

CHARLOTTE COUNTY
VIRGINIA

FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021

COUNTY OF CHARLOTTE, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

COUNTY OF CHARLOTTE, VIRGINIA

Financial Report
For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-9
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Exhibit 1 Statement of Net Position	10
Exhibit 2 Statement of Activities	11
Fund Financial Statements:	
Exhibit 3 Balance Sheet - Governmental Funds	12
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Exhibit 6 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Exhibit 7 Statement of Fiduciary Net Position - Fiduciary Funds	16
Exhibit 8 Statement of Changes in Fiduciary Net Position - Fiduciary Funds	17
Notes to Financial Statements	18-87
<u>Required Supplementary Information:</u>	
Exhibit 9 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	80
Exhibit 10 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - CARE Act Fund	81
Exhibit 11 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Primary Government	82
Exhibit 12 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Component Unit School Board (nonprofessional)	83
Exhibit 13 Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan - Component Unit School Board (nonprofessional)	84
Exhibit 14 Schedule of Employer Contributions - Pension Plans	85
Exhibit 15 Notes to Required Supplementary Information - Pension Plans	86

COUNTY OF CHARLOTTE, VIRGINIA

Financial Report
For the Year Ended June 30, 2021

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
<u>Required Supplementary Information: (Continued)</u>	
Exhibit 16	Schedule of County and School Board's Share of Net OPEB Liability - Group Life Insurance Program 87
Exhibit 17	Schedule of Employer Contributions - Group Life Insurance Program 88
Exhibit 18	Notes to Required Supplementary Information - Group Life Insurance Program 89
Exhibit 19	Schedule of School Board's Share of Net OPEB Liability - Teacher Employee Health Insurance Credit (HIC) Program - Component Unit School Board OPEB 90
Exhibit 20	Schedule of Employer Contributions - Teacher Employee Health Insurance Credit (HIC) Program - Component Unit School Board OPEB 91
Exhibit 21	Notes to Required Supplementary Information - Teacher Employee Health Insurance Credit (HIC) Program - Component Unit School Board OPEB 92
Exhibit 22	Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Primary Government 93
Exhibit 23	Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Component Unit School Board 94
Exhibit 24	Notes to Required Supplementary Information - County and Component Unit School Board OPEB 95
Exhibit 25	Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios - Health Insurance Credit (HIC) Plan
Exhibit 26	Schedule of Employer Contributions -Health Insurance Credit (HIC) Plan
Exhibit 27	Notes to Required Supplementary Information -Health Insurance Credit (HIC) Plan
<u>Other Supplementary Information:</u>	
Combining and Individual Fund Financial Statements and Schedules:	
Exhibit 28	Combining Balance Sheet - Nonmajor Governmental Funds 96
Exhibit 29	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds 97
Exhibit 30	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Fund 98
Exhibit 31	Combining Balance Sheet - Discretely Presented Component Unit - School Board 101
Exhibit 32	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Discretely Presented Component Unit - School Board 102
Exhibit 33	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Discretely Presented Component Unit - School Board 103-104

COUNTY OF CHARLOTTE, VIRGINIA

Financial Report
For the Year Ended June 30, 2021

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
<u>Other Supplementary Information: (Continued)</u>	
Supporting Schedules:	
Schedule 1 Schedule of Revenues - Budget and Actual - Governmental Funds	117-121
Schedule 2 Schedule of Expenditures - Budget and Actual - Governmental Funds	122-126
Other Statistical Information:	
Table 1 Government-wide Expenses by Function - Last Ten Fiscal Years	127
Table 2 Government-wide Revenues - Last Ten Fiscal Years	128
Table 3 General Governmental Expenditures by Function - Last Ten Fiscal Years	129
Table 4 General Governmental Revenues by Source - Last Ten Fiscal Years	130
Table 5 Property Tax Levies and Collections - Last Ten Fiscal Years	131
Table 6 Assessed Value of Taxable Property - Last Ten Fiscal Years	132
Table 7 Property Tax Rates - Last Ten Fiscal Years	133
Table 8 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years	134
Table 9 Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures	135
<u>Compliance</u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	136-137
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	138-139
Schedule of Expenditures of Federal Awards	140-141
Notes to Schedule of Expenditures of Federal Awards	142
Schedule of Findings and Questioned Costs	143

COUNTY OF CHARLOTTE, VIRGINIA

Board of Supervisors

Gary D. Walker, Chairman
Will Garnett, Vice-Chairman

Garland H. Hamlett, Jr.
Kay M. Pierantoni

Donna Fore

Robert L. Shook, Jr.
Anthony Reeves

School Board

JonPaul Berkley, Chairman
R.B. "Jay" George, Vice-Chairman

Teresa Dunnaway
Carmalita Escoto

Robert M. Johnson

Gloria Talbott
Scotty Hamlett

Board of Public Welfare

Carolyn Baker, Chairman
Margaret A. Elder, Vice-Chairman

Catherine B. Hamlett
Gloria T. Talbott
Hazel Smith

Marilyn R. McIvor
Sue Francis
Gary D. Walker

Library Board

Eleanor B. Williams, Chairman
Aurelia Cathey, Secretary

Teresa Osborne
Barbara B. Hamlett

Martha Brogdon

Winnie Morris
Jean Elliot

Other Officials

Judge of the Circuit Court
Clerk of the Circuit Court
Judge of the General District Court
Judge of the Juvenile & Domestic Relations Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Librarian
County Administrator

Kimberly S. White
Nan R. Colley
Darryl Puckett
Nora Miller
William E. Green, Jr.
Naisha N. Carter
Patricia P. Berkeley
Royal S. Freeman
Robbie Mason
Sari C. Goff
James C. Watkins
Daniel N. Witt



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Charlotte, 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 Charlotte, Virginia'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 unit, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 17 to the financial statements, in 2021, the County and School Board 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 these matters.

Restatement of Beginning Balances

As described in Note 17 to the financial statements, in 2021, County of Charlotte, Virginia restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-9, 80-81 and 82-95 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 Charlotte, Virginia's basic financial statements. The combining and individual fund financial statements and schedules, supporting schedules, and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Other Matters: (Continued)

Supplementary and Other Information (continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the County of Charlotte, 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 Charlotte, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Charlotte, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox, Associates
Charlottesville, Virginia
November 30, 2021

This page intentionally left blank

To the Citizens of Charlotte County County of Charlotte, Virginia

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

Financial Highlights

Government-wide Financial Statements

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,485,195 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources of \$5,360,149 (Exhibit 5) after making contributions totaling \$3,025,487 to the School Board.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$17,090,426, an increase of \$5,360,149 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,951,189, or 72% of total general fund expenditures.
- Our combined long-term obligations increased \$6,631,461 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
3. Notes to the financial statements

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

Overview of the Financial Statements (Continued)

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 a) assets and deferred outflows of resources, and b) liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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 Charlotte, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Charlotte, Virginia is financially accountable. Financial information for this component unit is reported separately from the financial information present 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 Charlotte, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions 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, reconciliation between the two methods is provided on Exhibit 4. The County has three major governmental funds - the General Fund, the Capital Projects Fund, and the CARES Act 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.

Overview of the Financial Statements (Continued)

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and schedules of pension and OPEB funding progress. The School Board does not issue separate financial statements. Other supplementary information consists of combining statements and schedules for nonmajor funds, fiduciary funds, the discretely presented component unit School Board, budgetary schedules, and statistical information.

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 \$16,485,195 at the close of the most recent fiscal year.

<u>County of Charlotte, Virginia's Net Position</u>		
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 20,489,302	\$ 15,047,716
Capital assets	<u>29,629,730</u>	<u>22,090,026</u>
Total assets	\$ <u>50,119,032</u>	\$ <u>37,137,742</u>
Deferred outflows of resources	\$ <u>2,062,787</u>	\$ <u>1,167,399</u>
Current liabilities	\$ 3,148,388	\$ 1,835,279
Long-term liabilities outstanding	<u>32,179,927</u>	<u>25,548,466</u>
Total liabilities	\$ <u>35,328,315</u>	\$ <u>27,383,745</u>
Deferred inflows of resources	\$ <u>368,309</u>	\$ <u>702,546</u>
Net position:		
Net investment in capital assets	\$ 10,060,411	\$ 6,278,203
Restricted for Library	417,101	321,473
Unrestricted	<u>6,007,683</u>	<u>3,619,174</u>
Total net position	\$ <u><u>16,485,195</u></u>	\$ <u><u>10,218,850</u></u>

At the end of the current fiscal year, the County's net investment in capital assets is \$10,060,411. The County's net position restricted for Library use is \$417,101. The remaining \$6,007,683 of net position is unrestricted and available for use at the County's discretion.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$6,212,021.

County of Charlotte, Virginia's Change in Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 592,281	\$ 877,512
Operating grants and contributions	6,700,114	6,387,721
General revenues:		
Property taxes	11,189,481	10,817,608
Other local taxes	1,459,643	1,409,243
Grants and other contributions unrestricted	2,864,230	1,080,006
Other	<u>4,416,332</u>	<u>881,577</u>
Total revenues	<u>\$ 27,222,081</u>	<u>\$ 21,453,667</u>
Expenses:		
General government administration	\$ 1,787,474	\$ 1,560,917
Judicial administration	1,220,755	1,122,896
Public safety	5,539,042	4,479,057
Public works	1,415,726	1,415,261
Health and welfare	5,476,252	5,156,000
Education	3,261,373	7,031,039
Parks, recreation and culture	486,542	355,679
Community development	834,713	270,920
Interest	<u>988,183</u>	<u>700,861</u>
Total expenses	<u>\$ 21,010,060</u>	<u>\$ 22,092,630</u>
Increases (decrease) in net position	\$ 6,212,021	\$ (638,963)
Net position-beginning	<u>10,273,174</u>	<u>10,857,813</u>
Net position-ending	<u>\$ 16,485,195</u>	<u>\$ 10,218,850</u>

For the most part, increases in expenditures closely paralleled inflation and growth in the demand for services.

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

Government-wide Financial Analysis (Continued)

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$17,090,426, an increase of \$4,312,325 in comparison with the prior year. Approximately 76% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2020 amounts to \$29,629,730 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

<u>County of Charlotte, Virginia's Capital Assets</u>		
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 250,555	\$ 250,555
Buildings and improvements	22,196,483	22,196,483
Equipment	3,712,441	3,512,592
Tenancy in common	5,812,722	2,583,361
Construction in progress	<u>6,053,986</u>	<u>1,068,062</u>
Total	\$ 38,026,187	\$ 29,611,053
Less accumulated depreciation	<u>(8,396,457)</u>	<u>(7,521,027)</u>
Net capital assets	<u>\$ 29,629,730</u>	<u>\$ 22,090,026</u>

Additional information on the County's capital assets can be found in Note 4 of this report.

Capital Asset and Debt Administration (Continued)

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$20,635,000 comprised of debt backed by the full faith and credit of the County. The following table depicts all debt reported by the County:

	<u>County of Charlotte, Virginia's Outstanding Obligations</u>	
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
General obligation bond	\$ 19,835,000	\$ 880,000
Revenue bond	800,000	11,225,000
Lease revenue bonds	-	5,357,000
Premium on bonds	2,647,851	646,712
Capital leases	3,214,467	3,413,724
Compensated absences	537,579	410,764
Net OPEB liabilities	730,943	829,648
Net pension liability	2,973,222	1,303,488
Landfill closure liability	1,440,865	1,482,130
Total	<u>\$ 32,179,927</u>	<u>\$ 25,548,466</u>

Legislation enacted in fiscal year ended June 30, 2002 requires that debt historically reported by the School Board be assumed by the primary government. The legislation affects the reporting of local school capital assets as well.

The County's total long-term obligations increased by \$6,631,461 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 4.6 percent, which is less than 7.1 percent as reported in the previous year. This compares unfavorably to the state's average unemployment rate of 4.3 percent, and slightly favorably to the national average rate of 5.9 percent.

Inflationary trends in the region compare favorably to national indices.

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

Requests for Information

This financial report is designed to provide a general overview of the County of Charlotte, 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, 250 Le Grande Avenue, Charlotte Court House, Virginia 23923.

BASIC FINANCIAL STATEMENTS

- *Government-wide Financial Statements* -

Statement of Net Position
June 30, 2021

	Primary Government	Component Unit
	Governmental Activities	School Board
ASSETS		
Cash and cash equivalents	\$ 11,753,891	\$ 1,406,254
Receivables (net of allowance for uncollectibles):		
Taxes receivable	959,047	-
Accounts receivable	176,201	26,757
Inventory	-	30,822
Due from component unit	1,725,222	-
Due from other governmental units	1,125,489	1,286,981
Prepaid items	52,203	490,678
Restricted assets:		
Cash and cash equivalents	4,280,148	-
Investments	417,101	-
Net pension asset	-	108,876
Capital assets (net of accumulated depreciation):		
Land	250,555	59,050
Buildings and improvements	22,493,522	10,559,902
Machinery and equipment	831,667	607,804
Construction in progress	6,053,986	-
Total assets	<u>\$ 50,119,032</u>	<u>\$ 14,577,124</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	\$ 1,825,535	\$ 4,816,446
OPEB related items	237,252	572,989
Total deferred outflows of resources	<u>\$ 2,062,787</u>	<u>\$ 5,389,435</u>
LIABILITIES		
Accounts payable	\$ 600,155	\$ 65,865
Contracts payable	561,946	-
Accrued liabilities	-	874,728
Escrow accounts	-	-
Retainage payable	131,912	-
Unearned revenue	1,421,941	-
Accrued interest payable	432,434	-
Due to primary government	-	1,725,222
Long-term liabilities:		
Due within one year	1,024,960	85,895
Due in more than one year	31,154,967	23,516,299
Total liabilities	<u>\$ 35,328,315</u>	<u>\$ 26,268,009</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	\$ 186,920	\$ 2,198,056
OPEB related items	145,190	502,677
Deferred revenue-property taxes	36,199	-
Total deferred inflows of resources	<u>\$ 368,309</u>	<u>\$ 2,700,733</u>
NET POSITION		
Net investment in capital assets	\$ 10,060,411	\$ 10,694,804
Restricted:		
Net pension asset	-	108,876
Library		
Expendable	317,101	-
Nonexpendable	100,000	-
Unrestricted	6,007,683	(19,805,863)
Total net position	<u>\$ 16,485,195</u>	<u>\$ (9,002,183)</u>

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

Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	School Board
Primary Government:						
Governmental activities:						
General government						
administration	\$ 1,787,474	\$ 66,386	\$ 256,146	\$ -	\$ (1,464,942)	\$ -
Judicial administration	1,220,755	53,742	429,838	-	(737,175)	-
Public safety	5,539,042	463,537	1,687,098	-	(3,388,407)	-
Public works	1,415,726	8,266	9,753	-	(1,397,707)	-
Health and welfare	5,476,252	-	4,212,443	-	(1,263,809)	-
Education	3,261,373	-	-	-	(3,261,373)	-
Parks, recreation, and cultural	486,542	350	60,331	-	(425,861)	-
Community development	834,713	-	44,505	-	(790,208)	-
Interest on long-term debt	988,183	-	-	-	(988,183)	-
Total governmental activities	\$ 21,010,060	\$ 592,281	\$ 6,700,114	\$ -	\$ (13,717,665)	\$ -
Total primary government	\$ 21,010,060	\$ 592,281	\$ 6,700,114	\$ -	\$ (13,717,665)	\$ -
Component Unit:						
School Board	\$ 22,182,799	\$ 18,130	\$ 17,354,017	\$ -	\$ -	\$ (4,810,652)
Total component unit	\$ 22,182,799	\$ 18,130	\$ 17,354,017	\$ -	\$ -	\$ (4,810,652)
General revenues:						
General property taxes				\$ 11,189,481	\$ -	\$ -
Other local taxes:						
Local sales and use taxes				811,327	-	-
Consumer utility taxes				205,118	-	-
Motor vehicle licenses				318,958	-	-
Other local taxes				124,240	-	-
Unrestricted revenues from use of money and property				413,909	-	192
Miscellaneous				697,820	-	942,121
Grants and contributions not restricted to specific programs				2,864,230	-	-
Capital contribution from School Board				3,304,603	-	-
Contributions from Charlotte County				-	-	3,025,487
Total general revenues				\$ 19,929,686	\$ 3,967,800	
Change in net position				\$ 6,212,021	\$ (842,852)	
Net position - beginning, as restated				10,273,174	(8,159,331)	
Net position - ending				\$ 16,485,195	\$ (9,002,183)	

