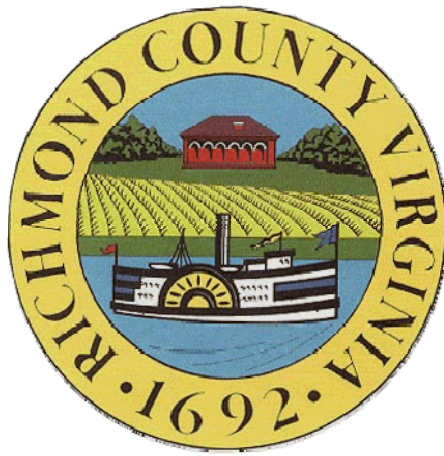


COUNTY OF RICHMOND, VIRGINIA



ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

COUNTY OF RICHMOND, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

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COUNTY OF RICHMOND, VIRGINIA

BOARD OF SUPERVISORS

F. Lee Sanders, Chairperson

John David Parr
William C. Herbert, II

Robert B. Pemberton
Richard E. Thomas, Sr.

COUNTY SCHOOL BOARD

Boyd K. Blackley, II, Chairperson

Frank Johnson
Vivian G. Wood

Kathleen F. Beane
Patricia P. Pugh

SOCIAL SERVICES BOARD

Robert B. Pemberton, Chairperson

David Cordes
Bea Sanders
Gordon Tolson

Neal Schools
Nancy Finnegan

OTHER OFFICIALS

Judge of the Circuit Court.....	R. Michael McKenney
Clerk of the Circuit Court	Cheryl B. Pierson
Judge of the General District Court	John S. Martin
Judge of the Juvenile and Domestic Relations Court	William L. Lewis
Commonwealth's Attorney.....	Elizabeth Tribble
Commissioner of the Revenue	Jennifer W. Delano
Treasurer	Kristie S. Brann
Sheriff	Stephan B. Smith
Superintendent of Schools.....	Bernard S. "Trey" Davis III, Ed.D.
Director of Social Services.....	Vanessa Livingstone
County Administrator	R. Morgan Quicke

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ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Richmond
Warsaw, Virginia**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Richmond, 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 21 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 21 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-10, 89-91, and 92-112 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.

Supplementary and Other Information

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

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures

Supplementary and Other Information (Continued)

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2021, on our consideration of County of Richmond, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Richmond, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Richmond, Virginia's internal control over financial reporting and compliance.

Robinson, Farnum, Cox Associate

Richmond, Virginia
November 26, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Financial Highlights

Government-wide Financial Statements

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,165,166 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures and other financing uses of \$1,763,129 (Exhibit 5) after making contributions totaling \$4,797,384 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$3,467,187, an increase of \$1,763,129 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,057,529, or 10.84% of total general fund expenditures and other uses.
- < The combined long-term obligations increased by \$530,497 during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,165,166 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net position:

County of Richmond, Virginia's Net Position			
	Governmental Activities		
	2021	2020	
Current and other assets	\$ 5,778,812	\$ 4,233,082	
Capital assets	<u>21,296,579</u>	<u>22,451,846</u>	
Total assets	<u>\$ 27,075,391</u>	<u>\$ 26,684,928</u>	
Deferred outflows of resources	<u>\$ 1,449,195</u>	<u>\$ 723,798</u>	
Current liabilities	\$ 2,168,318	\$ 2,335,976	
Long-term liabilities outstanding	<u>19,098,708</u>	<u>18,568,211</u>	
Total liabilities	<u>\$ 21,267,026</u>	<u>\$ 20,904,187</u>	
Deferred inflows of resources	<u>\$ 92,394</u>	<u>\$ 453,923</u>	
Net position:			
Net investment in capital assets	\$ 4,790,079	\$ 5,200,557	
Restricted	218,121	-	
Unrestricted	<u>2,156,966</u>	<u>850,059</u>	
Total net position	<u><u>\$ 7,165,166</u></u>	<u><u>\$ 6,050,616</u></u>	

Government-wide Financial Analysis (Continued)

The County's net position increased by \$1,114,550 during the current fiscal year. The following table summarizes the County's Statement of Activities.

County of Richmond, Virginia's Changes in Net Position		
	Governmental Activities	
	2021	2020
Charges for services	\$ 508,706	\$ 440,318
Operating grants and contributions	5,242,855	4,689,466
General property taxes	9,016,703	8,518,390
Other local taxes	1,976,648	1,813,034
Contributions from Richmond County IDA	-	10,000
Grants and other contributions not restricted	1,246,390	1,196,507
Other general revenues	352,176	434,857
Total revenues	\$ 18,343,478	\$ 17,102,572
General government administration	\$ 2,612,721	\$ 1,615,192
Judicial administration	780,515	737,081
Public safety	3,459,679	2,966,810
Public works	1,168,914	1,155,898
Health and welfare	1,596,157	1,514,695
Education	5,331,834	5,210,228
Parks, recreation, and cultural	162,210	158,884
Community development	1,423,998	2,158,471
Interest and other fiscal charges	692,900	692,599
Total expenses	\$ 17,228,928	\$ 16,209,858
Change in net position	\$ 1,114,550	\$ 892,714
Net position, beginning of year	6,050,616	5,157,902
Net position, end of year	\$ 7,165,166	\$ 6,050,616

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$3,467,187, an increase of \$1,763,129 in comparison with the prior year. Approximately 59.3% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

During the year, budgetary estimates exceeded revenues and other sources by \$242,392. Budgetary estimates exceeded expenditures and other uses by \$1,537,290 resulting in a positive variance of \$1,294,898 for net change in fund balance.

Capital Asset and Debt Administration

< **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2021 amounts to \$21,296,579 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$15,903,320. Of this amount, \$13,017,992 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds, capital leases and notes).

The County's total debt decreased by \$1,105,688 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

< Inflationary trends in the region compare to national indexes.

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

The fiscal year 2022 budget increased by approximately 4.2% and tax rates for all property taxes remained the same.

Requests for Information

This financial report is designed to provide a general overview of the County of Richmond, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 1000, Warsaw, Virginia 22572.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental	Component Units	
	<u>Activities</u>	<u>School Board</u>	<u>IDA</u>
ASSETS			
Cash and cash equivalents	\$ 4,772,716	\$ 739,052	\$ 43,930
Receivables (net of allowance for uncollectibles):			
Taxes receivable	325,956	-	-
Accounts receivable	101,289	35,817	-
Due from other governmental units	578,851	783,588	-
Net pension asset	-	23,196	-
Capital assets (net of accumulated depreciation):			
Land	1,117,575	28,062	149,907
Buildings and improvements	19,294,900	5,263,836	261,969
Improvements other than buildings	-	-	-
Machinery, equipment and vehicles	859,608	938,132	5,033
Construction in progress	24,496	-	-
Total assets	<u>\$ 27,075,391</u>	<u>\$ 7,855,809</u>	<u>\$ 460,839</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 1,211,954	\$ 3,205,861	\$ -
OPEB related items	237,241	504,266	-
Total deferred outflows of resources	<u>\$ 1,449,195</u>	<u>\$ 3,710,127</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 316,256	\$ 109,069	\$ -
Accrued liabilities	-	687,867	-
Accrued interest payable	164,579	-	-
Bonds held for others	141,138	-	-
Due to other governmental units	323,639	-	-
Unearned revenue	1,222,706	-	-
Long-term liabilities:			
Due within one year	1,124,903	57,318	-
Due in more than one year	17,973,805	14,918,083	-
Total liabilities	<u>\$ 21,267,026</u>	<u>\$ 15,772,337</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 53,848	\$ -	\$ -
Pension related items	2,336	914,730	-
OPEB related items	36,210	190,161	-
Total deferred inflows of resources	<u>\$ 92,394</u>	<u>\$ 1,104,891</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 4,790,079	\$ 6,118,367	\$ 416,909
Restricted for:			
Net pension asset	-	23,196	-
Debt service reserve	218,121	-	-
Unrestricted (deficit)	2,156,966	(11,452,855)	43,930
Total net position	<u>\$ 7,165,166</u>	<u>\$ (5,311,292)</u>	<u>\$ 460,839</u>

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

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

				Net (Expense) Revenue and Changes in Net Position		
				Primary Government		Component Units
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>School Board</u>	<u>IDA</u>
PRIMARY GOVERNMENT:						
Governmental activities:						
General government administration	\$ 2,612,721	\$ 6,951	\$ 234,093	\$ (2,371,677)		
Judicial administration	780,515	4,566	355,333	(420,616)		
Public safety	3,459,679	497,189	2,092,866	(869,624)		
Public works	1,168,914	-	-	(1,168,914)		
Health and welfare	1,596,157	-	1,009,475	(586,682)		
Education	5,331,834	-	-	(5,331,834)		
Parks, recreation, and cultural	162,210	-	-	(162,210)		
Community development	1,423,998	-	1,330,330	(93,668)		
Interest on long-term debt	692,900	-	220,758	(472,142)		
Total governmental activities	<u>\$ 17,228,928</u>	<u>\$ 508,706</u>	<u>\$ 5,242,855</u>	<u>\$ (11,477,367)</u>		
Total primary government	<u>\$ 17,228,928</u>	<u>\$ 508,706</u>	<u>\$ 5,242,855</u>			
COMPONENT UNITS:						
School Board	\$ 16,900,061	\$ 4,430	\$ 11,857,128		\$ (5,038,503)	\$ -
IDA	43,551	14,400	-		-	(29,151)
Total component units	<u>\$ 16,943,612</u>	<u>\$ 18,830</u>	<u>\$ 11,857,128</u>		<u>\$ (5,038,503)</u>	<u>\$ (29,151)</u>
General revenues:						
General property taxes				\$ 9,016,703	\$ -	\$ -
Other local taxes:						
Local sales and use taxes				1,694,045	-	-
Other local taxes				282,603	-	-
Unrestricted revenues from use of money and property				39,202	26	5
Miscellaneous				312,974	453,538	20,742
Grants and contributions not restricted to specific progra				1,246,390	-	-
Contributions from Richmond County				-	5,292,088	-
Total general revenues				<u>\$ 12,591,917</u>	<u>\$ 5,745,652</u>	<u>\$ 20,747</u>
Change in net position				<u>\$ 1,114,550</u>	<u>\$ 707,149</u>	<u>\$ (8,404)</u>
Net position - beginning, as restated				6,050,616	(6,018,441)	469,243
Net position - ending				<u>\$ 7,165,166</u>	<u>\$ (5,311,292)</u>	<u>\$ 460,839</u>

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Sheriff's Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 4,751,101	\$ 21,615	\$ 4,772,716
Receivables (net of allowance for uncollectibles):			
Taxes receivable	325,956	-	325,956
Accounts receivable	101,289	-	101,289
Due from other governmental units	578,851	-	578,851
Total assets	<u>\$ 5,757,197</u>	<u>\$ 21,615</u>	<u>\$ 5,778,812</u>
LIABILITIES			
Accounts payable	\$ 316,256	\$ -	\$ 316,256
Bonds held for others	141,138	-	141,138
Due to other governmental units	323,639	-	323,639
Unearned revenue	1,222,706	-	1,222,706
Total liabilities	<u>\$ 2,003,739</u>	<u>\$ -</u>	<u>\$ 2,003,739</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 307,886	\$ -	\$ 307,886
Total deferred inflows of resources	<u>\$ 307,886</u>	<u>\$ -</u>	<u>\$ 307,886</u>
FUND BALANCES			
Restricted	\$ 218,121	\$ 21,615	\$ 239,736
Committed	15,834	-	15,834
Assigned	1,154,088	-	1,154,088
Unassigned	2,057,529	-	2,057,529
Total fund balances	<u>\$ 3,445,572</u>	<u>\$ 21,615</u>	<u>\$ 3,467,187</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,757,197</u>	<u>\$ 21,615</u>	<u>\$ 5,778,812</u>

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

County of Richmond, 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	\$	3,467,187
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	\$ 33,670,204	
Accumulated depreciation	<u>(12,373,625)</u>	21,296,579
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes		254,038
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 1,211,954	
OPEB related items	<u>237,241</u>	1,449,195
Long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Lease revenue bonds	\$ (2,565,000)	
General obligations bonds	(13,017,992)	
Capital lease	(216,000)	
USDA loan	(104,328)	
Compensated absences	(176,248)	
Deferred issuance premium	(603,180)	
Net OPEB liabilities	(607,496)	
Net pension liability	(1,808,464)	
Accrued interest payable	<u>(164,579)</u>	(19,263,287)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (2,336)	
OPEB related items	<u>(36,210)</u>	(38,546)
Net position of governmental activities	<u>\$</u>	<u>7,165,166</u>

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

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

	General <u>Fund</u>	Workforce Investment <u>Act Fund</u>	Sheriff's <u>Fund</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 9,080,147	\$ -	\$ -	\$ 9,080,147
Other local taxes	1,976,648	-	-	1,976,648
Permits, privilege fees, and regulatory licenses	71,301	-	-	71,301
Fines and forfeitures	48,578	-	-	48,578
Revenue from the use of money and property	39,202	-	-	39,202
Charges for services	388,827	-	-	388,827
Miscellaneous	312,974	-	-	312,974
Recovered costs	1,331,936	-	-	1,331,936
Intergovernmental:				
Commonwealth	3,075,143	-	-	3,075,143
Federal	2,123,772	1,290,330	-	3,414,102
Total revenues	<u>\$ 18,448,528</u>	<u>\$ 1,290,330</u>	<u>\$ -</u>	<u>\$ 19,738,858</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,530,108	\$ -	\$ -	\$ 2,530,108
Judicial administration	643,211	-	-	643,211
Public safety	3,179,485	-	1,899	3,181,384
Public works	1,128,221	-	-	1,128,221
Health and welfare	2,408,671	-	-	2,408,671
Education	4,827,276	-	-	4,827,276
Parks, recreation, and cultural	161,520	-	-	161,520
Community development	244,231	1,290,330	-	1,534,561
Nondepartmental	111,441	-	-	111,441
Debt service:				
Principal retirement	3,020,688	-	-	3,020,688
Interest and other fiscal charges	719,689	-	-	719,689
Total expenditures	<u>\$ 18,974,541</u>	<u>\$ 1,290,330</u>	<u>\$ 1,899</u>	<u>\$ 20,266,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (526,013)</u>	<u>\$ -</u>	<u>\$ (1,899)</u>	<u>\$ (527,912)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of lease revenue bond	\$ 1,880,000	\$ -	\$ -	\$ 1,880,000
Issuance of USDA loan	35,000	-	-	35,000
Premium on bond issuance	376,041	-	-	376,041
Total other financing sources (uses)	<u>\$ 2,291,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,291,041</u>
Net change in fund balances	\$ 1,765,028	\$ -	\$ (1,899)	\$ 1,763,129
Fund balances - beginning	1,680,544	-	23,514	1,704,058
Fund balances - ending	<u>\$ 3,445,572</u>	<u>\$ -</u>	<u>\$ 21,615</u>	<u>\$ 3,467,187</u>

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

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

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

Net change in fund balances - total governmental funds \$ 1,763,129

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 outlay in the current period.

