,763	1,985,530	6,813,281	41,971,276	539,507	539,507	3,640,919	1,866,662	66,540,396
2013-14	1,678,577	1,136,912	6,326,660	1,978,276	6,252,476	40,863,572	517,575	377,251	2,968,668	8,046,916	70,146,883
2012-13	1,681,639	1,118,560	6,711,245	2,127,453	6,542,255	40,333,239	628,288	588,539	6,582,063	5,731,661	72,044,942
2011-12	1,636,064	1,085,673	6,077,487	2,050,075	7,210,950	40,136,400	634,687	3,144,429	13,408,608	3,094,561	78,478,934

(1) Includes General and Capital Projects Funds of the Primary Government and Discretely Presented Component Unit School Board.
(2) Excludes contribution from Primary Government to Discretely Presented Component Unit School Board.

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenue from use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2020-21	$ 22,397,874	$ 7,226,182	$ 192,555	$ 962,297	$ 991,369	$ 1,547,241	$ 34,292	$ 1,105,480	$ 33,044,485	$ 67,501,775
2019-20	21,608,077	6,551,370	127,253	1,024,193	1,207,202	1,323,662	49,309	1,043,556	30,151,229	63,085,851
2018-19	21,183,656	6,323,967	111,736	1,384,273	1,312,068	1,618,251	86,593	1,223,719	29,237,271	62,481,534
2017-18	19,580,830	6,268,739	118,142	1,465,260	1,134,598	1,753,069	599,810	1,336,262	28,414,328	60,671,038
2016-17	18,951,683	5,908,026	127,241	1,692,160	1,050,864	1,547,688	560,990	978,447	28,064,662	58,881,761
2015-16	18,524,308	5,796,378	77,292	1,399,738	1,017,302	1,624,708	556,491	1,259,319	38,488,738	68,744,274
2014-15	17,556,567	5,869,453	68,301	1,612,103	976,595	1,260,761	703,672	1,168,853	39,056,478	68,272,783
2013-14	17,172,749	5,448,614	101,343	1,403,682	1,256,176	1,424,470	695,482	1,578,479	37,008,850	66,089,845
2012-13	17,063,127	5,483,817	76,747	1,486,658	1,192,266	1,387,282	495,944	1,183,146	37,331,804	65,700,791
2011-12	16,486,825	6,101,266	115,217	1,379,334	1,264,808	1,427,734	620,535	1,019,784	35,874,279	64,289,782

(1) Includes General and Capital Projects Funds of the Primary Government and includes discretely presented Component Unit School Board.

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2020-21	$ 21,958,017	$ 21,405,886	97.49%	$ 610,333	$ 22,016,219	100.27%	$ 2,014,265	9.17%
2019-20	21,632,076	20,804,933	96.18%	483,929	21,288,862	98.41%	2,050,519	9.48%
2018-19	20,968,362	20,299,321	96.81%	572,654	20,871,975	99.54%	1,850,051	8.82%
2017-18	19,463,749	18,875,600	96.98%	451,463	19,327,063	99.30%	1,797,257	9.23%
2016-17	18,774,651	18,215,033	97.02%	473,797	18,688,830	99.54%	1,597,819	8.51%
2015-16	18,627,762	17,781,494	95.46%	465,647	18,247,141	97.96%	1,474,061	7.91%
2014-15	17,290,714	16,637,385	96.22%	612,697	17,250,082	99.77%	1,398,648	8.09%
2013-14	17,066,280	16,429,324	96.27%	479,991	16,909,315	99.08%	1,434,679	8.41%
2012-13	16,630,536	16,264,884	97.80%	514,040	16,778,924	100.89%	1,324,184	7.96%
2011-12	16,469,488	15,896,576	96.52%	380,655	16,277,231	98.83%	1,499,609	9.11%

(1) Exclusive of penalties and interest. Reduced by tax sharing payments.