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

BASIC FINANCIAL STATEMENTS

- Fund Financial Statements -

Balance Sheet
 Governmental Funds
 June 30, 2021

	General	Capital Projects Fund	CARES Act Fund	ARPA Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 10,300,918	-	\$ 299,142	\$ 1,153,776	\$ 55	\$ 11,753,891
Receivables (net of allowance for uncollectibles):						
Taxes receivable	959,047	-	-	-	-	959,047
Accounts receivable	176,201	-	-	-	-	176,201
Prepaid items	52,203	-	-	-	-	52,203
Due from component unit	1,725,222	-	-	-	-	1,725,222
Due from other funds	-	83,593	-	-	11,451	95,044
Due from other governmental units	1,125,489	-	-	-	-	1,125,489
Restricted assets:						
Cash and cash equivalents	-	4,280,148	-	-	-	4,280,148
Investments	-	-	-	-	417,101	417,101
Total assets	<u>\$ 14,339,080</u>	<u>\$ 4,363,741</u>	<u>\$ 299,142</u>	<u>\$ 1,153,776</u>	<u>\$ 428,607</u>	<u>\$ 20,584,346</u>
LIABILITIES						
Accounts payable	\$ 557,727	-	\$ 30,977	-	\$ 11,451	\$ 600,155
Contracts payable	-	561,946	-	-	-	561,946
Retainage payable	-	131,912	-	-	-	131,912
Unearned revenue	-	-	268,165	1,153,776	-	1,421,941
Due to other funds	95,044	-	-	-	-	95,044
Total liabilities	<u>\$ 652,771</u>	<u>\$ 693,858</u>	<u>\$ 299,142</u>	<u>\$ 1,153,776</u>	<u>\$ 11,451</u>	<u>\$ 2,810,998</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	\$ 682,922	-	-	-	-	682,922
FUND BALANCE						
Nonspendable:						
Permanent fund corpus	\$ -	-	-	-	\$ 100,000	\$ 100,000
Prepaid items	52,203	-	-	-	-	52,203
Restricted:						
Library operations	-	-	-	-	317,101	317,101
Committed:						
Capital projects	-	3,669,883	-	-	-	3,669,883
Assigned:						
Library operations	-	-	-	-	55	55
Unassigned	12,951,184	-	-	-	-	12,951,184
Total fund balances	<u>\$ 13,003,387</u>	<u>\$ 3,669,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,156</u>	<u>\$ 17,090,426</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,339,080</u>	<u>\$ 4,363,741</u>	<u>\$ 299,142</u>	<u>\$ 1,153,776</u>	<u>\$ 428,607</u>	<u>\$ 20,584,346</u>

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

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

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	17,090,426	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets, cost	\$	38,026,187	
Accumulated depreciation		<u>(8,396,457)</u>	29,629,730
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			
Unavailable revenue - property taxes			646,723
Deferred outflows of resources are not available to pay for current period expenditures and, and therefore, are not reported in the funds.			
Deferred outflows - pension related items	\$	1,825,535	
Deferred outflows - OPEB related items		<u>237,252</u>	2,062,787
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds payable	\$	(20,635,000)	
Lease revenue bonds		-	
Premium on bond payable		(2,647,851)	
Capital lease		(3,214,467)	
Accrued interest payable		(432,434)	
Net OPEB liabilities		(730,943)	
Net pension liability		(2,973,222)	
Compensated absences		(537,579)	
Landfill postclosure and corrective action liability		<u>(1,440,865)</u>	(32,612,361)
Deferred inflows of resources are not due and payable in the current period and, and therefore, are not reported in the funds.			
Deferred inflows - pension related items	\$	(186,920)	
Deferred inflows - OPEB related items		<u>(145,190)</u>	(332,110)
Net position of governmental activities			<u>\$ 16,485,195</u>

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

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

	General	Capital Projects Fund	CARES Act Fund	Other Govern- mental Funds	Total
REVENUES					
General property taxes	\$ 11,213,973	\$ -	\$ -	\$ -	\$ 11,213,973
Other local taxes	1,459,643	-	-	-	1,459,643
Permits, privilege fees, and regulatory licenses	72,422	-	-	-	72,422
Fines and forfeitures	192,861	-	-	-	192,861
Revenue from the use of money and property	304,902	4,273	-	104,734	413,909
Charges for services	326,648	-	-	350	326,998
Miscellaneous	697,471	-	-	350	697,821
Intergovernmental:					
Commonwealth	5,152,748	-	-	60,331	5,213,079
Federal	2,602,362	-	1,736,246	12,657	4,351,265
Total revenues	<u>\$ 22,023,030</u>	<u>\$ 4,273</u>	<u>\$ 1,736,246</u>	<u>\$ 178,422</u>	<u>\$ 23,941,971</u>
EXPENDITURES					
Current:					
General government administration	\$ 1,417,095	\$ -	\$ 73,196	\$ -	\$ 1,490,291
Judicial administration	650,163	-	3,652	-	653,815
Public safety	4,364,185	-	879,343	-	5,243,528
Public works	1,365,170	-	35,546	-	1,400,716
Health and welfare	5,344,383	-	14,374	-	5,358,757
Education	3,031,373	-	230,000	-	3,261,373
Parks, recreation, and cultural	106,505	-	26,882	291,585	424,972
Community development	354,510	-	152,560	-	507,070
Nondepartmental	186,896	-	320,693	-	507,589
Capital projects	-	4,985,924	-	-	4,985,924
Debt service:					
Principal retirement	374,257	-	-	-	374,257
Interest and other fiscal charges	781,503	-	-	-	781,503
Total expenditures	<u>\$ 17,976,040</u>	<u>\$ 4,985,924</u>	<u>\$ 1,736,246</u>	<u>\$ 291,585</u>	<u>\$ 24,989,795</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,046,990</u>	<u>\$ (4,981,651)</u>	<u>\$ -</u>	<u>\$ (113,163)</u>	<u>\$ (1,047,824)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 83,593	\$ 903,805	\$ -	\$ 208,791	\$ 1,196,189
Transfers (out)	(1,112,596)	(83,593)	-	-	(1,196,189)
Issuance of lease revenue notes	-	8,705,000	-	-	8,705,000
Payments to refunded bond escrow agent	-	(5,370,864)	-	-	(5,370,864)
Premium on issuance of bonds	-	2,026,013	-	-	2,026,013
Total other financing sources (uses)	<u>\$ (1,029,003)</u>	<u>\$ 6,180,361</u>	<u>\$ -</u>	<u>\$ 208,791</u>	<u>\$ 5,360,149</u>
Net change in fund balances	\$ 3,017,987	\$ 1,198,710	\$ -	\$ 95,628	\$ 4,312,325
Fund balances - beginning, as restated	9,985,400	2,471,173	-	321,528	12,778,101
Fund balances - ending	<u>\$ 13,003,387</u>	<u>\$ 3,669,883</u>	<u>\$ -</u>	<u>\$ 417,156</u>	<u>\$ 17,090,426</u>

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

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

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

Net change in fund balances - total governmental funds \$ 4,312,325

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 capital outlays exceeded depreciation expense in the current period.

Capital outlay	\$	5,231,025	
Transfer of joint assets		3,552,270	
Depreciation expense		<u>(1,243,591)</u>	7,539,704

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

Property taxes			(24,492)
----------------	--	--	----------

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.

Change in landfill closure and post-closure liability	\$	41,265	
Issuance of general obligation bonds		(8,705,000)	
Premium on issuance of general obligation bonds		(2,026,013)	
Amortization of premium on bond		24,874	
Capital lease		199,257	
Principal payments		<u>5,532,000</u>	(4,933,617)

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 interest payable	\$	(217,690)	
Pension expense		(321,162)	
OPEB expense		(16,232)	
Change in compensated absences		<u>(126,815)</u>	<u>(681,899)</u>

Change in net position of governmental activities	\$		<u><u>6,212,021</u></u>
---	----	--	-------------------------

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2021

	Custodial Funds		
	Special Welfare	Virtual Virginia	Inmate Fund
ASSETS			
Cash and cash equivalents	\$ 36,283	\$ 3,118,441	\$ 55,790
Due from other governments	-	604,020	-
Prepaid expenses	-	1,676,966	-
Total assets	<u>\$ 36,283</u>	<u>\$ 5,399,427</u>	<u>\$ 55,790</u>
LIABILITIES			
Accounts payable	\$ -	\$ 14,029	\$ -
Accrued expenses	-	133,110	-
Total liabilities	<u>\$ -</u>	<u>\$ 147,139</u>	<u>\$ -</u>
NET POSITION			
Restricted:			
Amounts held for Virtual Virginia	\$ -	\$ 5,252,288	\$ -
Amounts held for special welfare	36,283	-	-
Amounts held for sheriff accounts	-	-	55,790
Total net position	<u>36,283</u>	<u>5,252,288</u>	<u>55,790</u>

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

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 June 30, 2021

	Custodial Funds		
	Special Welfare	Virtual Virginia	Inmate Fund
ADDITIONS:			
Charges for services	\$ -	\$ 1,374	\$ -
Miscellaneous	38,663	-	295,235
Intergovernmental:			
Commonwealth	-	6,438,157	-
Federal	-	2,671,667	-
Total additions	<u>38,663</u>	<u>\$ 9,111,198</u>	<u>\$ 295,235</u>
DEDUCTIONS:			
Inmate personal items	\$ -	\$ -	\$ 264,112
Special welfare	34,315	-	-
Education - administrative	-	507,217	-
Education - instruction	-	6,086,925	-
Education - other	-	14,030	-
Total deductions	<u>\$ 34,315</u>	<u>\$ 6,608,172</u>	<u>\$ 264,112</u>
Change in net position	\$ 4,348	\$ 2,503,026	\$ 31,123
NET POSITION:			
Net position, beginning of the year, as restated	31,935	2,749,262	24,667
Net position, ending of the year	<u>\$ 36,283</u>	<u>\$ 5,252,288</u>	<u>\$ 55,790</u>

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2021

Note 1 - Summary of Significant Accounting Policies:

The County of Charlotte, Virginia was formed in 1764 and it is governed by an elected seven member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education and social services.

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all 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 unit. For the most part, effects of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

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

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

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

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose 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 Charlotte, Virginia (the primary government) and its component unit. 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 to be included for the fiscal year ended June 30, 2021.

Discretely Presented Component Unit: The Component unit columns in the combined financial statements include the financial data of the County's component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Charlotte County School Board operates the elementary and secondary public schools in the County. School Board Members are elected by the voters. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools, since the School Board does not have separate taxing powers. The School Fund does not issue a separate 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.

C. Other Related Organizations

Included in the County's Financial Report

None

COUNTY OF CHARLOTTE, VIRGINIA

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

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

C. Other Related Organizations (Continued)

Excluded from the County's Financial Report

Crossroads Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County appoints two of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements. For the year ended June 30, 2021, the County contributed \$73,000 to the Board.

Charlotte County Industrial Development Authority

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Charlotte County Industrial Development Authority.

Virginia's Heartland Regional Industrial Facility Authority

The Authority was created pursuant to the provision of Title 15.2, Chapter 64 of the Code of Virginia, 1950 as amended. The Authority's purpose is to create a regional industrial park to enhance the economic base by developing, owning or operating one or more facilities on a cooperative basis. The County appoints two of the Authority's board members. The County has no further financial responsibilities to the Authority. Therefore, it is not included in the County's financial statements.

Southside Regional Public Service Authority

The County, in conjunction with the Counties of Mecklenburg and Halifax are members of the Southside Regional Public Service Authority. The Authority operates as a regional solid waste landfill facility. The County paid the Authority tipping fees of \$189,676 for solid waste transferred to the Authority in fiscal year 2021.

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

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

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

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

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

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government 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 resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

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

1. Governmental Funds (Continued)

b. Capital Projects Fund

The Capital Projects Fund is used to account for and report all activity related to the New Courthouse, mainly construction costs. The activity of School Capital Projects related to bus purchases, Eureka HVAC/Roof project, and Phenix and Bacon District Elementary School renovations were also recorded in this fund. The Capital Projects Fund is considered a major fund for reporting purposes.

c. 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. There are three special revenue funds: the Library Fund, the CARES Act Fund, and the ARPA Fund. The Library Fund and ARPA Fund are considered to be major funds, while the CARES Act Fund is considered to be a nonmajor fund.

d. Permanent Fund

The Permanent Fund accounts for and reports resources that are restricted such that only earnings may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizens). The Permanent Fund accounts for operations of the Library Trust Fund, which is considered a nonmajor fund.

2. Fiduciary Funds (Trust and Custodial Funds)

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

3. Component Unit

The Charlotte County School Board has the following funds:

Governmental Funds:

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

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

School Activity Funds - This fund accounts for the operation of the School Activity Fund for the Charlotte County Public Schools

COUNTY OF CHARLOTTE, VIRGINIA

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

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

E. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
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 level 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. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and Library Fund of the primary government and the School Operating Fund and School Cafeteria Fund of the School Board.
6. All budgets, except School Operating and Cafeteria Funds, are adopted on a basis consistent with generally accepted accounting principles (GAAP). The School Operating and Cafeteria Funds are adopted using the cash basis of accounting.
7. Appropriations lapse on June 30 for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Investments

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

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

At June 30, 2021 the County had restricted cash in the following amounts:

- \$100,000 held in perpetuity, earnings from which are used to fund library operations
- \$317,101 of earnings on library investments restricted for library operations
- \$3,669,883 held for the capital projects

COUNTY OF CHARLOTTE, VIRGINIA

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

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

G. Receivables and Payables

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

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 \$126,296 at June 30, 2021 and is comprised solely of property taxes.

Property is assessed at its value on July 1. Property taxes attach as an enforceable lien on property as of July 1. Taxes are payable June 5th and December 5th. The County bills and collects its own property taxes.

H. Prepaid Items

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

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the School Cafeteria Fund consists of school food.

J. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the County and Component Unit School Board as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

J. Capital Assets: (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20-40
Vehicles	5
Office and Computer Equipment	5
Buses	8
Police Vehicles	3

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as expenditures 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 it is estimated will be taken as "terminal leave" prior to retirement.

L. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

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);

COUNTY OF CHARLOTTE, VIRGINIA

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

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

M. Fund Equity: (Continued)

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

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

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

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

N. 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.

O. 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

P. 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 government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy

Q. 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 liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has 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, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset/liability and net OPEB asset/liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

R. Pensions

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

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

Note 2 - Deposits and Investments:

Deposits

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

Investments

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

The County has no formal investment policy addressing the various risks related to investments.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 2 - Deposits and Investments: (Continued)

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 Ratings</u>		
	<u>AAAm</u>	<u>AAf</u>	<u>Unrated</u>
Local Government Investment Pool	\$ 1,601,296	\$ -	\$ -
U.S. Government Money Market	417,100	-	-
Virginia Investment Pool - Liquid General	2,327,842	-	-
Virginia State Non-Arbitrage Program	<u>3,692,278</u>	-	-
Total	<u>\$ 8,038,516</u>	<u>\$ -</u>	<u>\$ -</u>

Redemption Restrictions: VML/VACO Virginia Investment Pool allows the County to have the option to have access to withdrawal funds twice a month, with a five day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

Interest Rate Risk

The County does not have a policy related to interest rate risk.

County's Debt Investments' Values		
<u>Debt Investments</u>	<u>Fair Value</u>	<u>Less than 1 year</u>
Local Government Investment Pool	\$ 1,601,296	\$ 1,601,296
U.S. Government Money Market	417,100	417,100
Virginia Investment Pool - Liquid General	2,327,842	2,327,842
Virginia State Non-Arbitrage Program	<u>3,692,278</u>	<u>3,692,278</u>
Total	<u>\$ 8,038,516</u>	<u>\$ 8,038,516</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 2 - Deposits and Investments: (Continued)

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.