Capital outlay	\$ 192,748	
Depreciation expense	(853,311)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Government	(494,704)	(1,155,267)

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

Property taxes		(63,444)
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect differences in the treatment of long-term obligations and related items. The following is a summary of items supporting this adjustment:

Principal retirement on lease revenue bonds	\$ 2,065,000	
Principal retirement on general obligation bonds	854,559	
Principal retirement on capital lease	76,713	
Principal retirement on USDA loans	24,416	
Issuance of lease revenue bond	(1,880,000)	
Issuance of USDA loan	(35,000)	
Issuance of bond premium	(376,041)	729,647

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

The following is a summary of items supporting this adjustment:

Amortization of bond premium	\$ 15,142	
Pension expense	(166,206)	
OPEB expense	(20,770)	
Change in compensated absences	672	
Change in accrued interest payable	11,647	(159,515)

Change in net position of governmental activities		\$ 1,114,550
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The notes to the financial statements are an integral part of this statement.

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

	Custodial Funds				
	Richmond County Public <u>Library</u>	Special <u>Welfare</u>	Northern Neck Regional Technical <u>Center</u>	Northern Neck Regional Special Education <u>Program</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 12,570	\$ 26,089	\$ 376,104	\$ 711,408	\$ 1,126,171
Total assets	\$ 12,570	\$ 26,089	\$ 376,104	\$ 711,408	\$ 1,126,171
NET POSITION					
Restricted for:					
Ind Individuals, organizations, and other governments	\$ 12,570	\$ 26,089	\$ 376,104	\$ 711,408	\$ 1,126,171
Total net position	\$ 12,570	\$ 26,089	\$ 376,104	\$ 711,408	\$ 1,126,171

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

	Custodial Funds				
	Richmond County Public Library	Special Welfare	Northern Neck Regional Technical Center	Northern Neck Regional Special Education Program	Total
ADDITIONS					
Contributions	\$ 120,840	\$ 15,838	\$ 1,874,660	\$ 1,296,251	\$ 3,307,589
Investment earnings:					
Interest and dividends	3	-	243	855	1,101
Miscellaneous	-	-	124,488	263,169	387,657
Revenue from the Commonwealth	31,187	-	365,193	-	396,380
Total additions	\$ 152,030	\$ 15,838	\$ 2,364,584	\$ 1,560,275	\$ 4,092,727
DEDUCTIONS					
Recipient payments	\$ -	\$ 4,374	\$ -	\$ -	\$ 4,374
Operations	152,687	-	2,322,560	1,591,308	4,066,555
Total deductions	\$ 152,687	\$ 4,374	\$ 2,322,560	\$ 1,591,308	\$ 4,070,929
Net increase (decrease) in fiduciary net position	\$ (657)	\$ 11,464	\$ 42,024	\$ (31,033)	\$ 21,798
Net position, beginning, as restated	13,227	14,625	334,080	742,441	1,104,373
Net position, ending	\$ 12,570	\$ 26,089	\$ 376,104	\$ 711,408	\$ 1,126,171

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2021

Note 1—Summary of Significant Accounting Policies:

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

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

Government-wide and Fund Financial Statements

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

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

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

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

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

Separate financial statements are provided for governmental funds, 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 are reported as separate columns in the fund financial statements.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit.

The County has no blended component units at June 30, 2021.

Discretely Presented Component Units.

The Richmond County School Board members are appointed by the Richmond County School Board Selection Commission. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2021.

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

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

None

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

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

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

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

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

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

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

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

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

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

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the following governmental funds.

a. General Fund

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

b. Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only two special revenue funds are the Sheriff's Fund and the Workforce Investment Act Fund, which are considered major funds.

2. Fiduciary Fund - (Custodial Fund)

Fiduciary Fund (Custodial Fund) accounts for assets held by the County unit in a trustee capacity or custodian for individuals, private organizations, other governmental units, or other funds. This fund includes amounts held for Special Welfare, Richmond County Public Library, Northern Neck Regional Technical Center, and Northern Neck Regional Special Education Program.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

E. Cash and Cash Equivalents

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

Restricted cash consists of reserve accounts established as required by Rural Development bond covenants.

F. Investments

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

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

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$59,384 at June 30, 2021 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

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

H. Capital Assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	50
Vehicles	5
Buses	10
Equipment	10

I. Compensated Absences

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

J. Use of Estimates

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

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

K. Net Position

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

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

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

L. Pensions

For purposes of measuring the net pension liability (asset), 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.

M. Other Postemployment Benefits (OPEB)

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

N. Long-term Obligations

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

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

N. Long-term Obligations (Continued)

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

O. Fund Balance

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

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

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

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 the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

O. Fund Balance (Continued)

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

	<u>General</u>	<u>Sheriff's Fund</u>	<u>Total</u>
Fund balances:			
Restricted:			
Drug seizure	\$ -	\$ 21,615	\$ 21,615
Debt service reserve	218,121	-	218,121
Total restricted fund balance	<u>\$ 218,121</u>	<u>\$ 21,615</u>	<u>\$ 239,736</u>
Committed:			
Courthouse maintenance	\$ 15,834	\$ -	\$ 15,834
Total committed fund balance	<u>\$ 15,834</u>	<u>\$ -</u>	<u>\$ 15,834</u>
Assigned:			
Reassessment fund	\$ 51,847	\$ -	\$ 51,847
Asset forfeiture	16	-	16
Bond holding fund	141,138	-	141,138
Central accounting system	111,839	-	111,839
Capital improvement fund	588,879	-	588,879
Ambulance fund	140,000	-	140,000
RCPS CIP fund	120,369	-	120,369
Total assigned fund balance	<u>\$ 1,154,088</u>	<u>\$ -</u>	<u>\$ 1,154,088</u>
Unassigned	\$ 2,057,529	\$ -	\$ 2,057,529
Total fund balances	<u><u>\$ 3,445,572</u></u>	<u><u>\$ 21,615</u></u>	<u><u>\$ 3,467,187</u></u>

P. Deferred Outflows/Inflows of Resources

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

P. 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 multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and prepaid amounts on next year's taxes and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the next year's taxes are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset/liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

Note 2—Stewardship, Compliance, and Accounting:

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

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

Expenditures and Appropriations

Expenditures exceeded appropriations in the Sheriff's Fund by \$1,899 at June 30, 2021.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

Note 3—Deposits and Investments:

Deposits

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

Investments

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

Credit Risk of Debt Securities

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

County's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Rating</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 21,603
Virginia Investment Pool	63,266
Virginia State Non-Arbitrage Pool	215,403
U.S. Government Obligations	2,718
Total	<u><u>\$ 302,990</u></u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 3—Deposits and Investments: (Continued)

Interest Rate Risk

Investment Type	Investment Maturities (in years)	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 21,603	\$ 21,603
Virginia Investment Pool	63,266	63,266
Virginia State Non-Arbitrage Pool	215,403	215,403
U.S. Government Obligations	2,718	2,718
Total	<u>\$ 302,990</u>	<u>\$ 302,990</u>

External Investment Pools

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

Fair Value Measurements

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

Redemption Restrictions

VML/VACO Virginia Investment Pool allows the authority 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.).

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 4—Due from/to Other Governments:

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

	Primary Government	Component Unit School Board
Other Local Governments:		
County of Richmond, Virginia	\$ -	\$ 323,639
Commonwealth of Virginia:		
Mobile home titling tax	75	-
Motor vehicle carriers' tax	18,713	-
Rolling stock tax	256	-
Welfare	28,573	-
State sales Tax	-	183,566
Local sales tax	260,800	-
Constitutional officer reimbursements	106,479	-
Victim witness	3,665	-
Comprehensive services act	35,399	-
Communications tax	35,311	-
Wireless grant	7,501	-
Games of skill	4,608	-
Other state funds	6,560	-
Federal Government:		
School fund grants	-	276,383
Victim witness	10,996	-
Ground transportation safety grant	3,090	-
CDBG broadband grant	11,250	-
Welfare	45,575	-
Total due from other governments	<u>\$ 578,851</u>	<u>\$ 783,588</u>

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

	Primary Government	Component Unit School Board
Other Local Governments:		
Richmond County School Board	\$ 323,639	\$ -
	<u>\$ 323,639</u>	<u>\$ -</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 5—Capital Assets:

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<i>Primary Government:</i>				
Capital assets not subject to depreciation:				
Land	\$ 1,117,575	\$ -	\$ -	\$ 1,117,575
Construction in Progress	-	24,496	-	24,496
Total capital assets not subject to depreciation	\$ 1,117,575	\$ 24,496	\$ -	\$ 1,142,071
Capital assets subject to depreciation:				
Buildings and improvements	\$ 9,091,456	\$ -	\$ -	\$ 9,091,456
Machinery, equipment, and vehicles	3,343,782	168,252	-	3,512,034
Jointly owned assets	20,681,811	-	757,168	19,924,643
Total capital assets subject to depreciation	\$ 33,117,049	\$ 168,252	\$ 757,168	\$ 32,528,133
Accumulated depreciation:				
Buildings and improvements	\$ 2,595,141	\$ 219,407	\$ -	\$ 2,814,548
Machinery, equipment, and vehicles	2,378,378	274,048	-	2,652,426
Jointly owned assets	6,809,259	359,856	262,464	6,906,651
Total accumulated depreciation	\$ 11,782,778	\$ 853,311	\$ 262,464	\$ 12,373,625
Total capital assets subject to depreciation, net	\$ 21,334,271	\$ (685,059)	\$ 494,704	\$ 20,154,508
Governmental activities capital assets, net	\$ 22,451,846	\$ (660,563)	\$ 494,704	\$ 21,296,579

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 5—Capital Assets: (Continued)

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<i>Component Unit-School Board:</i>				
Capital assets not subject to depreciation:				
Land	\$ 28,062	\$ -	\$ -	\$ 28,062
Total capital assets not subject to depreciation	\$ 28,062	\$ -	\$ -	\$ 28,062
Capital assets subject to depreciation:				
Buildings and improvements	\$ 768,002	\$ 517,820	\$ 9,800	\$ 1,276,022
Machinery, equipment, and vehicles	3,894,625	84,624	272,353	3,706,896
Jointly owned assets	5,566,934	-	(757,168)	6,324,102
Total capital assets subject to depreciation	\$ 10,229,561	\$ 602,444	\$ (475,015)	\$ 11,307,020
Accumulated depreciation:				
Buildings and improvements	\$ 100,365	\$ 53,547	\$ 9,800	\$ 144,112
Machinery, equipment, and vehicles	2,777,442	263,675	272,353	2,768,764
Jointly owned assets	1,832,850	96,862	(262,464)	2,192,176
Total accumulated depreciation	\$ 4,710,657	\$ 414,084	\$ 19,689	\$ 5,105,052
Total capital assets subject to depreciation, net	\$ 5,518,904	\$ 188,360	\$ (494,704)	\$ 6,201,968
Governmental activities capital assets, net	\$ 5,546,966	\$ 188,360	\$ (494,704)	\$ 6,230,030

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 5—Capital Assets: (Continued)

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<i>Component Unit-Industrial Development Authority:</i>				
Capital assets not subject to depreciation:				
Land	\$ 149,907	\$ -	\$ -	\$ 149,907
Total capital assets not subject to depreciation	\$ 149,907	\$ -	\$ -	\$ 149,907
Capital assets subject to depreciation:				
Buildings and improvements	\$ 598,470	\$ -	\$ -	\$ 598,470
Machinery, equipment, and vehicles	27,285	-	-	27,285
Total capital assets subject to depreciation	\$ 625,755	\$ -	\$ -	\$ 625,755
Accumulated depreciation:				
Buildings and improvements	\$ 324,531	\$ 11,970	\$ -	\$ 336,501
Machinery, equipment, and vehicles	16,794	5,458	-	22,252
Total accumulated depreciation	\$ 341,325	\$ 17,428	\$ -	\$ 358,753
Total capital assets subject to depreciation, net	\$ 284,430	\$ (17,428)	\$ -	\$ 267,002
Business-type activities capital assets, net	\$ 434,337	\$ (17,428)	\$ -	\$ 416,909

Depreciation expense was charged to functions/programs as follows:

Primary Government:	
Governmental activities:	
General government administration	\$ 25,599
Judicial administration	134,954
Public safety	276,592
Public works	39,852
Health and welfare	14,135
Education	359,854
Community development	2,325
Total Governmental activities	\$ 853,311
Component Unit - School Board	\$ 414,084
Component Unit - Industrial Development Authority	\$ 17,428

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 6—Long-Term Obligations:

Primary Government:

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

	Balance at July 1, 2020	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2021	Amounts Due Within One Year
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 176,920	\$ 17,020	\$ 17,692	\$ 176,248	\$ 17,625
Lease revenue bonds	2,750,000	1,880,000	2,065,000	2,565,000	142,000
Add deferred amounts:					
Issuance premium	-	376,041	-	376,041	-
Direct borrowings:					
USDA loans	93,744	35,000	24,416	104,328	25,719
Capital leases	292,713	-	76,713	216,000	70,000
Net pension liability	733,983	1,794,847	720,366	1,808,464	-
Net OPEB liabilities	406,019	290,413	88,936	607,496	-
Total incurred by County	\$ 4,453,379	\$ 4,393,321	\$ 2,993,123	\$ 5,853,577	\$ 255,344
Incurred by School Board:					
General obligation bonds	\$ 13,872,551	\$ -	\$ 854,559	\$ 13,017,992	\$ 869,559
Add deferred amounts:					
Issuance premium	242,281	-	15,142	227,139	-
Total incurred by School Board	\$ 14,114,832	\$ -	\$ 869,701	\$ 13,245,131	\$ 869,559
Total Governmental Activities Obligations	\$ 18,568,211	\$ 4,393,321	\$ 3,862,824	\$ 19,098,708	\$ 1,124,903

