

COUNTY OF CLARKE, VIRGINIA



FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

COUNTY OF CLARKE, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

COUNTY OF CLARKE, VIRGINIA

Board of Supervisors

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Beverly B. McKay, Vice Chairman

Matthew Bass

Doug Lawrence

Terri T. Catlett

County School Board

Monica Singh-Smith, Chairman
Katie Kerr-Hobert, Vice-Chairman
Renée F. Weir, Clerk

Charles "Chip" Schutte

Zara Ryan

Jonathan Turkel

Board of Social Services

Gerald Dodson, Chairman
Alan Melusen, Vice-Chairman

Barbara Byrd
Lynn Gray
Doug Lawrence

Margaret Legard
James Smith

Other Officials

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Judge of the Circuit Court Alexander R. Iden
Judge of the Circuit Court William W. Eldridge, IV
Judge of the Circuit Court Bruce D. Albertson
Clerk of the Circuit Court.....April Wilkerson
Judge of the General District Court.....Amy Beth Tisinger
Judge of the General District Court.....W. Dale Houff
Judge of the General District Court..... John Stanley Hart, Jr.
Judge of the General District Court..... Ian R.D. Williams
Judge of the Juvenile and Domestic Relations Court Daryl L. Funk
Commonwealth's Attorney Anne M. Williams
Commissioner of the Revenue Donna Peake
Treasurer Sharon Keeler
Sheriff..... Anthony W. Roper
Superintendent of Schools Dr. Chuck Bishop
County Administrator Chris Boies
Director of Joint Administrative Services Thomas J. Judge
Director of Department of Social Services Brittany A. Heine

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Independent Auditors' Report

**To the Honorable Members of
The Board of Supervisors
County of Clarke, Virginia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-10, 82-83, and 84-99 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 Clarke, Virginia's basic financial statements. The other supplementary information and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2021, on our consideration of the County of Clarke, 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 Clarke, 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 Clarke, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

(Charlottesville, Virginia)

March 3, 2021

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County of Clarke, Virginia Management's Discussion and Analysis

As management of the County of Clarke (the "County"), 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, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the County (excluding component units) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$29.0 million (*net position*). Of this amount, \$12.3 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$2.3 million, of which the governmental activities accounted for 100% of the increase.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$512,484. The Fiscal Policy of Clarke County requires that certain financial designations of General Fund balance be maintained. These financial designations are reported as assigned fund balance of \$11,902,521 and are comprised of the numerous designations. Liquidity and stabilization funds comprise \$4,572,034. Saving for pay-as-you-go capital expenditures comprises \$1,864,759. A total of \$5,215,728 is assigned for other requests. \$250,000 is assigned for compensated absences.
- The County's total long-term obligations decreased by \$1,121,954 (3.9%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the County may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the County may have used previously accumulated funds.

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 this 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).

Overview of the Financial Statements (Continued)

Government-wide financial statements: (Continued)

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 administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development, and education. The County did not operate any business-type activities.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board, a legally separate industrial development authority and a legally separate sanitary authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 11 through 13 of this report.

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, like other state and 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County reports ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Virginia Public Assistance Fund and the School Debt Service Fund, all of which are considered to be major funds. Data from the other County funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Overview of the Financial Statements (Continued)

Fund financial statements: (Continued)

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 18 of this report.

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. The notes to the financial statements can be found on pages 19 through 81 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the general fund and VPA special revenue fund. Required supplementary information can be found on pages 82 through 99 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 100 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29.0 million at the close of the most recent fiscal year. A large portion of the County's net position (\$16.7 million, 57.7% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

Government-Wide Financial Analysis (Continued)

The following table provides a comparative summary of the County’s Statement of Net Position:

**County of Clarke, Virginia
Summary of Net Position
As of June 30, 2020 and 2019**

	Governmental Activities	
	2020	2019
Current and other assets	\$ 27,685,843	\$ 24,895,914
Capital assets	41,134,690	42,534,743
Total assets	\$ 68,820,533	\$ 67,430,657
Deferred outflows of resources	\$ 960,799	\$ 472,512
Long-term liabilities outstanding	\$ 27,385,804	\$ 28,507,758
Other liabilities	1,400,912	892,606
Total liabilities	\$ 28,786,716	\$ 29,400,364
Deferred inflows of resources	\$ 11,948,791	\$ 11,709,374
Net position:		
Net investment in capital assets	\$ 16,745,248	\$ 16,504,787
Restricted	6,510	6,510
Unrestricted	12,294,067	10,282,134
Total net position	\$ 29,045,825	\$ 26,793,431

An additional portion of the County’s net position (\$6,510) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$12.3 million) may be used to meet the County’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position.

As noted previously, the County’s net position increased by \$2.3 million during the current fiscal year. This is largely attributable to a decrease in capital expenditures related to education.

Government-Wide Financial Analysis (Continued)

Governmental activities increased the County’s net position by \$2.3 million. The following table summarizes the County’s Statement of Activities:

**County of Clarke, Virginia
Changes in Net Position
Years Ended June 30, 2020 and 2019**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,386,641	\$ 1,747,714
Operating grants and contributions	2,783,644	2,724,960
Capital grants and contributions	385,747	529,937
General revenues:		
Property taxes	21,658,983	21,340,980
Other taxes	2,345,551	2,005,268
Unrestricted revenues from the use of money and property	188,405	166,957
Miscellaneous	314,415	237,274
Grants and contributions not restricted to specific programs	<u>3,687,357</u>	<u>2,965,641</u>
Total revenues	<u>\$ 32,750,743</u>	<u>\$ 31,718,731</u>
Expenses:		
General governmental administration	\$ 2,819,934	\$ 2,432,025
Judicial administration	809,978	815,472
Public safety	5,789,312	5,018,338
Public works	1,462,313	1,356,634
Health and welfare	2,139,568	2,177,021
Parks, recreation, and cultural	1,153,029	1,221,501
Community development	676,267	1,114,874
Interest on long-term debt	1,101,459	1,165,960
Education	<u>14,546,489</u>	<u>25,626,015</u>
Total expenses	<u>\$ 30,498,349</u>	<u>\$ 40,927,840</u>
Increase (decrease) in net position	<u>\$ 2,252,394</u>	<u>\$ (9,209,109)</u>
Net position - beginning of year	<u>26,793,431</u>	<u>36,002,540</u>
Net position - end of year	<u><u>\$ 29,045,825</u></u>	<u><u>\$ 26,793,431</u></u>

Generally, net position changes are for the difference between revenues and expenses. Key elements of this net increase are as follows:

- Overall stabilization in operating expenses.
- Decrease in capital expenditures.

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13.0 million, an increase of \$1.6 million in comparison with the prior year. Of this total amount, \$12.6 million or 97% constitutes *assigned and unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it has already been committed to a specific purpose.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$12.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 48.7% of total General Fund expenditures. This is a common measure for the strength of the County's equity and an overall indicator of a healthy financial condition.

Restricted fund balance of \$6,510 for the swim team and pool in the Parks Construction Fund is included in other governmental funds.

General Fund Budgetary Highlights

There was an increase of \$1,777,774 between the original budget and the final amended budgeted expenditures. The majority of this increase was for local transfer to the School Board.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$41.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and construction in progress. Major capital asset events during the current fiscal year included the following:

- Purchase of several Sheriff vehicles
- Completion of Citizen's Convenience Center

Capital Asset and Debt Administration (Continued)

Capital assets, net of accumulated depreciation, are illustrated in the following table:

	Governmental Activities	
	2020	2019
Land	\$ 857,713	\$ 857,713
Buildings	37,660,915	38,877,966
Improvements	1,414,830	593,342
Machinery & Equipment	689,035	777,442
Construction in progress	512,197	1,428,280
Total	\$ 41,134,690	\$ 42,534,743

Additional information on the County's capital assets can be found in note 6 on pages 33 through 34 of this report.

Long-term debt: At the end of the current fiscal year, the County had total outstanding debt of \$27.4 million and details are summarized in the following table:

	Governmental Activities	
	2020	2019
Bonds payable:		
General obligation bonds	\$ 20,295,000	\$ 21,640,000
Premiums and discounts	138,568	160,318
Lease revenue bond	3,820,862	3,912,875
Net OPEB liabilities	893,774	796,957
Capital leases	135,012	316,763
Net pension liability	1,398,730	1,125,050
Compensated absences	703,858	555,795
Total	\$ 27,385,804	\$ 28,507,758

Additional information on the County's long-term debt can be found in Note 8.

Economic Factors and Next Year's Budgets and Rates

- The impact of COVID-19 on revenues and expenses is still somewhat uncertain. The revenue outlook was strong before the pandemic hit. Federal financial assistance related to COVID-19 is expected to offset any unexpected costs which result because of the pandemic.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Joint Administrative Services, County of Clarke, 317 W. Main Street, Suite B, Berryville, VA 22611.

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BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Position
June 30, 2020

	Primary Government Governmental Activities	Component Units		
		School Board	Clarke County Sanitary Authority	Industrial Development Authority
ASSETS				
Cash and cash equivalents	\$ 11,381,961	\$ 1,688,799	\$ 802,820	\$ 39,199
Receivables (net of allowance for uncollectibles):				
Taxes receivable	14,217,636	-	-	-
Accounts receivable	203,881	34,311	181,176	-
Notes receivable	3,577	-	-	-
Due from agency fund	233,394	-	-	-
Due from component unit	2,966	-	-	-
Due from other governmental units	1,678,227	654,543	-	-
Inventories	18,801	-	-	-
Prepaid items	-	54,440	-	1,340
Investments	-	-	-	102,871
Notes receivable - net of current portion	910	-	-	-
Net pension asset	-	206,816	-	-
Capital assets (net of accumulated depreciation):				
Land	857,713	3,054,699	13,200	-
Buildings	37,660,915	15,477,499	-	-
Improvements other than buildings	1,414,830	621,760	-	-
Equipment	689,035	2,021,264	-	-
Utility plant in service	-	-	8,372,203	-
Construction in progress	512,197	-	-	-
Total assets	<u>\$ 68,876,043</u>	<u>\$ 23,814,131</u>	<u>\$ 9,369,399</u>	<u>\$ 143,410</u>
DEFERRED OUTFLOW OF RESOURCES				
Pension related items	\$ 825,793	\$ 4,053,374	\$ -	\$ -
OPEB related items	135,006	526,004	-	-
Total deferred outflows of resources	<u>\$ 960,799</u>	<u>\$ 4,579,378</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Reconciled overdraft	\$ 55,510	\$ 50,672	\$ -	\$ -
Accounts payable	405,721	251,492	27,651	-
Accrued liabilities	22,064	2,114,739	-	-
Customers' deposits	-	-	6,250	-
Accrued interest payable	438,197	-	3,408	-
Due to primary government	-	2,966	-	-
Unearned revenue	534,930	-	-	-
Long-term liabilities:				
Due within one year	1,633,880	45,304	333,475	-
Due in more than one year	25,751,924	24,435,121	2,895,397	-
Total liabilities	<u>\$ 28,842,226</u>	<u>\$ 26,900,294</u>	<u>\$ 3,266,181</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	\$ 11,363,739	\$ -	\$ -	\$ -
Pension related items	553,648	2,114,479	-	-
OPEB related items	31,404	163,256	-	-
Total deferred inflows of resources	<u>\$ 11,948,791</u>	<u>\$ 2,277,735</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 16,745,248	\$ 21,175,222	\$ 5,156,531	\$ -
Restricted				
Swim team	4,851	-	-	-
Pool	1,659	-	-	-
Unrestricted	12,294,067	(21,959,742)	946,687	143,410
Total net position	<u>\$ 29,045,825</u>	<u>\$ (784,520)</u>	<u>\$ 6,103,218</u>	<u>\$ 143,410</u>

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

COUNTY OF CLARKE, VIRGINIA

Statement of Activities
 For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,819,934	\$ 87,919	\$ 220,229	\$ -
Judicial administration	809,978	1,438	382,904	-
Public safety	5,789,312	728,106	1,099,926	216,345
Public works	1,462,313	304,613	-	-
Health and welfare	2,139,568	-	1,076,085	-
Education	14,546,489	-	-	107,745
Parks, recreation, and cultural	1,153,029	264,565	-	-
Community development	676,267	-	4,500	61,657
Interest on long-term debt	1,101,459	-	-	-
Total governmental activities	\$ 30,498,349	\$ 1,386,641	\$ 2,783,644	\$ 385,747
Total primary government	\$ 30,498,349	\$ 1,386,641	\$ 2,783,644	\$ 385,747
COMPONENT UNITS:				
School Board	\$ 26,418,538	\$ 590,657	\$ 10,478,595	\$ -
Clarke County Sanitary Authority	945,879	1,142,764	510	-
Clarke County Industrial Development Authority	19,753	7,459	-	-
Total component units	\$ 27,384,170	\$ 1,740,880	\$ 10,479,105	\$ -
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use tax				
Consumer utility tax				
Taxes on recordation and wills				
Motor vehicle licenses				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Contribution from County of Clarke				
Total general revenues				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government	Component Units			
Governmental Activities	School Board	Clarke County Sanitary Authority	Industrial Development Authority	
\$ (2,511,786)	\$ -	\$ -	\$ -	\$ -
(425,636)	-	-	-	-
(3,744,935)	-	-	-	-
(1,157,700)	-	-	-	-
(1,063,483)	-	-	-	-
(14,438,744)	-	-	-	-
(888,464)	-	-	-	-
(610,110)	-	-	-	-
(1,101,459)	-	-	-	-
<u>\$ (25,942,317)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (25,942,317)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (15,349,286)	\$ -	\$ -	\$ -
-	-	197,395	-	-
-	-	-	(12,294)	-
<u>\$ -</u>	<u>\$ (15,349,286)</u>	<u>\$ 197,395</u>	<u>\$ (12,294)</u>	<u>\$ -</u>
\$ 21,658,983	\$ -	\$ -	\$ -	\$ -
1,281,009	-	-	-	-
351,339	-	-	-	-
331,018	-	-	-	-
296,285	-	-	-	-
85,900	-	-	-	-
188,405	49,291	3,617	-	-
314,415	150,159	154,835	-	-
3,687,357	-	-	-	-
-	14,528,693	200,000	-	-
<u>\$ 28,194,711</u>	<u>\$ 14,728,143</u>	<u>\$ 358,452</u>	<u>\$ -</u>	<u>\$ -</u>
2,252,394	(621,143)	555,847	(12,294)	-
26,793,431	(163,377)	5,547,371	155,704	-
<u>\$ 29,045,825</u>	<u>\$ (784,520)</u>	<u>\$ 6,103,218</u>	<u>\$ 143,410</u>	<u>\$ -</u>