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

<u>Investment</u>	<u>6/30/2021</u>	<u>Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
U.S. Government Money Market Fund	\$ -	\$ -
Total Investments measured at fair value	<u>\$ -</u>	<u> </u>
Investments measured at net asset value (NAV)		
Virginia Investment Pool - Liquid General	\$ <u>2,327,842</u>	
Total Investments measured at NAV	<u>\$ 2,327,842</u>	

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 2 - Deposits and Investments: (Continued)

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 the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

Note 3 - Due From Other Governmental Units:

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

	<u>Primary Government</u>	<u>Component Unit</u>
Commonwealth of Virginia:		
Local and state sales tax	\$ 149,269	\$ 284,384
Communication tax	14,752	-
Rolling stock	71,491	-
Public assistance	58,781	-
Comprehensive services	193,687	-
Mobile home titling tax	5,639	-
Recordation tax	1,471	-
E-911 wireless	7,828	-
Commonwealth's Attorney	18,946	-
Sheriff	119,747	-
Clerk of the Circuit Court	17,071	-
Commissioner of Revenue	6,847	-
Treasurer	7,725	-
Workforce Investment Board	41,706	-
Other state funds	8,140	-
Federal Government:		
School funds	-	1,002,597
Public assistance	106,214	-
Other federal funds	35,076	-
Workforce Investment Board	261,099	-
Total	<u>\$ 1,125,489</u>	<u>\$ 1,286,981</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 4 - Capital Assets:

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

Primary Government:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets not being depreciated:				
Land	\$ 250,555	\$ -	\$ -	\$ 250,555
Construction in progress	1,068,062	4,985,924	-	6,053,986
Total capital assets not being depreciated	<u>\$ 1,318,617</u>	<u>\$ 4,985,924</u>	<u>\$ -</u>	<u>\$ 6,304,541</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 22,196,483	\$ -	\$ -	\$ 22,196,483
Equipment	3,512,592	245,101	45,252	3,712,441
Jointly owned assets	2,583,361	3,309,361	80,000	5,812,722
Total capital assets being depreciated	<u>\$ 28,292,436</u>	<u>\$ 3,554,462</u>	<u>\$ 125,252</u>	<u>\$ 31,721,646</u>
Accumulated depreciation:				
Buildings and improvements	\$ 4,274,935	\$ 664,331	\$ -	\$ 4,939,266
Equipment	2,674,433	251,593	45,252	2,880,774
Jointly owned assets	571,659	327,667	322,909	576,417
Total accumulated depreciation	<u>\$ 7,521,027</u>	<u>\$ 1,243,591</u>	<u>\$ 368,161</u>	<u>\$ 8,396,457</u>
Total capital assets being depreciated, net	<u>\$ 20,771,409</u>	<u>\$ 2,310,871</u>	<u>\$ (242,909)</u>	<u>\$ 23,325,189</u>
Governmental activities capital assets, net	<u>\$ 22,090,026</u>	<u>\$ 7,296,795</u>	<u>\$ (242,909)</u>	<u>\$ 29,629,730</u>

Construction in progress for the primary government and component unit school board are budgeted and expended using funds from the Capital Projects Fund. Once completed, capital projects related to the component unit school board are recorded on entity wide statements for the component unit school board.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 4 - Capital Assets: (Continued)

Discretely Presented Component Unit-School Board:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 65,745	\$ -	\$ 6,695	\$ 59,050
Construction in progress	85,988	81,784	167,772	-
Total capital assets not being depreciated	<u>\$ 151,733</u>	<u>\$ 81,784</u>	<u>\$ 174,467</u>	<u>\$ 59,050</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 18,686,044	\$ 235,316	\$ 38,780	\$ 18,882,580
Equipment	5,157,043	946,147	204,860	5,898,330
Jointly owned assets	3,215,321	80,000	2,595,321	700,000
Total capital assets being depreciated	<u>\$ 27,058,408</u>	<u>\$ 1,261,463</u>	<u>\$ 2,838,961</u>	<u>\$ 25,480,910</u>
Accumulated depreciation:				
Buildings and improvements	\$ 8,335,749	\$ 603,017	\$ 4,838	\$ 8,933,928
Equipment	5,067,623	427,763	204,860	5,290,526
Jointly owned assets	1,378,178	17,500	1,306,928	88,750
Total accumulated depreciation	<u>\$ 14,781,550</u>	<u>\$ 1,048,280</u>	<u>\$ 1,516,626</u>	<u>\$ 14,313,204</u>
Total capital assets being depreciated, net	<u>\$ 12,276,858</u>	<u>\$ 213,183</u>	<u>\$ 1,322,335</u>	<u>\$ 11,167,706</u>
Governmental activities capital assets, net	<u>\$ 12,428,591</u>	<u>\$ 294,967</u>	<u>\$ 1,496,802</u>	<u>\$ 11,226,756</u>

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

Governmental activities:	
General government administration	\$ 57,944
Judicial administration	540,381
Public safety	174,040
Public works	112,550
Health and welfare	27,411
Education	327,667
Parks, recreation and cultural	3,598
Total	<u>\$ 1,243,591</u>
Component Unit-School Board	<u>\$ 1,048,280</u>

Note 5 - Compensated Absences:

The County has accrued the liability arising from compensated absences.

Certain County employees (Department of Social Services employees) earn vacation and sick leave at various rates. The County had outstanding compensated absences pay as follows:

Primary Government	<u>\$ 537,579</u>
--------------------	-------------------

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6 - Long-Term Obligations:

Primary Government

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

	<u>Balance at July 1, 2020</u>	<u>Issuances/ Additions</u>	<u>Retirements/ Deletions</u>	<u>Balance at June 30, 2021</u>	<u>Due Within One Year</u>
Primary Government:					
Direct Borrowings or Placements:					
General obligation bonds	\$ 11,225,000	\$ 8,705,000	\$ 95,000	\$ 19,835,000	\$ 510,000
Revenue bond	880,000	-	80,000	800,000	80,000
Lease revenue bond	5,357,000	-	5,357,000	-	-
Premium on bonds	646,712	2,026,013	24,874	2,647,851	184,372
Capital leases	3,413,724	-	199,257	3,214,467	196,830
Compensated absences	410,764	126,815	-	537,579	53,758
Net OPEB liabilities	829,648	146,799	245,504	730,943	-
Net pension liability	1,303,488	2,777,815	1,108,081	2,973,222	-
Landfill postclosure and corrective action liability	1,482,130	17,085	58,350	1,440,865	-
Total Primary Government	<u>\$ 25,548,466</u>	<u>\$ 13,799,527</u>	<u>\$ 7,168,066</u>	<u>\$ 32,179,927</u>	<u>\$ 1,024,960</u>

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

Year Ending June 30,	Primary Government					
	Direct Borrowings or Placements					
	Revenue Bond		General Obligation Bond		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 80,000	\$ -	\$ 510,000	\$ 473,369	\$ 196,830	\$ 74,897
2023	80,000	-	635,000	468,466	201,416	70,311
2024	80,000	-	665,000	463,306	206,109	65,618
2025	80,000	-	710,000	457,709	210,911	60,815
2026	80,000	-	810,000			
2027-2031	400,000	-	4,970,000	3,041,009	1,130,601	228,034
2032-2036	-	-	4,870,000	1,890,938	1,268,600	90,036
2037-2041	-	-	2,965,000	1,185,319	-	-
2042-2046	-	-	3,700,000	455,906	-	-
Total	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 19,835,000</u>	<u>\$ 8,436,022</u>	<u>\$ 3,214,467</u>	<u>\$ 589,711</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6 - Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations (Payable from the General Fund):

Direct Borrowings or Placements:

General Obligations Bonds:

\$4,640,000 Virginia Public School Authority Bonds 2020A, issued November 10, 2020,
maturing annually through 2036, interest at 5.05% \$ 4,640,000

\$4,065,000 Virginia Public School Authority Bonds 2020B, issued November 10, 2020,
maturing annually through 2036, interest at 5.05% 4,065,000

\$11,570,000 Virginia Resources Authority Revenue Bonds 2015, issued June 25, 2015,
maturing annually through April 1, 2046, interest at 4.01% 11,130,000

Premium on bonds 2,647,851

Total General Obligation Bonds \$ 22,482,851

Revenue Bonds:

\$1,500,000 Virginia Public School Authority Bonds 2011, issued December 15, 2011,
maturing annually through June 1, 2031, interest at 4.25% \$ 800,000

Capital Leases:

\$3,413,724 issued January 9, 2020 for the lease/purchase of communication system
due in annual installments of principal and interest through January 9, 2035, open to
prepayment, interest at 2.33% \$ 3,214,467

Compensated Absences \$ 537,579

Net OPEB liabilities \$ 730,943

Net pension liability \$ 2,973,222

Landfill postclosure and corrective action liability \$ 1,440,865

Total Primary Government \$ 32,179,927

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6 - Long-Term Obligations: (Continued)

Component Unit-School Board:

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

	<u>Balance at July 1, 2020</u>	<u>Issuances/ Additions</u>	<u>Retirements/ Deletions</u>	<u>Balance at June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Capital Lease	\$ 637,627	\$ -	\$ 105,675	\$ 531,952	\$ 85,895
Net OPEB liabilities	3,982,520	828,999	843,054	3,968,465	-
Net pension liability	17,566,726	7,256,737	5,721,686	19,101,777	-
	<u>\$ 22,186,873</u>	<u>\$ 8,085,736</u>	<u>\$ 6,670,415</u>	<u>\$ 23,602,194</u>	<u>\$ 85,895</u>

The County has entered into capital leases for energy efficient equipment and school computers. These lease agreements qualify as capital leases for accounting purposes and therefore have been recorded at the present value of future minimum lease payments as of the inception date.

Total capital assets acquired through capital leases are as follows:

	<u>Energy Efficient Equipment</u>
Equipment	\$ 1,500,000
Accumulated depreciation	<u>(887,500)</u>
Net book value of Capital Assets	<u>\$ 612,500</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6 - Long-Term Obligations: (Continued)

Component Unit-School Board: (Continued)

Present value of future minimum lease payments:

<u>Year Ending June 30,</u>	<u>Energy Efficient Equipment</u>
2022	\$ 110,842
2023	110,842
2024	110,842
2025	110,842
2026	110,842
2027	38,557
Total minimum lease payments	\$ 592,767
Less: amount representing interest	(60,815)
Present value of future minimum lease payments	<u>\$ 531,952</u>

Details of long-term obligations (payable from the Component Unit-School Board):

Capital Leases:

\$2,296,949 issued July 22, 2011 for the lease/purchase of energy efficient equipment due in monthly installments of principal and interest through November 30, 2026, open to prepayment, interest at 3.54%

	\$ <u>531,952</u>
Total Capital Leases	\$ <u>531,952</u>
Net OPEB liabilities	\$ <u>3,968,465</u>
Net pension liability	\$ <u>19,101,777</u>
Total Component Unit - School Board	<u>\$ 23,602,194</u>

Note 7 - Commitments and Contingencies:

Federal programs in which the County and discretely presented component unit participate were audited in accordance with the provisions of U.S. Office of Management and the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*. Pursuant to the provisions of this guidance 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 8 - Litigation:

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

Note 9 - Interfund Obligations:

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

<u>Fund</u>	<u>Due from Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 1,725,222	\$ -
School	-	1,725,222
	<u> </u>	<u> </u>
Total	\$ <u>1,725,222</u>	\$ <u>1,725,222</u>

<u>Fund</u>	<u>Due from General Fund</u>	<u>General Fund Due to Other Funds</u>
Library	\$ 11,451	\$ -
Capital projects	83,593	-
General	-	95,044
	<u> </u>	<u> </u>
Total	\$ <u>95,044</u>	\$ <u>95,044</u>

Note 10 - 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.

Note 10 - Pension Plans: (Continued)

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

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.

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	63	37
Inactive members:		
Vested inactive members	11	3
Non-vested inactive members	14	13
Inactive members active elsewhere in VRS	39	6
Total inactive members	64	22
Active members	100	22
Total covered employees	<u>227</u>	<u>81</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2021 was 10.69% 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 \$466,019 and \$415,026 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 2.49% 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 \$10,356 and \$16,817 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability (Asset)

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

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% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

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

Mortality rates:

All Others (Non-10 Largest) - 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 CHARLOTTE, VIRGINIA

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

Note 10 - 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 CHARLOTTE, VIRGINIA

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

Note 10 - 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 CHARLOTTE, VIRGINIA

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

Note 10 - 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)	Target 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 CHARLOTTE, VIRGINIA

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

Note 10 - 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, 2019 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	\$ 25,863,601	\$ 24,560,113	\$ 1,303,488
Changes for the year:			
Service cost	\$ 584,241	\$ -	\$ 584,241
Interest	1,711,511	-	1,711,511
Differences between expected and actual experience	465,511	-	465,511
Contributions - employer	-	415,801	(415,801)
Contributions - employee	-	223,541	(223,541)
Net investment income	-	468,739	(468,739)
Benefit payments, including refunds of employee contributions	(1,015,769)	(1,015,769)	-
Administrative expenses	-	(15,997)	15,997
Other changes	-	(555)	555
Net changes	\$ 1,745,494	\$ 75,760	\$ 1,669,734
Balances at June 30, 2020	\$ 27,609,095	\$ 24,635,873	\$ 2,973,222

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Changes in Net Pension Liability: (Continued)

	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	\$ 3,442,957	\$ 3,720,079	\$ (277,122)
Changes for the year:			
Service cost	\$ 52,120	\$ -	\$ 52,120
Interest	224,349	-	224,349
Changes of assumptions	-	-	-
Differences between expected and actual experience	(2,026)	-	(2,026)
Contributions - employer	-	12,534	(12,534)
Contributions - employee	-	26,293	(26,293)
Net investment income	-	69,958	(69,958)
Benefit payments, including refunds of employee contributions	(238,527)	(238,527)	-
Administrative expenses	-	(2,507)	2,507
Other changes	-	(81)	81
Net changes	\$ 35,916	\$ (132,330)	\$ 168,246
Balances at June 30, 2020	\$ 3,478,873	\$ 3,587,749	\$ (108,876)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 6,347,805	\$ 2,973,222	\$ 152,480
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 198,965	\$ (108,876)	\$ (373,528)

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - 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 \$787,956 and \$56,219, 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	\$ 320,039	\$ 186,920	\$ -	\$ 827
Change of assumptions	297,536	-	-	-
Net difference between projected and actual earnings on pension plan investments	741,941	-	106,698	-
Employer contributions subsequent to the measurement date	466,019	-	10,356	-
Total	\$ 1,825,535	\$ 186,920	\$ 117,054	\$ 827

\$466,019 and \$10,356 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2022	\$ 242,585	\$ (646)
2023	414,113	34,227
2024	280,736	37,426
2025	235,162	34,864
2026	-	-
Thereafter	-	-

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Pension Plan Data

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

Component Unit School Board (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 \$1,912,342 and \$1,744,225 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 \$19,101,777 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 .13130% as compared to .13350% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$1,775,320. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - 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	\$ -	\$ 1,119,659
Change of assumptions	1,303,936	-
Net difference between projected and actual earnings on pension plan investments	1,452,902	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	30,212	1,077,570
Employer contributions subsequent to the measurement date	<u>1,912,342</u>	<u>-</u>
Total	<u>\$ 4,699,392</u>	<u>\$ 2,197,229</u>

\$1,912,342 was 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	\$ (323,487)
2023	209,545
2024	388,552
2025	349,767
2026	(34,556)

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - 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 expense, 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - 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 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 CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 28,026,597	\$ 19,101,777	\$ 11,719,822

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

VRS Pension Plans:	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
Primary Government	\$ 1,825,535	\$ 186,920	\$ 2,973,222	\$ 787,956
Totals	<u>\$ 1,825,535</u>	<u>\$ 186,920</u>	<u>\$ 2,973,222</u>	<u>\$ 787,956</u>
Component Unit School Board				
School Board Nonprofessional	\$ 117,054	\$ 827	\$ (108,876)	\$ 56,219
School Board Professional	4,699,392	2,197,229	19,101,777	1,775,320
Totals	<u>\$ 4,816,446</u>	<u>\$ 2,198,056</u>	<u>\$ 18,992,901</u>	<u>\$ 1,831,539</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 11 - 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. Unavailable revenue totaling \$682,922 is comprised of the following:

- A. Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$646,723.
- B. Prepaid Property Taxes - Property taxes due subsequent to June 30, 2020, but paid in advance by the taxpayers totaled \$36,199 at June 30, 2020.

Note 12 - Surety Bonds:

Fidelity and Deposit Company of Maryland -Surety	
Nan R. Colley, Clerk of Circuit Court	\$ 100,000
Patricia P. Berkeley, Treasurer	400,000
Naisha P. Carter, Commissioner of the Revenue	3,000
Royal S. Freeman, Sheriff	30,000
The above constitutional officer's employees- blanket bond	50,000
Nationwide Insurance Agency- Surety	
Robbie Mason, Superintendent of Schools	10,000
Dana Ramsey, Clerk of the School Board	10,000
All social services employees - employee dishonesty coverage- blanket bond	100,000
Garland H. Hamlett, Jr., Chairman	1,000
Gary D. Walker, Vice Chairman	1,000
Robert L. Shook, Jr., Supervisor	1,000
Donna Fore, Supervisor	1,000
Will Garnett, Supervisor	1,000
Anthony Reeves, Supervisor	1,000
Kay M. Pierantoni, Supervisor	1,000
Daniel N. Witt, County Administrator	1,000

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 13 - Risk Management:

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

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

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

The County continues to carry commercial insurance for all other risks of loss. Settled claims from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 14 - Solid Waste Landfill Postclosure Care and Corrective Action Costs:

The County has closed a previously operated solid waste landfill in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Environmental Quality. The total \$1,440,865 reported as landfill postclosure care and corrective action liability at June 30, 2021, represents \$1,001,697 for postclosure care liability and \$439,169 for ground water corrective action and remediation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from accumulated funds held in the general fund.