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30	County Obligations			
	Lease Revenue Bonds		Direct Borrowings	
	Principal	Interest	USDA Loan Principal	Interest
2022	\$ 142,000	\$ 97,674	\$ 25,719	\$ 2,223
2023	149,000	91,628	26,520	1,581
2024	151,000	85,393	20,828	999
2025	169,000	78,698	14,409	737
2026	176,000	71,413	6,022	449
2027	183,000	63,812	5,599	269
2028	246,000	54,468	5,231	91
2029	258,000	43,255	-	-
2030	271,000	31,453	-	-
2031	195,000	20,403	-	-
2032	200,000	12,281	-	-
2033	425,000	4,578	-	-
Total	<u>\$ 2,565,000</u>	<u>\$ 655,056</u>	<u>\$ 104,328</u>	<u>\$ 6,349</u>

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2022	\$ 869,559	\$ 463,086
2023	884,558	447,312
2024	899,558	434,481
2025	900,526	424,226
2026	910,526	414,324
2027	920,526	403,629
2028	883,467	386,478
2029	903,467	365,583
2030	923,467	346,979
2031	943,467	327,763
2032	963,467	307,939
2033	983,467	287,503
2034	1,003,467	266,459
2035	1,028,470	127,891
Total	<u>\$ 13,017,992</u>	<u>\$ 5,003,653</u>

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations:

Incurring by County:

Lease Revenue Bonds:

	Total Amount
\$1,880,000 lease revenue bond issued November 12, 2020, due in annual principal installments through April 1, 2033, interest payable semi-annually at 5.125%.	\$ 1,880,000
\$750,000 lease revenue bond issued July 2, 2019, due in annual principal installments through July 15, 2029, interest payable monthly at 3.05%.	685,000
Total Lease Revenue Bonds	\$ 2,565,000
Bond issuance premium	\$ 376,041

Direct Borrowings:

USDA Loans:

\$50,000 USDA loan issued May 8, 2018, due in monthly installments of \$489 through May 8, 2028 with interest due at 3.25%.	\$ 36,253
\$35,000 USDA loan issued August 21, 2018, due in monthly installments of \$634 through August 21, 2023 with interest due at 3.25%.	15,803
\$35,000 USDA loan issued July 29, 2019, due in monthly installments of \$637 through September 11, 2024 with interest due at 3.50%.	23,413
\$35,000 USDA loan issued July 27, 2020, due in monthly installments of \$618 through July 23, 2025 with interest due at 2.25%.	28,859
Total Direct Borrowings	\$ 104,328

Capital Lease:

\$350,000 capital lease issued July 1, 2018, due in varying annual installments through July 1, 2023. Interest at 3.13%.	\$ 216,000
Total Capital Leases	\$ 216,000
Compensated absences (payable by General Fund)	\$ 176,248
Net pension liability	\$ 1,808,464
Net OPEB liabilities (payable by General Fund)	\$ 607,496
Total incurred by County	\$ 5,853,577

The County's outstanding direct borrowings related to governmental activities of \$104,328 contain a provision that in the event of default, outstanding amounts become immediately due if the County is unable to make payment.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Incurred by School Board:

General Obligation Bonds:

\$2,500,000 School bonds issued September 1, 2010, due in annual principal installments of \$147,059 through September 1, 2026. This bond is interest-free. \$ 882,352

\$6,085,183 School bonds issued October 31, 2012, due in varying annual installments of principal and interest through December 1, 2034, interest payable semi-annually at the rate of 3.84% per annum. 4,485,640

\$8,770,000 School bonds issued November 15, 2012, due in varying annual installments of principal and interest through July 15, 2034, interest payable semi-annually ranges from 2.05% to 5.05%. 7,650,000

Total General Obligation Bonds \$ 13,017,992

Bond issuance premium \$ 227,139

Total incurred by School Board \$ 13,245,131

Total Long-Term Obligations, Primary Government \$ 19,098,708

Component Unit-School Board:

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

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	\$ 182,305	\$ 50,384	\$ 18,231	\$ 214,458	\$ 21,446
Capital leases	195,204	-	83,541	111,663	35,872
Net pension liabilities	11,050,930	4,530,386	3,440,060	12,141,256	-
Net OPEB liabilities	2,263,782	631,095	386,853	2,508,024	-
Total Component Unit-School Board	<u>\$ 13,692,221</u>	<u>\$ 5,211,865</u>	<u>\$ 3,928,685</u>	<u>\$ 14,975,401</u>	<u>\$ 57,318</u>

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 6—Long-Term Obligations: (Continued)

Component Unit-School Board: (Continued)

Details of Long-Term Obligations:

	<u>Total Amount</u>
<u><i>Incurred by School Board:</i></u>	
<u>Capital Lease:</u>	
\$185,690 capital lease (payable from the School Fund) issued July 15, 2019, due in annual installments of \$40,026 through August 15, 2023. Interest at 3.72%.	\$ 111,663
Total Capital Leases	\$ 111,663
Compensated absences	\$ 214,458
Net pension liability	\$ 12,141,256
Net OPEB liabilities	\$ 2,508,024
Total incurred by School Board	<u>\$ 14,975,401</u>

Note 7—Capital Leases:

The government has entered into lease agreements as lessee for financing the acquisition of voting machines, public service equipment (E-911 radios), school buses, and computers. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset:	<u>Primary Government</u>	<u>Component Unit School Board</u>
E-911 radios	\$ 451,455	\$ -
School buses	-	185,690
Less: Accumulated depreciation	<u>(90,291)</u>	<u>(37,138)</u>
Total	<u>\$ 361,164</u>	<u>\$ 148,552</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 7—Capital Leases: (Continued)

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2021 are as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board</u>
2022	\$ 76,761	\$ 40,026
2023	76,570	40,026
2024	76,316	40,026
Total minimum lease payments	\$ 229,647	\$ 120,078
Less: amount representing interest	(13,647)	(8,415)
Present value of minimum lease payments	<u>\$ 216,000</u>	<u>\$ 111,663</u>

Note 8—Unearned and Deferred/Unavailable Revenue:

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

Unavailable Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$254,038 at June 30, 2021.

Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2021 but paid in advance by the taxpayers totaled \$53,848 at June 30, 2021.

Note 9—Commitments and Contingent Liabilities:

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

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

Note 10—Litigation:

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

Note 11—Risk Management:

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

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

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

The County continues to carry commercial insurance for all other risks of loss. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 12—Pension Plans:

Plan Description

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

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 12—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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	45	7
Inactive members:		
Vested inactive members	12	1
Non-vested inactive members	20	5
Inactive members active elsewhere in VRS	49	2
Total inactive members	81	8
Active members	66	2
Total covered employees	192	17

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 12.52% 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 \$390,697 and \$307,373 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 2.67% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$2,282 and \$566 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Net Pension Liability (Asset)

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

Actuarial Assumptions - General Employees

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

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

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

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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Discount Rate

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

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 14,731,905	\$ 13,997,922	\$ 733,983
Changes for the year:			
Service cost	\$ 440,289	\$ -	\$ 440,289
Interest	967,490	-	967,490
Differences between expected and actual experience	377,564	-	377,564
Contributions - employer	-	307,494	(307,494)
Contributions - employee	-	147,098	(147,098)
Net investment income	-	265,774	(265,774)
Benefit payments, including refunds of employee contributions	(797,428)	(797,428)	-
Administrative expenses	-	(9,190)	9,190
Other changes	-	(314)	314
Net changes	\$ 987,915	\$ (86,566)	\$ 1,074,481
Balances at June 30, 2020	\$ 15,719,820	\$ 13,911,356	\$ 1,808,464

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ 768,966	\$ 848,025	\$ (79,059)
Changes for the year:			
Service cost	\$ 7,642	\$ -	\$ 7,642
Interest	50,477	-	50,477
Differences between expected and actual experience	17,385	-	17,385
Contributions - employer	-	576	(576)
Contributions - employee	-	3,642	(3,642)
Net investment income	-	16,010	(16,010)
Benefit payments, including refunds of employee contributions	(42,311)	(42,311)	-
Administrative expenses	-	(568)	568
Other changes	-	(19)	19
Net changes	\$ 33,193	\$ (22,670)	\$ 55,863
Balances at June 30, 2020	\$ 802,159	\$ 825,355	\$ (23,196)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability (Asset)	\$ 3,712,796	\$ 1,808,464	\$ 227,310
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 59,155	\$ (23,196)	\$ (92,826)

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

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

For the year ended June 30, 2021, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$557,024 and \$25,277 respectively. At June 30, 2021, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 283,972	\$ 2,336	\$ -	\$ -
Change of assumptions	122,225	-	-	-
Net difference between projected and actual earnings on pension plan investments	415,060	-	24,464	-
Employer contributions subsequent to the measurement date	390,697	-	2,282	-
Total	<u>\$ 1,211,954</u>	<u>\$ 2,336</u>	<u>\$ 26,746</u>	<u>\$ -</u>

\$390,697 and \$2,282 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of (increase to) the Net Pension Liability (Asset) in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2022	\$ 303,108	\$ 119
2023	240,895	7,812
2024	141,479	8,546
2025	133,439	7,987
Thereafter	-	-

Pension Plan Data

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,186,096 and \$1,108,639 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$12,141,256 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was 0.08340% as compared to 0.08397% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$1,352,397. 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.

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 711,664
Change of assumptions	828,793	-
Net difference between projected and actual earnings on pension plan investments	923,477	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	240,749	203,066
Employer contributions subsequent to the measurement date	<u>1,186,096</u>	<u>-</u>
Total	<u>\$ 3,179,115</u>	<u>\$ 914,730</u>

\$1,186,096 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2022	\$ 11,596
2023	327,688
2024	428,033
2025	328,167
2026	(17,195)

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

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

Net Pension Liability

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

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

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

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

		Rate		
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan				
Net Pension Liability	\$	17,813,949	\$ 12,141,256	\$ 7,449,221

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 1,211,954	\$ 2,336	\$ 1,808,464	\$ 557,024	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	26,746	-	(23,196)	25,277
School Board Professional	-	-	-	-	3,179,115	914,730	12,141,256	1,352,397
Totals	\$ 1,211,954	\$ 2,336	\$ 1,808,464	\$ 557,024	\$ 3,205,861	\$ 914,730	\$ 12,118,060	\$ 1,377,674

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

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

Plan Description

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, 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 calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

Note 13—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 GLI Plan from the County were \$17,304 and \$15,707 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$39,634 and \$37,628 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$462 and \$385 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the County reported a liability of \$244,985 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$586,763 and \$6,008, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation 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 Group Life Insurance Program for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the County's proportion was 0.01470% as compared to 0.01501% at June 30, 2019. At June 30, 2020, the Component Unit School Board professional and nonprofessional groups' proportion were 0.03520% and 0.00040%, respectively as compared to 0.03573% and 0.00041%, respectively at June 30, 2019.

For the year ended June 30, 2021, the County recognized GLI OPEB expense of \$9,851. For the year ended June 30, 2021, the Component Unit School Board professional group recognized GLI OPEB expense of \$23,185. For the year ended June 30, 2021, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$288. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

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

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,714	\$ 2,201	\$ 37,635	\$ 5,270	\$ 385	\$ 53
Net difference between projected and actual earnings on GLI OPEB plan investments	7,359	-	17,626	-	180	-
Change of assumptions	12,252	5,115	29,345	12,252	300	125
Changes in proportionate share	6,282	7,679	15,567	16,696	759	638
Employer contributions subsequent to the measurement date	17,304	-	39,634	-	462	-
Total	\$ 58,911	\$ 14,995	\$ 139,807	\$ 34,218	\$ 2,086	\$ 816

\$17,304, \$39,634 and \$462, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
2022	4,199	\$ 9,648	\$ 150
2023	6,277	14,625	201
2024	8,174	18,178	247
2025	7,104	19,300	249
2026	905	4,187	(15)
Thereafter	(47)	17	(24)

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 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.

COUNTY OF RICHMOND, VIRGINIA**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021****Note 13—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.

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The 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%

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

NET GLI OPEB Liability

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

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

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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

Long-Term Expected Rate of Return

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

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

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

Discount Rate

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 322,052	\$ 244,985	\$ 182,400
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 771,345	\$ 586,763	\$ 436,865
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 7,898	\$ 6,008	\$ 4,473

GLI Plan Fiduciary Net Position

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

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

Plan Description

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

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

Plan Description

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Active members	<u>2</u>
Total covered employees	<u><u>2</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2021 was 0.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$521 and \$0 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 14—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%

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 14—Health Insurance Credit (HIC) 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%

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	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%.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 14—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

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ -	\$ -	\$ -
Changes for the year:			
Benefit changes	\$ 7,366	\$ -	\$ 7,366
Net changes	\$ 7,366	\$ -	\$ 7,366
Balances at June 30, 2020	\$ 7,366	\$ -	\$ 7,366

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Component School Board (nonprofessional):			
Net HIC OPEB Liability	\$ 7,943	\$ 7,366	\$ 6,854

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

For the year ended June 30, 2021, the School Board recognized HIC Plan OPEB expense of \$7,366. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to the measurement date	\$ 521	\$ -
Total	\$ 521	\$ -

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

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

\$521 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022.

HIC Plan Data

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

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 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 \$88,811 and \$86,833 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$1,076,748 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC was 0.08254% as compared to 0.08834% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC OPEB expense of \$88,490. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 14,380
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	4,772	-
Change of assumptions	21,286	5,883
Change in proportionate share	24,054	26,334
Employer contributions subsequent to the measurement date	88,811	-
Total	<u>\$ 138,923</u>	<u>\$ 46,597</u>

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

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

\$88,811 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ 311
2023	784
2024	626
2025	571
2026	1,588
Thereafter	(365)

Actuarial Assumptions

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

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

Net Teacher Employee HIC OPEB Liability

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

		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%

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

Net Teacher Employee HIC OPEB Liability (Continued)

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

Long-Term Expected Rate of Return

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

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%.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 1,205,307	\$ 1,076,748	\$ 967,482

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

Note 16—Medical and Dental Pay-as-You-Go (OPEB Plan):

County and School Board

Plan Description

In addition to the pension and OPEB benefits described in Notes 12-14, the County administers a single-employer defined benefit healthcare plan, The County of Richmond Postretirement Benefits 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.

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

Benefits Provided

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

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

Plan Membership

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

	Primary Government	Component Unit School Board
Total active employees with coverage	69	146
Total retirees and spouses with coverage	4	3
Total	73	149

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amounts paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2021 were \$18,390 and \$28,799, respectively.