Table 6

County of Wythe, Virginia
Assessed Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate/ Mobile Homes	Personal Property	Public Service Companies	Total
2020-21	$ 2,378,550,000	$ 523,473,212	$ 360,075,487	$ 3,262,098,699
2019-20	2,358,339,797	497,596,841	359,338,718	3,215,275,356
2018-19	2,350,208,822	477,594,738	322,166,589	3,149,970,149
2017-18	2,335,399,637	478,348,830	310,470,506	3,124,218,973
2016-17	2,282,641,328	474,626,902	260,499,067	3,017,767,297
2015-16	2,274,033,452	475,988,249	229,662,169	2,979,683,870
2014-15	2,269,613,917	482,753,439	205,805,120	2,958,172,476
2013-14	2,269,183,693	480,753,909	198,369,106	2,948,306,708
2012-13	2,259,165,524	478,834,582	187,095,907	2,925,096,013
2011-12	2,260,390,881	471,509,420	159,110,024	2,891,010,325

(1) Assessed at 100% of fair market value.

Table 7

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

Fiscal Year	Real Estate/ Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital
2020-21	$ 0.54	$ 2.32	$ 1.50	$ 0.56
2019-20	0.54	2.32	1.50	0.56
2018-19	0.54	2.32	1.50	0.56
2017-18	0.49	2.32	1.50	0.56
2016-17	0.49	2.27	1.50	0.56
2015-16	0.49	2.27	1.50	0.56
2014-15	0.44	2.27	1.50	0.56
2013-14	0.44	2.27	1.50	0.56
2012-13	0.44	2.08	1.50	0.56
2011-12	0.44	2.08	1.50	0.56

(1) Per $100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Gross Assessed Value	Gross and Net Bonded Debt (2)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2020-21	$ 28,290	$ 3,262,098,699	71,704,906	2.20%	2,535
2019-20	28,754	3,215,275,356	73,770,572	2.29%	2,566
2018-19	28,754	3,149,970,149	74,062,436	2.35%	2,576
2017-18	29,235	3,124,218,973	70,108,141	2.24%	2,398
2016-17	29,235	3,017,767,297	62,473,464	2.07%	2,137
2015-16	29,235	2,979,683,870	61,034,667	2.05%	2,088
2014-15	29,235	2,958,172,476	61,787,459	2.09%	2,113
2013-14	29,235	2,948,306,708	61,811,256	2.10%	2,114
2012-13	29,235	2,925,096,013	55,704,496	1.90%	1,905
2011-12	29,235	2,891,010,325	57,445,157	1.99%	1,965

(1) United States Bureau of the Census

(2) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes revenue bonds, landfill closure/postclosure care liability, capital leases, compensated absences, net pension liability, and net OPEB liabilities.

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2020-21	$ 2,936,600	$ 1,639,075	$ 4,575,675	$ 82,637,476	5.537%
2019-20	3,327,110	1,578,999	4,906,109	76,744,115	6.393%
2018-19 (3)	10,234,024	1,389,758	11,623,782	82,569,304	14.078%
2017-18 (3)	10,651,394	1,165,245	11,816,639	81,854,749	14.436%
2016-17	2,592,749	1,199,660	3,792,409	68,969,052	5.499%
2015-16	1,898,541	951,619	2,850,160	76,437,104	3.729%
2014-15	2,362,227	1,278,692	3,640,919	66,486,269	5.476%
2013-14	1,725,738	1,242,930	2,968,668	70,146,883	4.232%
2012-13 (3)	5,165,301	1,416,762	6,582,063	72,044,942	9.136%
2011-12 (3)	11,944,430	1,464,178	13,408,608	78,478,934	17.086%

(1) Includes General fund of the Primary Government and the Discretely Presented Component Unit - School Board.
(2) Includes capital project expenditures.
(3) Includes early redemption of the County's bonds.

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit (School Board), each major fund, and the aggregate remaining fund information of the County of Wythe, 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 Wythe, Virginia's basic financial statements and have issued our report thereon dated December 6, 2021, modified due to the omission of the financial statements of the Component Unit - APEX Center.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Wythe, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Wythe, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Wythe, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Wythe, 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 Wythe, Virginia's Response to Findings

The County of Wythe, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Wythe, 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.