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

Note 15 - Other Postemployment Benefits Program:

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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Plan Description: (Continued)

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

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

Eligible Employees

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

Benefit Amounts

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions: (Continued)

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 entity were \$24,059 and \$23,618 for the years ended June 30, 2021 and June 30, 2020, respectively, for the County; \$3,149 and \$3,001 for the years ended June 30, 2021 and June 30, 2020, respectively, for the School Board (nonprofessional); and \$63,552 and \$58,912 for the years ended June 30, 2021 and June 30, 2020, respectively, for the School Board (professional).

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 entity reported a liability of \$368,312, \$46,727 and \$918,694 for the County, School Board (Nonprofessional), and School Board (Professional), 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 GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was .02210%, .00280%, and .05500% for the County, School Board (Professional), and School Board (Nonprofessional), respectively, as compared to .02301%, .00306%, and .05657% for the County, School Board (Nonprofessional), and School Board (Professional), respectively, at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$12,019, \$669, and \$20,054 for the County, School Board Nonprofessional, and School Board Professional, respectively. 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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Primary Government		
Differences between expected and actual experience	\$ 23,624	\$ 3,308
Net difference between projected and actual earnings on GLI OPEB program investments	11,064	-
Change in assumptions	18,420	7,691
Changes in proportion	1,884	14,921
Employer contributions subsequent to the measurement date	24,059	-
Total Primary Government	<u>\$ 79,051</u>	<u>\$ 25,920</u>
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 2,997	\$ 420
Net difference between projected and actual earnings on GLI OPEB program investments	1,404	-
Change in assumptions	2,337	976
Changes in proportion	1,652	8,520
Employer contributions subsequent to the measurement date	3,149	-
Total Component Unit School Board (nonprofessional)	<u>\$ 11,539</u>	<u>\$ 9,916</u>
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 58,926	\$ 8,251
Net difference between projected and actual earnings on GLI OPEB program investments	27,597	-
Change in assumptions	45,945	19,183
Changes in proportion	-	65,593
Employer contributions subsequent to the measurement date	63,552	-
Total Component Unit School Board (professional)	<u>\$ 196,020</u>	<u>\$ 93,027</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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)

\$24,059, \$3,149, and \$63,552 for the County, School Board (Nonprofessional), and School Board (Professional), respectively, are reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2022	\$ 3,521	\$ (409)	\$ (1,142)
2023	6,646	(13)	6,651
2024	9,497	(21)	15,744
2025	9,276	(309)	17,676
2026	451	(652)	843
Thereafter	(319)	(122)	(331)

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 CAFR.

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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%

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):

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability: (Continued)

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.

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)	Target 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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 484,175	\$ 368,312	\$ 274,221
School Board(nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 61,427	\$ 46,727	\$ 34,790
School Board(professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 1,207,694	\$ 918,694	\$ 683,999

GLI Plan Fiduciary Net Position

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$141,928 and \$135,898 for the years ended June 30, 2021 and June 30, 2020, respectively.

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Program 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 \$1,685,175 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC Program 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 Program was .12918% as compared to .13211% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$112,154. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 22,505
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	7,468	-
Change in assumptions	33,314	9,207
Change in proportionate share	-	139,270
Employer contributions subsequent to the measurement date	<u>141,928</u>	<u>-</u>
Total	<u>\$ 182,710</u>	<u>\$ 170,982</u>

\$141,928 was 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	\$ (25,851)
2023	(25,111)
2024	(25,359)
2025	(21,901)
2026	(17,134)
Thereafter	(14,844)

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions

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

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Discount Rate

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

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

The 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	\$ 1,886,377	\$ 1,685,175	\$ 1,514,167

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

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

	<u>Number</u>
Active members	22
Total covered employees	<u>22</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 1.09% 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 \$6,356 and \$0 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ -	\$ -	\$ -
Changes for the year:			
Benefit changes	\$ 74,996	\$ -	\$ 74,996
Net changes	\$ 74,996	\$ -	\$ 74,996
Balances at June 30, 2020	\$ 74,996	\$ -	\$ 74,996

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 81,838	\$ 74,996	\$ 69,040

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

For the year ended June 30, 2021, the School Board recognized HIC Plan OPEB expense of \$74,996. 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:

	<u>Deferred Outflows of Resources</u>
Employer contributions subsequent to the measurement date	\$ <u>6,356</u>
Total	\$ <u><u>6,356</u></u>

\$6,356 was reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	-

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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan):

County

Plan Description

In addition to the pension benefits described in Note 10, the County of Charlotte, Virginia administers a single-employer defined benefit healthcare plan, the Charlotte County OPEB Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical 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.

Plan Membership

At June 30, 2020 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	95
Total retirees with coverage		<u>5</u>
Total	\$	<u><u>100</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2021 was \$17,832.

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation as of that date.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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 as of June 30, 2020
Salary Increases	3.00% per year for general salary inflations as of June 30, 2020
Discount Rate	2.45% for accounting and funding disclosures as of June 30, 2020
Investment Rate of Return	6.75% as of June 30, 2020

Mortality rates for Active employees and healthy retirees were based on a RPH-2014 Healthy Lives (separate tables for pre and post-retirement and for males and females), projected to decrease by Scale BB to 2024.

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

Discount Rate

The final equivalent single discount rate used for this year's valuation is 2.45% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

Balances at June 30, 2020	\$	455,214
Changes for the year:		
Service cost		16,188
Interest		14,620
Difference in experience		(136,309)
Changes in assumptions		21,538
Benefit payments		(8,620)
Net changes	\$	<u>(92,583)</u>
Balances at June 30, 2021	\$	<u><u>362,631</u></u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

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

Rate		
1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
\$ 400,461	\$ 362,631	\$ 329,053

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00% decreasing annually to an ultimate rate of 4.00%) or one percentage point higher (7.00% decreasing annually to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (4.75% decreasing to 4.00%)	Healthcare Cost Trend (5.75% decreasing to 5.00%)	1% Increase (6.75% decreasing to 6.00%)
\$ 335,353	\$ 362,631	\$ 390,041

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

For the year ended June 30, 2021, the County recognized OPEB expense in the amount of \$46,157. At June 30, 2021, the County had the following amounts to report as deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,287	\$ 119,270
Changes in assumptions	122,082	-
Employer contributions subsequent to the measurement date	17,832	-
Total	<u>\$ 158,201</u>	<u>\$ 119,270</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

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

<u>Year Ended June 30</u>	
2022	\$ 15,349
2023	15,349
2024	15,349
2025	15,355
2026	(11,614)
Thereafter	(28,689)

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.

School Board

Plan Description

In addition to the pension benefits described in Note 10, the School Board administers a single-employer defined benefit healthcare plan, the Charlotte County School Board OPEB 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 are provided to eligible retirees include Medical 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, 2020 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$ 264
Total retirees with coverage	<u>6</u>
Total	<u><u>\$ 270</u></u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2021 was \$49,683.

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2020
Salary Increases	3.00% per year for general salary inflations as of June 30, 2020
Discount Rate	2.45% for accounting and funding disclosures as of June 30, 2020
Investment Rate of Return	6.75% as of June 30, 2020

Mortality rates for Active employees and healthy retirees were based on a RPH-2014 Healthy Lives (separate tables for pre and post-retirement and for males and females), projected to decrease by Scale BB to 2024.

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

Discount Rate

The final equivalent single discount rate used for this year's valuation is 2.45% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

Balances at June 30, 2020	\$	1,282,733
Changes for the year:		
Service cost		52,538
Interest		38,738
Difference in experience		(112,488)
Changes in assumptions		71,554
Benefit payments		(90,202)
Net changes		(39,860)
Balances at June 30, 2021	\$	<u>1,242,873</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

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

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

		Rate	
1% Decrease (1.45%)		Current Discount Rate (2.45%)	1% Increase (3.45%)
\$	1,371,026	\$	1,242,873
		\$	1,129,323

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00% decreasing annually to an ultimate rate of 4.00%) or one percentage point higher (7.00% decreasing annually to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

		Rates	
1% Decrease (4.75% decreasing to 4.00%)		Healthcare Cost Trend (5.75% decreasing to 5.00%)	1% Increase (6.75% decreasing to 6.00%)
\$	1,160,591	\$	1,242,873
		\$	1,316,244

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

For the year ended June 30, 2020, the School Board recognized OPEB expense in the amount of \$78,884. At June 30, 2021, the School Board had the following amounts to report as deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,092	\$ 102,262
Changes in assumptions	105,589	126,490
Employer contributions subsequent to the measurement date	49,683	-
Total	\$ <u>176,364</u>	\$ <u>228,752</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

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

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

<u>Year Ended June 30</u>	
2022	\$ (12,392)
2023	(12,392)
2024	(12,392)
2025	(12,392)
2026	(12,392)
Thereafter	(40,111)

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.

Aggregate Pension Information

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government				
VRS OPEB Plans:				
Group Life Insurance Program (Note 15):				
County	\$ 79,051	\$ 25,920	\$ 368,312	\$ 12,019
County Stand-Alone Plan (Note 15)	158,201	119,270	362,631	46,157
Totals	<u>\$ 237,252</u>	<u>\$ 145,190</u>	<u>\$ 730,943</u>	<u>\$ 58,176</u>
Component Unit School Board				
VRS OPEB Plans:				
Group Life Insurance Program (Note 15):				
School Board Nonprofessional	\$ 11,539	\$ 9,916	\$ 46,727	\$ 669
School Board Professional	196,020	93,027	918,694	20,054
Teacher Health Insurance Credit Program (Note 15)	182,710	170,982	1,685,175	112,154
Health Insurance Credit Program (Note 15)	6,356	-	74,996	74,996
School Stand-Alone Plan (Note 15)	176,364	228,752	1,242,873	78,884
Totals	<u>\$ 572,989</u>	<u>\$ 502,677</u>	<u>\$ 3,968,465</u>	<u>\$ 286,757</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 16 - Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 83,593	\$ 1,112,596
Capital Projects Fund	903,805	83,593
Library Fund	208,791	-
Total	<u>\$ 1,196,189</u>	<u>\$ 1,196,189</u>

Note 17 - Adoption of Accounting Principle:

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 and fund balance:

	<u>Primary Government</u>				<u>Component</u>
	<u>Custodial Funds</u>			<u>Governmental</u>	<u>Unit</u>
	<u>Special</u>	<u>Virtual</u>	<u>Inmate</u>	<u>Activities</u>	<u>School</u>
	<u>Welfare</u>	<u>Virginia</u>	<u>Fund</u>		<u>Board</u>
Net Position as reported at July 1, 2020	\$ -	\$ -	\$ -	\$ 10,218,850	\$ (8,491,295)
Restatement for GASB 84 Implementation	31,935	2,749,262	24,667	54,324	331,964
Net Position as restated at July 1, 2020	<u>\$ 31,935</u>	<u>\$ 2,749,262</u>	<u>\$ 24,667</u>	<u>\$ 10,273,174</u>	<u>\$ (8,159,331)</u>
		<u>Component</u>			
		<u>Unit</u>			
	<u>Governmental</u>	<u>School</u>			
	<u>Funds</u>	<u>Board</u>			
		<u>School</u>			
	<u>General</u>	<u>Activity</u>			
	<u>Fund</u>	<u>Funds</u>			
Fund Balance as reported at July 1, 2020	\$ 9,931,076	\$ -			
Restatement for GASB 84 Implementation	54,324	331,964			
Fund Balance as restated at July 1, 2020	<u>\$ 9,985,400</u>	<u>\$ 331,964</u>			

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 18 - Upcoming Pronouncements:

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

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. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, provides guidance for reporting a government's majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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.

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

Note 19 - COVID - 19 Pandemic Subsequent Event:

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

CARES Act Funding

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

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding of \$2,217,002. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$307,870. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. At June 30, 2021, the unspent portion of CARES Act funds was \$268,165, which is reported as unearned revenue.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 19 - COVID - 19 Pandemic Subsequent Event: (Continued)

ARPA Funding

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

In July 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. At June 30, 2021, the unspent portion of ARPA funds was \$1,153,776, which is reported as unearned revenue.

- Required Supplementary Information -

Note to Required Supplementary Information:

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

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 10,431,000	\$ 10,431,000	\$ 11,213,973	\$ 782,973
Other local taxes	1,279,500	1,279,500	1,459,643	180,143
Permits, privilege fees, and regulatory licenses	105,300	105,300	72,422	(32,878)
Fines and forfeitures	220,000	220,000	192,861	(27,139)
Revenue from the use of money and property	318,205	318,205	304,902	(13,303)
Charges for services	555,933	555,933	326,648	(229,285)
Miscellaneous	460,062	460,062	697,471	237,409
Intergovernmental:				
Commonwealth	6,402,939	6,402,939	5,152,748	(1,250,191)
Federal	2,687,656	2,687,656	2,602,362	(85,294)
Total revenues	\$ 22,460,595	\$ 22,460,595	\$ 22,023,030	\$ (437,565)
EXPENDITURES				
Current:				
General government administration	\$ 1,536,451	\$ 1,536,451	\$ 1,417,095	\$ 119,356
Judicial administration	698,564	698,564	650,163	48,401
Public safety	5,254,952	5,254,952	4,364,185	890,767
Public works	1,583,611	1,583,611	1,365,170	218,441
Health and welfare	6,719,782	6,719,782	5,344,383	1,375,399
Education	4,056,411	4,056,411	3,031,373	1,025,038
Parks, recreation, and cultural	116,645	116,645	106,505	10,140
Community development	429,779	429,779	354,510	75,269
Nondepartmental	793,311	793,311	186,896	606,415
Debt service:				
Principal retirement	1,171,258	1,171,258	374,257	797,001
Interest and other fiscal charges	218,131	218,131	781,503	(563,372)
Total expenditures	\$ 22,578,895	\$ 22,578,895	\$ 17,976,040	\$ 4,602,855
Excess (deficiency) of revenues over (under) expenditures	\$ (118,300)	\$ (118,300)	\$ 4,046,990	\$ 4,165,290
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 811,873	\$ 811,873	\$ 83,593	\$ (728,280)
Transfers (out)	(1,600,007)	(1,600,007)	(1,112,596)	487,411
Total other financing sources (uses)	\$ (788,134)	\$ (788,134)	\$ (1,029,003)	\$ (240,869)
Net change in fund balances	\$ (906,434)	\$ (906,434)	\$ 3,017,987	\$ 3,924,421
Fund balances - beginning, as restated	906,434	906,434	9,985,400	9,078,966
Fund balances - ending	\$ -	\$ -	\$ 13,003,387	\$ 13,003,387

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ 2,004,411	\$ 2,004,411	\$ 1,736,246	\$ (268,165)
Total revenues	\$ 2,004,411	\$ 2,004,411	\$ 1,736,246	\$ (268,165)
EXPENDITURES				
Current:				
General government administration	\$ 73,196	\$ 73,196	\$ 73,196	\$ -
Judicial administration	3,652	3,652	3,652	-
Public safety	900,344	900,344	879,343	21,001
Public works	58,261	58,261	35,546	22,715
Health and welfare	14,374	14,374	14,374	-
Education	230,000	230,000	230,000	-
Parks, recreation, and cultural	36,208	36,208	26,882	9,326
Community development	340,628	340,628	152,560	188,068
Nondepartmental	347,748	347,748	320,693	27,055
Total expenditures	\$ 2,004,411	\$ 2,004,411	\$ 1,736,246	\$ 268,165
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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