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Fund Financial Statements

Balance Sheet
 Governmental Funds
 June 30, 2020

	General	Virginia Public Assistance	School Debt Service	Other Govern- mental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 10,746,730	\$ 61,108	\$ -	\$ 574,123	\$ 11,381,961
Receivables (net of allowance for uncollectibles):					
Taxes receivable	14,217,636	-	-	-	14,217,636
Accounts receivable	148,371	-	55,510	-	203,881
Due from other funds	162,095	-	-	-	162,095
Due from agency fund	233,394	-	-	-	233,394
Due from component unit	2,966	-	-	-	2,966
Due from other governmental units	1,567,064	98,009	-	13,154	1,678,227
Inventories	18,801	-	-	-	18,801
Total assets	<u>\$ 27,097,057</u>	<u>\$ 159,117</u>	<u>\$ 55,510</u>	<u>\$ 587,277</u>	<u>\$ 27,898,961</u>
LIABILITIES					
Reconciled overdraft	\$ -	\$ -	\$ 55,510	\$ -	\$ 55,510
Accounts payable	340,324	10,176	-	55,221	405,721
Accrued liabilities	22,064	-	-	-	22,064
Due to other funds	-	148,941	-	13,154	162,095
Unearned revenue	534,930	-	-	-	534,930
Total liabilities	<u>\$ 897,318</u>	<u>\$ 159,117</u>	<u>\$ 55,510</u>	<u>\$ 68,375</u>	<u>\$ 1,180,320</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	<u>\$ 13,765,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,765,933</u>
FUND BALANCES:					
Nonspendable:					
Inventory	\$ 18,801	\$ -	\$ -	\$ -	\$ 18,801
Restricted:					
Swim team	-	-	-	4,851	4,851
Pool	-	-	-	1,659	1,659
Committed:					
Community development	-	-	-	278,893	278,893
Public safety expenditures	-	-	-	79,457	79,457
Assigned:					
Capital projects	-	-	-	154,042	154,042
Other (Note 15)	11,902,521	-	-	-	11,902,521
Unassigned	512,484	-	-	-	512,484
Total fund balances	<u>\$ 12,433,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,902</u>	<u>\$ 12,952,708</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,097,057</u>	<u>\$ 159,117</u>	<u>\$ 55,510</u>	<u>\$ 587,277</u>	<u>\$ 27,898,961</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, 2020

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	12,952,708	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			41,134,690
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
Unavailable property taxes			2,402,194
Long-term note receivable is not available to pay for current period expenditures and, therefore, is not reported in the funds.			4,487
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid.			(438,197)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	825,793	
OPEB related items		<u>135,006</u>	960,799
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(553,648)	
OPEB related items		<u>(31,404)</u>	(585,052)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			<u>(27,385,804)</u>
Net position of governmental activities	\$		<u><u>29,045,825</u></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, 2020

	General	Virginia Public Assistance	School Debt Service	Total Nonmajor Governmental Funds	Total
REVENUES					
General property taxes	\$ 21,185,431	\$ -	\$ -	\$ 3,125	\$ 21,188,556
Other local taxes	2,345,551	-	-	-	2,345,551
Permits, privilege fees, and regulatory licenses	323,687	-	-	-	323,687
Fines and forfeitures	233,648	-	-	-	233,648
Revenue from the use of money and property	184,772	-	-	3,633	188,405
Charges for services	819,396	-	-	9,910	829,306
Miscellaneous	139,527	-	105,494	72,866	317,887
Recovered costs	91,987	132	-	-	92,119
Intergovernmental:					
Commonwealth	4,516,199	309,525	-	385,477	5,211,201
Federal	876,856	643,718	107,745	17,228	1,645,547
Total revenues	<u>\$ 30,717,054</u>	<u>\$ 953,375</u>	<u>\$ 213,239</u>	<u>\$ 492,239</u>	<u>\$ 32,375,907</u>
EXPENDITURES					
Current:					
General government administration	\$ 2,347,142	\$ -	\$ -	\$ -	\$ 2,347,142
Judicial administration	711,005	-	-	-	711,005
Public safety	5,204,195	-	-	27,528	5,231,723
Public works	1,261,127	-	-	-	1,261,127
Health and welfare	586,432	1,310,392	-	228,734	2,125,558
Education	13,718,076	-	-	-	13,718,076
Parks, recreation, and cultural	1,052,845	-	-	-	1,052,845
Community development	608,345	-	-	72,071	680,416
Nondepartmental	23,720	-	-	-	23,720
Capital projects	-	-	-	869,517	869,517
Debt service:					
Principal retirement	-	-	1,525,776	92,013	1,617,789
Interest and other fiscal charges	-	-	993,329	159,687	1,153,016
Total expenditures	<u>\$ 25,512,887</u>	<u>\$ 1,310,392</u>	<u>\$ 2,519,105</u>	<u>\$ 1,449,550</u>	<u>\$ 30,791,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,204,167</u>	<u>\$ (357,017)</u>	<u>\$ (2,305,866)</u>	<u>\$ (957,311)</u>	<u>\$ 1,583,973</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 357,017	\$ 2,305,866	\$ 1,012,979	\$ 3,675,862
Transfers out	(3,675,862)	-	-	-	(3,675,862)
Total other financing sources (uses)	<u>\$ (3,675,862)</u>	<u>\$ 357,017</u>	<u>\$ 2,305,866</u>	<u>\$ 1,012,979</u>	<u>\$ -</u>
Net change in fund balances	\$ 1,528,305	\$ -	\$ -	\$ 55,668	\$ 1,583,973
Fund balances - beginning	10,905,501	-	-	463,234	11,368,735
Fund balances - ending	<u>\$ 12,433,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,902</u>	<u>\$ 12,952,708</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, 2020

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

Net change in fund balances - total governmental funds \$ 1,583,973

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

Capital outlay	\$	194,184	
Depreciation expense		(765,824)	
Joint tenancy asset transfer		(828,413)	(1,400,053)

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

Property taxes \$ 470,427

The issuance of notes receivable requires the use of current financial resources, while the receipt of payments on these notes provides current financial resources to governmental funds. However, these transactions have no effect on net position. This amount is the net effect of these differences in the treatment of long-term assets.

Principal payments received (3,472)

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

Principal retired	\$	1,618,764	
Bond discount amortization		(2,112)	
Bond premium amortization		23,862	1,640,514

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.

(Increase)/decrease in compensated absences	\$	(148,063)	
Pension expense		98,212	
OPEB expense		(17,976)	
(Increase)/decrease in accrued interest payable		28,832	(38,995)

Change in net position of governmental activities \$ 2,252,394

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 344,484
Taxes receivable	500
Due from other governments	<u>288,229</u>
Total assets	<u>\$ 633,213</u>
LIABILITIES	
Reconciled overdraft	\$ 60
Accounts payable	16,505
Amounts held for Town	172,436
Sales tax payable to other towns	54,836
Income tax payable to the state	440
Due to other funds	233,393
Amounts held for social services clients	64,140
Accrued liabilities	<u>91,403</u>
Total liabilities	<u>\$ 633,213</u>

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020

Note 1—Summary of Significant Accounting Policies:

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

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

Government-wide and Fund Financial Statements

Management's Discussion and Analysis - The financial statements are accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

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

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

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

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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

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

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

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. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit: The Conservation Easement Authority is reported as a blended component unit.

Discretely Presented Component Units:

The School Board members are elected by the citizens of Clarke County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding of the School Board is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2020.

The Clarke County Sanitary Authority is responsible for water and sewer treatment for many citizens in Clarke County. The Sanitary Authority consists of five members appointed by the Board of Supervisors. The Board of Supervisors has the ability to impose its will on the Sanitary Authority and therefore it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2020. The Sanitary Authority does not issue a separate financial report.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

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

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units: (Continued)

The Clarke County Industrial Development Authority is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2020. The Authority does not issue a separate financial report.

C. Other Related Organizations

Included in the County's Financial Report

None

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 does the proprietary fund. The fiduciary fund financial statements have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized 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.

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

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

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

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

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The 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.

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

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

1. Governmental Funds: (Continued)

b. Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Virginia Public Assistance Fund is considered a major fund. The CSA Fund, Drug Enforcement Fund, Animal Care Fund, Shenandoah Farms Sanitary District, and Conservation Easement Fund are considered nonmajor funds.

c. Capital Projects Fund

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The General Government Capital Projects Fund and Parks Construction Fund are considered nonmajor funds.

d. Debt Service Funds

The Debt Service Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service. The School Debt Service Fund is considered a major fund. The Primary Government Debt Service Fund is considered a nonmajor fund.

2. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency 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 Agency Funds consisting of the Special Welfare Fund, Town of Berryville, Undistributed Local Sales Tax, Cafeteria Plan Withholding, and the Unemployment Compensation Benefits. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds utilize the accrual basis of accounting.

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

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

3. Component Unit:

The Clarke 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 Clarke and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

School Food Service 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 Capital Projects Proffers Fund: Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. This fund is considered a nonmajor fund.

School Capital Projects Fund - This fund accounts for all financial resources used for the acquisition or construction of major capital needs. This fund is considered a major fund.

E. Cash and Cash Equivalents:

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.

F. Investments

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

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 the interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans).

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

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

G. Receivables and Payables: (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$351,228 at June 30, 2020 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5/December 5 (50% each date)	June 5/December 5 (50% each date)
Lien Date	January 1	January 1

In fiscal year 2020, the due date for the first half of real property and personal property was temporarily moved to June 30 instead of June 5.

The County bills and collects its own property taxes.

H. Capital Assets

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

The Component Unit, Clarke County Sanitary Authority, a proprietary fund type, is required to capitalize its capital assets including the infrastructure constructed.

The Component Unit, Industrial Development Authority of Clarke County, does not have any capital assets to report.

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.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

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

H. Capital Assets: (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Plant, equipment and system	20-45
Motor vehicles	5-10
Equipment	5-15
Infrastructure	25-50

I. Compensated Absences

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

J. Use of Estimates

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

K. Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related 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 also included in this component of net position.

L. Net Position Flow Assumption

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

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

M. Long-term Obligations

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

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

N. 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.

O. Fund Equity

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts 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.

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

O. Fund Equity: (Continued)

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board 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).

P. Deferred Outflows/Inflows of Resources

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

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 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 liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

Q. 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.

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

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

Note 2—Stewardship, Compliance, and Accounting:

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

1. Prior to March 15th, 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 include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the Component Unit 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, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several Supplemental Appropriations were necessary during the fiscal year.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 3—Deposits and Investments:

Deposits

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

Investments

Statutes authorize the County 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 and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

As of June 30, 2020, the County does not have a formal investment policy addressing the various types of risks related to investments.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2020 were rated by *Standard and Poor’s* and the ratings are presented below using the *Standard and Poor’s* rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 118,568
Total	\$ 118,568

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment 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 is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 3—Deposits and Investments: (Continued)

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Investment Type	Investment Maturity (in years)	
	Maturity	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 118,568	\$ 118,568
Total	\$ 118,568	\$ 118,568

Note 4—Due from Other Governments:

At June 30, 2020 the County has receivables from other governments as follows:

	Primary Government	Component Unit
		School Board
Commonwealth of Virginia:		
Virginia Public Assistance funds	\$ 36,202	\$ -
State sales tax	-	320,601
Constitutional officer reimbursements	110,692	-
PPTRA	1,212,896	-
Communication taxes	58,401	-
Children's Services Act	13,154	-
School fund grants	-	20,781
Other general grants	43,790	-
Federal Government:		
Virginia Public Assistance funds	61,807	-
Other general grants	141,285	-
School fund grants	-	313,161
Total due from other governments	\$ 1,678,227	\$ 654,543

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 5—Interfund Obligations:

Details of the Primary Government's interfund receivables and payables as of June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary Government:		
General	\$ 398,455	\$ -
Children's Services Act	-	13,154
Virginia Public Assistance	-	148,941
	<u> </u>	<u> </u>
Total Primary Government	\$ <u>398,455</u>	\$ <u>162,095</u>
Component Unit - School Board:		
School Operating Fund	\$ -	\$ 2,966
	<u> </u>	<u> </u>
Total Component Unit	\$ <u>-</u>	\$ <u>2,966</u>
Agency Funds:		
Undistributed Local Sales Tax Fund	\$ -	\$ 233,394
	<u> </u>	<u> </u>
Total Agency Funds	\$ <u>-</u>	\$ <u>233,394</u>
Grand Total	\$ <u>398,455</u>	\$ <u>398,455</u>

The above interfund obligations represent temporary advances between funds or amounts allocable to one fund and not yet transferred between the funds.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 6—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Joint Tenancy Transfer (Net)	Balance June 30, 2020
Primary Government:					
Capital assets not being depreciated:					
Land	\$ 857,713	\$ -	\$ -	\$ -	\$ 857,713
Construction in Progress	1,428,280	-	916,083	-	512,197
Total capital assets not being depreciated	<u>\$ 2,285,993</u>	<u>\$ -</u>	<u>\$ 916,083</u>	<u>\$ -</u>	<u>\$ 1,369,910</u>
Capital assets being depreciated:					
Buildings	\$ 51,591,558	\$ 18,737	\$ -	\$ -	\$ 51,610,295
Improvements other than buildings	1,795,735	902,303	-	-	2,698,038
Equipment	4,104,806	189,227	69,894	-	4,224,139
Total capital assets being depreciated	<u>\$ 57,492,099</u>	<u>\$ 1,110,267</u>	<u>\$ 69,894</u>	<u>\$ -</u>	<u>\$ 58,532,472</u>
Accumulated depreciation:					
Buildings	\$ 12,713,592	\$ 407,375	\$ -	\$ 828,413	\$ 13,949,380
Improvements other than buildings	1,202,393	80,815	-	-	1,283,208
Equipment	3,327,364	277,634	69,894	-	3,535,104
Total accumulated depreciation	<u>\$ 17,243,349</u>	<u>\$ 765,824</u>	<u>\$ 69,894</u>	<u>\$ 828,413</u>	<u>\$ 18,767,692</u>
Total capital assets being depreciated, net	<u>\$ 40,248,750</u>	<u>\$ 344,443</u>	<u>\$ -</u>	<u>\$ (828,413)</u>	<u>\$ 39,764,780</u>
Net capital assets governmental activities	<u>\$ 42,534,743</u>	<u>\$ 344,443</u>	<u>\$ 916,083</u>	<u>\$ (828,413)</u>	<u>\$ 41,134,690</u>
Component Unit-School Board:					
Capital assets not being depreciated:					
Land	\$ 3,054,699	\$ -	\$ -	\$ -	\$ 3,054,699
Total capital assets not being depreciated	<u>\$ 3,054,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,054,699</u>
Capital assets being depreciated:					
Buildings	\$ 28,282,328	\$ 282,150	\$ 89,676	\$ -	\$ 28,474,802
Improvements other than buildings	713,910	98,626	-	-	812,536
Equipment	6,002,849	189,515	112,827	-	6,079,537
Total capital assets being depreciated	<u>\$ 34,999,087</u>	<u>\$ 570,291</u>	<u>\$ 202,503</u>	<u>\$ -</u>	<u>\$ 35,366,875</u>
Accumulated depreciation:					
Buildings	\$ 12,285,236	\$ 1,623,075	\$ 82,595	\$ (828,413)	\$ 12,997,303
Improvements other than buildings	158,887	31,889	-	-	190,776
Equipment	3,819,413	351,687	112,827	-	4,058,273
Total accumulated depreciation	<u>\$ 16,263,536</u>	<u>\$ 2,006,651</u>	<u>\$ 195,422</u>	<u>\$ (828,413)</u>	<u>\$ 17,246,352</u>
Total capital assets being depreciated, net	<u>\$ 18,735,551</u>	<u>\$ (1,436,360)</u>	<u>\$ 7,081</u>	<u>\$ 828,413</u>	<u>\$ 18,120,523</u>
Net capital assets component unit school board	<u>\$ 21,790,250</u>	<u>\$ (1,436,360)</u>	<u>\$ 7,081</u>	<u>\$ 828,413</u>	<u>\$ 21,175,222</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 6—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 248,942
Judicial administration	59,625
Public safety	229,535
Public works	117,695
Health and welfare	33,073
Parks, recreation and cultural	76,954
Total Governmental activities	<u>\$ 765,824</u>
Component Unit School Board	<u>\$ 2,006,651</u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Clarke, Virginia for the year ended June 30, 2020 is that school financed assets in the amount of \$35,542,393 are reported in the Primary Government for financial reporting purposes. Unspent bond proceeds reported as restricted cash and proceeds from the issuance of long-term debt are reported in the School Capital Projects Fund of the Component Unit School Board in the fund financial statements and are reported within the Primary Government in the government-wide financial statements.