Blacksburg, Virginia
December 6, 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 of the
County of Wythe, Virginia

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

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

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

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 6, 2021

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

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number			Federal Expenditures	Expenditures to Subrecipients
DEPARTMENT OF AGRICULTURE:						
Direct Payments:						
Water and Waste Disposal Systems for Rural Communities	10.760	Not applicable			$ 256,195	
Pass Through Payments:						
Child Nutrition Cluster:						
State Department of Agriculture:						
Summer Food Service Program for Children	10.559	40268/40269/60302/60303	$ 1,354,438			
COVID-19 - Summer Food Service Program for Children	10.559	60175/60176	255,958	$ 1,610,396		
Food Distribution (Note C)	10.555	Not available		108,557		
Total Child Nutrition Cluster					$ 1,718,953	
Department of Social Services:						
SNAP Program Cluster:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010120/0010121/0040120/0040121			606,797	
Department of Education:						
Forest Service School and Roads Cluster:						
Schools and Roads - Grants to States	10.665	43841			64,377	
Total Department of Agriculture					$ 2,646,322	
DEPARTMENT OF HEALTH AND HUMAN SERVICES:						
Pass Through Payments:						
Department of Education:						
Temporary Assistance for Needy Families	93.558	402740		$ 87,088		
Department of Social Services:						
Temporary Assistance for Needy Families	93.558	0400120/0400121		300,189	387,277	
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950119/0950120			28,006	
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500120			700	
Low-Income Home Energy Assistance	93.568	0600420/0600421			48,389	
CCDF Cluster:						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760120/0760121			61,697	
Chafee Education and Training Vouchers Program	93.599	9160119/9160120			6,487	
Stephanie Tubbs Jones - Child Welfare Services Program	93.645	0900120/0900121			143	
Social Services Block Grant	93.667	1000120/1000121			319,094	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150119/9150120			5,529	
Children's Health Insurance Program	93.767	0540120/0540121			5,564	
Medicaid Cluster:						
Medical Assistance Program	93.778	1200120/1200121			453,984	
Foster Care - Title IV-E	93.658	1100120/1100121			244,462	
Adoption Assistance	93.659	1120120/1120121			777,529	
Total Department of Health and Human Services					$ 2,338,861	
DEPARTMENT OF HOMELAND SECURITY:						
Pass Through Payments:						
Department of Emergency Management:						
Emergency Management Performance Grants	97.042	EMP-2019-EP-00006			$ 786	
Total Department of Homeland Security					$ 786	
DEPARTMENT OF TRANSPORTATION:						
Pass Through Payments:						
Department of Motor Vehicles:						
Highway Safety Cluster:						
State and Community Highway Safety	20.600	FOP-2020-50179-20179/FOP-2021-51227-21227/FSC-2021-51228-21228/FSC-2020-50177-20177			$ 59,673	
National Highway Traffic Safety Administration (NHTSA):						
Alcohol Open Container Requirements	20.607	154AL-2020-50180-20180/154AL-2021-51223-21223			16,134	
Total Department of Transportation					$ 75,807	
DEPARTMENT OF TREASURY:						
Pass Through Payments:						
Virginia Department of Accounts						
COVID-19 - Coronavirus Relief Fund	21.019	SLT022		$ 4,937,164		$ 3,319,432
Department of Education						
COVID-19 - Coronavirus Relief Fund	21.019	SLT022		658,315	5,595,479	
Total Department of Treasury					$ 5,595,479	
DEPARTMENT OF ELECTIONS						
Pass Through Payments:						
Elections Assistance Commission						
COVID-19 - HAVA Election Security Grants	90.404	Not available			$ 24,711	
Total Department of Elections					$ 24,711	