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

County and School Board: (Continued)

Total OPEB Liability

The County and School Board’s total OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions

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

Inflation	2.50% per year
Salary Increases	The salary increase rate was 3.50% to 5.35% per annum for general employees and 3.50% to 4.75% per annum for public safety employees.
Discount Rate	2.16% based on the Bond Buyer 20-Year Bond GO Index
Healthcare Trend Data	The healthcare trend assumption used in this valuation (which covers medical, dental, and vision) is based on long-term healthcare trend rates generated by the Getzen Trend Model.

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

- Pre-Retirement: RP-2014 General Employee Mortality Tables projected to 2020 using Scale BB with Males and Females setback 1 year.
- Pre-Retirement: RP-2014 Public Safety Employer Mortality Tables projected to 2020 using Scale BB with Females set forward 1 year.
- Post-Retirement: RP-2014 General Employees Mortality Tables project to 2020 using Scale BB with females setback 1 year.
- Post Retirement: RP-2014 Public Safety Mortality Tables projected to 2020 using Scale BB with males set forward 2 year and females set forward 3 years.
- Post-Disablement: RP-2014 General Employee Disabled Life Mortality Tables projected to 2020 using Scale BB.
- Post-Disablement: RP-2014 Public Safety Employees Disabled Life Mortality Tables projected to 2020 using Scale BB with males set forward 2 years.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

County and School Board: Continued)

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

Pre-Retirement: RP-2014 General Employee Mortality Tables projected to 2020 using Scale BB with Males and Females setback 1 year.

Post-Retirement: RP-2014 General Employees Mortality Tables project to 2020 using Scale BB with females setback 1 year.

Post-Disablement: RP-2014 General Employee Disabled Life Mortality Tables projected to 2020 using Scale BB.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Go Index as of June 30, 2020.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2020	\$ 161,766	\$ 584,686
Changes for the year:		
Service cost	15,527	48,507
Interest	3,716	13,678
Effect of economic/demographic gains or losses	171,699	87,180
Changes of assumptions	28,193	125,887
Benefit payments	(18,390)	(28,799)
Net changes	\$ 200,745	\$ 246,453
Balances at June 30, 2021	\$ 362,511	\$ 831,139

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

County and School Board: (Continued)

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

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

		Rate		
		1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Primary Government:				
Total OPEB liability	\$	393,518	\$ 362,511	\$ 334,029
Component Unit School Board:				
Total OPEB liability	\$	897,777	\$ 831,139	\$ 768,054

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

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

		Rates		
		1% Decrease	Healthcare Cost Trend	1% Increase
Primary Government:				
Total OPEB liability	\$	322,331	\$ 362,511	\$ 410,140
Component Unit School Board:				
Total OPEB liability	\$	729,882	\$ 831,139	\$ 953,525

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

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

County and School Board: (Continued)

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

For the year ended June 30, 2021, the County and the School Board recognized OPEB expense in the amount of \$46,651 and \$67,151. At June 30, 2021, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 144,871	\$ 3,809	\$ 76,676	\$ 37,525
Changes in assumptions	33,459	17,406	146,253	71,005
Total	<u>\$ 178,330</u>	<u>\$ 21,215</u>	<u>\$ 222,929</u>	<u>\$ 108,530</u>

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

Year Ended June 30	Primary Government	Component Unit School Board
2022	\$ 27,408	\$ 4,966
2023	27,408	4,966
2024	28,190	4,966
2025	30,382	14,789
2026	31,233	25,671
Thereafter	12,494	59,041

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

Note 17—Summary of Other Postemployment Benefit Plans:

Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 13):								
County	\$ 58,911	\$ 14,995	\$ 244,985	\$ 9,851	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	2,086	816	6,008	288
School Board Professional	-	-	-	-	139,807	34,218	586,763	23,185
Health Insurance Credit Plan (Note 14)	-	-	-	-	521	-	7,366	7,366
Teacher Health Insurance Credit Plan (Note 15)	-	-	-	-	138,923	46,597	1,076,748	88,490
Line of Duty Act Program (Note 20)	-	-	-	-	-	-	-	19,373
County Stand-Alone Plan (Note 16)	178,330	21,215	362,511	46,651	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	222,929	108,530	831,139	67,151
Totals	\$ 237,241	\$ 36,210	\$ 607,496	\$ 56,502	\$ 504,266	\$ 190,161	\$ 2,508,024	\$ 205,853

Note 18-Surety Bonds:

	Amount
Fidelity and Deposit Company of Maryland - Surety:	
Cheryl B. Pierson, Clerk of the Circuit Court	\$ 103,000
Kristie S. Brann, Treasurer	300,000
Jennifer W. Delano, Commissioner of the Revenue	3,000
Stephan B. Smith, Sheriff	30,000
The above constitutional officer's employee - blanket bond	50,000
The Cincinnati Insurance Company - Surety:	
John David Parr, Supervisor	2,000
William C. Herbert, II, Supervisor	2,000
Richard E. Thomas, Sr., Supervisor	2,000
Robert B. Pemberton, Supervisor	2,000
F. Lee Sanders, Supervisor	2,000
Bernard S. "Trey" Davis, III, Ed.D., Superintendent of Schools	10,000
Susan Johns, Director of Finance, School Board	10,000
Janet B. Rice, Assistant Director of Finance, School Board	10,000
All Department of Social Services Employees-blanket bond	100,000

Note 19-Postclosure Costs:

Old County Landfill

The County demonstrated financial assurance requirements for postclosure care and corrective action costs, if any, through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA20-70 of the Virginia Administrative Code. In addition, the County closed its landfill in August 1996 and is liable for the postclosure monitoring for a period of ten years. The County's ten-year period has expired but they are still required to complete an annual landfill assurance calculation. The amount reported as landfill postclosure liability on June 30, 2021 represents the estimated liability for postclosure monitoring of \$0 over a period of one year. This amount is based on what it would cost to perform all postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

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 \$19,373.

Note 21—Fair Value Measurements:

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

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2021

Note 21-Fair Value Measurements: (Continued)

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

Investment type	Balance June 30, 2021	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Primary Government				
Debt Securities:				
U.S Government Obligations	\$ 2,718	\$ 2,718	\$ -	\$ -
	\$ 2,718	\$ 2,718	\$ -	\$ -

Note 22-Adoption of Accounting Principles:

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

	Net Position					Fund Balance
	Component Unit	Custodial Funds				
		Richmond County Public Library	Special Welfare	Northern Neck Regional Technical Center	Northern Neck Regional Special Education Program	School Activity Funds
Balance, July 1, 2020, as previously stated	\$ (6,382,736)	\$ -	\$ -	\$ -	\$ -	\$ -
Implementation of GASB 84:						
Record custodial funds	-	13,227	14,625	334,080	742,441	-
Record school activity funds	364,295	-	-	-	-	364,295
Balance, July 1, 2020, as restated	\$ (6,018,441)	\$ 13,227	\$ 14,625	\$ 334,080	\$ 742,441	\$ 364,295

Note 23-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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

Note 23-Upcoming Pronouncements: (Continued)

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

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

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

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

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

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

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2021

Note 24-COVID-19 Pandemic Funding and Subsequent Events:

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

CARES Act Funding

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

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 \$1,574,444. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$213,693. 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 \$325,000 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 30, 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 \$876,306 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.

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
General property taxes	\$ 8,357,500	\$ 8,956,557	\$ 9,080,147	\$ 123,590
Other local taxes	1,442,000	2,007,000	1,976,648	(30,352)
Permits, privilege fees, and regulatory licenses	44,600	50,000	71,301	21,301
Fines and forfeitures	35,000	35,000	48,578	13,578
Revenue from the use of money and property	53,000	35,000	39,202	4,202
Charges for services	366,500	341,500	388,827	47,327
Miscellaneous	40,000	478,198	312,974	(165,224)
Recovered costs	917,750	1,380,832	1,331,936	(48,896)
Intergovernmental:				
Commonwealth	3,389,322	3,443,522	3,075,143	(368,379)
Federal	683,247	2,339,352	2,123,772	(215,580)
Total revenues	<u>\$ 15,328,919</u>	<u>\$ 19,066,961</u>	<u>\$ 18,448,528</u>	<u>\$ (618,433)</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,258,115	\$ 2,484,160	\$ 2,530,108	\$ (45,948)
Judicial administration	651,323	668,364	643,211	25,153
Public safety	2,946,223	3,191,057	3,179,485	11,572
Public works	1,008,323	1,123,190	1,128,221	(5,031)
Health and welfare	2,515,419	2,515,419	2,408,671	106,748
Education	4,786,869	5,980,614	4,827,276	1,153,338
Parks, recreation, and cultural	165,154	166,520	161,520	5,000
Community development	295,451	415,838	244,231	171,607
Nondepartmental	269,042	232,669	111,441	121,228
Debt service:				
Principal retirement	1,767,000	3,020,688	3,020,688	-
Interest and other fiscal charges	-	713,312	719,689	(6,377)
Total expenditures	<u>\$ 15,662,919</u>	<u>\$ 20,511,831</u>	<u>\$ 18,974,541</u>	<u>\$ 1,537,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (334,000)</u>	<u>\$ (1,444,870)</u>	<u>\$ (526,013)</u>	<u>\$ 918,857</u>
OTHER FINANCING SOURCES (USES)				
Issuance of lease revenue bond	\$ -	\$ 1,880,000	\$ 1,880,000	\$ -
Issuance of USDA loan	35,000	35,000	35,000	-
Premium on bonds issued	-	-	376,041	376,041
Total other financing sources (uses)	<u>\$ 35,000</u>	<u>\$ 1,915,000</u>	<u>\$ 2,291,041</u>	<u>\$ 376,041</u>
Net change in fund balances	\$ (299,000)	\$ 470,130	\$ 1,765,028	\$ 1,294,898
Fund balances - beginning	299,000	(470,130)	1,680,544	2,150,674
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,445,572</u>	<u>\$ 3,445,572</u>

County of Richmond, Virginia
 Sheriff's Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ 1,899	\$ (1,899)
Total expenditures	\$ -	\$ -	\$ 1,899	\$ (1,899)
Net change in fund balances	\$ -	\$ -	\$ (1,899)	\$ (1,899)
Fund balances - beginning	-	-	23,514	23,514
Fund balances - ending	\$ -	\$ -	\$ 21,615	\$ 21,615

County of Richmond, Virginia
 Workforce Investment Act Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental:				
Federal	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Total revenues	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
EXPENDITURES				
Current:				
Community development	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Total expenditures	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

County of Richmond, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019
Total pension liability		
Service cost	\$ 440,289	\$ 403,911
Interest	967,490	926,566
Changes in benefit terms	-	-
Changes of assumptions	-	403,203
Differences between expected and actual experience	377,564	131,371
Benefit payments	(797,428)	(739,603)
Net change in total pension liability	\$ 987,915	\$ 1,125,448
Total pension liability - beginning	14,731,905	13,606,457
Total pension liability - ending (a)	\$ 15,719,820	\$ 14,731,905
 Plan fiduciary net position		
Contributions - employer	\$ 307,494	\$ 293,415
Contributions - employee	147,098	140,056
Net investment income	265,774	888,497
Benefit payments	(797,428)	(739,603)
Administrator charges	(9,190)	(8,905)
Other	(314)	(559)
Net change in plan fiduciary net position	\$ (86,566)	\$ 572,901
Plan fiduciary net position - beginning	13,997,922	13,425,021
Plan fiduciary net position - ending (b)	\$ 13,911,356	\$ 13,997,922
 County's net pension liability - ending (a) - (b)	\$ 1,808,464	\$ 733,983
 Plan fiduciary net position as a percentage of the total pension liability	88.50%	95.02%
 Covered payroll	\$ 3,020,649	\$ 2,941,892
 County's net pension liability as a percentage of covered payroll	59.87%	24.95%

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

Exhibit 12

2018	2017	2016	2015	2014
\$ 382,865	\$ 373,373	\$ 310,165	\$ 312,395	\$ 312,258
934,448	895,648	863,095	823,735	785,883
-	160,091	-	-	-
-	(107,924)	-	-	-
(703,238)	(29,684)	37,278	72,953	-
(713,742)	(760,700)	(730,291)	(563,297)	(551,499)
\$ (99,667)	\$ 530,804	\$ 480,247	\$ 645,786	\$ 546,642
13,706,124	13,175,320	12,695,073	12,049,287	11,502,645
<u>\$ 13,606,457</u>	<u>\$ 13,706,124</u>	<u>\$ 13,175,320</u>	<u>\$ 12,695,073</u>	<u>\$ 12,049,287</u>
\$ 305,935	\$ 283,832	\$ 279,196	\$ 286,796	\$ 295,531
143,277	132,401	127,498	131,462	129,721
940,117	1,407,834	198,131	524,724	1,575,513
(713,742)	(760,700)	(730,291)	(563,297)	(551,499)
(8,182)	(8,296)	(7,489)	(7,222)	(8,508)
(833)	(1,247)	(86)	(115)	83
\$ 666,572	\$ 1,053,824	\$ (133,041)	\$ 372,348	\$ 1,440,841
12,758,449	11,704,625	11,837,666	11,465,318	10,024,477
<u>\$ 13,425,021</u>	<u>\$ 12,758,449</u>	<u>\$ 11,704,625</u>	<u>\$ 11,837,666</u>	<u>\$ 11,465,318</u>
\$ 181,436	\$ 947,675	\$ 1,470,695	\$ 857,407	\$ 583,969
98.67%	93.09%	88.84%	93.25%	95.15%
\$ 2,914,636	\$ 2,693,648	\$ 2,602,804	\$ 2,663,210	\$ 2,597,287
6.22%	35.18%	56.50%	32.19%	22.48%

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

	2020	2019
Total pension liability		
Service cost	\$ 7,642	\$ 7,380
Interest	50,477	49,199
Changes of assumptions	-	19,420
Differences between expected and actual experience	17,385	10,731
Benefit payments	(42,311)	(41,216)
Net change in total pension liability	\$ 33,193	\$ 45,514
Total pension liability - beginning	768,966	723,452
Total pension liability - ending (a)	\$ 802,159	\$ 768,966
 Plan fiduciary net position		
Contributions - employer	\$ 576	\$ 294
Contributions - employee	3,642	3,701
Net investment income	16,010	54,086
Benefit payments	(42,311)	(41,216)
Administrator charges	(568)	(563)
Other	(19)	(34)
Net change in plan fiduciary net position	\$ (22,670)	\$ 16,268
Plan fiduciary net position - beginning	848,025	831,757
Plan fiduciary net position - ending (b)	\$ 825,355	\$ 848,025
 School Division's net pension liability (asset) - ending (a) - (b)	\$ (23,196)	\$ (79,059)
 Plan fiduciary net position as a percentage of the total pension liability	102.89%	110.28%
 Covered payroll	\$ 74,126	\$ 81,627
 School Division's net pension liability (asset) as a percentage of covered payroll	-31.29%	-96.85%