Component Unit-Sanitary Authority:

A summary of the component unit Sanitary Authority property, plant, and equipment at June 30, 2020 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 13,200	\$ -	\$ -	\$ 13,200
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>\$ 13,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,200</u>
Capital Assets being depreciated:				
Utility plant and equipment	\$ 13,427,583	\$ 5,730	\$ -	\$ 13,433,313
Accumulated depreciation	(4,726,561)	(334,549)	-	(5,061,110)
Total capital assets being depreciated, net	<u>\$ 8,701,022</u>	<u>\$ (328,819)</u>	<u>\$ -</u>	<u>\$ 8,372,203</u>
Capital assets, net	<u>\$ 8,714,222</u>	<u>\$ (328,819)</u>	<u>\$ -</u>	<u>\$ 8,385,403</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 7—Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 3,675,862
Conservation Easement Fund	15,000	-
School Debt Service	2,305,866	-
County Capital Improvements	660,004	-
Virginia Public Assistance	357,017	-
Children's Services Act	96,185	-
General Debt Service	241,790	-
	<u>3,675,862</u>	<u>3,675,862</u>
Total	<u>\$ 3,675,862</u>	<u>\$ 3,675,862</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

Note 8—Long-Term Obligations:

Primary Government:

A summary of long-term obligations is as follows:

	<u>Balance July 1, 2019</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 555,795	\$ 203,643	\$ 55,580	\$ 703,858	\$ 70,386
Net pension liability	1,125,050	2,506,393	2,232,713	1,398,730	-
Net OPEB liabilities	796,957	210,377	113,560	893,774	-
Direct borrowings and direct placements:					
Lease revenue bond	3,912,875	-	92,013	3,820,862	95,891
Total incurred by County	<u>\$ 6,390,677</u>	<u>\$ 2,920,413</u>	<u>\$ 2,493,866</u>	<u>\$ 6,817,224</u>	<u>\$ 166,277</u>
Incurred by School Board:					
Direct borrowings and direct placements:					
General obligation bonds	\$ 21,640,000	\$ -	\$ 1,345,000	\$ 20,295,000	\$ 1,395,000
Capital leases	316,763	-	181,751	135,012	52,145
Total Incurred by School Board	<u>\$ 21,956,763</u>	<u>\$ -</u>	<u>\$ 1,526,751</u>	<u>\$ 20,430,012</u>	<u>\$ 1,447,145</u>
Premiums on bonds issued	\$ 174,826	\$ -	\$ 23,862	\$ 150,964	\$ 22,438
Discount on bonds issued	(14,508)	-	(2,112)	(12,396)	(1,980)
Total Governmental Activities Obligations	<u>\$ 28,507,758</u>	<u>\$ 2,920,413</u>	<u>\$ 4,042,367</u>	<u>\$ 27,385,804</u>	<u>\$ 1,633,880</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30,	County		School Board			
	RDA Lease Revenue Bond		Bonds and Literary Loans		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 95,891	\$ 155,809	\$ 1,395,000	\$ 920,349	\$ 52,145	\$ 4,909
2022	99,922	151,778	1,450,000	856,051	54,402	2,652
2023	104,122	147,578	1,510,000	788,186	28,465	450
2024	108,500	143,200	1,570,000	717,518	-	-
2025	113,061	138,639	1,640,000	642,846	-	-
2026-2030	640,723	617,777	9,170,000	1,959,012	-	-
2031-2035	787,209	471,291	3,560,000	149,668	-	-
2036-2040	967,185	291,315	-	-	-	-
2041-2044	904,249	76,101	-	-	-	-
Total	<u>\$ 3,820,862</u>	<u>2,193,488</u>	<u>\$ 20,295,000</u>	<u>\$ 6,033,630</u>	<u>\$ 135,012</u>	<u>\$ 8,011</u>

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Direct Placements:</u>	
<u>Lease Revenue Bond:</u>	
\$4,822,000 lease revenue bond for capital projects issued May 16, 2007 due in monthly installments of \$20,975 commencing May 16, 2009 payable through May 16, 2044 including interest at 4.125%.	\$ <u>3,820,862</u>
<u>Virginia Public School Authority (VPSA) Bonds:</u>	
\$410,000 Series A issued November 10, 2004 due in annual principal installments of varying amounts through July 15, 2024, and interest payments between 4.6% and 5.6% due July 15 and January 15 of each year through July 15, 2024	\$ 100,000
\$29,200,000 plus a premium of \$635,208 Series 2006B issued November 9, 2006 due in annual principal installments varying from \$800,000 to \$1,565,000 through January 26, 2026; interest payable at rates between 4.225% to 5.1% due January 15 and July 15 each year through January 26, 2026	14,125,000

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<u>Virginia Public School Authority (VPSA) Bonds: (Continued)</u>	
\$7,395,000 less a discount of \$35,137 Series 2010 B Build America Bonds issued under the American Recovery and Reinvestment Act of 2009 on May 13, 2010. Interest only payments due semi-annually through January 15, 2017; principal and interest payments due semi-annually beginning July 15, 2017 through July 15, 2030. Interest rate varies between 3.854% to 5.562% and is offset by a 35% federal interest subsidy received semi-annually.	\$ 6,070,000
Total Virginia Public School Authority Bonds	\$ 20,295,000
<u>Capital Leases:</u>	
\$630,000 capital lease for elementary school gym, dated October 4, 2007 due in quarterly installments of principal and interest of \$14,264, interest at 4.26%	\$ 135,012
Total Capital Leases	\$ 135,012
Compensated absences	\$ 703,858
Net pension liability	\$ 1,398,730
Net OPEB liabilities	\$ 893,774
Premium on bonds issued	\$ 150,964
Discount on bonds issued	\$ (12,396)
Total Primary Government	\$ 27,385,804

Upon the occurrence of certain events or upon certain conditions, in the manner and with the effect set forth in the Bond Purchase Agreement, the principal of the lease revenue bond, together with any accrued interest, may become or may be declared due and payable before its stated maturity.

In the event of a default of any Local School Bond, a "State Aid Intercept" provision (§ 15.2-2659 of the Code of Virginia) provides for a diversion to the holder of its local school bonds of all funds appropriated and payable to the Local Issuer by the Commonwealth.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

The assets acquired through capital leases are as follows:

Asset:		
Machinery and equipment	\$	55,690
Building improvements		2,217,749
Less: Accumulated depreciation		(1,650,200)
Total	\$	<u>623,239</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

<u>Year ending June 30</u>		<u>Component Unit - School Board</u>
2021	\$	57,054
2022		57,054
2023		28,915
Total minimum lease payments		<u>143,023</u>
Less: amount representing interest		(8,011)
Present value of minimum lease payments	\$	<u>135,012</u>

Component Unit—School Board:

The following is a summary of long-term debt transactions of the Component Unit—School Board for the year ended June 30, 2020:

	<u>Balance July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 474,559	\$ -	\$ 21,518	\$ 453,041	\$ 45,304
Net OPEB liabilities	4,148,012	756,087	545,184	4,358,915	-
Net pension liability	<u>17,860,000</u>	<u>6,082,370</u>	<u>4,273,901</u>	<u>19,668,469</u>	-
Total	<u>\$ 22,482,571</u>	<u>\$ 6,838,457</u>	<u>\$ 4,840,603</u>	<u>\$ 24,480,425</u>	<u>\$ 45,304</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—Sanitary Authority:

The following is a summary of long-term debt transactions of the Component Unit—Sanitary Authority for the year ended June 30, 2020:

Changes in Long-Term Obligations:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Issuances/</u> <u>Increases</u>	<u>Retirements/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Direct borrowings and direct placements:					
General Obligation Bond	\$ 430,819	\$ -	\$ 33,140	\$ 397,679	\$ 33,140
Notes payable	3,130,204	-	299,011	2,831,193	300,335
Net pension liability	<u>9,072</u>	<u>165,370</u>	<u>174,442</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 3,570,095</u>	<u>\$ 165,370</u>	<u>\$ 506,593</u>	<u>\$ 3,228,872</u>	<u>\$ 333,475</u>

Details of long-term indebtedness:

	<u>Amount</u> <u>Outstanding</u>
Water Operating Fund:	
<u>Direct Borrowings and Direct Placements:</u>	
<u>General Obligation Bond:</u>	
\$997,000 water system revenue bonds issued August 21, 2001 due in semi-annual installments of \$16,570 beginning September 1, 2002 through August 1, 2031. No interest.	\$ 397,679
<u>Notes Payable:</u>	
Note payable to VRA for the grouting project. Due June 2032. \$940 payable semiannually. No interest.	23,501
Note payable to VRA for new Boyce to Millwood line. Due June 2032. \$3,125 payable semiannually. No interest.	81,250
\$600,000 note payable to Bank of Clarke County issued February 27, 2015, due in semiannual installments of \$27,647 - \$20,259 payable through February 27, 2030, including 2.57% interest	400,000
\$787,546 note payable to VRA issued September 2, 2005 due in semiannual installments of \$26,792 payable through July 1, 2026, including 3.00% interest	<u>292,234</u>
Total Water Fund	<u>\$ 1,194,664</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—Sanitary Authority: (Continued)

Details of long-term indebtedness: (Continued)

	<u>Amount Outstanding</u>
Boyce Wastewater Facility	
<u>Direct Borrowings and Direct Placements:</u>	
<u>Notes Payable:</u>	
Note payable to VRA for the Millwood Sewer project. Due June 2032. \$9,602 payable semiannually. No interest.	\$ 249,657
\$3,761,429 note payable to VRA issued October 1, 2008 due in semi-annual installments of \$93,924 payable through November 1, 2029. No interest.	<u>1,784,551</u>
Total Boyce Wastewater Facility	<u>\$ 2,034,208</u>
Total Clarke County Sanitary Authority	<u><u>\$ 3,228,872</u></u>

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

Year Ending June 30,	Direct Borrowings and Direct Placements			
	General Obligation Bond		Notes Payable	
	Principal	Interest	Principal	Interest
2021	\$ 33,140	\$ -	\$ 300,335	\$ 18,453
2022	33,140	-	301,700	16,059
2023	33,140	-	303,106	13,625
2024	33,140	-	304,555	11,149
2025	33,140	-	306,047	8,629
2026-2030	165,700	-	1,234,388	15,306
2031-2033	66,279	-	81,062	-
Total	<u>\$ 397,679</u>	<u>\$ -</u>	<u>\$ 2,831,193</u>	<u>\$ 83,221</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 9—Unearned/Deferred/Unavailable Revenue:

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

The following is a summary of unearned/deferred/unavailable revenue for the year ended June 30, 2020:

	<u>Government- wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Primary Government:		
General Fund:		
Deferred/unavailable property tax revenue:		
Deferred/unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 2,402,194
2nd half assessments due in December 2020	11,333,193	11,333,193
Prepaid property taxes due in December 2020, but paid in advance by the taxpayers	<u>30,546</u>	<u>30,546</u>
Total deferred/unavailable revenue	<u>\$ 11,363,739</u>	<u>\$ 13,765,933</u>

Note 10—Commitments and Contingencies:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

Note 11—Pension Plan:

Plan Description

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

Benefit Structures

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

- a. Employees hired 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 hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013 are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

Note 11—Pension Plan: (Continued)

Benefit Structures

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	65	40
Inactive members:		
Vested inactive members	17	13
Non-vested inactive members	19	16
Long-term disability (LTD)	-	-
Inactive members active elsewhere in VRS	41	5
Total inactive members	77	34
Active members	94	39
Total covered employees	<u>236</u>	<u>113</u>

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, 2020 was 8.37% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

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 \$421,269 and \$408,108 for the years ended June 30, 2020 and June 30, 2019, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2020 was 4.17% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

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 \$25,565 and \$24,582 for the years ended June 30, 2020 and June 30, 2019, respectively.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2019. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019.

Actuarial Assumptions - General Employees

The total pension liability (asset) for General Employees in the County's, Component Unit Clarke County Sanitary Authority's, and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

* Administrative expenses as a percent of the market 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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - General Employees: (Continued)

The actuarial assumptions used in the June 30, 2018 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, 2018, 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, 2019.

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 market 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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (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, 2018 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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (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%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

* The above allocation provides a one-year return of 7.63%. 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%. 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.