COUNTY OF WYTHE, VIRGINIA

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

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number		Federal Expenditures	Expenditures to Subrecipients
DEPARTMENT OF JUSTICE:					
Pass Through Payments:					
Department of Criminal Justice Services:					
Violence Against Women - Formula Grants	16.588	19WFAX0032/20WFAX0011		$ 24,919	
Crime Victim Assistance	16.575	17VAGX0018/18VAGX0011		102,793	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	16DJBX0482		1,250	
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	20VDBX0141		23,325	
Total Department of Justice				$ 152,287	
DEPARTMENT OF EDUCATION:					
Pass Through Payments:					
Department of Education:					
Career and Technical Education-Basic Grants to States	84.048	60031/61095		$ 154,882	
Supporting Effective Instruction State Grants	84.367	61480		160,176	
Title I Grants to Local Educational Agencies	84.010	42901		901,577	
Special Education Cluster (IDEA):					
Special Education-Grants to States	84.027	43071	$ 842,780		
Special Education-Preschool Grants	84.173	62521	31,006		
Total Special Education Cluster (IDEA)				873,786	
Student Support and Academic Enrichment Program	84.424	60281		134,877	
Education Stabilization Fund:					
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	60177		840,344	
Total Department of Education				$ 3,065,642	
Total Expenditure of Federal Awards				$ 13,899,895	$ 3,319,432

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF WYTHE, VIRGINIA

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

Note A -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Wythe, Virginia under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the County of Wythe, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Wythe, Virginia.

Note B -- Summary of Significant Accounting Policies

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

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

(3) The County did not elect the 10% de minimus indirect cost rate because they only request direct costs for reimbursements.

Note C -- Food Donation

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

Note D -- Outstanding Balance of Federal Loans

The County has not received any federal funding through loans.

Note E -- Relationship to the Financial Statements

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

Primary government:	
General Fund - Intergovernmental	$ 16,813,569
Less: Payments in Lieu of Taxes	(166,321)
Less: Revenue from the Commonwealth	(8,597,923)
Water and Sewer Fund Grants	256,195
Component Unit School Board:	
School Operating Fund - Intergovernmental - Federal	5,594,375
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 13,899,895

County of Wythe, 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:	Governmental activities; business-type activities; discretely presented component unit-School Board; each major fund and aggregate remaining fund information
Disclaimer:	Discretely presented component unit-APEX Center

Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs:

Assistance Listing #	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund
84.425	COVID-19 - Education Stabilization Fund
93.659	Adoption Assistance

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

County of Wythe, Virginia

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

Section II - Financial Statement Findings

2021-001	**Significant Deficiency**
Criteria:	Identification of a adjustment to the financial statements that was not detected by the entity's internal controls indicates that a deficiency in internal controls may exist.
Condition:	The Auditor recommended some adjustments to the County's financial statements to ensure such statements complied with Generally Accepted Accounting Principles.
Cause of Condition:	The County failed to identify all year end accounting adjustments necessary for the books to be prepared in accordance with current reporting standards; however, the auditor noted significant improvement over prior fiscal years.
Effect of Condition:	There is a possibility that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected and corrected by the entity's internal controls over financial reporting.
Recommendation:	The County began using a consultant to assist in closing the books during the current year and both the number and magnitude of recommended audit adjustments decreased. We recommend that the County continue using a consultant to assist in closing the books and feel that as the consultant becomes more familiar with the County's operations the number of adjustments will continue to decrease.
Management's Response:	The County plans on continuing the use of a consultant to assist in closing the books to improve financial data presented in the annual financial report.

2021-002	**Significant Deficiency**
Criteria:	A key concept of internal controls is the segregation of duties. No one employee should have access to both accounting records and related assets.
Condition:	A proper segregation of duties has not been established over collections in the Treasurer's Office.
Cause of Condition:	Limited staffing and resources.
Effect of Condition:	There is reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the entity's internal controls over financial reporting.
Recommendation:	The County should review tasks performed by Treasurer's Office personnel and revise same as necessary to create a proper segregation of duties.
Management's Response:	Management will review controls in relation to current staffing levels and consider implementing compensating controls to address audit concerns.

Section III - Federal Award Findings and Questioned Costs

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

County of Wythe, Virginia

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

Section II - Financial Statement Findings

2020-001 - Material Weakness

Finding 2020-001 is recurring in fiscal year 2021 as finding 2021-001.

2020-002 - Significant Deficiency

Finding 2020-002 is recurring in fiscal year 2021 as finding 2021-002.