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

Exhibit 13

2018	2017	2016	2015	2014
\$ 7,885	\$ 10,704	\$ 18,893	\$ 22,347	\$ 29,025
43,248	42,697	44,386	43,291	39,965
-	7,790	-	-	-
74,734	(6,389)	(13,893)	8,918	-
(40,488)	(53,372)	(93,647)	(24,197)	(18,758)
\$ 85,379	\$ 1,430	\$ (44,261)	\$ 50,359	\$ 50,232
638,073	636,643	680,904	630,545	580,313
<u>\$ 723,452</u>	<u>\$ 638,073</u>	<u>\$ 636,643</u>	<u>\$ 680,904</u>	<u>\$ 630,545</u>
\$ 20	\$ 95	\$ 3,660	\$ 9,175	\$ 19,067
3,021	3,308	4,457	11,112	10,737
59,097	90,633	12,840	37,184	110,415
(40,488)	(53,372)	(93,647)	(24,197)	(18,758)
(531)	(561)	(538)	(506)	(579)
(52)	(79)	(6)	(8)	6
\$ 21,067	\$ 40,024	\$ (73,234)	\$ 32,760	\$ 120,888
810,690	770,666	843,900	811,140	690,252
<u>\$ 831,757</u>	<u>\$ 810,690</u>	<u>\$ 770,666</u>	<u>\$ 843,900</u>	<u>\$ 811,140</u>
\$ (108,305)	\$ (172,617)	\$ (134,023)	\$ (162,996)	\$ (180,595)
114.97%	127.05%	121.05%	123.94%	128.64%
\$ 64,888	\$ 72,168	\$ 94,878	\$ 230,452	\$ 214,727
-166.91%	-239.19%	-141.26%	-70.73%	-84.10%

County of Richmond, Virginia

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

	2020	2019
Employer's Proportion of the Net Pension Liability (Asset)	0.08340%	0.08397%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 12,141,256	\$ 11,050,930
Employer's Covered Payroll	7,236,109	6,990,664
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	167.79%	158.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	74.81%

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

Exhibit 14

	2018	2017	2016	2015	2014
	0.08141%	0.08353%	0.08270%	0.08415%	0.08403%
\$	9,574,000	\$ 10,272,000	\$ 11,590,000	\$ 10,591,000	\$ 10,155,000
	6,626,525	6,599,563	6,305,596	6,256,592	6,145,391
	144.48%	155.65%	183.80%	169.28%	165.25%
	74.81%	72.92%	68.28%	70.68%	70.88%

County of Richmond, 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	\$ 390,697	\$ 390,697	\$ -	\$ 3,204,359	12.19%
2020	307,373	307,373	-	3,020,649	10.18%
2019	300,679	300,679	-	2,941,892	10.22%
2018	305,935	305,935	-	2,914,636	10.50%
2017	283,832	283,832	-	2,693,648	10.54%
2016	279,196	279,196	-	2,602,804	10.73%
2015	286,796	286,796	-	2,663,210	10.77%
2014	295,831	295,831	-	2,597,287	11.39%
2013	282,363	282,363	-	2,484,208	11.37%
2012	225,169	225,169	-	2,452,821	9.18%
Component Unit School Board (nonprofessional)					
2021	\$ 2,282	\$ 2,282	\$ -	\$ 85,480	2.67%
2020	566	566	-	74,126	0.76%
2019	314	314	-	81,627	0.38%
2018	212	212	-	64,888	0.33%
2017	95	95	-	72,168	0.13%
2016	3,660	3,660	-	94,878	3.86%
2015	9,175	9,175	-	230,452	3.98%
2014	19,068	19,068	-	214,727	8.88%
2013	21,196	21,196	-	238,694	8.88%
2012	20,084	20,084	-	232,992	8.62%
Component Unit School Board (professional)					
2021	\$ 1,186,096	\$ 1,186,096	\$ -	\$ 7,339,714	16.16%
2020	1,108,639	1,108,639	-	7,236,109	15.32%
2019	1,075,614	1,075,614	-	6,990,664	15.39%
2018	1,053,012	1,053,012	-	6,626,525	15.89%
2017	950,449	950,449	-	6,599,563	14.40%
2016	981,446	981,446	-	6,305,596	15.56%
2015	907,206	907,206	-	6,256,592	14.50%
2014	721,664	721,664	-	6,145,391	11.74%
2013	706,155	706,155	-	6,130,403	11.52%
2012	383,385	383,385	-	6,056,642	6.33%

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

County of Richmond, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2021

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

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

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

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

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

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

Component Unit School Board - Professional Employees:

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

County of Richmond, Virginia
Schedule of County and Component Unit School Board's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2020

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
(1)	(2)	(3)	(4)	(5)	(6)
Primary Government:					
2020	0.01470% \$	244,985 \$	3,020,649	8.11%	52.64%
2019	0.01501%	244,253	2,941,892	8.30%	52.00%
2018	0.01533%	233,000	2,914,636	7.99%	51.22%
2017	0.01460%	220,000	2,693,648	8.17%	48.86%
Component Unit School Board (nonprofessional):					
2020	0.00040% \$	6,008 \$	74,126	8.11%	52.64%
2019	0.00041%	6,672	81,627	8.17%	52.00%
2018	0.00034%	6,000	64,888	9.25%	51.22%
2017	0.00039%	5,000	72,168	6.93%	48.86%
Component Unit School Board (professional):					
2020	0.03520% \$	586,763 \$	7,236,109	8.11%	52.64%
2019	0.03573%	581,422	7,003,694	8.30%	52.00%
2018	0.03470%	527,000	6,598,082	7.99%	51.22%
2017	0.03578%	539,000	6,599,563	8.17%	48.86%

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

County of Richmond, 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	\$ 17,304	\$ 17,304	\$ -	\$ 3,204,359	0.54%
2020	15,707	15,707	-	3,020,649	0.52%
2019	15,298	15,298	-	2,941,892	0.52%
2018	15,156	15,156	-	2,914,636	0.52%
2017	14,007	14,007	-	2,693,648	0.52%
2016	12,493	12,493	-	2,602,804	0.48%
2015	12,783	12,783	-	2,663,210	0.48%
2014	12,467	12,467	-	2,597,287	0.48%
2013	11,924	11,924	-	2,484,208	0.48%
2012	6,868	6,868	-	2,452,821	0.28%
Component Unit School Board (nonprofessional):					
2021	\$ 462	\$ 462	\$ -	\$ 85,480	0.54%
2020	385	385	-	74,126	0.52%
2019	424	424	-	81,627	0.52%
2018	337	337	-	64,888	0.52%
2017	375	375	-	72,168	0.52%
2016	455	455	-	94,878	0.48%
2015	1,106	1,106	-	230,452	0.48%
2014	1,031	1,031	-	214,727	0.48%
2013	1,146	1,146	-	238,694	0.48%
2012	652	652	-	232,992	0.28%
Component Unit School Board (professional):					
2021	\$ 39,634	\$ 39,634	\$ -	\$ 7,339,714	0.54%
2020	37,628	37,628	-	7,236,109	0.52%
2019	36,419	36,419	-	7,003,694	0.52%
2018	34,574	34,574	-	6,598,082	0.52%
2017	34,318	34,318	-	6,599,563	0.52%
2016	30,267	30,267	-	6,305,596	0.48%
2015	30,032	30,032	-	6,256,592	0.48%
2014	29,498	29,498	-	6,145,391	0.48%
2013	29,426	29,426	-	6,130,403	0.48%
2012	16,959	16,959	-	6,056,642	0.28%

County of Richmond, 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%

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

	<u>2020</u>
Total HIC OPEB Liability	
Changes in benefit terms	\$ 7,366
Net change in total HIC OPEB liability	\$ 7,366
Total HIC OPEB Liability - beginning	-
Total HIC OPEB Liability - ending (a)	<u>\$ 7,366</u>
 Net change in plan fiduciary net position	 \$ -
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>
 School Board's net HIC OPEB liability - ending (a) - (b)	 \$ 7,366
 Plan fiduciary net position as a percentage of the total HIC OPEB liability	 0.00%
 Covered payroll	 \$ -
 School Board's net HIC OPEB liability as a percentage of covered payroll	 0.00%

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

County of Richmond, Virginia
Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
Component Unit School Board (nonprofessional)
For the Year Ended June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	\$ 521	\$ 521	- \$	85,480	0.61%

Schedule is intended to show information for 10 years. However, the program was not utilized until the year ended June 30, 2021.

County of Richmond, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
Component Unit School Board (nonprofessional)
For the Year Ended June 30, 2021

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2020	0.08254% \$	1,076,748 \$	7,236,109	14.88%	9.95%
2019	0.08334%	1,091,002	6,990,664	15.61%	8.97%
2018	0.08134%	1,033,000	6,578,062	15.70%	8.08%
2017	0.08362%	1,061,000	6,599,563	16.08%	7.04%

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

County of Richmond, Virginia
 Schedule of Employer Contributions - Component Unit School Board
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2012 through June 30, 2021

Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2020	\$ 88,811	\$ 88,811	\$ -	\$ 7,339,714	1.21%
2020	86,833	86,833	-	7,236,109	1.20%
2019	83,888	83,888	-	6,990,664	1.20%
2018	80,910	80,910	-	6,578,062	1.23%
2017	73,255	73,255	-	6,599,563	1.11%
2016	66,839	66,839	-	6,305,596	1.06%
2015	66,320	66,320	-	6,256,592	1.06%
2014	68,214	68,214	-	6,145,391	1.11%
2013	67,224	67,224	-	6,056,216	1.11%
2012	36,340	36,340	-	6,056,642	0.60%

County of Richmond, Virginia
Notes to Required Supplementary Information -Component Unit School Board
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2021

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

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

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

County of Richmond, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Primary Government
For the Years Ended June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 15,527	\$ 8,311	\$ 7,912	\$ 9,704
Interest	3,716	5,108	6,543	6,179
Effect of economic/demographic gains or losses	171,699	-	(7,271)	-
Changes of assumptions	28,193	15,531	(29,129)	(6,057)
Benefit payments	(18,390)	(9,600)	(8,082)	(8,370)
Net change in total OPEB liability	\$ 200,745	\$ 19,350	\$ (30,027)	\$ 1,456
Total OPEB liability - beginning	161,766	142,416	172,443	170,987
Total OPEB liability - ending	\$ 362,511	\$ 161,766	\$ 142,416	\$ 172,443
 Covered payroll	 \$ 3,269,443	 \$ 2,985,128	 \$ 2,985,128	 \$ 2,541,300
 County's total OPEB liability as a percentage of covered payroll	 11.09%	 5.42%	 4.77%	 6.79%

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

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 48,507	\$ 26,960	\$ 32,999	\$ 38,500
Interest	13,678	18,348	24,008	24,705
Effect of economic/demographic gains or losses	87,180	-	(68,794)	-
Changes of assumptions	125,887	55,275	(112,610)	(21,945)
Benefit payments	(28,799)	(26,076)	(42,782)	(61,983)
Net change in total OPEB liability	\$ 246,453	\$ 74,507	\$ (167,179)	\$ (20,723)
Total OPEB liability - beginning	584,686	510,179	677,358	698,081
Total OPEB liability - ending	<u>\$ 831,139</u>	<u>\$ 584,686</u>	<u>\$ 510,179</u>	<u>\$ 677,358</u>
 Covered payroll	 \$ 7,150,416	 \$ 6,522,584	 \$ 6,522,584	 \$ 5,904,727
 School Board's total OPEB liability (asset)				
as a percentage of covered payroll	11.62%	8.96%	7.82%	11.47%

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

County of Richmond, Virginia
Notes to Required Supplementary Information - Primary Government OPEB
For the Year Ended June 30, 2021

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.16% based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates.
Inflation	2.50% per year
Healthcare Trend Rate	The healthcare trend rate assumption starts at 12.30% graded down to 4.00% over 55 years
Salary Increase Rates	The salary increase rate was 3.50% to 5.35% per annum for non-law officers and 3.50% to 4.75% per annum for law officers.
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates projected to 2020 using Scale BB with males set back one year and females set back one year for pre-retirement, and RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at age 50 and older projected to 2020 using Scale BB with males set forward one year and females set back one year for post-retirement.

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

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.16% based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates.
Inflation	2.50% per year
Healthcare Trend Rate	The healthcare trend rate assumption starts at 12.30% graded down to 4.00% over 55 years
Salary Increase Rates	The salary increase rate was 3.50% to 5.35% per annum.
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates projected to 2020 using Scale BB with males set back one year and females set back one year for pre-retirement, and RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at age 50 and older projected to 2020 using Scale BB with males set forward one year and females set back one year for post-retirement.

OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES*

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

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 375,599	\$ 363,453	\$ 739,052
Receivables (net of allowance for uncollectibles):				
Accounts receivable	7,164	28,653	-	35,817
Due from other governmental units	783,588	-	-	783,588
Inventories	-	44,126	-	44,126
Total assets	<u>\$ 790,752</u>	<u>\$ 448,378</u>	<u>\$ 363,453</u>	<u>\$ 1,602,583</u>
LIABILITIES				
Accounts payable	\$ 102,885	\$ 6,184	\$ -	\$ 109,069
Accrued liabilities	687,867	-	-	687,867
Total liabilities	<u>\$ 790,752</u>	<u>\$ 6,184</u>	<u>\$ -</u>	<u>\$ 796,936</u>
FUND BALANCES				
Nonspendable	\$ -	\$ 44,126	\$ -	\$ 44,126
Committed:				
School Cafeteria Fund	-	398,068	-	398,068
School Activity Funds	-	-	363,453	363,453
Total fund balances	<u>\$ -</u>	<u>\$ 442,194</u>	<u>\$ 363,453</u>	<u>\$ 805,647</u>
Total liabilities and fund balances	<u>\$ 790,752</u>	<u>\$ 448,378</u>	<u>\$ 363,453</u>	<u>\$ 1,602,583</u>

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

Total fund balances per above \$ 805,647

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

Capital assets, cost	\$ 11,335,082	
Accumulated depreciation	<u>(5,105,052)</u>	6,230,030

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

Net pension asset		23,196
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Deferred outflows of resources are not available to pay for current-period expenditures and,
therefore, are not reported in the funds.