	2020	2019	2018	2017
Total pension liability				
Service cost	\$ 584,241	\$ 521,323	\$ 496,713	\$ 499,908
Interest	1,711,511	1,674,926	1,621,726	1,560,574
Differences between expected and actual experience	465,511	(386,303)	(324,168)	(215,983)
Changes in assumptions	-	738,328	-	(180,040)
Benefit payments, including refunds of employee contributions	(1,015,769)	(1,224,374)	(844,175)	(737,526)
Net change in total pension liability	\$ 1,745,494	\$ 1,323,900	\$ 950,096	\$ 926,933
Total pension liability - beginning	25,863,601	24,539,701	23,589,605	22,662,672
Total pension liability - ending (a)	\$ 27,609,095	\$ 25,863,601	\$ 24,539,701	\$ 23,589,605
Plan fiduciary net position				
Contributions - employer	\$ 415,801	\$ 413,711	\$ 429,689	\$ 413,671
Contributions - employee	223,541	222,493	218,822	210,021
Net investment income	468,739	1,549,503	1,644,260	2,430,144
Benefit payments, including refunds of employee contributions	(1,015,769)	(1,224,374)	(844,175)	(737,526)
Administrative expense	(15,997)	(15,561)	(14,104)	(13,876)
Other	(555)	(980)	(1,466)	(2,168)
Net change in plan fiduciary net position	\$ 75,760	\$ 944,792	\$ 1,433,026	\$ 2,300,266
Plan fiduciary net position - beginning	24,560,113	23,615,321	22,182,295	19,882,029
Plan fiduciary net position - ending (b)	\$ 24,635,873	\$ 24,560,113	\$ 23,615,321	\$ 22,182,295
County's net pension liability - ending (a) - (b)	\$ 2,973,222	\$ 1,303,488	\$ 924,380	\$ 1,407,310
Plan fiduciary net position as a percentage of the total pension liability	89.23%	94.96%	96.23%	94.03%
Covered payroll	\$ 4,536,603	\$ 4,510,811	\$ 4,414,261	\$ 4,233,199
County's net pension liability as a percentage of covered payroll	65.54%	28.90%	20.94%	33.24%

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

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

	2016	2015	2014
Total pension liability			
Service cost	\$ 501,753	\$ 504,280	\$ 517,448
Interest	1,494,782	1,415,451	1,333,403
Differences between expected and actual experience	(363,963)	(138,453)	-
Changes in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(647,871)	(648,085)	(709,385)
Net change in total pension liability	<u>\$ 984,701</u>	<u>\$ 1,133,193</u>	<u>\$ 1,141,466</u>
Total pension liability - beginning	21,677,971	20,544,778	19,403,312
Total pension liability - ending (a)	<u><u>\$ 22,662,672</u></u>	<u><u>\$ 21,677,971</u></u>	<u><u>\$ 20,544,778</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 517,045	\$ 508,216	\$ 536,281
Contributions - employee	204,950	202,851	206,474
Net investment income	347,483	857,967	2,533,826
Benefit payments, including refunds of employee contributions	(647,871)	(648,085)	(709,385)
Administrative expense	(11,980)	(11,513)	(13,495)
Other	(146)	(182)	134
Net change in plan fiduciary net position	<u>\$ 409,481</u>	<u>\$ 909,254</u>	<u>\$ 2,553,835</u>
Plan fiduciary net position - beginning	19,472,548	18,563,294	16,009,459
Plan fiduciary net position - ending (b)	<u><u>\$ 19,882,029</u></u>	<u><u>\$ 19,472,548</u></u>	<u><u>\$ 18,563,294</u></u>
County's net pension liability - ending (a) - (b)	\$ 2,780,643	\$ 2,205,423	\$ 1,981,484
Plan fiduciary net position as a percentage of the total pension liability	87.73%	89.83%	90.36%
Covered payroll	\$ 4,129,210	\$ 4,046,086	\$ 4,062,738
County's net pension liability as a percentage of covered payroll	67.34%	54.51%	48.77%

l be included as they become available.

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

	2020	2019	2018	2017
Total pension liability				
Service cost	\$ 52,120	\$ 63,516	\$ 65,113	\$ 60,843
Interest	224,349	226,390	228,185	227,017
Differences between expected and actual experience	(2,026)	(41,670)	(90,382)	(37,709)
Changes in assumptions	-	73,881	-	(3,475)
Benefit payments, including refunds of employee contributions	(238,527)	(226,619)	(230,491)	(229,487)
Net change in total pension liability	\$ 35,916	\$ 95,498	\$ (27,575)	\$ 17,189
Total pension liability - beginning	3,442,957	3,347,459	3,375,034	3,357,845
Total pension liability - ending (a)	\$ 3,478,873	\$ 3,442,957	\$ 3,347,459	\$ 3,375,034
Plan fiduciary net position				
Contributions - employer	\$ 12,534	\$ 18,186	\$ 21,728	\$ 20,699
Contributions - employee	26,293	27,529	30,988	30,970
Net investment income	69,658	237,401	260,691	399,604
Benefit payments, including refunds of employee contributions	(238,527)	(226,619)	(230,491)	(229,487)
Administrative expense	(2,507)	(2,490)	(2,352)	(2,432)
Other	(81)	(149)	(228)	(350)
Net change in plan fiduciary net position	\$ (132,630)	\$ 53,858	\$ 80,336	\$ 219,004
Plan fiduciary net position - beginning	3,720,079	3,666,221	3,585,885	3,366,881
Plan fiduciary net position - ending (b)	\$ 3,587,449	\$ 3,720,079	\$ 3,666,221	\$ 3,585,885
School Division's net pension liability (asset) - ending (a) - (b)	\$ (108,576)	\$ (277,122)	\$ (318,762)	\$ (210,851)
Plan fiduciary net position as a percentage of the total pension liability	103.12%	108.05%	109.52%	106.25%
Covered payroll	\$ 577,123	\$ 595,775	\$ 672,919	\$ 678,586
School Division's net pension liability (asset) as a percentage of covered payroll	-18.81%	-46.51%	-47.37%	-31.07%

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	\$ 50,901	\$ 42,332	\$ 40,341
Interest	213,445	215,657	211,225
Differences between expected and actual experience	185,909	(50,746)	-
Changes in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(283,260)	(194,427)	(182,060)
Net change in total pension liability	<u>\$ 166,995</u>	<u>\$ 12,816</u>	<u>\$ 69,506</u>
Total pension liability - beginning	3,190,850	3,178,034	3,108,528
Total pension liability - ending (a)	<u><u>\$ 3,357,845</u></u>	<u><u>\$ 3,190,850</u></u>	<u><u>\$ 3,178,034</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 34,751	\$ 30,279	\$ 22,365
Contributions - employee	28,231	24,557	18,302
Net investment income	55,649	157,937	490,086
Benefit payments, including refunds of employee contributions	(283,260)	(194,427)	(182,060)
Administrative expense	(2,304)	(2,269)	(2,736)
Other	(25)	(31)	26
Net change in plan fiduciary net position	<u>\$ (166,958)</u>	<u>\$ 16,046</u>	<u>\$ 345,983</u>
Plan fiduciary net position - beginning	3,533,839	3,517,793	3,171,810
Plan fiduciary net position - ending (b)	<u><u>\$ 3,366,881</u></u>	<u><u>\$ 3,533,839</u></u>	<u><u>\$ 3,517,793</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (9,036)	\$ (342,989)	\$ (339,759)
Plan fiduciary net position as a percentage of the total pension liability	100.27%	110.75%	110.69%
Covered payroll	\$ 612,329	\$ 533,394	\$ 366,041
School Division's net pension liability (asset) as a percentage of covered payroll	-1.48%	-64.30%	-92.82%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.13%	0.13%	0.14%	0.14%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,101,777	\$ 17,566,726	\$ 16,719,000	\$ 17,424,000
Employer's Covered Payroll	11,324,836	11,081,090	12,836,499	11,088,363
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	168.67%	158.53%	130.25%	157.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	73.51%	74.81%	72.92%

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.15%	0.15%	0.15%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 20,293,000	\$ 18,417,000	\$ 17,891,000
Employer's Covered Payroll	11,009,664	10,885,051	10,326,025
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	184.32%	169.20%	173.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.28%	70.68%	70.88%

Schedule of Employer Contributions - Pension Plans
 For the Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2021	\$ 466,019	\$ 466,019	\$ -	\$ 4,451,353	10.47%
2020	415,026	415,026	-	4,536,603	9.15%
2019	413,712	413,712	-	4,510,811	9.17%
2018	359,668	359,668	-	4,414,261	8.15%
2017	418,240	418,240	-	4,233,199	9.88%
2016	519,455	519,455	-	4,129,210	12.58%
2015	508,998	508,998	-	4,046,086	12.58%
2014	536,281	536,281	-	4,062,738	13.20%
2013	526,084	526,084	-	3,985,485	13.20%
2012	367,626	367,626	-	3,647,082	10.08%
Component Unit School Board (nonprofessional)					
2021	\$ 10,356	\$ 10,356	\$ -	\$ 583,148	1.78%
2020	16,817	16,817	-	577,123	2.91%
2019	18,186	18,186	-	595,775	3.05%
2018	21,576	21,576	-	672,919	3.21%
2017	25,854	25,854	-	678,586	3.81%
2016	37,291	37,291	-	612,329	6.09%
2015	32,484	32,484	-	533,394	6.09%
2014	22,365	22,365	-	366,041	6.11%
2013	24,663	24,663	-	403,648	6.11%
2012	16,307	16,307	-	541,766	3.01%
Component Unit School Board (professional)					
2021	\$ 1,912,342	\$ 1,912,342	\$ -	\$ 11,729,555	16.30%
2020	1,744,225	1,744,225	-	11,324,836	15.40%
2019	1,710,602	1,710,602	-	11,081,090	15.44%
2018	1,832,634	1,832,634	-	12,836,499	14.28%
2017	1,603,700	1,603,700	-	11,088,363	14.46%
2016	1,541,463	1,541,463	-	11,009,664	14.00%
2015	1,547,625	1,547,625	-	10,885,051	14.22%
2014	1,303,017	1,303,017	-	10,326,025	12.62%
2013	1,303,017	1,303,017	-	10,326,025	12.62%
2012	1,111,932	1,111,932	-	9,814,057	11.33%

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

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of County and 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 (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2020	0.02210%	\$ 368,312	\$ 4,541,968	8.11%	52.64%
2019	0.02301%	374,434	4,510,811	8.30%	52.00%
2018	0.02328%	354,000	4,426,060	8.00%	51.22%
2017	0.02299%	345,000	4,240,178	8.14%	48.86%
Component Unit School Board (nonprofessional)					
2020	0.00280%	\$ 46,727	\$ 577,123	8.10%	52.64%
2019	0.00306%	49,794	599,742	8.30%	52.00%
2018	0.00354%	54,000	672,919	8.02%	51.22%
2017	0.00368%	55,000	678,586	8.11%	48.86%
Component Unit School Board (professional)					
2020	0.05500%	\$ 918,694	\$ 11,329,284	8.11%	52.64%
2019	0.05657%	920,545	11,088,946	8.30%	52.00%
2018	0.06002%	912,000	11,413,497	7.99%	51.22%
2017	0.06019%	906,000	11,102,273	8.16%	48.86%

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

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2017 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2021	\$ 24,059	\$ 24,059	\$ -	\$ 4,455,380	0.54%
2020	23,618	23,618	-	4,541,968	0.52%
2019	23,456	23,456	-	4,510,811	0.52%
2018	23,016	23,016	-	4,426,060	0.52%
2017	22,049	22,049	-	4,240,178	0.52%
Component Unit School Board (nonprofessional)					
2021	\$ 3,149	\$ 3,149	\$ -	\$ 583,148	0.54%
2020	3,001	3,001	-	577,123	0.52%
2019	3,119	3,119	-	599,742	0.52%
2018	3,499	3,499	-	672,919	0.52%
2017	3,529	3,529	-	678,586	0.52%
Component Unit School Board (professional)					
2021	\$ 63,552	\$ 63,552	\$ -	\$ 11,768,958	0.54%
2020	58,912	58,912	-	11,329,284	0.52%
2019	57,663	57,663	-	11,088,946	0.52%
2018	59,350	59,350	-	11,413,497	0.52%
2017	57,732	57,732	-	11,102,273	0.52%

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

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 Component Unit School Board
 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	0.12918%	\$ 1,685,175	\$ 11,324,836	14.88%	9.95%
2019	0.13211%	1,729,448	11,081,090	15.61%	8.97%
2018	0.14065%	1,786,000	11,375,134	15.70%	8.08%
2017	0.14051%	1,783,000	11,089,399	16.08%	7.04%

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

Schedule of Employer Contributions
 Teacher Employee Health Insurance Credit (HIC) Plan
 Component Unit School Board
 For the Years Ended June 30, 2017 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	\$ 141,928	\$ 141,928	\$ -	\$ 11,729,555	1.21%
2020	135,898	135,898	-	11,324,836	1.20%
2019	132,973	132,973	-	11,081,090	1.20%
2018	139,914	139,914	-	11,375,134	1.23%
2017	136,400	123,092	13,308	11,089,399	1.11%

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.

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

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

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

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Primary Government
 For the Years Ended June 30, 2018 through June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 16,188	\$ 14,716	\$ 14,287	\$ 7,400
Interest	14,620	14,771	7,160	6,900
Plan changes	-	-	2,639	-
Differences between expected and actual experience	(136,309)	-	32,000	-
Change of assumptions	21,538	19,131	156,747	-
Benefit payments	(8,620)	(2,933)	(2,204)	(2,800)
Net change in total OPEB liability	<u>\$ (92,583)</u>	<u>\$ 45,685</u>	<u>\$ 210,629</u>	<u>\$ 11,500</u>
Total OPEB liability - beginning	455,114	409,429	198,800	187,400
Total OPEB liability - ending	<u>\$ 362,531</u>	<u>\$ 455,114</u>	<u>\$ 409,429</u>	<u>\$ 198,900</u>
Covered-employee payroll	\$ 4,429,413	\$ 4,637,076	\$ 4,267,000	\$ 4,071,300
County's total OPEB liability (asset) as a percentage of covered-employee payroll	8.18%	9.81%	9.60%	4.89%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 52,538	\$ 49,689	\$ 50,204	\$ 85,700
Interest	38,738	42,818	42,484	47,500
Changes in assumptions	71,554	49,548	(173,923)	-
Differences between expected and actual experience	(112,488)	-	29,000	-
Benefit payments	(90,202)	(84,301)	(78,786)	(50,700)
Net change in total OPEB liability	<u>\$ (39,860)</u>	<u>\$ 57,754</u>	<u>\$ (131,021)</u>	<u>\$ 82,500</u>
Total OPEB liability - beginning	<u>1,282,733</u>	<u>1,224,979</u>	<u>1,356,000</u>	<u>1,273,500</u>
Total OPEB liability - ending	<u>\$ 1,242,873</u>	<u>\$ 1,282,733</u>	<u>\$ 1,224,979</u>	<u>\$ 1,356,000</u>
Covered employee payroll	\$ 11,530,329	\$ 11,647,480	\$ 11,308,233	\$ 10,484,900
County's total OPEB liability (asset) as a percentage of covered employee payroll	10.78%	11.01%	10.83%	12.93%

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

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

County and Component Unit School Board:

Valuation Date: 6/30/2020
 Measurement Date: 6/30/2020

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.45% as of June 30, 2020
Inflation	2.50% per year as of June 30, 2020
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.75% in 2020 and gradually declines to 5.00%
Salary Increase Rates	The salary increase rate starts at 3.00% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RPH-2014 Healthy Lives (separate tables for pre and post-retirement and for males and females), projected to decrease by Scale BB to 2014.