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, 2019, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2019, the rate contributed by the school division for the

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Discount Rate: (Continued)

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, 2019 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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Primary Government			
Balances at June 30, 2018	\$ 21,630,838	\$ 20,505,788	\$ 1,125,050
Changes for the year:			
Service cost	\$ 528,990	\$ -	\$ 528,990
Interest	1,496,565	-	1,496,565
Differences between expected and actual experience	(379,336)	-	(379,336)
Assumption changes	631,784	-	631,784
Impact in change of proportion	174,442	165,370	9,072
Contributions - employer	-	404,706	(404,706)
Contributions - employee	-	240,158	(240,158)
Net investment income	-	1,382,955	(1,382,955)
Benefit payments, including refunds	(851,559)	(851,559)	-
Administrative expenses	-	(13,551)	13,551
Other changes	-	(873)	873
Net changes	\$ 1,600,886	\$ 1,327,206	\$ 273,680
Balances at June 30, 2019	\$ 23,231,724	\$ 21,832,994	\$ 1,398,730

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Clarke County Sanitary Authority			
Balances at June 30, 2018	\$ 174,442	\$ 165,370	\$ 9,072
Changes for the year:			
Service cost	\$ -	\$ -	\$ -
Interest	-	-	-
Differences between expected and actual experience	-	-	-
Impact in change of proportion	(174,442)	(165,370)	(9,072)
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds	-	-	-
Administrative expenses	-	-	-
Other changes	-	-	-
Net changes	\$ (174,442)	\$ (165,370)	\$ (9,072)
Balances at June 30, 2019	\$ -	\$ -	\$ -
Component School Board (Nonprofessional)			
Balances at June 30, 2018	\$ 3,308,881	\$ 3,641,798	\$ (332,917)
Changes for the year:			
Service cost	\$ 73,772	\$ -	\$ 73,772
Interest	224,572	-	224,572
Differences between expected and actual experience	37,322	-	37,322
Assumption changes	80,351	-	80,351
Contributions - employer	-	24,368	(24,368)
Contributions - employee	-	30,621	(30,621)
Net investment income	-	237,527	(237,527)
Benefit payments, including refunds	(201,418)	(201,418)	-
Administrative expenses	-	(2,451)	2,451
Other changes	-	(149)	149
Net changes	\$ 214,599	\$ 88,498	\$ 126,101
Balances at June 30, 2019	\$ 3,523,480	\$ 3,730,296	\$ (206,816)

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

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

The following presents the net pension liability 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 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 of Clarke - Primary Government			
Net Pension Liability (Asset)	\$ 4,221,098	\$ 1,398,730	\$ (866,287)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	144,457	(206,816)	(490,819)

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

For the year ended June 30, 2020, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$307,468 and \$67,122, respectively. At June 30, 2020, 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	\$ -	\$ 364,667	\$ 19,116	\$ 2,730
Change in assumptions	404,524	-	41,155	-
Net difference between projected and actual earnings on pension plan investments	-	188,981	-	31,594
Employer contributions subsequent to the measurement date	421,269	-	25,565	-
Total	<u>\$ 825,793</u>	<u>\$ 553,648</u>	<u>\$ 85,836</u>	<u>\$ 34,324</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

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

\$421,269 and \$25,565 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
2021	\$ (39,075)	\$ 55,092
2022	(116,081)	(30,932)
2023	(5,227)	(648)
2024	11,259	2,435
2025	-	-
Thereafter	-	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-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, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$1,968,435 and \$1,915,267 for the years ended June 30, 2020 and June 30, 2019, respectively.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

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

At June 30, 2020, the school division reported a liability of \$19,668,469 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion was .14945% as compared to .15187% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized pension expense of \$1,950,267. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2020, 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	\$ -	\$ 1,259,456
Change in assumptions	1,947,640	-
Net difference between projected and actual earnings on pension plan investments	-	431,873
Changes in proportion and differences between employer contributions and proportionate share of contributions	51,463	388,826
Employer contributions subsequent to the measurement date	<u>1,968,435</u>	<u>-</u>
Total	<u>\$ 3,967,538</u>	<u>\$ 2,080,155</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

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

\$1,968,435 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, 2021. 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>	
2021	\$ (109,657)
2022	(477,369)
2023	98,861
2024	275,434
2025	131,679

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

* Administrative expenses as a percent of the market 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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 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, 2018 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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2019, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	49,683,336
Plan Fiduciary Net Position		36,522,769
Employers' Net Pension Liability (Asset)	\$	<u>13,160,567</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		73.51%

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.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 29,609,591	\$ 19,668,469	\$ 11,449,003

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 11—Pension Plan: (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government, Component Unit Clarke County Sanitary Authority, and Component Unit School Board

Aggregate Pension Information

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Liability (Asset)</u>	<u>Pension Expense</u>
VRS Pension Plans:				
Primary Government	\$ 825,793	\$ 553,648	\$ 1,398,730	\$ 307,468
Component Unit School Board:				
School Board Nonprofessional	85,836	34,324	(206,816)	67,122
School Board Professional	3,967,538	2,080,155	19,668,469	1,950,267
Totals	<u>\$ 4,879,167</u>	<u>\$ 2,668,127</u>	<u>\$ 20,860,383</u>	<u>\$ 2,324,857</u>

Note 12—Litigation:

At June 30, 2020, there were no matters of litigation involving the County or which would materially affect the County’s financial position should any court decisions on pending matters not be favorable to the County.

Note 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; injuries to employees; and natural disasters. The County carries a broad range of insurance coverages, which management considers prudent for the protection of the County’s assets and operations. Coverages currently include \$2,000,000 commercial general liability, \$2,000,000 automobile liability, and \$3,000,000 public official’s liability. The property policy provides insurance coverage for all of the County’s real and personal property up to the replacement cost value of the asset.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 14—Conduit Debt:

The County has issued economic development revenue bonds through the Clarke County Industrial Development Authority. All responsibility for the payment of this debt rests with the Borrower. The County and the Authority have no responsibility for the payment of this debt. Outstanding conduit debt obligations are as follows at June 30, 2020:

Description	Original Issue	Outstanding June 30, 2020
Grafton School, Inc.	\$ 9,925,000	\$ 530,000
R-1 Berryville Town bond	2,327,000	1,969,897
R-2 Clarke County bond	4,822,000	3,820,862
	<u>\$ 17,074,000</u>	<u>\$ 6,320,759</u>

Note 15—Assigned Fund Balances:

Fund balances have been assigned for the following purposes:

Liquidity Designation	\$ 3,657,627
Stabilization Designation	914,407
Continuing Appropriations for Capital Projects	1,864,759
Conservation Easements from Government Savings	150,000
Children's Services Act Shortfall	400,000
Parks Master Plan Implementation	230,000
Fire & Rescue	350,000
Government Savings	500,000
Data and Communications Technology	600,000
Leave Liability	250,000
Community Facilities	725,000
Economic Development	150,000
Jack Enders Boulevard Project	102,434
Human Services Space	875,000
School Construction	100,000
Real Estate Assessment Software	30,000
Self Funded Health Insurance Account	500,000
Government Capital Projects	346,605
FY 2021 Original Budget Deficit	156,689
Total	<u>\$ 11,902,521</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 16—Surety Bonds:

	<u>Amount</u>
Travelers Casualty and Surety Company of America	
April Wilkerson, Clerk of the Circuit Court	\$ 135,000
Sharon Keeler, Treasurer	400,000
Donna Peake, Commissioner of the Revenue	3,000
Anthony W. Roper, Sheriff	30,000

Note 17—Postemployment Benefits Other Than Pensions:

Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

The County and School Board provide postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add or delete coverage as they deem appropriate and with the approval of the Board of Supervisors. The plan does not grant retirees vested health benefits. The Plan does not issue separate financial statements.

Benefits Provided

Employees who retire from the County or School Board with service eligible for VRS benefits (Plan 1 - Age 50 and 10 years of service or Age 55 and 5 years of service; Plan 2 - age 60 and 5 years of service; Hazardous duty - age 50 and 5 years of service) and who are participating in the medical coverage are eligible to elect post-retirement coverage. Retirees are eligible to remain on the medical plan with 100% of the premium paid by the retiree. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree. Retirees' coverage ceases at eligibility for Medicare.

Plan Membership

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

	<u>County</u>	<u>School Board</u>
Total active employees with coverage	94	286
Total inactive employees or retirees with coverage	2	14
Total	<u>96</u>	<u>300</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

Contributions

The County and School Board do 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 and School Board. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2020 was \$17,068 and \$74,156.

Total OPEB Liability

The County and School Board’s total OPEB liabilities were measured as of June 30, 2020. The total OPEB liabilities were determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal, level % of pay
Discount Rate	2.21% as of June 30, 2020; 3.50% as of June 30, 2019
Inflation	2.50% per year as of June 30, 2019
Healthcare Trend Rate	5.70% to 4.10% over 55 years
Salary Increase Rates	County: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; School Board: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year of service.
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	Pre-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year. Post-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set forward 1 year and Females set back 1 year.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

Discount Rate

The discount rate represents the Municipal GO AA 20-year yield curve rate as of June 30, 2020. The final equivalent single discount rate used for this year’s valuation is 2.21% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

Changes in Total OPEB Liability

	<u>County Total OPEB Liability</u>	<u>Component Unit- School Board Total OPEB Liability</u>
Balances at June 30, 2019	\$ 411,957	\$ 1,168,012
Changes for the year:		
Service cost	24,579	69,721
Interest	14,983	42,034
Effect of assumptions	38,349	92,424
Benefit payments	(17,068)	(74,156)
Net changes	<u>60,843</u>	<u>130,023</u>
Balances at June 30, 2020	<u>\$ 472,800</u>	<u>\$ 1,298,035</u>

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current discount rate:

	<u>Rate</u>		
	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
County's Total OPEB Liability	\$ 507,966	\$ 472,800	\$ 439,594
School Board's Total OPEB Liability	\$ 1,387,721	\$ 1,298,035	\$ 1,212,074

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate used of 5.70%:

	Rates		
	1% Decrease (4.70%)	Healthcare Cost Trend (5.70%)	1% Increase (6.70%)
County's Total OPEB Liability	\$ 414,270	\$ 472,800	\$ 541,628
School Board's Total OPEB Liability	\$ 1,132,946	\$ 1,298,035	\$ 1,495,842

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

For the year ended June 30, 2020, the County and School Board recognized OPEB expense in the amount of \$48,836 and \$126,192, respectively. At June 30, 2020, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the health insurance OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
County:		
Changes of assumptions	\$ 37,063	\$ 4,602
Total	<u>\$ 37,063</u>	<u>\$ 4,602</u>
School Board:		
Changes of assumptions	\$ 102,044	\$ 15,418
Total	<u>\$ 102,044</u>	<u>\$ 15,418</u>

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

Year Ended June 30	County	School Board
2021	\$ 9,274	\$ 14,437
2022	9,274	14,437
2023	9,274	14,437
2024	4,639	14,437
2025	-	14,437
Thereafter	-	14,441

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

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.

Group Life Insurance:

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,463 as of June 30, 2020.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$27,787 and \$26,375 from the County, \$3,400 and \$3,300 from School Board Nonprofessional, and \$67,766 and \$65,428 from School Board Professional for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the entity reported a liability of \$420,974 for the County, \$52,724 for School Board Nonprofessional, and \$1,044,379 School Board Professional for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 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, 2018, and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion for the County, School Board Nonprofessional, and School Board Professional was .02587%, .00324%, and \$.06418% as compared to .02535%, .00353% and .06497% at June 30, 2018.

For the year ended June 30, 2020, the participating employer recognized GLI OPEB expense of \$13,405, \$495, and \$22,204 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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (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, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

<u>County</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 27,997	\$ 5,461
Net difference between projected and actual earnings on GLI OPEB plan investments	-	8,647
Change in assumptions	26,578	12,694
Changes in proportion	15,581	-
Employer contributions subsequent to the measurement date	27,787	-
Total	<u>\$ 97,943</u>	<u>\$ 26,802</u>
School Board Nonprofessional		
Differences between expected and actual experience	\$ 3,506	\$ 684
Net difference between projected and actual earnings on GLI OPEB plan investments	-	1,083
Change in assumptions	3,329	1,590
Changes in proportion	-	3,869
Employer contributions subsequent to the measurement date	3,400	-
Total	<u>\$ 10,235</u>	<u>\$ 7,226</u>
School Board Professional		
Differences between expected and actual experience	\$ 69,457	\$ 13,546
Net difference between projected and actual earnings on GLI OPEB plan investments	-	21,452
Change in assumptions	65,936	31,493
Changes in proportion	-	10,539
Employer contributions subsequent to the measurement date	67,766	-
Total	<u>\$ 203,159</u>	<u>\$ 77,030</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

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

\$27,787 for the County, \$3,400 for School Board Nonprofessional, and \$67,766 for School Board Professional 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, 2021. 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>County</u>	<u>School Board Nonprofessional</u>	<u>School Board Professional</u>
2021	\$ 5,166	\$ (537)	\$ 1,764
2022	5,166	(537)	1,765
2023	8,829	(78)	10,851
2024	11,181	340	19,143
2025	10,174	359	19,512
Thereafter	2,838	62	5,328

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019. The assumptions include several employer groups as noted below. 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 market 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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2018 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, 2019, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
		<hr/>
Total GLI OPEB Liability	\$	3,390,238
Plan Fiduciary Net Position		1,762,972
GLI Net OPEB Liability (Asset)	\$	<hr/> <hr/> 1,627,266
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.00%

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (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)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

*The above allocation provides a one-year return of 7.63%. 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%. 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.

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, 2019, 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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Discount Rate: (Continued)

Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 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	\$ 553,043	\$ 420,974	\$ 313,869
School Board Nonprofessional's proportionate share of the GLI Plan Net OPEB Liability	\$ 69,264	\$ 52,724	\$ 39,310
School Board Professional's proportionate share of the GLI Plan Net OPEB Liability	\$ 1,372,025	\$ 1,044,379	\$ 778,667

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 17—Postemployment Benefits Other Than Pensions: (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 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 with at least 15 years of service credit, 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.

Note 17—Postemployment Benefits Other Than Pensions: (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, 2020 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$156,260 and \$150,987 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the school division reported a liability of \$1,963,777 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2019 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion of the VRS Teacher Employee HIC was .15001% as compared to .15275% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized VRS Teacher Employee HIC OPEB expense of \$156,630. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (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, 2020, 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	\$ -	\$ 11,123
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	124	-
Change in assumptions	45,706	13,646
Change in proportion	8,476	38,813
Employer contributions subsequent to the measurement date	<u>156,260</u>	<u>-</u>
Total	<u>\$ 210,566</u>	<u>\$ 63,582</u>

\$156,260 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, 2021. 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>	
2021	\$ (3,131)
2022	(3,133)
2023	(2,272)
2024	(2,560)
2025	(1,009)
Thereafter	2,829

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (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, 2018, 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, 2019.

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 market 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 CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (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, 2018 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

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, 2019, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
	<hr/>
Total Teacher Employee HIC OPEB Liability	\$ 1,438,114
Plan Fiduciary Net Position	129,016
Teacher Employee Net HIC OPEB Liability (Asset)	<hr/> \$ 1,309,098 <hr/>
 Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	 8.97%

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Target 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%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
		Inflation	2.50%
		Expected arithmetic nominal return*	<u>7.63%</u>

*The above allocation provides a one-year return of 7.63%. 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%. 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.