Pension related items	\$ 3,205,861	
OPEB related items	<u>504,266</u>	3,710,127

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

Compensated absences	\$ (214,458)	
Capital leases	(111,663)	
Net pension liability	(12,141,256)	
Net OPEB liabilities	<u>(2,508,024)</u>	(14,975,401)

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

Pension related items	\$ (914,730)	
OPEB related items	<u>(190,161)</u>	(1,104,891)

Net position of governmental activities		<u><u>\$ (5,311,292)</u></u>
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County of Richmond, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ -	\$ 26	\$ -	\$ 26
Charges for services	-	4,430	-	4,430
Miscellaneous	124,841	53,289	275,408	453,538
Recovered costs	83,569	-	-	83,569
Intergovernmental:				
Local government	4,797,384	-	-	4,797,384
Commonwealth	9,848,999	-	-	9,848,999
Federal	1,959,874	48,255	-	2,008,129
Total revenues	\$ 16,814,667	\$ 106,000	\$ 275,408	\$ 17,196,075
EXPENDITURES				
Current:				
Education	\$ 16,126,243	\$ 510,943	\$ 276,250	\$ 16,913,436
Debt service:				
Principal retirement	83,541	-	-	83,541
Interest and other fiscal charges	8,074	-	-	8,074
Total expenditures	\$ 16,217,858	\$ 510,943	\$ 276,250	\$ 17,005,051
Excess (deficiency) of revenues over (under) expenditures	\$ 596,809	\$ (404,943)	\$ (842)	\$ 191,024
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 596,809	\$ -	\$ 596,809
Transfers out	(596,809)	-	-	(596,809)
Total other financing sources (uses)	\$ (596,809)	\$ 596,809	\$ -	\$ -
Net change in fund balances	\$ -	\$ 191,866	\$ (842)	\$ 191,024
Fund balances - beginning, as restated	-	250,328	364,295	614,623
Fund balances - ending	\$ -	\$ 442,194	\$ 363,453	\$ 805,647
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			\$	191,024
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.				
Capital asset additions			\$ 602,444	
Depreciation expense			(414,084)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Government			494,704	683,064
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.				
Principal retirement on capital lease				83,541
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			\$ (32,153)	
Pension expense			(190,164)	
OPEB expense			(28,163)	(250,480)
Change in net position of governmental activities			\$	707,149

County of Richmond, 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		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	183,506	183,506	124,841	(58,665)
Recovered costs	307,223	307,223	83,569	(223,654)
Intergovernmental:				
Local government	4,775,727	5,950,722	4,797,384	(1,153,338)
Commonwealth	9,143,208	9,143,208	9,848,999	705,791
Federal	1,500,138	1,500,138	1,959,874	459,736
Total revenues	\$ 15,909,802	\$ 17,084,797	\$ 16,814,667	\$ (270,130)
EXPENDITURES				
Current:				
Education	\$ 15,084,579	\$ 16,259,574	\$ 16,126,243	\$ 133,331
Debt service:				
Principal retirement	-	-	83,541	(83,541)
Interest and other fiscal charges	-	-	8,074	(8,074)
Total expenditures	\$ 15,084,579	\$ 16,259,574	\$ 16,217,858	\$ 41,716
Excess (deficiency) of revenues over (under) expenditures	\$ 825,223	\$ 825,223	\$ 596,809	\$ (228,414)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(825,223)	(825,223)	(596,809)	228,414
Total other financing sources (uses)	\$ (825,223)	\$ (825,223)	\$ (596,809)	\$ 228,414
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

School Cafeteria Fund				
Budgeted Amounts			Variance with	
<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget	
			Positive	
			<u>(Negative)</u>	
\$ -	\$ -	\$ 26	\$	26
-	-	4,430		4,430
-	-	53,289		53,289
-	-	-		-
-	-	-		-
-	-	-		-
-	48,255	48,255		-
\$ -	\$ 48,255	\$ 106,000	\$	57,745
\$ 825,223	\$ 873,478	\$ 510,943	\$	362,535
-	-	-		-
-	-	-		-
\$ 825,223	\$ 873,478	\$ 510,943	\$	362,535
\$ (825,223)	\$ (825,223)	\$ (404,943)	\$	420,280
\$ 825,223	\$ 825,223	\$ 596,809	\$	(228,414)
-	-	-		-
\$ 825,223	\$ 825,223	\$ 596,809	\$	(228,414)
\$ -	\$ -	\$ 191,866	\$	191,866
-	-	250,328		250,328
\$ -	\$ -	\$ 442,194	\$	442,194

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*DISCRETELY PRESENTED COMPONENT UNIT
INDUSTRIAL DEVELOPMENT AUTHORITY*

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

	Industrial Development Authority
ASSETS	
Cash and cash equivalents	\$ 43,930
Capital assets:	
Land	149,907
Buildings and improvements	598,470
Machinery, equipment and vehicles	27,285
Accumulated depreciation	(358,753)
Total assets	<u>\$ 460,839</u>
NET POSITION	
Investment in capital assets	\$ 416,909
Unrestricted	43,930
Total net position	<u>\$ 460,839</u>

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

	Industrial Development <u>Authority</u>
OPERATING REVENUES	
Charges for services:	
Rents	\$ 14,400
Miscellaneous	20,742
Total operating revenues	<u>\$ 35,142</u>
OPERATING EXPENSES	
Other charges	\$ 26,123
Depreciation	17,428
Total operating expenses	<u>\$ 43,551</u>
Operating income (loss)	<u>\$ (8,409)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 5
Total nonoperating revenues (expenses)	<u>\$ 5</u>
Changes in net position	\$ (8,404)
Net position - beginning	469,243
Net position - ending	<u><u>\$ 460,839</u></u>

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 35,142
Other receipts (payments)	(26,123)
Net cash provided by (used for) operating activities	<u>\$ 9,019</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	\$ 5
Net cash provided by (used for) investing activities	<u>\$ 5</u>

Net increase (decrease) in cash and cash equivalents \$ 9,024

Cash and cash equivalents - beginning 34,906

Cash and cash equivalents - ending \$ 43,930

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

Operating income (loss) \$ (8,409)

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

Depreciation 17,428

Total adjustments \$ 17,428

Net cash provided by (used for) operating activities \$ 9,019

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SUPPORTING SCHEDULES

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

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,590,000	\$ 5,750,000	\$ 5,872,751	\$ 122,751
Real and personal public service corporation taxes	575,000	822,000	823,194	1,194
Personal property taxes	1,988,000	2,128,000	2,115,089	(12,911)
Mobile home taxes	12,500	13,690	14,401	711
Merchant's capital taxes	59,000	75,547	75,576	29
Machinery and tools taxes	30,000	43,320	43,321	1
Penalties	67,000	80,000	91,321	11,321
Interest	36,000	44,000	44,494	494
Total general property taxes	\$ 8,357,500	\$ 8,956,557	\$ 9,080,147	\$ 123,590
Other local taxes:				
Local sales and use taxes	\$ 1,250,000	\$ 1,750,000	\$ 1,694,045	\$ (55,955)
Consumers' utility taxes	122,000	122,000	125,252	3,252
Consumption tax	20,000	20,000	21,142	1,142
Taxes on recordation and wills	50,000	115,000	136,209	21,209
Total other local taxes	\$ 1,442,000	\$ 2,007,000	\$ 1,976,648	\$ (30,352)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 3,100	\$ (1,900)
Transfer fees	350	350	398	48
Permits and other licenses	39,250	44,650	67,803	23,153
Total permits, privilege fees, and regulatory licenses	\$ 44,600	\$ 50,000	\$ 71,301	\$ 21,301
Fines and forfeitures:				
Court fines and forfeitures	\$ 35,000	\$ 35,000	\$ 48,578	\$ 13,578
Revenue from use of money and property:				
Revenue from use of money	\$ 30,000	\$ 12,000	\$ 14,060	\$ 2,060
Revenue from use of property	23,000	23,000	25,142	2,142
Total revenue from use of money and property	\$ 53,000	\$ 35,000	\$ 39,202	\$ 4,202
Charges for services:				
Sheriff's fees	\$ 1,000	\$ 1,000	\$ 1,354	\$ 354
Charges for courthouse maintenance	4,000	4,000	3,781	(219)
Charges for courthouse security	16,000	16,000	37,532	21,532
Charges for other court costs	350	350	4,780	4,430
Charges for Commonwealth's Attorney	500	500	785	285
Charges for EMS billings	340,000	315,000	329,873	14,873
Charges for correction and detention	-	-	571	571
Charges for other protection	4,150	4,150	7,980	3,830
Charges for sales of publications	500	500	-	(500)
Charges for DMV fees	-	-	2,171	2,171
Total charges for services	\$ 366,500	\$ 341,500	\$ 388,827	\$ 47,327

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

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 40,000	\$ 478,198	\$ 312,974	\$ (165,224)
Recovered costs:				
Streetlights	\$ -	\$ -	\$ 1,909	\$ 1,909
Solar project	-	113,082	120,279	7,197
Spedial education program	-	350,000	350,000	-
Court services unit	15,750	15,750	15,785	35
Other recovered costs	902,000	902,000	843,963	(58,037)
Total recovered costs	\$ 917,750	\$ 1,380,832	\$ 1,331,936	\$ (48,896)
Total revenue from local sources	\$ 11,256,350	\$ 13,284,087	\$ 13,249,613	\$ (34,474)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Mobile home titling tax	12,000	12,000	6,777	(5,223)
Rolling stock tax	-	-	256	256
Motor vehicle rental tax	-	-	122,326	122,326
State recordation tax	14,000	14,000	-	(14,000)
Games of skill	-	-	61,344	61,344
Communications tax	288,000	288,000	226,390	(61,610)
Personal property tax relief funds	803,954	803,954	803,955	1
Total noncategorical aid	\$ 1,118,954	\$ 1,118,954	\$ 1,221,048	\$ 102,094
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 177,000	\$ 176,400	\$ 176,490	\$ 90
Sheriff	675,000	692,000	692,436	436
Commissioner of revenue	77,000	76,800	76,875	75
Treasurer	80,000	81,000	82,052	1,052
Medical examiner	90	90	-	(90)
Registrar/electoral board	53,000	40,000	37,593	(2,407)
Clerk of the Circuit Court	158,000	178,000	178,843	843
Total shared expenses	\$ 1,220,090	\$ 1,244,290	\$ 1,244,289	\$ (1)
Other categorical aid:				
Four for life grant	\$ 9,739	\$ 9,739	\$ -	\$ (9,739)
Fire program funds	19,500	19,500	30,000	10,500
Children's services act	320,000	320,000	229,406	(90,594)
Public assistance and welfare administration	534,019	534,019	263,078	(270,941)
Litter control grant	6,300	6,300	-	(6,300)

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

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
DMV selective enforcement	\$ 25,500	\$ 25,500	\$ -	\$ (25,500)
Wireless grant	40,000	40,000	44,463	4,463
PSAP technology grant	-	-	-	-
Court security grant	22,000	22,000	-	(22,000)
Victim witness grant	57,000	57,000	15,113	(41,887)
Records preservation grant	-	-	16,573	16,573
Law enforcement grant	10,620	10,620	-	(10,620)
Other state grants	5,600	35,600	11,173	(24,427)
Total other categorical aid	<u>\$ 1,050,278</u>	<u>\$ 1,080,278</u>	<u>\$ 609,806</u>	<u>\$ (470,472)</u>
Total categorical aid	<u>\$ 2,270,368</u>	<u>\$ 2,324,568</u>	<u>\$ 1,854,095</u>	<u>\$ (470,473)</u>
Total revenue from the Commonwealth	<u>\$ 3,389,322</u>	<u>\$ 3,443,522</u>	<u>\$ 3,075,143</u>	<u>\$ (368,379)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	<u>\$ 23,000</u>	<u>\$ 23,000</u>	<u>\$ 25,342</u>	<u>\$ 2,342</u>
Categorical aid:				
Emergency management plan grant	\$ -	\$ -	\$ 6,922	\$ 6,922
Law enforcement grant	22,400	22,400	-	(22,400)
State and community highway safety	-	-	20,460	20,460
Public assistance and welfare administration	400,000	400,000	516,991	116,991
QSCB interest rate subsidy	216,847	216,847	220,758	3,911
Victim witness grant	-	-	45,340	45,340
CARES funding	-	1,607,355	1,226,959	(380,396)
CDBG broadband grant	-	48,750	40,000	(8,750)
USDA equipment grant	21,000	21,000	21,000	-
Total categorical aid	<u>\$ 660,247</u>	<u>\$ 2,316,352</u>	<u>\$ 2,098,430</u>	<u>\$ (217,922)</u>
Total revenue from the federal government	<u>\$ 683,247</u>	<u>\$ 2,339,352</u>	<u>\$ 2,123,772</u>	<u>\$ (215,580)</u>
Total General Fund	<u><u>\$ 15,328,919</u></u>	<u><u>\$ 19,066,961</u></u>	<u><u>\$ 18,448,528</u></u>	<u><u>\$ (618,433)</u></u>

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

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds:				
Workforce Investment Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Workforce Investment Act	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Total revenue from the federal government	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Total Workforce Investment Act Fund	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Total Primary Government	\$ 15,328,919	\$ 20,357,291	\$ 19,738,858	\$ (618,433)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ 183,506	\$ 183,506	\$ 124,841	\$ (58,665)
Total miscellaneous	\$ 183,506	\$ 183,506	\$ 124,841	\$ (58,665)
Recovered costs:				
Cafeteria funds	\$ 307,223	\$ 307,223	\$ -	\$ (307,223)
Other recovered costs	-	-	83,569	83,569
Total recovered costs	\$ 307,223	\$ 307,223	\$ 83,569	\$ (223,654)
Total revenue from local sources	\$ 490,729	\$ 490,729	\$ 208,410	\$ (282,319)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Richmond, Virginia	\$ 4,775,727	\$ 5,950,722	\$ 4,797,384	\$ (1,153,338)