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

	<u>2020</u>
Total HIC OPEB Liability	
Changes in benefit terms	\$ 74,996
Total HIC OPEB Liability - beginning	-
Total HIC OPEB Liability - ending (a)	<u>\$ 74,996</u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 74,996
Plan fiduciary net position as a percentage of the total HIC OPEB liability	0.00%
Covered payroll	\$ Unknown
School Board's net HIC OPEB liability as a percentage of covered payroll	Unknown

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

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

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	\$ 6,356	\$ 6,356	-	\$ 583,148	1.09%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

- Other Supplementary Information -
Combining and Individual Fund Statements and Schedules

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 55	\$ -	\$ 55
Due from other funds	11,451	-	11,451
Restricted assets:			
Investments	-	417,101	417,101
Total assets	<u>\$ 11,506</u>	<u>\$ 417,101</u>	<u>\$ 428,607</u>
LIABILITIES			
Accounts payable	\$ 11,451	\$ -	\$ 11,451
Total liabilities	<u>\$ 11,451</u>	<u>\$ -</u>	<u>\$ 11,451</u>
FUND BALANCES			
Nonspendable:			
Permanent fund corpus	\$ -	\$ 100,000	\$ 100,000
Restricted:			
Library operations	-	317,101	317,101
Assigned:			
Library operations	55	-	55
Total fund balances	<u>\$ 55</u>	<u>\$ 417,101</u>	<u>\$ 417,156</u>
Total liabilities and fund balances	<u>\$ 11,506</u>	<u>\$ 417,101</u>	<u>\$ 428,607</u>

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

	Special Revenue Fund	Permanent Fund	Total Nonmajor Funds
REVENUES			
Revenue from the use of money and property	\$ -	\$ 104,734	\$ 104,734
Charges for services	350	-	350
Miscellaneous	-	350	350
Intergovernmental:			
Commonwealth	60,331	-	60,331
Federal	12,657	-	12,657
Total revenues	<u>\$ 73,338</u>	<u>\$ 105,084</u>	<u>\$ 178,422</u>
EXPENDITURES			
Current:			
Parks, recreation, and cultural	\$ 282,129	\$ 9,456	\$ 291,585
Total expenditures	<u>\$ 282,129</u>	<u>\$ 9,456</u>	<u>\$ 291,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (208,791)</u>	<u>\$ 95,628</u>	<u>\$ (113,163)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>\$ 208,791</u>	<u>\$ -</u>	<u>\$ 208,791</u>
Net change in fund balances	\$ -	\$ 95,628	\$ 95,628
Fund balances - beginning	55	321,473	321,528
Fund balances - ending	<u><u>\$ 55</u></u>	<u><u>\$ 417,101</u></u>	<u><u>\$ 417,156</u></u>

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

	Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 350	\$ 350
Intergovernmental:				
Commonwealth	59,357	59,357	60,331	974
Federal	12,010	12,010	12,657	647
Total revenues	<u>\$ 71,367</u>	<u>\$ 71,367</u>	<u>\$ 73,338</u>	<u>\$ 1,971</u>
EXPENDITURES				
Current:				
Parks, recreation, and cultural	\$ 293,071	\$ 293,071	\$ 282,129	\$ 10,942
Total expenditures	<u>\$ 293,071</u>	<u>\$ 293,071</u>	<u>\$ 282,129</u>	<u>\$ 10,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (221,704)</u>	<u>\$ (221,704)</u>	<u>\$ (208,791)</u>	<u>\$ 12,913</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 221,704	\$ 221,704	\$ 208,791	\$ (12,913)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	55	55
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 55</u>

Combining Balance Sheet
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	\$ 997,022	\$ 85,182	\$ 324,050	\$ 1,406,254
Receivables (net of allowance for uncollectibles):				
Accounts receivable	26,628	129	-	26,757
School food inventory	-	30,822	-	30,822
Due from other governmental units	1,273,497	13,484	-	1,286,981
Prepaid items	490,678	-	-	490,678
Total assets	<u>\$ 2,787,825</u>	<u>\$ 129,617</u>	<u>\$ 324,050</u>	<u>\$ 3,241,492</u>
LIABILITIES				
Accounts payable	\$ 65,865	\$ -	\$ -	\$ 65,865
Accrued liabilities	874,728	-	-	874,728
Due to primary government	1,725,222	-	-	1,725,222
Total liabilities	<u>\$ 2,665,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,665,815</u>
FUND BALANCE				
Nonspendable:				
Inventory	\$ -	\$ 30,822	\$ -	\$ 30,822
Prepaid items	490,678	-	-	490,678
Assigned to:				
Textbooks	122,010	-	-	122,010
School activity funds	-	-	324,050	324,050
Cafeteria operations	-	98,795	-	98,795
Unassigned	(490,678)	-	-	(490,678)
Total fund balances	<u>\$ 122,010</u>	<u>\$ 129,617</u>	<u>\$ 324,050</u>	<u>\$ 575,677</u>
Total liabilities and fund balances	<u>\$ 2,787,825</u>	<u>\$ 129,617</u>	<u>\$ 324,050</u>	<u>\$ 3,241,492</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above \$ 575,677

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

Capital assets, cost	\$ 25,539,960	
Accumulated depreciation	(14,313,204)	11,226,756

The net pension asset is not an available resource and, therefore, is not reported in the funds 108,876

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

Deferred outflows of resources:		
Pension related items	\$ 4,816,446	
OPEB related items	572,989	5,389,435

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

Net OPEB liabilities	\$ (3,968,465)	
Net pension liability	(19,101,777)	
Capital leases	(531,952)	
Deferred inflows of resources:		
Pension related items	(2,198,056)	
OPEB related items	(502,677)	(26,302,927)

Net position of governmental activities \$ (9,002,183)

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	\$ -	\$ 192	\$ -	\$ 192
Charges for services	-	18,130	-	18,130
Miscellaneous	582,762	15,000	344,359	942,121
Intergovernmental:				
Local government	3,025,487	-	-	3,025,487
Commonwealth	14,033,801	9,720	-	14,043,521
Federal	2,694,140	616,356	-	3,310,496
Total revenues	<u>\$ 20,336,190</u>	<u>\$ 659,398</u>	<u>\$ 344,359</u>	<u>\$ 21,339,947</u>
EXPENDITURES				
Current:				
Education	\$ 20,084,518	\$ 583,726	\$ 352,273	\$ 21,020,517
Debt service:				
Principal retirement	105,675	-	-	105,675
Interest and other fiscal charges	23,987	-	-	23,987
Total expenditures	<u>\$ 20,214,180</u>	<u>\$ 583,726</u>	<u>\$ 352,273</u>	<u>\$ 21,150,179</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 122,010	\$ 75,672	\$ (7,914)	\$ 189,768
Net change in fund balances	\$ 122,010	\$ 75,672	\$ (7,914)	\$ 189,768
Fund balances - beginning, as restated	-	53,945	331,964	385,909
Fund balances - ending	<u>\$ 122,010</u>	<u>\$ 129,617</u>	<u>\$ 324,050</u>	<u>\$ 575,677</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above	\$ 189,768
--	------------

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 outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 3,398,715	
Depreciation expense	(1,048,280)	
Joint assets - net	<u>(3,552,270)</u>	(1,201,835)

The issuance of capital 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 payments	105,675
--------------------	---------

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

Pension expense	\$ 85,484	
OPEB expense	<u>(21,944)</u>	63,540

Change in net position of governmental activities	\$	<u>(842,852)</u>
---	----	------------------

COUNTY OF CHARLOTTE, VIRGINIA

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	504,374	504,374	582,762	78,388
Intergovernmental:				
Local government	4,050,525	4,050,525	3,025,487	(1,025,038)
Commonwealth	14,017,375	14,017,375	14,033,801	16,426
Federal	6,224,754	6,224,754	2,694,140	(3,530,614)
Total revenues	<u>\$ 24,797,028</u>	<u>\$ 24,797,028</u>	<u>\$ 20,336,190</u>	<u>\$ (4,460,838)</u>
EXPENDITURES				
Current:				
Education	\$ 24,651,486	\$ 24,651,486	\$ 20,084,518	\$ 4,566,968
Debt service:				
Principal retirement	80,000	80,000	105,675	(25,675)
Interest and other fiscal charges	63,750	63,750	23,987	39,763
Total expenditures	<u>\$ 24,795,236</u>	<u>\$ 24,795,236</u>	<u>\$ 20,214,180</u>	<u>\$ 4,581,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,792</u>	<u>\$ 1,792</u>	<u>\$ 122,010</u>	<u>\$ 120,218</u>
Net change in fund balances	\$ 1,792	\$ 1,792	\$ 122,010	\$ 120,218
Fund balances - beginning	(1,792)	(1,792)	-	1,792
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,010</u>	<u>\$ 122,010</u>

Exhibit 33

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 600	\$ 600	\$ 192	\$ (408)
167,138	167,138	18,130	(149,008)
15,000	15,000	15,000	-
-	-	-	-
12,138	12,138	9,720	(2,418)
618,262	618,262	616,356	(1,906)
<u>\$ 813,138</u>	<u>\$ 813,138</u>	<u>\$ 659,398</u>	<u>\$ (153,740)</u>
\$ 823,138	\$ 823,138	\$ 583,726	\$ 239,412
-	-	-	-
-	-	-	-
<u>\$ 823,138</u>	<u>\$ 823,138</u>	<u>\$ 583,726</u>	<u>\$ 239,412</u>
<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>\$ 75,672</u>	<u>\$ 85,672</u>
\$ (10,000)	\$ (10,000)	\$ 75,672	\$ 85,672
10,000	10,000	53,945	43,945
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,617</u>	<u>\$ 129,617</u>

- Supporting Schedules -

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,215,000	\$ 6,215,000	\$ 6,287,510	\$ 72,510
Real and personal public service corporation taxes	608,000	608,000	635,066	27,066
Personal property taxes	3,050,000	3,050,000	3,468,758	418,758
Mobile home taxes	33,000	33,000	26,492	(6,508)
Machinery and tools taxes	330,000	330,000	581,188	251,188
Merchant's capital taxes	30,000	30,000	34,042	4,042
Penalties	100,000	100,000	116,757	16,757
Interest	65,000	65,000	64,160	(840)
Total general property taxes	<u>\$ 10,431,000</u>	<u>\$ 10,431,000</u>	<u>\$ 11,213,973</u>	<u>\$ 782,973</u>
Other local taxes:				
Local sales and use taxes	\$ 650,000	\$ 650,000	\$ 811,327	\$ 161,327
Consumer utility taxes	222,000	222,000	205,118	(16,882)
Motor vehicle licenses	324,000	324,000	318,958	(5,042)
Taxes on recordation and wills	53,500	53,500	94,795	41,295
Utility consumption taxes	30,000	30,000	29,445	(555)
Total other local taxes	<u>\$ 1,279,500</u>	<u>\$ 1,279,500</u>	<u>\$ 1,459,643</u>	<u>\$ 180,143</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,500	\$ 7,500	\$ 6,036	\$ (1,464)
Transfer fees	400	400	505	105
Permits and other licenses	97,400	97,400	65,881	(31,519)
Total permits, privilege fees, and regulatory licenses	<u>\$ 105,300</u>	<u>\$ 105,300</u>	<u>\$ 72,422</u>	<u>\$ (32,878)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 220,000	\$ 220,000	\$ 192,861	\$ (27,139)
Revenue from use of money and property:				
Revenue from use of money	\$ 113,000	\$ 113,000	\$ 62,069	\$ (50,931)
Revenue from use of property	205,205	205,205	242,833	37,628
Total revenue from use of money and property	<u>\$ 318,205</u>	<u>\$ 318,205</u>	<u>\$ 304,902</u>	<u>\$ (13,303)</u>
Charges for services:				
Charges for work release/inmate fees	\$ 98,133	\$ 98,133	\$ 67,805	\$ (30,328)
Charges for law enforcement and traffic control	8,000	8,000	11,006	3,006
Jail bed days - other localities	200,000	200,000	80,580	(119,420)
Law library fees	1,100	1,100	927	(173)
Courthouse security fees	36,000	36,000	37,913	1,913
Courthouse maintenance fees	20,000	20,000	13,897	(6,103)
Charges for Commonwealth's Attorney	1,000	1,000	1,005	5
School charges for sheriff	175,000	175,000	105,249	(69,751)
Charges for sanitation and waste removal	16,700	16,700	8,266	(8,434)
Total charges for services	<u>\$ 555,933</u>	<u>\$ 555,933</u>	<u>\$ 326,648</u>	<u>\$ (229,285)</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 460,062	\$ 460,062	\$ 643,217	\$ 183,155
Sheriff funds	-	-	54,254	54,254
Total miscellaneous revenue	<u>\$ 460,062</u>	<u>\$ 460,062</u>	<u>\$ 697,471</u>	<u>\$ 237,409</u>
Total revenue from local sources	<u>\$ 13,370,000</u>	<u>\$ 13,370,000</u>	<u>\$ 14,267,920</u>	<u>\$ 897,920</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier tax	\$ 74,500	\$ 74,500	\$ 71,491	\$ (3,009)
Mobile home titling tax	12,000	12,000	15,390	3,390
Tax on deeds (grantor tax)	39,000	39,000	22,084	(16,916)
Auto rental tax	1,000	1,000	1,607	607
Communication sales and use tax	110,000	110,000	94,581	(15,419)
Games of skill tax	-	-	25,776	25,776
Personal property tax relief funds	686,900	686,900	686,910	10
Total noncategorical aid	<u>\$ 923,400</u>	<u>\$ 923,400</u>	<u>\$ 917,839</u>	<u>\$ (5,561)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 222,400	\$ 222,400	\$ 215,275	\$ (7,125)
Sheriff	1,303,000	1,303,000	1,264,856	(38,144)
Commissioner of revenue	80,000	80,000	79,276	(724)
Treasurer	95,924	95,924	94,489	(1,435)
Registrar/electoral board	55,895	55,895	39,770	(16,125)
DMV license agent	30,000	30,000	42,611	12,611
Clerk of the Circuit Court	211,272	211,272	214,563	3,291
Total shared expenses	<u>\$ 1,998,491</u>	<u>\$ 1,998,491</u>	<u>\$ 1,950,840</u>	<u>\$ (47,651)</u>
Other categorical aid:				
Litter control	\$ 10,600	\$ 10,600	\$ 8,683	\$ (1,917)
Fire programs funds	39,844	39,844	39,844	-
Prisoner days	182,000	182,000	154,012	(27,988)
VJCCA grant	63,474	63,474	61,540	(1,934)
WIB fiscal agent fees	20,000	20,000	20,000	-
Victim witness	17,332	17,332	13,328	(4,004)
E911 wireless	72,500	72,500	46,402	(26,098)
Public assistance and welfare administration	2,055,709	2,055,709	1,069,685	(986,024)
Comprehensive services act funds	992,403	992,403	812,967	(179,436)
Emergency services	13,103	13,103	13,103	-
Other categorical aid	14,083	14,083	44,505	30,422
Total other categorical aid	<u>\$ 3,481,048</u>	<u>\$ 3,481,048</u>	<u>\$ 2,284,069</u>	<u>\$ (1,196,979)</u>
Total categorical aid	<u>\$ 5,479,539</u>	<u>\$ 5,479,539</u>	<u>\$ 4,234,909</u>	<u>\$ (1,244,630)</u>
Total revenue from the Commonwealth	<u>\$ 6,402,939</u>	<u>\$ 6,402,939</u>	<u>\$ 5,152,748</u>	<u>\$ (1,250,191)</u>
Revenue from the federal government:				
Noncategorical aid:				
BAB subsidy	\$ 63,750	\$ 63,750	\$ 65,396	\$ 1,646
Payments in lieu of taxes	3,000	3,000	9,897	6,897
Total noncategorical aid	<u>\$ 66,750</u>	<u>\$ 66,750</u>	<u>\$ 75,293</u>	<u>\$ 8,543</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Emergency services	\$ 7,500	\$ 7,500	\$ 34,029	\$ 26,529
Victim witness	51,995	51,995	39,984	(12,011)
Welfare administration and assistance	40,300	40,300	1,336,265	1,295,965
Workforce investment act	2,377,610	2,377,610	993,526	(1,384,084)
CARES Act	143,501	143,501	122,195	(21,306)
Ground transportation grant	-	-	1,070	1,070
Total categorical aid	<u>\$ 2,620,906</u>	<u>\$ 2,620,906</u>	<u>\$ 2,527,069</u>	<u>\$ (93,837)</u>
Total revenue from the federal government	<u>\$ 2,687,656</u>	<u>\$ 2,687,656</u>	<u>\$ 2,602,362</u>	<u>\$ (85,294)</u>
Total General Fund	<u>\$ 22,460,595</u>	<u>\$ 22,460,595</u>	<u>\$ 22,023,030</u>	<u>\$ (437,565)</u>
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 4,273	\$ 4,273
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,273</u>	<u>\$ 4,273</u>
CARES Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
CARES Act funds	\$ 2,004,411	\$ 2,004,411	\$ 1,736,246	\$ (268,165)
Total CARES Act Fund	<u>\$ 2,004,411</u>	<u>\$ 2,004,411</u>	<u>\$ 1,736,246</u>	<u>\$ (268,165)</u>
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund:				
Charges for services:				
Other charges for services	\$ -	\$ -	\$ 350	\$ 350
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 350</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
State library funds	\$ 59,357	\$ 59,357	\$ 60,331	\$ 974
Total revenue from the Commonwealth	<u>\$ 59,357</u>	<u>\$ 59,357</u>	<u>\$ 60,331</u>	<u>\$ 974</u>
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 12,010	\$ 12,010	\$ 12,657	\$ 647
Total revenue from the federal government	<u>\$ 12,010</u>	<u>\$ 12,010</u>	<u>\$ 12,657</u>	<u>\$ 647</u>
Total Library Fund	<u>\$ 71,367</u>	<u>\$ 71,367</u>	<u>\$ 73,338</u>	<u>\$ 1,971</u>
Permanent Fund:				
Library Trust Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 104,734	\$ 104,734
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,734</u>	<u>\$ 104,734</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,734</u>	<u>\$ 104,734</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Nonmajor Funds: (Continued)				
Permanent Fund: (Continued)				
Library Trust Fund: (Continued)				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 350	\$ 350
Total Library Trust Fund	\$ -	\$ -	\$ 105,084	\$ 105,084
Total Nonmajor funds	\$ 71,367	\$ 71,367	\$ 178,422	\$ 107,055
Total Primary Government	\$ 24,536,373	\$ 24,536,373	\$ 23,941,971	\$ (594,402)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Miscellaneous:				
Other miscellaneous	\$ 504,374	\$ 504,374	\$ 582,762	\$ 78,388
Total revenue from local sources	\$ 504,374	\$ 504,374	\$ 582,762	\$ 78,388
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Charlotte, Virginia	\$ 4,050,525	\$ 4,050,525	\$ 3,025,487	\$ (1,025,038)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,132,182	\$ 2,132,182	\$ 2,275,116	\$ 142,934
Basic school aid	6,505,552	6,505,552	6,670,650	165,098
Remedial education	246,217	246,217	250,991	4,774
GED	8,386	8,386	58,126	49,740
Gifted and talented	63,383	63,383	64,612	1,229
Remedial summer education	34,591	34,591	18,737	(15,854)
Special education	1,025,092	1,025,092	1,044,969	19,877
Textbook payment	143,571	143,571	133,535	(10,036)
Vocational education	268,636	268,636	275,293	6,657
Fringe Benefits	1,394,418	1,394,418	1,421,457	27,039
Homebound	30,560	30,560	27,249	(3,311)
Class size reduction	297,646	297,646	294,151	(3,495)
English as a second language	16,266	16,266	14,911	(1,355)
Algebra readiness	29,909	29,909	29,785	(124)
Regional programs	71,516	71,516	-	(71,516)
Technology	360,000	360,000	-	(360,000)
Workplace	-	-	868	868
At risk	737,809	737,809	471,390	(266,419)
Early reading	37,606	37,606	37,606	-
Other state funds	614,035	614,035	943,472	329,437
Total categorical aid	\$ 14,017,375	\$ 14,017,375	\$ 14,032,918	\$ 15,543
Total revenue from the Commonwealth	\$ 14,017,375	\$ 14,017,375	\$ 14,032,918	\$ 15,543