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, 2019, the rate contributed by each school

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Discount Rate: (Continued)

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, 2019 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	\$ 2,197,800	\$ 1,963,777	\$ 1,764,974

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 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Primary Government and Component Unit School Board

Aggregate Pension Information

<u>VRS OPEB Plans:</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government:				
Group Life Insurance Plan:				
County	\$ 97,943	\$ 26,802	\$ 420,974	\$ 13,405
County Stand-Alone Plan	37,063	4,602	472,800	48,836
Totals	<u>\$ 135,006</u>	<u>\$ 31,404</u>	<u>\$ 893,774</u>	<u>\$ 62,241</u>
Component Unit School Board				
Group Life Insurance Plan:				
School Board Nonprofessional	10,235	7,226	52,724	495
School Board Professional	203,159	77,030	1,044,379	22,204
Teacher Health Insurance Credit Plan	210,566	63,582	1,963,777	156,630
School Stand-Alone Plan	102,044	15,418	1,298,035	126,192
Totals	<u>\$ 526,004</u>	<u>\$ 163,256</u>	<u>\$ 4,358,915</u>	<u>\$ 305,521</u>

Note 18—Note Receivable:

During fiscal year 2010, the County issued a note receivable to the Berryville Main Street Program in the amount of \$35,000. The note is payable over 12 years, bearing interest at 3%. At June 30, 2020, \$4,487 of this note was outstanding. Future payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 3,577	\$ 95
2022	910	7
Total	<u>\$ 4,487</u>	<u>\$ 102</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 19—Upcoming Pronouncements:

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

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.

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2020 (Continued)

Note 19—Upcoming Pronouncements: (Continued)

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

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

Note 20—COVID-19 Pandemic Subsequent Event:

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the “COVID-19 outbreak”). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy. The COVID-19 pandemic has developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact economic activity.

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. Among the CARES Act key provisions was \$339.8 billion designated for programs for state and local government, which included \$150 billion in direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF), pursuant to the federal CARES Act, to address spending shortages related to the COVID-19 pandemic.

The Commonwealth of Virginia received approximately \$3.1 billion from the CRF, of which \$1.3 billion was allocated for localities with fewer than 500,000 people. Localities with populations greater than 500,000 could apply to receive funds directly. All other CRF funds were distributed to the states to determine the allocations to localities.

On May 12, 2020, the first round of the allocations to local governments was authorized by the Commonwealth. On June 1, 2020, each locality received its share of the first half, or fifty (50) percent, of the locally based allocations. Unspent funds at June 30 from the initial allocation are reported as unearned revenue. Like the first round, the second round of allocations was based on population and was for the same total amount distributed in the first round. County of Clarke, Virginia, received the second round of CRF funds in the amount of \$1,275,451 in August 2020.

The federal guidance for the CARES Act states that the CRF funds can be used only for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to address revenue shortfalls. CRF funds are considered one-time funds and should not be used for ongoing services or base operations. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government.

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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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 21,039,190	\$ 21,039,190	\$ 21,185,431	\$ 146,241
Other local taxes	2,025,634	2,025,634	2,345,551	319,917
Permits, privilege fees, and regulatory licenses	322,875	322,875	323,687	812
Fines and forfeitures	357,254	357,254	233,648	(123,606)
Revenue from the use of money and property	123,924	123,924	184,772	60,848
Charges for services	956,704	956,704	819,396	(137,308)
Miscellaneous	64,573	76,781	139,527	62,746
Recovered costs	66,591	76,389	91,987	15,598
Intergovernmental:				
Commonwealth	4,505,116	4,544,439	4,516,199	(28,240)
Federal	133,066	910,004	876,856	(33,148)
Total revenues	\$ 29,594,927	\$ 30,433,194	\$ 30,717,054	\$ 283,860
EXPENDITURES				
Current:				
General government administration	\$ 2,409,411	\$ 2,419,724	\$ 2,347,142	\$ 72,582
Judicial administration	720,253	744,029	711,005	33,024
Public safety	5,101,875	5,420,489	5,204,195	216,294
Public works	1,328,321	1,337,304	1,261,127	76,177
Health and welfare	600,425	600,425	586,432	13,993
Education	13,895,474	15,353,745	13,718,076	1,635,669
Parks, recreation, and cultural	1,189,547	1,195,705	1,052,845	142,860
Community development	684,281	684,415	608,345	76,070
Nondepartmental	88,000	71,130	23,720	47,410
Total expenditures	\$ 26,017,587	\$ 27,826,966	\$ 25,512,887	\$ 2,314,079
Excess (deficiency) of revenues over (under) expenditures	\$ 3,577,340	\$ 2,606,228	\$ 5,204,167	\$ 2,597,939
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (4,168,051)	\$ (5,192,748)	\$ (3,675,862)	\$ 1,516,886
Total other financing sources (uses)	\$ (4,168,051)	\$ (5,192,748)	\$ (3,675,862)	\$ 1,516,886
Net change in fund balances	\$ (590,711)	\$ (2,586,520)	\$ 1,528,305	\$ 4,114,825
Fund balances - beginning	590,711	2,586,520	10,905,501	8,318,981
Fund balances - ending	\$ -	\$ -	\$ 12,433,806	\$ 12,433,806

Virginia Public Assistance Fund - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Recovered costs	\$ 5,000	\$ 5,000	\$ 132	\$ (4,868)
Intergovernmental:				
Commonwealth	340,000	340,000	309,525	(30,475)
Federal	725,369	725,719	643,718	(82,001)
Total revenues	\$ 1,070,369	\$ 1,070,719	\$ 953,375	\$ (117,344)
EXPENDITURES				
Current:				
Health and welfare	\$ 1,672,332	\$ 1,672,682	\$ 1,310,392	\$ 362,290
Total expenditures	\$ 1,672,332	\$ 1,672,682	\$ 1,310,392	\$ 362,290
Excess (deficiency) of revenues over (under) expenditures	\$ (601,963)	\$ (601,963)	\$ (357,017)	\$ 244,946
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 601,963	\$ 601,963	\$ 357,017	\$ (244,946)
Total other financing sources (uses)	\$ 601,963	\$ 601,963	\$ 357,017	\$ (244,946)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

COUNTY OF CLARKE, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plans
 Primary Government and Clarke County Sanitary Authority
 For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019		2018	
	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority
Total pension liability				
Service cost	\$ 528,990	\$ -	\$ 492,799	\$ 3,974
Interest	1,496,565	-	1,432,214	11,552
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(379,336)	-	(389,274)	(3,140)
Changes of assumptions	631,784	-	-	-
Impact in change of proportion	174,442	(174,442)	33,590	(33,590)
Benefit payments	(851,559)	-	(730,187)	(5,888)
Net change in total pension liability	\$ 1,600,886	\$ (174,442)	\$ 839,142	\$ (27,092)
Total pension liability - beginning	21,630,838	174,442	20,791,696	201,534
Total pension liability - ending (a)	\$ 23,231,724	\$ -	\$ 21,630,838	\$ 174,442
Plan fiduciary net position				
Contributions - employer	\$ 404,706	\$ -	\$ 393,336	\$ 3,172
Contributions - employee	240,158	-	231,775	1,870
Impact in change of proportion	165,370	(165,370)	30,972	(30,972)
Net investment income	1,382,955	-	1,421,787	11,466
Benefit payments	(851,559)	-	(730,187)	(5,888)
Administrator charges	(13,551)	-	(12,124)	(98)
Other	(873)	-	(1,273)	(10)
Net change in plan fiduciary net position	\$ 1,327,206	\$ (165,370)	\$ 1,334,286	\$ (20,460)
Plan fiduciary net position - beginning	20,505,788	165,370	19,171,502	185,830
Plan fiduciary net position - ending (b)	\$ 21,832,994	\$ -	\$ 20,505,788	\$ 165,370
County's net pension liability (asset) - ending (a) - (b)	\$ 1,398,730	\$ -	\$ 1,125,050	\$ 9,072
Plan fiduciary net position as a percentage of the total pension liability	93.98%	0.00%	94.80%	94.80%
Covered payroll	\$ 5,072,104	\$ -	\$ 4,781,444	\$ 38,560
County's net pension liability (asset) as a percentage of covered payroll	27.58%	0.00%	23.53%	23.53%

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.

2017		2016		2015		2014	
Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority
\$ 476,066	\$ 4,614	\$ 452,697	\$ 4,388	\$ 441,992	\$ 4,284	\$ 452,800	\$ 4,389
1,367,228	12,953	1,298,718	12,588	1,241,436	12,034	1,173,942	11,379
-	-	-	-	-	-	-	-
(162,685)	(1,576)	(60,723)	(290)	(174,129)	(1,688)	-	-
(63,330)	(614)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(714,864)	(6,930)	(709,058)	(6,872)	(672,885)	(6,522)	(652,215)	(6,322)
\$ 902,415	\$ 8,447	\$ 981,634	\$ 9,814	\$ 836,414	\$ 8,108	\$ 974,527	\$ 9,446
19,889,281	193,087	18,907,647	183,273	18,071,233	175,165	17,096,706	165,719
\$ 20,791,696	\$ 201,534	\$ 19,889,281	\$ 193,087	\$ 18,907,647	\$ 183,273	\$ 18,071,233	\$ 175,165
\$ 379,396	\$ 3,678	\$ 466,664	\$ 4,524	\$ 455,266	\$ 4,412	\$ 487,123	\$ 4,722
223,948	2,170	213,350	2,068	208,804	2,024	200,072	1,939
2,099,165	20,349	298,818	2,896	744,209	7,214	2,211,300	21,434
(714,864)	(6,930)	(709,058)	(6,872)	(672,885)	(6,522)	(652,215)	(6,322)
(11,988)	(116)	(10,410)	(100)	(10,047)	(98)	(11,767)	(114)
(1,874)	(18)	(126)	(2)	(157)	(3)	117	-
\$ 1,973,783	\$ 19,133	\$ 259,238	\$ 2,514	\$ 725,190	\$ 7,027	\$ 2,234,630	\$ 21,659
17,197,719	166,697	16,938,481	164,183	16,213,291	157,156	13,978,661	135,496
\$ 19,171,502	\$ 185,830	\$ 17,197,719	\$ 166,697	\$ 16,938,481	\$ 164,183	\$ 16,213,291	\$ 157,155
\$ 1,620,194	\$ 15,704	\$ 2,691,562	\$ 26,390	\$ 1,969,166	\$ 19,090	\$ 1,857,942	\$ 18,010
92.21%	92.21%	86.47%	86.33%	89.59%	89.58%	89.72%	89.72%
4,580,226	44,397	4,332,013	41,990	4,210,911	40,817	4,003,842	38,809
35.37%	35.37%	62.13%	62.85%	46.76%	46.77%	46.40%	46.41%

COUNTY OF CLARKE, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Component Unit School Board (Nonprofessional) - Pension Plans
 For the Measurement Dates of June 30, 2014 through June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 73,772	\$ 76,013	\$ 64,599
Interest	224,572	220,360	220,480
Differences between expected and actual experience	37,322	(39,142)	(57,419)
Changes of assumptions	80,351	-	(45,195)
Benefit payments	(201,418)	(192,699)	(175,672)
Net change in total pension liability	<u>\$ 214,599</u>	<u>\$ 64,532</u>	<u>\$ 6,793</u>
Total pension liability - beginning	<u>3,308,881</u>	<u>3,244,349</u>	<u>3,237,556</u>
Total pension liability - ending (a)	<u><u>\$ 3,523,480</u></u>	<u><u>\$ 3,308,881</u></u>	<u><u>\$ 3,244,349</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 24,368	\$ 33,471	\$ 33,848
Contributions - employee	30,621	32,409	32,641
Net investment income	237,527	256,887	388,498
Benefit payments	(201,418)	(192,699)	(175,672)
Administrator charges	(2,451)	(2,278)	(2,302)
Other	(149)	(226)	(343)
Net change in plan fiduciary net position	<u>\$ 88,498</u>	<u>\$ 127,564</u>	<u>\$ 276,670</u>
Plan fiduciary net position - beginning	<u>3,641,798</u>	<u>3,514,234</u>	<u>3,237,564</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 3,730,296</u></u>	<u><u>\$ 3,641,798</u></u>	<u><u>\$ 3,514,234</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (206,816)	\$ (332,917)	\$ (269,885)
Plan fiduciary net position as a percentage of the total pension liability	105.87%	110.06%	108.32%
Covered payroll	\$ 634,547	\$ 671,806	\$ 673,225
School Division's net pension liability (asset) as a percentage of covered payroll	-32.59%	-49.56%	-40.09%

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

Exhibit 11

	2016	2015	2014
\$	75,698	\$ 119,013	\$ 138,591
	218,560	213,846	200,591
	(87,838)	(96,657)	-
	-	-	-
	<u>(182,286)</u>	<u>(155,448)</u>	<u>(144,212)</u>
\$	24,134	\$ 80,754	\$ 194,970
	3,213,422	3,132,668	2,937,698
\$	<u>3,237,556</u>	<u>3,213,422</u>	<u>3,132,668</u>
\$	55,293	\$ 56,916	\$ 95,312
	31,776	32,933	49,538
	55,073	144,974	436,730
	(182,286)	(155,448)	(144,212)
	(2,061)	(2,023)	(2,334)
	(24)	(33)	23
\$	<u>(42,229)</u>	<u>77,319</u>	<u>435,057</u>
	3,279,793	3,202,474	2,767,417
\$	<u>3,237,564</u>	<u>3,279,793</u>	<u>3,202,474</u>
\$	(8)	\$ (66,371)	\$ (69,806)
	100.00%	102.07%	102.23%
\$	652,740	\$ 664,350	\$ 990,746
	0.00%	-9.99%	-7.05%

COUNTY OF CLARKE, VIRGINIA

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan - Pension Plans
 For the Measurement Dates of June 30, 2014 through June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.14945%	0.15187%	0.15127%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,668,469	\$ 17,860,000	\$ 18,603,000
Employer's Covered Payroll	12,582,277	12,337,938	11,986,432
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	156.32%	144.76%	155.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

Exhibit 12

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.15296%	0.15349%	0.15415%
\$ 21,436,000	\$ 19,319,000	\$ 18,629,000
11,656,844	11,292,534	11,256,878
183.89%	171.08%	165.49%
68.28%	70.68%	70.88%

Schedule of Employer Contributions - Pension Plans
 For the Years Ended June 30, 2011 through June 30, 2020

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					
2020	\$ 421,269	\$ 421,269	\$ -	\$ 5,343,717	7.88%
2019	408,108	408,108	-	5,072,104	8.05%
2018	397,195	397,195	-	4,820,004	8.24%
2017	392,632	392,632	-	4,624,623	8.49%
2016	471,292	471,292	-	4,374,003	10.77%
2015	461,738	461,738	-	4,251,728	10.86%
2014	490,778	490,778	-	4,042,651	12.14%
2013	495,262	495,262	-	4,079,590	12.14%
2012	340,402	340,402	-	3,868,202	8.80%
2011	350,218	350,218	-	3,979,755	8.80%
Component Unit School Board (Nonprofessional)					
2020	\$ 25,565	\$ 25,565	\$ -	\$ 653,811	3.91%
2019	24,582	24,582	-	634,547	3.87%
2018	33,468	33,468	-	671,806	4.98%
2017	35,810	35,810	-	673,225	5.32%
2016	55,293	55,293	-	652,740	8.47%
2015	57,201	57,201	-	664,350	8.61%
2014	95,310	95,310	-	990,747	9.62%
2013	103,670	103,670	-	1,077,653	9.62%
2012	80,540	80,540	-	1,020,784	7.89%
2011	86,945	86,945	-	1,101,964	7.89%
Component Unit School Board (Professional)*					
2020	\$ 1,968,435	\$ 1,968,435	\$ -	\$ 13,021,678	15.12%
2019	1,915,267	1,915,267	-	12,582,277	15.22%
2018	1,741,611	1,741,611	-	12,337,938	14.12%
2017	1,679,087	1,679,087	-	11,986,432	14.01%
2016	1,679,413	1,679,413	-	11,656,844	14.41%
2015	1,584,459	1,584,459	-	11,292,534	14.03%

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

*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.