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

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,331,034	\$ 1,331,034	\$ 1,426,298	\$ 95,264
Basic school aid	4,567,038	4,567,038	4,674,113	107,075
At risk payments	371,435	371,435	377,859	6,424
Early reading intervention	31,796	31,796	31,796	-
English as a second language	34,559	34,559	36,533	1,974
Fringe benefits	886,013	886,013	900,514	14,501
GED preparation assistance	8,386	8,386	8,387	1
Gifted and talented	44,851	44,851	45,585	734
Industry certification	-	-	2,883	2,883
Learning loss	-	-	69,251	69,251
Lottery	309,163	309,163	358,673	49,510
Mentor teacher program	632	632	1,126	494
Primary class size	215,532	215,532	213,115	(2,417)
Project graduation	3,733	3,733	3,733	-
Regular foster care	7,746	7,746	8,116	370
Remedial education	180,249	180,249	183,199	2,950
Remedial summer education	42,370	42,370	23,997	(18,373)
School food	18,000	18,000	11,224	(6,776)
School security	-	-	6,075	6,075
Special education	463,740	463,740	471,329	7,589
Special education - homebound	794	794	2,249	1,455
Special education - northern neck regional SPED	-	-	276,642	276,642
Special education - jails	5,033	5,033	202	(4,831)
SOL algebra readiness	27,120	27,120	29,647	2,527
Technology	102,000	102,000	102,000	-
Textbook payment	90,945	90,945	92,434	1,489
Vocational education	248,709	248,709	370,839	122,130
VPSI one time grant	152,330	152,330	116,449	(35,881)
Workforce readiness	-	-	970	970
Other state funds	-	-	3,761	3,761
Total categorical aid	\$ 9,143,208	\$ 9,143,208	\$ 9,848,999	\$ 705,791
Total revenue from the Commonwealth	\$ 9,143,208	\$ 9,143,208	\$ 9,848,999	\$ 705,791

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

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title VI-B, special education flow-through	\$ 243,743	\$ 243,743	\$ 250,228	\$ 6,485
Preschool	-	-	24,955	24,955
Title VI-B, rural and low income	37,501	37,501	77,722	40,221
Vocational education	24,624	24,624	49,372	24,748
Title I	336,820	336,820	357,132	20,312
Title II, Part A	45,098	45,098	129,157	84,059
JROTC	50,695	50,695	64,083	13,388
School lunch and breakfast programs	500,000	500,000	583,252	83,252
CARES funding	249,707	249,707	388,092	138,385
Other federal funds	11,950	11,950	35,881	23,931
Total categorical aid	\$ 1,500,138	\$ 1,500,138	\$ 1,959,874	\$ 459,736
Total revenue from the federal government	\$ 1,500,138	\$ 1,500,138	\$ 1,959,874	\$ 459,736
Total School Operating Fund	\$ 15,909,802	\$ 17,084,797	\$ 16,814,667	\$ (270,130)
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 26	\$ 26
Charges for services:				
Cafeteria sales	\$ -	\$ -	\$ 4,430	\$ 4,430
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 53,289	\$ 53,289
Total revenue from local sources	\$ -	\$ -	\$ 57,745	\$ 57,745
Revenue from the federal government:				
Categorical aid:				
Commodities	\$ -	\$ 48,255	\$ 48,255	\$ -
Total categorical aid	\$ -	\$ 48,255	\$ 48,255	\$ -
Total School Cafeteria Fund	\$ -	\$ 48,255	\$ 106,000	\$ 57,745
School Activity Funds:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 275,408	\$ 275,408
Total School Activity Funds	\$ -	\$ -	\$ 275,408	\$ 275,408
Total Discretely Presented Component Unit - School Board	\$ 15,909,802	\$ 17,133,052	\$ 17,196,075	\$ 63,023

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

Schedule 2
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 177,834	\$ 1,173,262	\$ 1,293,715	\$ (120,453)
General and financial administration:				
County administrator	\$ 245,463	\$ 245,463	\$ 258,406	\$ (12,943)
Information technology	297,154	431,556	406,110	25,446
Commissioner of revenue	204,563	204,563	202,418	2,145
Assessor	-	32,153	2,153	30,000
Treasurer	242,046	242,046	232,781	9,265
Total general and financial administration	\$ 989,226	\$ 1,155,781	\$ 1,101,868	\$ 53,913
Board of elections:				
Electoral board and officials	\$ 18,175	\$ 36,091	\$ 36,416	\$ (325)
Registrar	72,880	119,026	98,109	20,917
Total board of elections	\$ 91,055	\$ 155,117	\$ 134,525	\$ 20,592
Total general government administration	\$ 1,258,115	\$ 2,484,160	\$ 2,530,108	\$ (45,948)
Judicial administration:				
Courts:				
Circuit court	\$ 26,000	\$ 27,844	\$ 27,844	\$ -
General district court	6,485	6,485	1,718	4,767
Magistrate	100	100	-	100
Court services unit	33,318	33,318	29,705	3,613
Clerk of the circuit court	258,685	273,882	278,345	(4,463)
Total courts	\$ 324,588	\$ 341,629	\$ 337,612	\$ 4,017
Commonwealth's attorney:				
Commonwealth's attorney	\$ 326,735	\$ 326,735	\$ 305,599	\$ 21,136
Total judicial administration	\$ 651,323	\$ 668,364	\$ 643,211	\$ 25,153
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,636,738	\$ 1,719,822	\$ 1,733,020	\$ (13,198)
Fire and rescue services:				
Volunteer fire department	\$ 162,000	\$ 172,500	\$ 172,500	\$ -
Volunteer rescue squad	827,052	1,016,521	989,457	27,064
Total fire and rescue services	\$ 989,052	\$ 1,189,021	\$ 1,161,957	\$ 27,064
Correction and detention:				
Juvenile group home	\$ 12,500	\$ 12,500	\$ 12,500	\$ -

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

Schedule 2
Page 2 of 5

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 76,206	\$ 76,206	\$ 74,767	\$ 1,439
Other protection:				
Animal control	\$ 115,127	\$ 76,908	\$ 77,125	\$ (217)
Medical examiner	400	400	80	320
E-911 system	116,200	116,200	120,036	(3,836)
Total other protection	\$ 231,727	\$ 193,508	\$ 197,241	\$ (3,733)
Total public safety	\$ 2,946,223	\$ 3,191,057	\$ 3,179,485	\$ 11,572
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,150	\$ 4,150	\$ 4,521	\$ (371)
Sanitation and waste removal:				
Refuse collection and disposal	\$ 643,000	\$ 705,837	\$ 716,885	\$ (11,048)
Maintenance of general buildings and grounds:				
General properties	\$ 361,173	\$ 413,203	\$ 406,815	\$ 6,388
Total public works	\$ 1,008,323	\$ 1,123,190	\$ 1,128,221	\$ (5,031)
Health and welfare:				
Health:				
Supplement of local health department	\$ 140,000	\$ 140,000	\$ 138,500	\$ 1,500
Mental health and mental retardation:				
Community services board	\$ 34,253	\$ 34,253	\$ 34,253	\$ -
Welfare:				
Area agency on aging	\$ 7,803	\$ 7,803	\$ 7,803	\$ -
Virginia public assistance	1,860,863	1,860,863	1,863,650	(2,787)
Tax relief for the elderly	-	-	40,745	(40,745)
Children's services act	472,500	472,500	323,720	148,780
Total welfare	\$ 2,341,166	\$ 2,341,166	\$ 2,235,918	\$ 105,248
Total health and welfare	\$ 2,515,419	\$ 2,515,419	\$ 2,408,671	\$ 106,748
Education:				
Other instructional costs:				
Contributions to Rappahannock Community College	\$ 11,142	\$ 29,892	\$ 29,892	\$ -
Contribution to County School Board	4,775,727	5,950,722	4,797,384	1,153,338
Total education	\$ 4,786,869	\$ 5,980,614	\$ 4,827,276	\$ 1,153,338

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

Schedule 2
Page 3 of 5

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational programs	\$ 43,500	\$ 43,500	\$ 42,500	\$ 1,000
Cultural enrichment:				
Richmond County museum	\$ 18,129	\$ 19,495	\$ 15,495	\$ 4,000
Library:				
Contribution to county library	\$ 103,525	\$ 103,525	\$ 103,525	\$ -
Total parks, recreation, and cultural	\$ 165,154	\$ 166,520	\$ 161,520	\$ 5,000
Community development:				
Planning and community development:				
Planning	\$ 187,517	\$ 287,904	\$ 178,984	\$ 108,920
Economic development	38,500	58,500	10,650	47,850
Northern Neck planning district commission	9,500	9,500	9,500	-
Total planning and community development	\$ 235,517	\$ 355,904	\$ 199,134	\$ 156,770
Environmental management:				
Contribution to soil and water conservation district	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Wetlands board	3,172	3,172	2,208	964
Total environmental management	\$ 18,172	\$ 18,172	\$ 17,208	\$ 964
Cooperative extension program:				
Extension office	\$ 41,762	\$ 41,762	\$ 27,889	\$ 13,873
Total community development	\$ 295,451	\$ 415,838	\$ 244,231	\$ 171,607
Nondepartmental:				
Other nondepartmental	\$ 269,042	\$ 232,669	\$ 111,441	\$ 121,228
Debt service:				
Principal retirement	\$ 1,767,000	\$ 3,020,688	\$ 3,020,688	\$ -
Interest and other fiscal charges	-	713,312	719,689	(6,377)
Total debt service	\$ 1,767,000	\$ 3,734,000	\$ 3,740,377	\$ (6,377)
Total General Fund	\$ 15,662,919	\$ 20,511,831	\$ 18,974,541	\$ 1,537,290
Special Revenue Funds:				
Sheriff's Fund:				
Public safety:				
Other protection:				
Other protection	\$ -	\$ -	\$ 1,899	\$ (1,899)
Total other protection	\$ -	\$ -	\$ 1,899	\$ (1,899)
Total public safety	\$ -	\$ -	\$ 1,899	\$ (1,899)
Total Sheriff's Fund	\$ -	\$ -	\$ 1,899	\$ (1,899)

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

Schedule 2
Page 4 of 5

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds: (Continued)				
Workforce Investment Act Fund:				
Community development:				
Bay Consortium Workforce Investment Board				
Other protection	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Total community development	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Total Workforce Investment Act Fund	\$ -	\$ 1,290,330	\$ 1,290,330	\$ -
Total Primary Government	\$ 15,662,919	\$ 21,802,161	\$ 20,266,770	\$ 1,535,391
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Instructional costs	\$ 11,659,180	\$ 12,834,175	\$ 12,253,861	\$ 580,314
Operating costs:				
Administration, attendance and health services	\$ 979,610	\$ 979,610	\$ 962,108	\$ 17,502
Pupil transportation	1,024,462	1,024,462	894,374	130,088
Operation and maintenance of school plant	1,421,327	1,421,327	2,015,900	(594,573)
Total operating costs	\$ 3,425,399	\$ 3,425,399	\$ 3,872,382	\$ (446,983)
Total education	\$ 15,084,579	\$ 16,259,574	\$ 16,126,243	\$ 133,331
Debt service:				
Principal retirement	\$ -	\$ -	\$ 83,541	\$ (83,541)
Interest and other fiscal charges	-	-	8,074	(8,074)
Total debt service	\$ -	\$ -	\$ 91,615	\$ (91,615)
Total School Operating Fund	\$ 15,084,579	\$ 16,259,574	\$ 16,217,858	\$ 41,716
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 825,223	\$ 825,223	\$ 462,688	\$ 362,535
Commodities	-	48,255	48,255	-
Total school food services	\$ 825,223	\$ 873,478	\$ 510,943	\$ 362,535
Total education	\$ 825,223	\$ 873,478	\$ 510,943	\$ 362,535
Total School Cafeteria Fund	\$ 825,223	\$ 873,478	\$ 510,943	\$ 362,535

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

Schedule 2
Page 5 of 5

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Activity Funds:				
Education:				
Instruction	\$ -	\$ -	\$ 276,250	\$ (276,250)
Total education	\$ -	\$ -	\$ 276,250	\$ (276,250)
 Total School Activity Funds	 \$ -	 \$ -	 \$ 276,250	 \$ (276,250)
 Total Discretely Presented Component Unit - School Board	 \$ 15,909,802	 \$ 17,133,052	 \$ 17,005,051	 \$ 128,001

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STATISTICAL INFORMATION

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Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2021	\$ 2,612,721	\$ 780,515	\$ 3,459,679	\$ 1,168,914	\$ 1,596,157	\$ 5,331,834	\$ 162,210	\$ 1,423,998	\$ 692,900	\$ 17,228,928
2020	1,615,192	737,081	2,966,810	1,155,898	1,514,695	5,210,228	158,884	2,158,471	692,599	16,209,858
2019	1,115,970	676,827	2,692,882	1,366,630	1,712,735	5,482,484	150,976	2,035,917	612,099	15,846,520
2018	1,156,714	702,259	2,810,860	1,200,647	1,655,037	5,093,707	142,795	2,181,334	676,629	15,619,982
2017	1,199,922	679,860	2,565,301	1,001,652	1,553,210	5,561,858	128,334	2,336,174	546,455	15,572,766
2016	1,201,406	670,488	2,493,259	1,023,874	1,630,672	7,274,186	88,765	229,255	583,898	15,195,803
2015	1,010,419	672,506	2,387,427	895,848	1,570,764	5,215,355	115,768	233,541	589,396	12,691,024
2014	1,120,423	710,582	2,402,184	846,800	1,690,009	5,642,298	162,972	228,685	575,697	13,379,650
2013	1,073,266	685,595	2,363,407	862,389	1,444,859	5,316,656	614,679	296,212	666,508	13,323,571
2012	1,157,245	701,428	2,205,361	968,585	1,480,014	4,888,913	385,484	210,363	306,399	12,303,792

Table 2

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

PROGRAM REVENUES				GENERAL REVENUES							
Fiscal Year	Charges for Services	Operating Grants and Contributions	Grants and Contributions								
			General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Not Restricted to Specific Programs	Contributions from Richmond IDA	Total		
2021	\$ 508,706	\$ 5,242,855	\$ 9,016,703	\$ 1,976,648	\$ 39,202	\$ 312,974	\$ 1,246,390	\$ -	\$ -	\$ 18,343,478	
2020	440,318	4,689,466	8,518,390	1,813,034	95,099	339,758	1,196,507	10,000		17,102,572	
2019	502,285	4,597,607	8,475,342	1,712,840	95,241	56,022	1,133,335	-		16,572,672	
2018	496,099	4,946,946	8,298,459	1,504,943	46,929	165,675	1,145,684	-		16,604,735	
2017	464,313	4,775,138	8,097,044	1,595,454	22,904	80,301	1,118,371	-		16,153,525	
2016	436,188	2,933,962	7,682,309	1,508,226	16,539	149,040	1,144,085	-		13,870,349	
2015	413,529	2,600,508	7,360,601	1,323,118	31,078	184,290	1,204,750	75,000		13,192,874	
2014	421,007	3,055,840	7,157,053	1,491,479	232,585	119,088	1,146,354	-		13,623,406	
2013	434,520	2,353,317	7,171,701	1,368,449	62,614	59,131	1,151,877	-		12,601,609	
2012	475,971	1,977,184	7,099,394	1,274,484	37,213	78,501	1,156,517	-		12,099,264	

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Total
2021	\$ 2,530,108	\$ 643,211	\$ 3,181,384	\$ 1,128,221	\$ 2,408,671	\$ 16,943,328	\$ 161,520	\$ 1,534,561	\$ 111,441	\$ 3,831,992	\$ 32,474,437
2020	1,477,139	623,833	2,987,688	1,127,992	2,304,703	15,848,844	159,179	2,158,112	81,861	1,845,363	28,614,714
2019	1,129,077	594,757	3,137,698	1,029,423	2,546,282	15,250,992	152,620	2,045,011	68,228	1,810,162	27,764,250
2018	1,076,488	571,533	3,006,303	1,034,255	2,505,914	14,751,040	142,532	2,177,947	49,128	1,808,739	27,123,879
2017	1,138,798	557,419	2,661,534	991,323	2,174,990	14,691,720	128,386	2,334,403	67,957	1,718,644	26,465,174
2016	1,221,390	629,439	2,732,816	1,041,407	2,222,780	14,466,568	167,886	217,722	66,227	1,633,827	24,400,062
2015	1,001,344	654,643	2,564,027	904,524	2,170,967	13,961,741	146,032	242,690	43,544	1,597,674	23,287,186
2014	1,090,274	632,107	2,590,816	848,147	2,390,932	13,857,177	141,032	228,823	68,970	1,474,862	23,323,140
2013	1,020,637	606,017	2,540,282	864,220	2,060,587	13,279,129	140,886	267,170	168,483	1,057,085	22,004,496
2012	1,108,803	634,017	2,351,954	902,538	1,897,136	12,603,436	141,132	238,211	124,402	3,686,465	23,688,094

(1) Includes general and special revenue funds of the Primary Government, and its Discretely Presented Component Unit-School Board; excludes capital projects expenditures.