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
CARES act funds	\$ 3,533,113	\$ 3,533,113	\$ 1,039,003	\$ (2,494,110)
Categorical aid:				
Title I	\$ 1,180,718	\$ 1,180,718	\$ 944,862	\$ (235,856)
Title VI-B, special education flow-through	578,918	578,918	356,935	(221,983)
Vocational education	75,433	75,433	64,586	(10,847)
Title VI-B, special education pre-school	18,588	18,588	18,588	-
EESA - Title II	122,870	122,870	70,734	(52,136)
Education technology	11,705	11,705	-	(11,705)
Rural schools	48,663	48,663	32,355	(16,308)
Title IV Part B	644,746	644,746	125,419	(519,327)
Summer food service	10,000	10,000	883	(9,117)
Total categorical aid	<u>\$ 2,691,641</u>	<u>\$ 2,691,641</u>	<u>\$ 1,656,020</u>	<u>\$ (1,035,621)</u>
Total revenue from the federal government	<u>6,224,754</u>	<u>6,224,754</u>	<u>2,695,023</u>	<u>(3,529,731)</u>
Total School Operating Fund	<u>\$ 24,797,028</u>	<u>\$ 24,797,028</u>	<u>\$ 20,336,190</u>	<u>\$ (4,460,838)</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 600	\$ 600	\$ 192	\$ (408)
Charges for services:				
Cafeteria sales	\$ 167,138	\$ 167,138	\$ 18,130	\$ (149,008)
Miscellaneous revenue:				
Other miscellaneous	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Total revenue from local sources	<u>\$ 182,738</u>	<u>\$ 182,738</u>	<u>\$ 33,322</u>	<u>\$ (149,416)</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 12,138	\$ 12,138	\$ 9,720	\$ (2,418)
Total revenue from the Commonwealth	<u>12,138</u>	<u>12,138</u>	<u>9,720</u>	<u>(2,418)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 618,262	\$ 618,262	\$ 616,356	\$ (1,906)
Total revenue from the federal government	<u>618,262</u>	<u>618,262</u>	<u>616,356</u>	<u>(1,906)</u>
Total intergovernmental	<u>\$ 630,400</u>	<u>\$ 630,400</u>	<u>\$ 626,076</u>	<u>\$ (4,324)</u>
Total School Cafeteria Fund	<u>\$ 813,138</u>	<u>\$ 813,138</u>	<u>\$ 659,398</u>	<u>\$ (153,740)</u>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 149,119	\$ 149,119	\$ 120,505	\$ 28,614
General and financial administration:				
County administrator	\$ 468,091	\$ 468,091	\$ 442,048	\$ 26,043
Professional services	63,700	63,700	66,344	(2,644)
Commissioner of revenue	248,198	248,198	233,986	14,212
Treasurer	315,707	315,707	292,284	23,423
County attorney	71,325	71,325	43,731	27,594
Total general and financial administration	\$ 1,167,021	\$ 1,167,021	\$ 1,078,393	\$ 88,628
Board of elections:				
Electoral board and officials	\$ 38,742	\$ 38,742	\$ 39,125	\$ (383)
Registrar	181,569	181,569	179,072	2,497
Total board of elections	\$ 220,311	\$ 220,311	\$ 218,197	\$ 2,114
Total general government administration	\$ 1,536,451	\$ 1,536,451	\$ 1,417,095	\$ 119,356
Judicial administration:				
Courts:				
Circuit court	\$ 12,875	\$ 12,875	\$ 5,810	\$ 7,065
General district court	6,300	6,300	6,193	107
Juvenile and domestic relations court	4,450	4,450	4,443	7
Special magistrates	3,000	3,000	1,367	1,633
Clerk of the circuit court	363,066	363,066	352,282	10,784
Total courts	\$ 389,691	\$ 389,691	\$ 370,095	\$ 19,596
Commonwealth's attorney:				
Commonwealth's attorney	\$ 308,873	\$ 308,873	\$ 280,068	\$ 28,805
Total judicial administration	\$ 698,564	\$ 698,564	\$ 650,163	\$ 48,401
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,227,640	\$ 2,227,640	\$ 1,636,055	\$ 591,585
Witness assistance	69,327	69,327	53,363	15,964
Dare	11,668	11,668	1,539	10,129
Asset forfeiture	12,580	12,580	1,800	10,780
E-911 system	288,345	288,345	185,363	102,982
Total law enforcement and traffic control	\$ 2,609,560	\$ 2,609,560	\$ 1,878,120	\$ 731,440

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

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire services	\$ 665,749	\$ 665,749	\$ 642,496	\$ 23,253
Rescue squad	123,473	123,473	123,027	446
Division of forestry	20,123	20,123	20,123	-
Total fire and rescue services	<u>\$ 809,345</u>	<u>\$ 809,345</u>	<u>\$ 785,646</u>	<u>\$ 23,699</u>
Correction and detention:				
Sheriff	\$ 1,532,202	\$ 1,532,202	\$ 1,521,193	\$ 11,009
VJCCA	215,424	215,424	92,596	122,828
Total correction and detention	<u>\$ 1,747,626</u>	<u>\$ 1,747,626</u>	<u>\$ 1,613,789</u>	<u>\$ 133,837</u>
Inspections:				
Building	\$ 72,495	\$ 72,495	\$ 72,534	\$ (39)
Other protection:				
Animal control	\$ 15,676	\$ 15,676	\$ 13,856	\$ 1,820
Medical examiner	250	250	240	10
Total other protection	<u>\$ 15,926</u>	<u>\$ 15,926</u>	<u>\$ 14,096</u>	<u>\$ 1,830</u>
Total public safety	<u>\$ 5,254,952</u>	<u>\$ 5,254,952</u>	<u>\$ 4,364,185</u>	<u>\$ 890,767</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 721,801	\$ 721,801	\$ 686,675	\$ 35,126
Maintenance of general buildings and grounds:				
General properties	\$ 860,810	\$ 860,810	\$ 677,495	\$ 183,315
Canneries	1,000	1,000	1,000	-
Total maintenance of general buildings and grounds	<u>\$ 861,810</u>	<u>\$ 861,810</u>	<u>\$ 678,495</u>	<u>\$ 183,315</u>
Total public works	<u>\$ 1,583,611</u>	<u>\$ 1,583,611</u>	<u>\$ 1,365,170</u>	<u>\$ 218,441</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 125,685	\$ 125,685	\$ 119,927	\$ 5,758
Mental health and mental retardation:				
Crossroads Board	\$ 73,000	\$ 73,000	\$ 73,000	-
Welfare:				
Public assistance	\$ 2,811,418	\$ 2,811,418	\$ 2,583,821	\$ 227,597
Workforce investment	2,377,610	2,377,610	1,342,210	1,035,400
Comprehensive services act	1,332,069	1,332,069	1,225,425	106,644
Total welfare	<u>\$ 6,521,097</u>	<u>\$ 6,521,097</u>	<u>\$ 5,151,456</u>	<u>\$ 1,369,641</u>
Total health and welfare	<u>\$ 6,719,782</u>	<u>\$ 6,719,782</u>	<u>\$ 5,344,383</u>	<u>\$ 1,375,399</u>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 5,886	\$ 5,886	\$ 5,886	\$ -
Contribution to County school board	4,050,525	4,050,525	3,025,487	1,025,038
Total education	<u>\$ 4,056,411</u>	<u>\$ 4,056,411</u>	<u>\$ 3,031,373</u>	<u>\$ 1,025,038</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 24,500	\$ 24,500	\$ 17,360	\$ 7,140
Cultural enrichment:				
Red hill shrine	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Adult programs	89,645	89,645	86,645	3,000
Total cultural enrichment	<u>\$ 92,145</u>	<u>\$ 92,145</u>	<u>\$ 89,145</u>	<u>\$ 3,000</u>
Total parks, recreation, and cultural	<u>\$ 116,645</u>	<u>\$ 116,645</u>	<u>\$ 106,505</u>	<u>\$ 10,140</u>
Community development:				
Planning and community development:				
Planning	\$ 37,593	\$ 37,593	\$ 38,665	\$ (1,072)
Zoning appeals board	1,600	1,600	150	1,450
Economic development	194,703	194,703	124,703	70,000
Total planning and community development	<u>\$ 233,896</u>	<u>\$ 233,896</u>	<u>\$ 163,518</u>	<u>\$ 70,378</u>
Environmental management:				
Contribution to soil and water district	\$ 141,686	\$ 141,686	\$ 141,275	\$ 411
Cooperative extension program:				
Extension office	\$ 54,197	\$ 54,197	\$ 49,717	\$ 4,480
Total community development	<u>\$ 429,779</u>	<u>\$ 429,779</u>	<u>\$ 354,510</u>	<u>\$ 75,269</u>
Nondepartmental:				
Fixed charges	\$ 160,920	\$ 160,920	\$ 166,902	\$ (5,982)
Other capital outlay	632,391	632,391	19,994	612,397
Total nondepartmental	<u>\$ 793,311</u>	<u>\$ 793,311</u>	<u>\$ 186,896</u>	<u>\$ 606,415</u>
Debt service:				
Principal retirement	\$ 1,171,258	\$ 1,171,258	\$ 374,257	\$ 797,001
Interest and other fiscal charges	218,131	218,131	781,503	(563,372)
Total debt service	<u>\$ 1,389,389</u>	<u>\$ 1,389,389</u>	<u>\$ 1,155,760</u>	<u>\$ 233,629</u>
Total General Fund	<u>\$ 22,578,895</u>	<u>\$ 22,578,895</u>	<u>\$ 17,976,040</u>	<u>\$ 4,602,855</u>

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

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
CARES Act Fund:				
General government administration	\$ 73,196	\$ 73,196	\$ 73,196	\$ -
Judicial administration	3,652	3,652	3,652	-
Public safety	900,344	900,344	879,343	21,001
Public works	58,261	58,261	35,546	22,715
Health and welfare	14,374	14,374	14,374	-
Education	230,000	230,000	230,000	-
Parks, recreation, and cultural	36,208	36,208	26,882	9,326
Community development	340,628	340,628	152,560	188,068
Nondepartmental	347,748	347,748	320,693	27,055
Total CARES Act Fund	\$ 2,004,411	\$ 2,004,411	\$ 1,736,246	\$ 268,165
Capital Projects Fund:				
Capital projects:				
New courthouse project	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
New communications system	2,508,981	2,508,981	1,923,179	585,802
School renovations	7,722,680	7,722,680	3,062,745	4,659,935
Total Capital Projects Fund	\$ 10,237,661	\$ 10,237,661	\$ 4,985,924	\$ 5,251,737
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund				
Parks, recreation, and cultural:				
Library	\$ 293,071	\$ 293,071	\$ 282,129	\$ 10,942
Total Library Fund	\$ 293,071	\$ 293,071	\$ 282,129	\$ 10,942
Permanent Fund:				
Library Trust Fund				
Parks, recreation, and cultural:				
Library	\$ -	\$ -	\$ 9,456	\$ (9,456)
Total Library Trust Fund	\$ -	\$ -	\$ 9,456	\$ (9,456)
Total Nonmajor funds	\$ 293,071	\$ 293,071	\$ 291,585	\$ 1,486
Total Primary Government	\$ 35,114,038	\$ 35,114,038	\$ 24,989,795	\$ 10,124,243

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Education costs:				
Elementary and secondary schools	\$ 16,550,614	\$ 16,550,614	\$ 14,710,146	\$ 1,840,468
Administration attendance and health services	4,549,277	4,549,277	2,226,068	2,323,209
Pupil transportation	1,502,419	1,502,419	1,189,313	313,106
Operation and maintenance of school plant	2,049,176	2,049,176	1,958,991	90,185
Total education	<u>\$ 24,651,486</u>	<u>\$ 24,651,486</u>	<u>\$ 20,084,518</u>	<u>\$ 4,566,968</u>
Debt service:				
Principal retirement	\$ 80,000	\$ 80,000	\$ 105,675	\$ (25,675)
Interest and other fiscal charges	63,750	63,750	23,987	39,763
Total debt service	<u>\$ 143,750</u>	<u>\$ 143,750</u>	<u>\$ 129,662</u>	<u>\$ 14,088</u>
Total School Operating Fund	<u>\$ 24,795,236</u>	<u>\$ 24,795,236</u>	<u>\$ 20,214,180</u>	<u>\$ 4,581,056</u>
Special revenue fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 823,138	\$ 823,138	\$ 583,726	\$ 239,412
Total School Cafeteria Fund	<u>\$ 823,138</u>	<u>\$ 823,138</u>	<u>\$ 583,726</u>	<u>\$ 239,412</u>

- Other Statistical Information -

COUNTY OF CHARLOTTE, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration		Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
	Administration	Administration	Administration	Safety	Works	Welfare	Education	Cultural	Development	Debt	Total
2011-12	\$ 1,467,594	\$ 560,488	\$ 3,617,834	\$ 1,213,874	\$ 5,184,311	\$ 4,195,289	\$ 309,725	\$ 922,497	\$ 92,060	\$ 17,563,672	
2012-13	1,443,296	605,104	3,712,218	1,183,134	5,455,050	4,906,144	300,895	259,403	111,091	17,976,335	
2013-14	1,394,498	617,495	4,117,916	1,210,398	5,231,004	3,898,251	329,270	333,780	87,107	17,219,719	
2014-15	1,323,096	599,410	4,098,244	1,215,782	5,344,807	4,164,205	328,364	265,568	64,552	17,404,028	
2015-16	1,324,440	522,473	4,413,589	1,249,862	5,311,449	3,342,859	322,956	880,479	531,702	17,899,809	
2016-17	1,413,203	200,636	4,244,904	1,474,975	5,650,959	3,496,953	348,367	215,733	444,203	17,489,933	
2017-18	1,484,642	583,483	4,562,360	1,358,053	5,332,595	3,556,731	306,880	236,461	759,288	18,180,493	
2018-19	1,624,064	833,675	4,695,731	1,604,848	4,855,427	8,316,036	275,779	266,351	677,788	23,149,699	
2019-20	1,560,917	1,122,896	4,479,057	1,415,261	5,156,000	7,079,867	355,679	270,920	700,861	22,141,458	
2020-21	1,787,474	1,220,755	5,539,042	1,415,726	5,476,252	3,261,373	486,542	834,713	988,183	21,010,060	