Notes to Required Supplementary Information - Pension Plans
 For the Year Ended June 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

Component Unit School Board - Professional Employees

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

Schedule of County's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2019

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:					
2019	0.02587%	\$ 420,974	\$ 5,072,104	8.30%	52.00%
2018	0.02535%	385,000	4,820,004	7.99%	51.22%
2017	0.02507%	378,000	4,624,623	8.17%	48.86%
Component Unit - School Board (Nonprofessional):					
2019	0.00324%	\$ 52,724	\$ 634,547	8.31%	52.00%
2018	0.00353%	54,000	671,806	8.04%	51.22%
2017	0.00369%	56,000	673,225	8.32%	48.86%
Component Unit - School Board (Professional):					
2019	0.06418%	\$ 1,044,379	\$ 12,582,277	8.30%	52.00%
2018	0.06497%	987,000	12,337,938	8.00%	51.22%
2017	0.06497%	978,000	11,986,432	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, 2011 through June 30, 2020

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)
County:					
2020	\$ 27,787	\$ 27,787	\$ -	\$ 5,343,717	0.52%
2019	26,375	26,375	-	5,072,104	0.52%
2018	25,064	25,064	-	4,820,004	0.52%
2017	24,048	24,048	-	4,624,623	0.52%
2016	21,010	21,010	-	4,374,003	0.48%
2015	20,408	20,408	-	4,251,728	0.48%
2014	19,405	19,405	-	4,042,651	0.48%
2013	19,582	19,582	-	4,079,590	0.48%
2012	10,848	10,848	-	3,868,202	0.28%
2011	11,153	11,153	-	3,979,755	0.28%
Component Unit - School Board (Nonprofessional):					
2020	\$ 3,400	\$ 3,400	\$ -	\$ 653,811	0.52%
2019	3,300	3,300	-	634,547	0.52%
2018	3,493	3,493	-	671,806	0.52%
2017	3,535	3,535	-	673,225	0.53%
2016	3,133	3,133	-	652,740	0.48%
2015	3,189	3,189	-	664,350	0.48%
2014	4,756	4,756	-	990,747	0.48%
2013	5,173	5,173	-	1,077,653	0.48%
2012	2,861	2,861	-	1,020,784	0.28%
2011	3,086	3,086	-	1,101,964	0.28%
Component Unit - School Board (Professional):					
2020	\$ 67,766	\$ 67,766	\$ -	\$ 13,031,868	0.52%
2019	65,428	65,428	-	12,582,277	0.52%
2018	64,238	64,238	-	12,337,938	0.52%
2017	62,315	62,315	-	11,986,432	0.52%
2016	56,000	56,000	-	11,656,844	0.48%
2015	54,776	54,776	-	11,292,534	0.49%
2014	54,159	54,159	-	11,283,075	0.48%
2013	53,623	53,623	-	11,171,543	0.48%
2012	29,271	29,271	-	10,453,931	0.28%
2011	29,625	29,625	-	10,580,218	0.28%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2020

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, 2018 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
 For the Measurement Dates of June 30, 2017 through June 30, 2019

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)
2019	0.15001%	\$ 1,963,777	\$ 12,582,277	15.61%	8.97%
2018	0.15275%	1,939,000	12,337,938	15.72%	8.08%
2017	0.15182%	1,926,000	11,986,432	16.07%	7.04%

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

Schedule of Employer Contributions
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2011 through June 30, 2020

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2020	\$ 156,260	\$ 156,260	\$ -	\$ 13,021,678	1.20%
2019	150,987	150,987	-	12,582,277	1.20%
2018	151,947	151,947	-	12,337,938	1.23%
2017	132,997	132,997	-	11,986,432	1.11%
2016	123,625	123,625	-	11,656,844	1.06%
2015	120,963	120,963	-	11,292,534	1.07%
2014	125,133	125,133	-	11,283,075	1.11%
2013	122,330	122,330	-	11,171,543	1.10%
2012	62,522	62,522	-	10,453,931	0.60%
2011	63,494	63,494	-	10,580,218	0.60%

Notes to Required Supplementary Information
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2020

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, 2018 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:

Teacher Health Insurance Credit Program - School Board - Professional:

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%

OPEB - Health Insurance Plan
 Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
 For the Measurement Dates of June 30, 2018 through June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
County:			
Total OPEB liability			
Service cost	\$ 24,579	\$ 22,416	\$ 22,728
Interest	14,983	15,125	13,349
Changes in assumptions	38,349	11,370	(8,547)
Benefit payments	(17,068)	(10,637)	(7,922)
Net change in total OPEB liability	<u>\$ 60,843</u>	<u>\$ 38,274</u>	<u>\$ 19,608</u>
Total OPEB liability - beginning	411,957	373,683	354,075
Total OPEB liability - ending	<u><u>\$ 472,800</u></u>	<u><u>\$ 411,957</u></u>	<u><u>\$ 373,683</u></u>
Covered payroll	\$ 5,014,231	\$ 5,014,231	\$ 5,014,231
County's total OPEB liability (asset) as a percentage of covered employee payroll	9.4%	8.2%	7.5%
School Board:			
Total OPEB liability			
Service cost	\$ 69,721	\$ 63,833	\$ 64,527
Interest	42,034	43,708	39,995
Changes in assumptions	92,424	30,431	(23,128)
Benefit payments	(74,156)	(70,423)	(66,561)
Net change in total OPEB liability	<u>\$ 130,023</u>	<u>\$ 67,549</u>	<u>\$ 14,833</u>
Total OPEB liability - beginning	1,168,012	1,100,463	1,085,630
Total OPEB liability - ending	<u><u>\$ 1,298,035</u></u>	<u><u>\$ 1,168,012</u></u>	<u><u>\$ 1,100,463</u></u>
Covered payroll	\$ 12,818,270	\$ 12,818,270	\$ 12,818,270
School Boards total OPEB liability (asset) as a percentage of covered employee payroll	10.1%	9.1%	8.6%

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

OPEB - Health Insurance Plan
 Notes to Required Supplementary Information
 For the Year Ended June 30, 2020

Valuation Date: 6/30/2018
 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 - County and School Board:

Actuarial Cost Method	Entry age normal, level % of pay
Discount Rate	2.21% as of June 30, 2019; 3.50% as of June 30, 2019
Inflation	2.50% per year as of June 30, 2019
Healthcare Trend Rate	5.70% to 4.10% over 55 years
Salary Increase Rates	County: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; School Board: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year of service.
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	Pre-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year. Post-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set forward 1 year and Females set back 1 year.

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OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 377,385	\$ 196,738	\$ 574,123
Receivables: for uncollectibles):			
Due from other governmental units	<u>13,154</u>	<u>-</u>	<u>13,154</u>
Total assets	<u>\$ 390,539</u>	<u>\$ 196,738</u>	<u>\$ 587,277</u>
LIABILITIES			
Accounts payable	\$ 19,035	\$ 36,186	\$ 55,221
Due to other funds	<u>13,154</u>	<u>-</u>	<u>13,154</u>
Total liabilities	<u>\$ 32,189</u>	<u>\$ 36,186</u>	<u>\$ 68,375</u>
FUND BALANCES			
Restricted:			
Swim team	\$ -	\$ 4,851	\$ 4,851
Pool	-	1,659	1,659
Committed:			
Community development	278,893	-	278,893
Public safety	79,457	-	79,457
Assigned:			
Capital projects	<u>-</u>	<u>154,042</u>	<u>154,042</u>
Total fund balances	<u>\$ 358,350</u>	<u>\$ 160,552</u>	<u>\$ 518,902</u>
Total liabilities and fund balances	<u>\$ 390,539</u>	<u>\$ 196,738</u>	<u>\$ 587,277</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
General property taxes	\$ 3,125	\$ -	\$ -	\$ 3,125
Revenue from the use of money and property	3,219	-	414	3,633
Charges for services	-	9,910	-	9,910
Miscellaneous	55,851	-	17,015	72,866
Intergovernmental:				
Commonwealth	175,964	-	209,513	385,477
Federal	17,228	-	-	17,228
Total revenues	\$ 255,387	\$ 9,910	\$ 226,942	\$ 492,239
EXPENDITURES				
Current:				
Public safety	\$ 27,528	\$ -	\$ -	\$ 27,528
Health and welfare	228,734	-	-	228,734
Community development	72,071	-	-	72,071
Capital projects	-	-	869,517	869,517
Debt service:				
Principal retirement	-	92,013	-	92,013
Interest and other fiscal charges	-	159,687	-	159,687
Total expenditures	\$ 328,333	\$ 251,700	\$ 869,517	\$ 1,449,550
Excess (deficiency) of revenues over (under) expenditures	\$ (72,946)	\$ (241,790)	\$ (642,575)	\$ (957,311)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 111,185	\$ 241,790	\$ 660,004	\$ 1,012,979
Total other financing sources (uses)	\$ 111,185	\$ 241,790	\$ 660,004	\$ 1,012,979
Net change in fund balances	\$ 38,239	\$ -	\$ 17,429	\$ 55,668
Fund balances - beginning	320,111	-	143,123	463,234
Fund balances - ending	<u>\$ 358,350</u>	<u>\$ -</u>	<u>\$ 160,552</u>	<u>\$ 518,902</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2020

	CSA Fund	Drug Enforcement Fund	Animal Care Fund	Shenandoah Farms Sanitary District	Conservation Easement Fund	Total
ASSETS						
Cash and cash equivalents	\$ 13,921	\$ 79,492	\$ -	\$ -	\$ 283,972	\$ 377,385
Due from other governmental units	13,154	-	-	-	-	13,154
Total assets	\$ 27,075	\$ 79,492	\$ -	\$ -	\$ 283,972	\$ 390,539
LIABILITIES						
Accounts payable	\$ 13,921	\$ 35	\$ -	\$ -	\$ 5,079	\$ 19,035
Due to other funds	13,154	-	-	-	-	13,154
Total liabilities	\$ 27,075	\$ 35	\$ -	\$ -	\$ 5,079	\$ 32,189
FUND BALANCES						
Committed:						
Community development	\$ -	\$ -	\$ -	\$ -	\$ 278,893	\$ 278,893
Public safety	-	79,457	-	-	-	79,457
Total fund balances	\$ -	\$ 79,457	\$ -	\$ -	\$ 278,893	\$ 358,350
Total liabilities and fund balances	\$ 27,075	\$ 79,492	\$ -	\$ -	\$ 283,972	\$ 390,539

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2020

	CSA Fund	Drug Enforcement Fund	Animal Care Fund	Shenandoah Farms Sanitary District	Conservation Easement Fund	Total
REVENUES						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,125	\$ 3,125
Revenue from the use of money and property	-	671	-	-	2,548	3,219
Miscellaneous	9,357	3,740	-	-	42,754	55,851
Intergovernmental:						
Commonwealth	112,796	1,511	-	-	61,657	175,964
Federal	10,396	6,832	-	-	-	17,228
Total revenues	\$ 132,549	\$ 12,754	\$ -	\$ -	\$ 110,084	\$ 255,387
EXPENDITURES						
Current:						
Public safety	\$ -	\$ 27,528	\$ -	\$ -	\$ -	\$ 27,528
Health and welfare	228,734	-	-	-	-	228,734
Community development	-	-	-	-	72,071	72,071
Total expenditures	\$ 228,734	\$ 27,528	\$ -	\$ -	\$ 72,071	\$ 328,333
Excess (deficiency) of revenues over (under) expenditures	\$ (96,185)	\$ (14,774)	\$ -	\$ -	\$ 38,013	\$ (72,946)
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 96,185	\$ -	\$ -	\$ -	\$ 15,000	\$ 111,185
Total other financing sources (uses)	\$ 96,185	\$ -	\$ -	\$ -	\$ 15,000	\$ 111,185
Net change in fund balances	\$ -	\$ (14,774)	\$ -	\$ -	\$ 53,013	\$ 38,239
Fund balances - beginning	-	94,231	-	-	225,880	320,111
Fund balances - ending	\$ -	\$ 79,457	\$ -	\$ -	\$ 278,893	\$ 358,350

COUNTY OF CLARKE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2020

	CSA Fund				Drug Enforcement Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-	-	-	671	671
Miscellaneous	-	-	9,357	9,357	-	-	3,740	3,740
Intergovernmental:								
Commonwealth	156,675	156,675	112,796	(43,879)	-	-	1,511	1,511
Federal	-	-	10,396	10,396	-	-	6,832	6,832
Total revenues	\$ 156,675	\$ 156,675	\$ 132,549	\$ (24,126)	\$ -	\$ -	\$ 12,754	\$ 12,754
EXPENDITURES								
Current:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	27,528	(27,528)
Health and welfare	303,818	303,818	228,734	75,084	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Total expenditures	\$ 303,818	\$ 303,818	\$ 228,734	\$ 75,084	\$ -	\$ -	\$ 27,528	\$ (27,528)
Excess (deficiency) of revenues over (under) expenditures	\$ (147,143)	\$ (147,143)	\$ (96,185)	\$ 50,958	\$ -	\$ -	\$ (14,774)	\$ (14,774)
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ 147,143	\$ 147,143	\$ 96,185	\$ (50,958)	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ 147,143	\$ 147,143	\$ 96,185	\$ (50,958)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(14,774)	(14,774)
Fund balances - beginning	-	-	-	-	-	-	94,231	94,231
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,457	\$ 79,457