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2021	\$ 9,080,147	\$ 1,976,648	\$ 71,301	\$ 48,578	\$ 39,228	\$ 393,257	\$ 766,512	\$ 1,415,505	\$ 18,346,373	\$ 32,137,549
2020	8,425,987	1,813,034	74,400	25,433	95,126	372,732	477,651	908,436	16,844,920	29,037,719
2019	8,449,105	1,712,840	57,859	42,323	99,632	438,830	222,081	904,762	16,080,401	28,007,833
2018	8,369,159	1,504,943	80,149	50,298	47,622	455,063	336,932	992,723	16,069,022	27,905,911
2017	8,196,389	1,595,454	46,744	42,184	37,418	472,121	302,813	688,818	15,389,005	26,770,946
2016	7,647,553	1,508,226	54,875	41,110	20,598	460,271	555,726	829,382	13,047,621	24,165,362
2015	7,431,289	1,323,118	58,390	37,152	25,025	436,648	275,897	946,669	12,554,441	23,088,629
2014	7,118,755	1,491,479	53,928	29,785	207,402	447,874	152,141	1,002,971	12,205,371	22,709,706
2013	7,184,262	1,368,449	55,131	26,108	28,612	478,419	206,356	1,186,869	11,059,627	21,593,833
2012	6,972,485	1,274,484	48,535	21,860	25,029	577,097	235,248	904,951	10,752,740	20,812,429

(1) Includes general and special revenue funds of the Primary Government and its Discretely Presented Component Unit-School Board; excludes capital projects funds.

Table 5

County of Richmond, 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 (1,2)	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1, 2)	Percent of	
						Total Tax Collections to Tax Levy			Total Tax Collections to Tax Levy	
2021	\$ 9,425,511	\$ 9,301,600	98.69%	\$ 446,688	9,748,288	103.42%	\$	281,200	103.42%	2.98%
2020	9,174,934	8,866,262	96.64%	187,327	9,053,589	98.68%		335,685	98.68%	3.66%
2019	9,132,382	8,815,793	96.53%	203,967	9,019,760	98.77%		267,301	98.77%	2.93%
2018	8,965,692	8,739,107	97.47%	248,563	8,987,670	100.25%		254,106	100.25%	2.83%
2017	8,808,383	8,427,059	95.67%	358,576	8,785,635	99.74%		292,770	99.74%	3.32%
2016	8,357,577	7,995,339	95.67%	244,771	8,240,110	98.59%		410,884	98.59%	4.92%
2015	8,129,588	7,772,456	95.61%	294,468	8,066,924	99.23%		385,381	99.23%	4.74%
2014	7,972,187	7,599,200	95.32%	223,201	7,822,401	98.12%		443,024	98.12%	5.56%
2013	7,850,271	7,630,099	97.20%	240,504	7,870,603	100.26%		362,749	100.26%	4.62%
2012	7,811,023	7,485,794	95.84%	186,686	7,672,480	98.23%		379,082	98.23%	4.85%

(1) Exclusive of penalties and interest.

(2) Delinquent tax collections are exclusive of land redemptions.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
					Real Estate	Personal Property	Personal Property	
2021	\$ 826,222,795	\$ 77,798,108	\$ 11,370,210	\$ 2,264,830	\$ 75,161,362	\$ 2,010,857	\$	994,828,162
2020	806,371,551	70,823,970	10,771,210	1,990,350	69,092,906	1,556,117		960,606,104
2019	803,825,024	70,041,071	4,721,940	1,947,780	75,657,362	1,686,879		957,880,056
2018	802,339,284	66,559,619	4,711,590	1,879,500	73,189,440	1,786,937		950,466,370
2017	795,835,664	64,488,034	4,049,620	1,827,220	63,132,163	1,614,273		930,946,974
2016	791,569,124	61,822,591	3,405,019	1,798,680	59,110,301	1,499,177		919,204,892
2015	782,102,928	60,970,573	3,317,151	1,769,910	61,611,846	1,384,915		911,157,323
2014	784,551,166	59,139,690	3,485,854	1,736,997	53,094,641	1,530,251		903,538,599
2013	783,877,464	56,013,615	3,316,309	1,626,543	54,904,120	1,478,343		901,216,394
2012	784,113,367	56,928,760	2,419,874	1,645,530	45,720,172	1,157,333		891,985,036

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

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

Table 7

**County of Richmond, Virginia
Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Real Estate		Personal Property		Machinery and Tools		Merchant's Capital		Public Utility			
									Real Estate	Personal Property		
2021	\$	0.70	\$	3.75	\$	0.40	\$	3.50	\$	0.70	\$	3.75
2020		0.70		3.75		0.40		3.50		0.70		3.75
2019		0.70		3.75		0.40		3.50		0.70		3.75
2018		0.70		3.75		0.40		3.50		0.70		3.75
2017		0.70		3.75		0.40		3.50		0.70		3.75
2016		0.67		3.75		0.40		3.50		0.67		3.75
2015		0.67		3.50		0.01		3.50		0.67		3.50
2014		0.67		3.50		0.01		3.50		0.67		3.50
2013		0.67		3.50		0.01		3.50		0.67		3.50
2012		0.67		3.50		0.01		3.50		0.67		3.50

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands)(2)	Gross and Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2021	8,923	\$ 994,828	\$ 13,017,992	1.31%	\$ 1,459
2020	9,254	960,606	13,872,551	1.44%	1,499
2019	9,254	957,880	14,433,868	1.51%	1,560
2018	9,254	950,466	14,987,305	1.58%	1,620
2017	9,254	930,947	15,528,235	1.67%	1,678
2016	9,254	919,205	16,061,983	1.75%	1,736
2015	9,254	911,157	16,588,442	1.82%	1,793
2014	9,254	903,539	17,107,931	1.89%	1,849
2013	9,254	901,216	17,564,950	1.95%	1,898
2012	9,254	891,985	2,959,216	0.33%	320

(1) Center for Weldon Cooper Public Service at the University of Virginia from 2010 and 2020 census.

(2) From Table 6.

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

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

COMPLIANCE

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

**To the Honorable Members of the Board of Supervisors
County of Richmond
Warsaw, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Richmond, 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 Richmond, Virginia's basic financial statements and have issued our report thereon dated November 26, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Richmond, Virginia
November 26, 2021



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

To the Honorable Members of the Board of Supervisors
County of Richmond
Warsaw, Virginia

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, County of Richmond, 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 County of Richmond, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Richmond, 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Richmond, Virginia's internal control over compliance.

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

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

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

Robinson, Farmer, Cox Associates

Richmond, Virginia
November 26, 2021

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

Page 1 of 2

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Pass-Through Payments:				
<i>Department of Social Services:</i>				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950119/0950120		\$ 8,295
Temporary Assistance for Needy Families	93.558	0400119/0400120		115,226
Refugee and Entrant Assistance State/Replacement Designee				
Administered Programs	93.566	0500119/0500120		176
Low-Income Home Energy Assistance	93.568	0600419/0600420		12,650
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child				
Care and Development Fund	93.596	0760119/0760120		16,847
Adoption and Legal Guardianship Incentive Payments	93.603	1130116/1130117		1,555
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900119/0900120		43
Foster Care - Title IV-E	93.658	1100119/1100120		43,335
Adoption Assistance	93.659	1120119/1120120		21,789
Social Services Block Grant	93.667	1000119/1000120		59,949
John H. Chafee Foster Care Program for Successful Transition				
to Adulthood	93.674	9150119/9150120		797
Children's Health Insurance Program	93.767	0540119/0540120		1,450
Medicaid Cluster:				
Medical Assistance Program	93.778	1200119/1200120		115,643
Total Department of Health and Human Services				<u>\$ 397,755</u>
Department of Homeland Security:				
Pass Through Payments:				
<i>Department of Emergency Management:</i>				
Emergency Management Performance Grants	97.042	7750100-52740		<u>\$ 6,922</u>
Department of Agriculture:				
Direct Payments:				
Community, Facilities, Loans and Grants Cluster:				
Community Facilities Loans and Grants	10.766	N/A		\$ 56,000
Pass-Through Payments:				
Child Nutrition Cluster:				
<i>Department of Agriculture:</i>				
Food Distribution	10.555	17901-45707	\$ 48,255	
<i>Department of Health:</i>				
Summer Food Service Program for Children	10.559	17901	497,695	
COVID-19 - Summer Food Service Program for Children	10.559	17901	78,433	
			<u>\$ 576,128</u>	624,383
<i>Department of Agriculture:</i>				
Child and Adult Care Food Program (CACFP)	10.558	17901-70027		7,124
<i>Department of Social Services:</i>				
SNAP Cluster:				
State Administrative Matching Grants for the				
Supplemental Nutrition Assistance Program	10.561	0010119/0010120		155,118
Total Department of Agriculture				<u>\$ 842,625</u>
Department of Labor:				
Pass Through Payments:				
<i>Virginia Community College System:</i>				
WIOA Cluster:				
WIOA Adult Program	17.258	Not Available	\$ 511,877	\$ 511,877
WIOA Youth Activities	17.259	Not Available	344,425	344,425
WIOA Dislocated Worker Formula Grants	17.278	Not Available	402,516	402,516
			<u>\$ 1,258,818</u>	
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Not Available	31,511	31,511
Total Department of Labor				<u>\$ 1,290,329</u>

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

Page 2 of 2

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
Department of Justice:				
Pass Through Payments:				
<i>Department of Criminal Justice Services:</i>				
Crime Victim Assistance	16.575	390002-501431		\$ 45,340
Total Department of Justice				\$ 45,340
Department of Transportation:				
Pass-Through Payments:				
<i>Department of Motor Vehicles:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	60507		\$ 12,960
Alcohol Open Container Requirements	20.607	60507		7,500
Total Department of Transportation				\$ 20,460
Department of Housing and Urban Development:				
Pass Through Payments:				
<i>Department of Housing and Community Development:</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	53005-HCD50790		\$ 40,000
Total Department of Housing and Urban Development				\$ 40,000
U.S. Election Assistance Commission:				
Pass-Through Payments:				
<i>State Board of Elections:</i>				
COVID-19 - 2020 Supplemental COVID-19 Election Security Grants	90.404	Not Available		\$ 28,183
Total U.S. Election Assistance Commission				\$ 28,183
Department of Education:				
Pass-Through Payments:				
<i>Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	17901-42901		\$ 336,141
Special Education Cluster:				
Special Education - Grants to States	84.027	17901-43071	\$ 250,228	
Special Education - Preschool Grants	84.173	17901-62501	24,955	275,183
Career and Technical Education - Basic Grants to States	84.048	17901-61095		49,372
Rural Education	84.358	17901-43481		77,722
Supporting Effective Instruction State Grants	84.367	17901-61480		129,157
Student Support and Academic Enrichment Program	84.424	17901-60019		20,991
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	17901-70037	\$ 36,565	
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	17901-60177	137,834	
			\$ 174,399	174,399
Total Department of Education				\$ 1,062,965
Department of Treasury:				
Pass-Through Payments:				
<i>Department of Accounts:</i>				
COVID-19 - Coronavirus Relief Fund (CRF)	21.019	10110-728021	\$ 135,194	\$ 1,412,469
Department of Defense:				
Direct Payments:				
Junior ROTC	12.U01	N/A		\$ 64,083
Total Expenditures of Federal Awards			\$ 1,425,523	\$ 5,211,131

See accompanying notes to schedule of expenditures of federal awards.

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

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 2,123,772
Special Revenue Funds:	
Workforce Investment Act Fund	1,290,330
Total primary government	<u>\$ 3,414,102</u>

Component Unit School Board:

School Operating Fund	\$ 1,959,874
School Cafeteria Fund	48,255
Total Component Unit School Board	<u>\$ 2,008,129</u>

Total federal expenditures per basic financial statements	<u>\$ 5,422,231</u>
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Add: USDA loan proceeds	\$ 35,000
Less: Federal interest subsidy	(220,758)
Less: Payment in Lieu of Taxes	<u>(25,342)</u>

Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u><u>\$ 5,211,131</u></u>
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Note 5 - De Minimis Cost Rate

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

Note 6 - Loan Balances

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

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

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes ✓ no

Significant deficiency(ies) identified? _____ yes ✓ none reported

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes ✓ no

Significant deficiency(ies) identified? _____ yes ✓ none reported

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

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

Identification of major programs:

Assistance Listing Number(s)
21.019

Name of Federal Program or Cluster
Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? ✓ yes _____ no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

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

There were no prior year findings.