COUNTY OF CHARLOTTE, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Contributions Not Restricted to Specific Programs		
2011-12	\$ 623,029	\$ 7,121,806	\$ -	\$ -	\$ 6,443,161	\$ 1,053,969	\$ 203,431	\$ 740,907	\$ 842,788	\$ 17,029,091	
2012-13	666,104	6,451,959	-	-	6,637,649	1,099,381	250,885	664,065	1,011,234	16,781,277	
2013-14	774,868	6,514,563	2,706	7,623,280	7,623,280	1,144,264	252,857	684,849	1,034,590	18,031,977	
2014-15	734,320	6,583,012	4,650	7,751,434	7,751,434	1,199,274	247,787	576,435	986,389	18,083,301	
2015-16	670,452	6,754,669	-	8,484,155	8,484,155	1,193,246	274,082	414,617	1,483,133	19,274,354	
2016-17	870,501	6,907,933	-	8,723,038	8,723,038	1,273,165	385,514	564,923	1,023,144	19,748,218	
2017-18	1,100,419	6,828,943	-	8,873,499	8,873,499	1,215,078	383,570	477,171	986,098	19,864,778	
2018-19	805,034	6,560,594	-	9,009,416	9,009,416	1,296,251	348,008	515,252	995,199	19,529,754	
2019-20	877,512	6,387,721	-	10,817,608	10,817,608	1,409,243	324,275	557,302	1,080,006	21,453,667	
2020-21	592,281	6,700,114	-	11,189,481	11,189,481	1,459,643	413,909	697,820	2,864,230	23,917,478	

COUNTY OF CHARLOTTE, VIRGINIA

Table 3

General Governmental Expenditures by Function (1) (2)
Last Ten Fiscal Years

Fiscal Year	General Government Administration			Public Safety	Public Works	Health and Welfare		Education (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects		Debt Service	Total
	Administration	Judicial Administration	Public Safety			Public Works	Health and Welfare					Education (2)	Capital Projects		
2011-12	\$ 1,311,671	\$ 530,529	\$ 3,560,627	\$ 1,176,084	\$ 5,167,086	\$ 19,798,252	\$ 309,374	\$ 920,971	\$ -	\$ -	\$ 1,751,310	\$ -	\$ -	\$ 34,525,904	
2012-13	1,319,692	575,456	3,831,711	1,174,795	5,417,806	21,131,797	339,939	259,147	-	-	682,697	-	-	34,733,040	
2013-14	1,258,647	587,717	4,087,186	1,138,119	5,228,491	20,231,367	320,409	333,384	-	-	650,993	-	-	33,836,313	
2014-15	1,387,020	581,314	4,134,125	1,157,675	5,429,748	19,888,924	321,002	270,683	-	-	557,717	-	-	33,728,208	
2015-16	1,214,326	608,872	4,330,787	1,165,377	5,348,625	19,511,653	321,080	896,048	-	-	860,330	-	-	34,257,098	
2016-17	1,314,206	581,723	4,480,463	1,391,332	5,682,287	19,662,452	348,714	217,818	125,164	122,186	774,628	4,137,433	1,021,196	38,716,220	
2017-18	1,243,629	578,725	4,660,161	1,379,335	5,383,706	20,046,339	355,269	243,473	154,506	122,186	1,021,196	13,751,603	1,374,148	48,785,622	
2018-19	1,410,185	582,880	4,858,751	1,664,813	5,059,955	20,574,134	383,383	279,684	85,844	154,506	1,374,148	3,374,797	1,374,148	39,717,236	
2019-20	1,346,157	589,552	4,493,583	1,588,938	5,087,478	20,758,128	360,961	273,267	507,070	85,844	1,352,559	1,627,853	1,352,559	37,564,320	
2020-21	1,490,291	653,815	5,243,528	1,400,716	5,358,757	21,256,403	424,972	507,070	507,070	507,070	1,285,422	4,985,924	1,285,422	43,114,487	

(1) Includes General, Special Revenue Funds, and Permanent Funds of the primary government and its discretely presented component unit, except for capital projects and nondepartmental.

(2) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 4

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes (2)	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 (3)	Total
2011-12	\$ 7,141,599	\$ 1,053,969	\$ 57,974	\$ 163,470	\$ 206,015	\$ 825,807	\$ 1,395,333	\$ -	\$ 23,255,678	\$ 34,099,845
2012-13	7,314,529	1,099,381	45,241	179,309	251,665	781,881	1,062,335	-	23,389,751	34,124,092
2013-14	8,231,883	1,144,264	53,642	170,134	253,330	815,356	932,933	-	22,660,056	34,261,598
2014-15	8,479,959	1,199,274	48,342	163,519	248,172	801,482	1,070,916	-	22,128,720	34,140,384
2015-16	9,024,457	1,193,246	39,231	137,887	274,325	681,461	786,122	-	22,978,904	35,115,633
2016-17	9,355,908	1,273,165	67,514	171,807	385,684	858,970	809,462	-	23,095,127	36,017,637
2017-18	9,532,677	1,215,078	63,086	198,866	383,756	998,847	1,045,150	-	22,604,922	36,042,382
2018-19	9,729,225	1,296,251	70,740	225,331	348,648	671,035	998,765	-	22,803,578	36,143,573
2019-20	11,521,560	1,409,243	110,096	232,630	324,978	678,385	1,068,238	-	23,249,653	38,594,783
2020-21	11,900,883	1,459,643	72,422	192,861	414,101	345,128	1,639,942	-	26,231,451	42,256,431

(1) Includes General, Special Revenue Funds and Permanent Funds of the primary government and its discretely presented component unit.

(2) Includes Commonwealth of Virginia PPTRA reimbursement.

(3) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)		Current Tax (1), (3)		Percent of Levy Collected	Delinquent Tax (2)		Total Tax Collections	Percent of Total Tax Collections to Tax Levy		Outstanding Delinquent Taxes		Percent of Delinquent Taxes to Tax Levy
	Tax Levy (1)	Total Tax Levy (1)	Tax (1), (3)	Current Tax (1), (3)		Delinquent Tax (2)	Delinquent Tax (2)		Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy		
2011-12	\$ 6,408,642	\$ 6,378,940	6,378,940	99.54%	\$ 619,938	\$ 619,938	6,998,878	109.21%	\$ 611,439	9.54%	611,439	9.54%	
2012-13	6,585,952	6,190,451	6,190,451	93.99%	437,168	437,168	6,627,619	100.63%	622,182	9.45%	622,182	9.45%	
2013-14	7,463,161	6,821,614	6,821,614	91.40%	723,359	723,359	7,544,973	101.10%	769,679	10.31%	769,679	10.31%	
2014-15	7,684,759	7,048,066	7,048,066	91.71%	744,983	744,983	7,793,049	101.41%	705,643	9.18%	705,643	9.18%	
2015-16	8,273,289	7,657,365	7,657,365	92.56%	680,182	680,182	8,337,547	100.78%	834,447	10.09%	834,447	10.09%	
2016-17	8,607,788	7,943,358	7,943,358	92.28%	563,580	563,580	8,506,938	98.83%	855,507	9.94%	855,507	9.94%	
2017-18	8,790,027	7,980,087	7,980,087	90.79%	705,776	705,776	8,685,863	98.81%	1,028,980	11.71%	1,028,980	11.71%	
2018-19	8,999,397	8,275,813	8,275,813	91.96%	766,502	766,502	9,042,315	100.48%	893,352	9.93%	893,352	9.93%	
2019-20	10,822,521	9,945,690	9,945,690	91.90%	888,960	888,960	10,834,650	100.11%	2,359,096	21.80%	2,359,096	21.80%	
2020-21	10,963,516	10,311,343	10,311,343	94.05%	902,630	902,630	11,213,973	102.28%	959,047	8.75%	959,047	8.75%	

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes Commonwealth of Virginia PPTRA reimbursement.

COUNTY OF CHARLOTTE, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years (1)

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools			Public Service	Total
				Personal Property	Mobile Homes	Machinery and Tools		
2011-12	\$ 977,029,100	\$ 84,524,978	\$ 6,903,429	\$ 5,072,447	\$ 810,656	\$ 63,793,637	\$ 1,138,134,247	
2012-13	982,544,351	87,611,014	6,867,313	5,718,422	835,149	71,330,319	1,154,906,568	
2013-14	910,302,065	86,196,036	5,770,563	6,428,450	817,174	63,909,257	1,073,423,545	
2014-15	914,675,911	90,291,046	6,038,431	7,327,130	943,444	65,005,310	1,084,281,272	
2015-16	918,211,760	90,948,657	6,136,918	7,635,331	935,525	79,478,190	1,103,346,381	
2016-17	921,926,484	95,220,649	6,347,614	11,119,083	937,876	89,162,041	1,124,713,747	
2017-18	925,156,500	97,106,146	6,504,781	11,844,083	950,457	95,059,396	1,136,621,363	
2018-19	931,964,828	99,670,743	6,460,738	16,214,741	889,622	94,596,884	1,149,797,556	
2019-20	1,009,946,924	104,112,957	4,194,137	18,039,253	946,620	94,277,236	1,231,517,127	
2020-21	1,014,726,886	105,876,505	4,239,810	17,337,663	1,038,295	102,430,010	1,245,649,169	

(1) 100% of fair market value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Personal Property		Mobile Homes		Machinery and Tools		Merchant's Capital	
2011-12	\$	0.42	\$	3.00	\$	0.42	\$	3.00	\$	3.20
2012-13		0.42		3.00		0.42		3.00		3.20
2013-14		0.48		3.75		0.48		3.75		3.20
2014-15		0.48		3.75		0.48		3.75		3.20
2015-16		0.53		3.75		0.53		3.00		3.20
2016-17		0.53		3.75		0.53		3.00		3.20
2017-18		0.53		3.75		0.53		3.00		3.20
2018-19		0.53		3.75		0.53		3.00		3.20
2019-20		0.62		3.95		0.62		3.00		3.20
2020-21		0.62		3.95		0.62		3.00		3.20

(1) Per \$100 of assessed value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 8

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 (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2011-12	12,565	\$ 1,138,134,247	\$ 2,341,990	0.21%	\$ 186
2012-13	12,560	1,154,906,568	1,998,708	0.17%	159
2013-14	12,305	1,073,423,545	1,643,320	0.15%	134
2014-15	12,641	1,084,281,272	1,275,000	0.12%	101
2015-16	12,454	1,103,346,381	12,770,000	1.16%	1,025
2016-17	12,316	1,124,713,747	12,605,000	1.12%	1,023
2017-18	12,231	1,136,621,363	18,535,000	1.63%	1,515
2018-19	12,021	1,149,797,556	18,008,000	1.57%	1,498
2019-20	11,928	1,231,517,127	17,462,000	1.42%	1,464
2020-21	11,936	1,245,649,169	20,635,000	1.66%	1,729

(1) Weldon Cooper Center for Public Service.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans. Excludes capital leases, premiums on bonds, net OPEB liabilities net pension liability, landfill postclosure and corrective action liability,

COUNTY OF CHARLOTTE, VIRGINIA

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures(2)	Ratio of Debt Service to General Governmental Expenditures
2011-12	\$ 1,573,160	\$ 178,150	\$ 1,751,310	\$ 34,525,904	5.07%
2012-13	523,075	159,622	682,697	34,733,040	1.97%
2013-14	520,631	130,362	650,993	33,836,313	1.92%
2014-15	446,265	111,452	557,717	33,728,208	1.65%
2015-16	173,031	687,299	860,330	34,257,098	2.51%
2016-17	269,973	504,655	774,628	38,716,220	2.00%
2017-18	274,229	746,967	1,021,196	48,785,622	2.09%
2018-19	641,766	732,382	1,374,148	39,717,236	3.46%
2019-20	633,320	719,239	1,352,559	37,564,320	3.60%
2020-21	479,932	805,490	1,285,422	43,114,487	2.98%

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

(2) Excludes capital projects and nondepartmental.

- Compliance -



**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 Charlotte, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Charlotte, 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 Charlotte, Virginia's basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

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

Purpose of this Report

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

Robinson, Farmer, Cox, Associates
Charlottesville, Virginia
November 30, 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 Charlotte, Virginia

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Robinson, Farmer, Cox, Associates
Charlottesville, Virginia
November 30, 2021

COUNTY OF CHARLOTTE, VIRGINIA

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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-Through Payments:			
Department of Social Services:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950120	\$ 7,429
Temporary Assistance for Needy Families (TANF)	93.558	0400120 / 0400121	186,544
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500120 / 0500121	325
Low-Income Home Energy Assistance	93.568	0600420 / 0600421	23,447
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760120 / 0760121	30,381
Chafee Education and Training Vouchers Program	93.599	9160121	24
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900120 / 0900121	81
Foster Care - Title IV-E	93.658	1100120 / 1100121	221,909
Adoption Assistance	93.659	1120120 / 1120121	196,610
Social Services Block Grant	93.667	1000120 / 1000121	251,817
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150120 / 9150121	2,381
Children's Health Insurance Program (CHIP)	93.767	0540120 / 0540121	2,281
Medical Assistance Program (Medicaid Cluster)	93.778	1200120 / 1200121	194,545
Total Department of Health and Human Services			\$ 1,117,774
Department of Agriculture:			
Pass-Through Payments:			
Department of Agriculture:			
Department of Agriculture:			
Summer Food Service Program for Children - Food Distribution (Child Nutrition Cluster)	10.559	Unknown	\$ 883
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unknown	496,763
National School Lunch Program - Food Distribution (Child Nutrition Cluster)	10.555	Unknown	\$ 56,491
Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555	402540	38,133
School Breakfast Program (Child Nutrition Cluster)	10.553	402530	24,085
Total Child Nutrition Cluster			\$ 616,355
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0040120 / 0040121	260,149
Total Department of Agriculture			\$ 877,387
Department of Justice:			
Pass-Through Payments:			
Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	Unknown	\$ 39,984
Total Department of Justice			\$ 39,984

COUNTY OF CHARLOTTE, VIRGINIA

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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Labor:			
Pass-Through Payments:			
Virginia Community College System:			
WIOA Cluster:			
WIA/WIOA Adult Program	17.258	Unknown	\$ 235,341
WIA/WIOA Youth Activities	17.259	Unknown	290,895
WIA/WIOA Dislocated Worker Formula Grants	17.278	Unknown	467,290
Total WIOA Cluster			<u>\$ 993,526</u>
Total Department of Labor			<u>\$ 993,526</u>
Department of Treasury:			
Pass Through Payments:			
Virginia Department of Accounts:			
COVID 19-Coronavirus Relief Fund	21.019	SLT0022	\$ 2,128,790
Election Assistance Commission:			
Pass-Through Payments:			
Virginia Department of Elections:			
COVID-19-HAVA Election Security Grants	90.404	Unknown	\$ 50,179
Department of Homeland Security			
Pass-Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	Unknown	\$ 34,029
Department of Transportation:			
Pass-Through Payments:			
Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	184AL202013004240	\$ 1,070
Department of Education:			
Pass-Through Payments:			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A200046	\$ 944,862
Special Education - Grants to States (IDEA, Part B) Special Education Cluster (IDEA)	84.027	H027A200107	356,935
Special Education - Preschool Grants (IDEA, Preschool) Special Education Cluster (IDEA)	84.173	H173A200112	18,588
Total Special Education Cluster (IDEA)			<u>\$ 375,523</u>
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	V048A200046	64,586
Supporting Effective Instruction State Grants	84.367	S367A200044	70,734
Twenty-First Century Community Learning Centers	84.287	S287C200047	92,149
Rural Education	84.358	S358B200046	32,355
Student Support and Academic Enrichment Program	84.424	S424A200048	33,270
COVID-19-Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	731,133
Total Department of Education			<u>\$ 2,344,612</u>
Total Expenditures of Federal Awards			<u>\$ 7,587,351</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

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

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures 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 fair market value of the commodities received and disbursed.

Note 4 - Subrecipient Monitoring

No awards were passed through to subrecipients.

Note 5 - De Minimis Cost Rate

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

Note 6 - Loan Balances

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

Note 7 - 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	\$ 2,602,362
CARES Act Fund	1,736,246
Library Fund	12,657
Less: Payments in lieu of taxes	(9,897)
Less: BAB Subsidy	(65,396)
Total primary government	\$ <u>4,275,972</u>

Component Unit School Board:

School Operating Fund	\$ 2,695,023
School Cafeteria Fund	616,356
Total component unit School Board	\$ <u>3,311,379</u>

Total federal expenditures per basic financial statements \$ 7,587,351

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 7,587,351

COUNTY OF CHARLOTTE, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
84.010	Title I Grants to Local Educational Agencies
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund

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

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings

There are no findings from the prior year.