Animal Care Fund				Shenandoah Farms Sanitary District				Conservation Easement Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,125	\$ 3,125
-	-	-	-	-	-	-	-	-	-	2,548	2,548
-	-	-	-	-	-	-	-	-	-	42,754	42,754
-	-	-	-	-	-	-	-	30,000	70,000	61,657	(8,343)
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 70,000	\$ 110,084	\$ 40,084
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	45,000	125,000	72,071	52,929
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 125,000	\$ 72,071	\$ 52,929
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,000)	\$ (55,000)	\$ 38,013	\$ 93,013
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 55,000	\$ 15,000	\$ (40,000)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 55,000	\$ 15,000	\$ (40,000)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,013	\$ 53,013
-	-	-	-	-	-	-	-	-	-	225,880	225,880
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,893	\$ 278,893

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Debt Service Funds
 For the Year Ended June 30, 2020

	<u>Primary Government Debt Service Fund</u>
REVENUES	
Charges for services	\$ <u>9,910</u>
Total revenues	\$ <u>9,910</u>
EXPENDITURES	
Debt service:	
Principal retirement	\$ 92,013
Interest and other fiscal charges	<u>159,687</u>
Total expenditures	\$ <u>251,700</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(241,790)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	\$ <u>241,790</u>
Total other financing sources (uses)	\$ <u>241,790</u>
Net change in fund balances	\$ -
Fund balances - beginning	<u>-</u>
Fund balances - ending	<u><u>-</u></u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Debt Service Funds
 For the Year Ended June 30, 2020

	Primary Government Debt Service Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 9,910	\$ 9,910
Total revenues	\$ -	\$ -	\$ 9,910	\$ 9,910
EXPENDITURES				
Debt service:				
Principal retirement	\$ 91,573	\$ 91,573	\$ 92,013	\$ (440)
Interest and other fiscal charges	160,127	160,127	159,687	440
Total expenditures	\$ 251,700	\$ 251,700	\$ 251,700	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ (251,700)	\$ (251,700)	\$ (241,790)	\$ 9,910
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 251,700	\$ 251,700	\$ 241,790	\$ (9,910)
Total other financing sources (uses)	\$ 251,700	\$ 251,700	\$ 241,790	\$ (9,910)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2020

	Parks Construction Fund	General Government Capital Projects Fund	Total
ASSETS			
Cash and cash equivalents	\$ 58,119	\$ 138,619	\$ 196,738
Total assets	<u>\$ 58,119</u>	<u>\$ 138,619</u>	<u>\$ 196,738</u>
LIABILITIES			
Accounts payable	\$ -	\$ 36,186	\$ 36,186
Total liabilities	<u>\$ -</u>	<u>\$ 36,186</u>	<u>\$ 36,186</u>
FUND BALANCES			
Restricted:			
Swim team	\$ 4,851	\$ -	\$ 4,851
Pool	1,659	-	1,659
Assigned:			
Capital projects	<u>51,609</u>	<u>102,433</u>	<u>154,042</u>
Total fund balances	<u>\$ 58,119</u>	<u>\$ 102,433</u>	<u>\$ 160,552</u>
Total liabilities and fund balances	<u>\$ 58,119</u>	<u>\$ 138,619</u>	<u>\$ 196,738</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2020

	Parks Construction Fund	Government Capital Projects Fund	Total
REVENUES			
Revenue from the use of money and property	\$ 414	\$ -	\$ 414
Miscellaneous	17,015	-	17,015
Intergovernmental:			
Commonwealth	-	209,513	209,513
Total revenues	<u>\$ 17,429</u>	<u>\$ 209,513</u>	<u>\$ 226,942</u>
EXPENDITURES			
Capital projects	<u>\$ -</u>	<u>\$ 869,517</u>	<u>\$ 869,517</u>
Total expenditures	<u>\$ -</u>	<u>\$ 869,517</u>	<u>\$ 869,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,429</u>	<u>\$ (660,004)</u>	<u>\$ (642,575)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>\$ -</u>	<u>\$ 660,004</u>	<u>\$ 660,004</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 660,004</u>	<u>\$ 660,004</u>
Net change in fund balances	\$ 17,429	\$ -	\$ 17,429
Fund balances - beginning	<u>40,690</u>	<u>102,433</u>	<u>143,123</u>
Fund balances - ending	<u><u>\$ 58,119</u></u>	<u><u>\$ 102,433</u></u>	<u><u>\$ 160,552</u></u>

COUNTY OF CLARKE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2020

	Parks Construction Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 414	\$ 414
Miscellaneous	-	-	17,015	17,015
Intergovernmental:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,429</u>	<u>\$ 17,429</u>
EXPENDITURES				
Capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,429</u>	<u>\$ 17,429</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ 17,429	\$ 17,429
Fund balances - beginning	-	-	40,690	40,690
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,119</u>	<u>\$ 58,119</u>

General Government Capital Projects Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ -	\$ -	-
-	7,000	-	(7,000)	
241,452	450,965	209,513	(241,452)	
34,000	34,530	-	(34,530)	
<u>\$ 275,452</u>	<u>\$ 492,495</u>	<u>\$ 209,513</u>	<u>\$ (282,982)</u>	
<u>\$ 1,120,537</u>	<u>\$ 2,322,277</u>	<u>\$ 869,517</u>	<u>\$ 1,452,760</u>	
<u>\$ 1,120,537</u>	<u>\$ 2,322,277</u>	<u>\$ 869,517</u>	<u>\$ 1,452,760</u>	
<u>\$ (845,085)</u>	<u>\$ (1,829,782)</u>	<u>\$ (660,004)</u>	<u>\$ 1,169,778</u>	
<u>\$ 845,085</u>	<u>\$ 1,829,782</u>	<u>\$ 660,004</u>	<u>\$ (1,169,778)</u>	
<u>\$ 845,085</u>	<u>\$ 1,829,782</u>	<u>\$ 660,004</u>	<u>\$ (1,169,778)</u>	
\$ -	\$ -	\$ -	\$ -	-
-	-	102,433	102,433	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,433</u>	<u>\$ 102,433</u>	

Combining Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2020

	Agency Funds						Total
	Special Welfare Fund	Town of Berryville	Undistributed Local Sales Tax Fund	Cafeteria Plan Withholding Fund	Unemployment Compensation Benefits Fund	State Income Tax Fund	
ASSETS							
Cash and cash equivalents	\$ 64,140	\$ 174,781	\$ -	\$ 91,403	\$ 14,160	\$ -	\$ 344,484
Taxes receivable	-	-	-	-	-	500	500
Due from other governments	-	-	288,229	-	-	-	288,229
Total assets	<u>\$ 64,140</u>	<u>\$ 174,781</u>	<u>\$ 288,229</u>	<u>\$ 91,403</u>	<u>\$ 14,160</u>	<u>\$ 500</u>	<u>\$ 633,213</u>
LIABILITIES							
Reconciled overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ 60
Accounts payable	-	2,345	-	-	14,160	-	16,505
Sales tax payable to other towns	-	-	54,836	-	-	-	54,836
Income tax payable to the state	-	-	-	-	-	440	440
Amounts held for Town	-	172,436	-	-	-	-	172,436
Due to other funds	-	-	233,393	-	-	-	233,393
Accrued liabilities	-	-	-	91,403	-	-	91,403
Amounts held for social services clients	64,140	-	-	-	-	-	64,140
Total liabilities	<u>\$ 64,140</u>	<u>\$ 174,781</u>	<u>\$ 288,229</u>	<u>\$ 91,403</u>	<u>\$ 14,160</u>	<u>\$ 500</u>	<u>\$ 633,213</u>

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2020

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special welfare fund:				
Assets:				
Cash and cash equivalents	\$ 54,644	\$ 11,756	\$ 2,260	\$ 64,140
Liabilities:				
Amounts held for social service clients	\$ 54,644	\$ 11,756	\$ 2,260	\$ 64,140
Town of Berryville:				
Assets:				
Cash and cash equivalents	\$ 150,647	\$ 77,634	\$ 53,500	\$ 174,781
Liabilities:				
Amounts held for Town	\$ 145,894	\$ 77,634	\$ 51,092	\$ 172,436
Accounts payable	4,753	2,345	4,753	2,345
Total liabilities	\$ 150,647	\$ 79,979	\$ 55,845	\$ 174,781
Undistributed local sales tax fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 1,581,981	\$ 1,581,981	\$ -
Due from other governments	236,701	288,229	236,701	288,229
Total assets	\$ 236,701	\$ 1,870,210	\$ 1,818,682	\$ 288,229
Liabilities:				
Sales tax payable to other towns	\$ 45,459	\$ 54,836	\$ 45,459	\$ 54,836
Due to other funds	191,242	233,394	191,243	233,393
Total liabilities	\$ 236,701	\$ 288,230	\$ 236,702	\$ 288,229
Cafeteria plan withholding fund:				
Assets:				
Cash and cash equivalents	\$ 90,479	\$ 107,644	\$ 106,720	\$ 91,403
Liabilities:				
Accrued liabilities	\$ 90,479	\$ 107,644	\$ 106,720	\$ 91,403

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020 (continued)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Unemployment compensation benefits fund:				
Assets:				
Cash and cash equivalents	\$ 11	\$ 19,591	\$ 5,442	\$ 14,160
Liabilities:				
Accounts payable	\$ 11	\$ 14,160	\$ 11	\$ 14,160
State income tax fund:				
Assets:				
Taxes receivable	\$ -	\$ 500	\$ -	\$ 500
Total assets	\$ -	\$ 500	\$ -	\$ 500
Liabilities:				
Reconciled overdraft	\$ -	\$ 60	\$ -	\$ 60
Income tax payable to the state	-	440	-	440
Total liabilities	\$ -	\$ 500	\$ -	\$ 500
Totals -- All agency funds				
Assets:				
Cash and cash equivalents	\$ 295,781	\$ 1,798,606	\$ 1,749,903	\$ 344,484
Taxes receivable	-	500	-	500
Due from other governments	236,701	288,229	236,701	288,229
Total assets	\$ 532,482	\$ 2,087,335	\$ 1,986,604	\$ 633,213
Liabilities:				
Reconciled overdraft	\$ -	\$ 60	\$ -	\$ 60
Amounts held for social service clients	54,644	11,756	2,260	64,140
Sales tax payable to other towns	45,459	54,836	45,459	54,836
Income tax payable to the state	-	440	-	440
Amounts held for Town	145,894	77,634	51,092	172,436
Accrued liabilities	90,479	107,644	106,720	91,403
Due to other funds	191,242	233,394	191,243	233,393
Accounts payable	4,764	16,505	4,764	16,505
Total liabilities	\$ 532,482	\$ 502,269	\$ 401,538	\$ 633,213

Discretely Presented Component Unit-School Board

Combining Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2020

	School Operating Fund	School Food Service Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,663,122	\$ -	\$ 20,963	\$ 4,714	\$ 1,688,799
Receivables:					
Accounts receivable	34,311	-	-	-	34,311
Due from other governmental units	522,003	127,540	5,000	-	654,543
Prepaid items	24,392	-	30,048	-	54,440
Total assets	<u>\$ 2,243,828</u>	<u>\$ 127,540</u>	<u>\$ 56,011</u>	<u>\$ 4,714</u>	<u>\$ 2,432,093</u>
LIABILITIES					
LIABILITIES:					
Reconciled overdraft	\$ -	\$ 50,672	\$ -	\$ -	\$ 50,672
Accounts payable	161,975	33,506	56,011	-	251,492
Accrued liabilities	2,078,387	36,352	-	-	2,114,739
Due to primary government	2,966	-	-	-	2,966
Total liabilities	<u>\$ 2,243,328</u>	<u>\$ 120,530</u>	<u>\$ 56,011</u>	<u>\$ -</u>	<u>\$ 2,419,869</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	\$ 24,392	\$ -	\$ 30,048	\$ -	\$ 54,440
Assigned:					
School operating	500	7,010	-	-	7,510
Capital projects	-	-	(30,048)	4,714	(25,334)
Total fund balances	<u>\$ 500</u>	<u>\$ 7,010</u>	<u>\$ -</u>	<u>\$ 4,714</u>	<u>\$ 12,224</u>
Total liabilities and fund balances	<u>\$ 2,243,828</u>	<u>\$ 127,540</u>	<u>\$ 56,011</u>	<u>\$ 4,714</u>	<u>\$ 2,432,093</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:					
Total fund balances per above				\$	12,224
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					21,175,222
The net pension asset is not an available resource and, therefore, is not reported in the funds.					206,816
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.					
Pension related items			\$ 4,053,374		
OPEB related items			526,004		4,579,378
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.					
Pension related items			\$ (2,114,479)		
OPEB related items			(163,256)		(2,277,735)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(24,480,425)
Net position of governmental activities				\$	<u>(784,520)</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2020

	School Operating Fund	School Food Service Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ 49,111	\$ 180	\$ -	\$ -	\$ 49,291
Charges for services	196,637	394,020	-	-	590,657
Miscellaneous	75,159	-	75,000	-	150,159
Recovered costs	8,717	4,561	-	-	13,278
Intergovernmental:					
Local government	12,523,902	-	1,176,378	-	13,700,280
Commonwealth	9,149,179	11,458	82,530	-	9,243,167
Federal	780,393	440,485	14,550	-	1,235,428
Total revenues	<u>\$ 22,783,098</u>	<u>\$ 850,704</u>	<u>\$ 1,348,458</u>	<u>\$ -</u>	<u>\$ 24,982,260</u>
EXPENDITURES					
Current:					
Education	\$ 22,777,137	\$ 856,665	\$ -	\$ -	\$ 23,633,802
Capital projects	-	-	1,348,458	-	1,348,458
Total expenditures	<u>\$ 22,777,137</u>	<u>\$ 856,665</u>	<u>\$ 1,348,458</u>	<u>\$ -</u>	<u>\$ 24,982,260</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 5,961	\$ (5,961)	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 5,961	\$ -	\$ -	\$ 5,961
Transfers out	(5,961)	-	-	-	(5,961)
Total other financing sources (uses)	<u>\$ (5,961)</u>	<u>\$ 5,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	500	7,010	-	4,714	12,224
Fund balances - ending	<u>\$ 500</u>	<u>\$ 7,010</u>	<u>\$ -</u>	<u>\$ 4,714</u>	<u>\$ 12,224</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	\$ -
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.	(607,947)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(7,081)
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. This amount reflects the changes in compensated absences, net OPEB liabilities, and accrued interest payable, etc.	
Pension expense	\$ (24,124)
OPEB expense	(3,509)
Increase in compensated absences	<u>21,518</u>
Change in net position of governmental activities	<u>\$ (621,143)</u>

COUNTY OF CLARKE, 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, 2020

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 49,000	\$ 49,000	\$ 49,111	\$ 111
Charges for services	195,673	195,673	196,637	964
Miscellaneous	87,946	107,686	75,159	(32,527)
Recovered costs	59,838	59,838	8,717	(51,121)
Intergovernmental:				
Local government	13,354,928	13,354,928	12,523,902	(831,026)
Commonwealth	9,166,087	9,166,615	9,149,179	(17,436)
Federal	919,880	950,700	780,393	(170,307)
Total revenues	<u>\$ 23,833,352</u>	<u>\$ 23,884,440</u>	<u>\$ 22,783,098</u>	<u>\$ (1,101,342)</u>
EXPENDITURES				
Current:				
Education	<u>\$ 23,833,352</u>	<u>\$ 23,884,440</u>	<u>\$ 22,777,137</u>	<u>\$ 1,107,303</u>
Total expenditures	<u>\$ 23,833,352</u>	<u>\$ 23,884,440</u>	<u>\$ 22,777,137</u>	<u>\$ 1,107,303</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,961</u>	<u>\$ 5,961</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(5,961)	(5,961)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,961)</u>	<u>\$ (5,961)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	500	500
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 500</u></u>

School Food Service Fund				
Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
Original	Final			
\$ -	\$ -	\$ 180	\$ 180	
488,000	488,000	394,020	(93,980)	
-	-	-	-	
10,000	10,000	4,561	(5,439)	
-	-	-	-	
14,998	14,998	11,458	(3,540)	
298,454	306,820	440,485	133,665	
<u>\$ 811,452</u>	<u>\$ 819,818</u>	<u>\$ 850,704</u>	<u>\$ 30,886</u>	
<u>\$ 811,452</u>	<u>\$ 819,818</u>	<u>\$ 856,665</u>	<u>\$ (36,847)</u>	
<u>\$ 811,452</u>	<u>\$ 819,818</u>	<u>\$ 856,665</u>	<u>\$ (36,847)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,961)</u>	<u>\$ (5,961)</u>	
\$ -	\$ -	\$ 5,961	\$ 5,961	
-	-	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,961</u>	<u>\$ 5,961</u>	
\$ -	\$ -	\$ -	\$ -	
-	-	7,010	7,010	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,010</u>	<u>\$ 7,010</u>	

Balance Sheet

Nonmajor Capital Project Fund - Discretely Presented Component Unit - School Board

June 30, 2020

	<u>School Capital Project Proffers Fund</u>
ASSETS	
Cash and cash equivalents	\$ <u>4,714</u>
Total assets	\$ <u><u>4,714</u></u>
FUND BALANCE	
Assigned:	
Capital projects	\$ <u>4,714</u>
Total fund balances	\$ <u>4,714</u>
Total liabilities and fund balances	\$ <u><u>4,714</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Project Fund - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2020

	<u>School Capital Project Proffers Fund</u>
REVENUES	
Revenue from the use of money and property	\$ -
Total revenues	<u>\$ -</u>
EXPENDITURES	
Current:	
Capital projects	\$ -
Total expenditures	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>
Net change in fund balances	\$ -
Fund balances - beginning	<u>4,714</u>
Fund balances - ending	<u><u>\$ 4,714</u></u>

COUNTY OF CLARKE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor and Major Capital Projects Fund - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2020

	School Capital Projects Proffers Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>4,714</u>	<u>4,714</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,714</u></u>	<u><u>\$ 4,714</u></u>

School Capital Projects Fund				Variance with Final Budget Positive (Negative)
Budgeted Amounts		Actual		
Original	Final			
\$ -	\$ 75,000	\$ 75,000	\$ -	
522,750	1,981,021	1,176,378	(804,643)	
154,000	303,000	82,530	(220,470)	
-	14,550	14,550	-	
<u>\$ 676,750</u>	<u>\$ 2,373,571</u>	<u>\$ 1,348,458</u>	<u>\$ (1,025,113)</u>	
<u>\$ 676,750</u>	<u>\$ 2,373,571</u>	<u>\$ 1,348,458</u>	<u>\$ 1,025,113</u>	
<u>\$ 676,750</u>	<u>\$ 2,373,571</u>	<u>\$ 1,348,458</u>	<u>\$ 1,025,113</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
-	-	-	-	
<u>520,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u><u>\$ 520,069</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

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Discretely Presented Component Unit – Sanitary Authority

Combining Statement of Net Position
 Discretely Presented Component Unit - Sanitary Authority
 As of June 30, 2020

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 620,939	\$ 181,881	\$ 802,820
Accounts receivable	70,959	110,217	181,176
Total current assets	\$ 691,898	\$ 292,098	\$ 983,996
Noncurrent assets:			
Capital assets:			
Land	\$ 13,200	\$ -	\$ 13,200
Utility plant in service	6,603,125	6,830,188	13,433,313
Accumulated depreciation	(3,158,948)	(1,902,162)	(5,061,110)
Sub-total	\$ 3,457,377	\$ 4,928,026	\$ 8,385,403
Total capital assets	\$ 3,457,377	\$ 4,928,026	\$ 8,385,403
Total noncurrent assets	\$ 3,457,377	\$ 4,928,026	\$ 8,385,403
Total assets	\$ 4,149,275	\$ 5,220,124	\$ 9,369,399
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 9,880	\$ 17,771	\$ 27,651
Accrued interest payable	3,408	-	3,408
Customers' deposits	5,950	300	6,250
Bonds payable - current portion	126,423	207,052	333,475
Total current liabilities	\$ 145,661	\$ 225,123	\$ 370,784
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 1,068,241	\$ 1,827,156	\$ 2,895,397
Total noncurrent liabilities	\$ 1,068,241	\$ 1,827,156	\$ 2,895,397
Total liabilities	\$ 1,213,902	\$ 2,052,279	\$ 3,266,181
NET POSITION			
Net investment in capital assets	\$ 2,262,713	\$ 2,893,818	\$ 5,156,531
Unrestricted	672,660	274,027	946,687
Total net position	\$ 2,935,373	\$ 3,167,845	\$ 6,103,218

Combining Statement of Revenues, Expenses, and Changes in Net Position
 Discretely Presented Component Unit - Sanitary Authority
 For the Year Ended June 30, 2020

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Customer service charges	\$ 288,562	\$ 366,044	\$ 654,606
Connection fees	6,375	1,783	8,158
Availability fees	220,800	259,200	480,000
Coronavirus relief funds	255	255	510
Miscellaneous	6,843	2,500	9,343
Total operating revenues	\$ 522,835	\$ 629,782	\$ 1,152,617
OPERATING EXPENSES			
Office supplies and expenses	\$ 870	\$ 965	\$ 1,835
Plant maintenance	17,977	61,312	79,289
Pipeline/road repairs	14,907	-	14,907
Pump station maintenance	-	120	120
Operating supplies / small equipment	14,010	58,841	72,851
Professional services	107,974	174,682	282,656
Salaries and wages	15,531	15,531	31,062
Benefits	760	760	1,520
Testing services	1,967	8,301	10,268
Utilities	26,664	68,221	94,885
Depreciation	163,288	171,261	334,549
Total operating expenses	\$ 363,948	\$ 559,994	\$ 923,942
Operating income (loss)	\$ 158,887	\$ 69,788	\$ 228,675
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ 3,597	\$ 20	\$ 3,617
Tower rental	145,492	-	145,492
County operating subsidy	-	200,000	200,000
Transfers	(72,366)	72,366	-
Interest expense	(21,937)	-	(21,937)
Total nonoperating revenues (expenses)	\$ 54,786	\$ 272,386	\$ 327,172
Change in net position	\$ 213,673	\$ 342,174	\$ 555,847
Total net position - beginning	2,721,700	2,825,671	5,547,371
Total net position - ending	\$ 2,935,373	\$ 3,167,845	\$ 6,103,218

Combining Statement of Cash Flows
Discretely Presented Component Unit - Sanitary Authority
For the Year Ended June 30, 2020

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 513,188	\$ 596,151	\$ 1,109,339
Payments to suppliers	(192,983)	(410,898)	(603,881)
Payments to and on behalf of employees	(22,383)	(22,383)	(44,766)
Net cash provided by (used for) operating activities	\$ 297,822	\$ 162,870	\$ 460,692
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tower rental	\$ 145,492	\$ -	\$ 145,492
Transfers	(72,366)	72,366	-
Operating subsidy from Clarke County	-	200,000	200,000
Net cash provided by (used for) noncapital financing activities	\$ 73,126	\$ 272,366	\$ 345,492
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property, plant and equipment	\$ (5,730)	\$ -	\$ (5,730)
Retirements of long-term indebtedness	(125,099)	(207,052)	(332,151)
Interest paid on debt	(22,267)	-	(22,267)
Net cash provided by (used for) capital and related financing activities	\$ (153,096)	\$ (207,052)	\$ (360,148)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 3,597	\$ 20	\$ 3,617
Net cash provided by (used for) investing activities	\$ 3,597	\$ 20	\$ 3,617
Net increase (decrease) in cash and cash equivalents	\$ 221,449	\$ 228,204	\$ 449,653
Cash and cash equivalents - beginning	399,490	(46,323)	353,167
Cash and cash equivalents - ending	\$ 620,939	\$ 181,881	\$ 802,820
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 158,887	\$ 69,788	\$ 228,675
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	163,288	171,261	334,549
(Increase) decrease in accounts receivable	(8,147)	(33,631)	(41,778)
(Increase) decrease in deferred outflows related to pension	1,619	1,619	3,238
Increase (decrease) in accounts payable	(8,614)	(38,456)	(47,070)
Increase (decrease) in customers' deposits	(1,500)	-	(1,500)
Increase (decrease) in net pension liability	(4,536)	(4,536)	(9,072)
Increase (decrease) in deferred inflows related to pension	(3,175)	(3,175)	(6,350)
Total adjustments	\$ 138,935	\$ 93,082	\$ 232,017
Net cash provided by (used for) operating activities	\$ 297,822	\$ 162,870	\$ 460,692

Discretely Presented Component Unit-Industrial Development Authority

Statement of Net Position
 Discretely Presented Component Unit - Industrial Development Authority
 As of June 30, 2020

	<u>Industrial Development Authority</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 39,199
Investments	102,871
Prepaid items	<u>1,340</u>
Total assets	<u>\$ 143,410</u>
NET POSITION	
Unrestricted	<u>143,410</u>

Statement of Revenues, Expenses, and Changes in Net Position
 Discretely Presented Component Unit - Industrial Development Authority
 For the Year Ended June 30, 2020

	<u>Industrial Development Authority</u>
OPERATING REVENUES	
Charges for services:	
Bond repayment and application fees	\$ <u>7,459</u>
Total operating revenues	\$ <u>7,459</u>
OPERATING EXPENSES	
Contribution to Lord Fairfax Small Business Park	\$ 6,000
Professional services	1,675
Board members' fee	1,075
Insurance	1,340
Contribution to Berryville Main Street	<u>4,750</u>
Total operating expenses	\$ <u>14,840</u>
Operating income (loss)	\$ <u>(7,381)</u>
NONOPERATING REVENUES (EXPENSES)	
Unrealized gain (loss) on investments	\$ <u>(4,913)</u>
Total nonoperating revenues (expenses)	\$ <u>(4,913)</u>
Change in net position	\$ (12,294)
Total net position - beginning	<u>155,704</u>
Total net position - ending	\$ <u><u>143,410</u></u>

Statement of Cash Flows
 Discretely Presented Component Unit - Industrial Development Authority
 For the Year Ended June 30, 2020

	<u>Industrial Development Authority</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 7,459
Payments to board	(1,075)
Payments to suppliers	<u>(13,765)</u>
Net cash provided (used) by operating activities	<u>\$ (7,381)</u>
Net increase (decrease) in cash and cash equivalents	\$ (7,381)
Cash and cash equivalents - beginning	<u>46,580</u>
Cash and cash equivalents - ending	<u><u>\$ 39,199</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ (7,381)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (7,381)</u></u>

Supporting Schedules

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

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	\$ 14,806,631	\$ 14,806,631	\$ 15,196,333	\$ 389,702
Real and personal public service corporation taxes	492,984	492,984	482,461	(10,523)
Personal property taxes	5,239,685	5,239,685	4,987,635	(252,050)
Mobile home taxes	1,172	1,172	869	(303)
Machinery and tools taxes	185,912	185,912	170,796	(15,116)
Penalties	178,947	178,947	225,776	46,829
Interest	133,859	133,859	121,561	(12,298)
Total general property taxes	<u>\$ 21,039,190</u>	<u>\$ 21,039,190</u>	<u>\$ 21,185,431</u>	<u>\$ 146,241</u>
Other local taxes:				
Local sales and use taxes	\$ 936,127	\$ 936,127	\$ 1,281,009	\$ 344,882
Consumers' utility taxes	346,094	346,094	351,339	5,245
Consumption taxes	34,516	34,516	35,258	742
Motor vehicle licenses	355,923	355,923	296,285	(59,638)
Taxes on recordation and wills	298,524	298,524	331,018	32,494
Transient occupancy taxes	23,564	23,564	29,702	6,138
Business license taxes	30,886	30,886	20,940	(9,946)
Total other local taxes	<u>\$ 2,025,634</u>	<u>\$ 2,025,634</u>	<u>\$ 2,345,551</u>	<u>\$ 319,917</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 8,640	\$ 8,640	\$ 5,322	\$ (3,318)
Land use application fees	5,700	5,700	9,800	4,100
Animal shelter fees	8,525	8,525	5,125	(3,400)
Building and related permits	196,245	196,245	225,983	29,738
Zoning and subdivision	89,960	89,960	64,945	(25,015)
Transfer fees	485	485	537	52
Signs permits and inspection fees	1,807	1,807	300	(1,507)
Weapons permits	7,000	7,000	5,985	(1,015)
Other permits and fees	4,513	4,513	5,690	1,177
Total permits, privilege fees, and regulatory licenses	<u>\$ 322,875</u>	<u>\$ 322,875</u>	<u>\$ 323,687</u>	<u>\$ 812</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 357,254	\$ 357,254	\$ 233,648	\$ (123,606)
Total fines and forfeitures	<u>\$ 357,254</u>	<u>\$ 357,254</u>	<u>\$ 233,648</u>	<u>\$ (123,606)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 62,924	\$ 62,924	\$ 118,249	\$ 55,325
Revenue from use of property	61,000	61,000	66,523	5,523
Total revenue from use of money and property	<u>\$ 123,924</u>	<u>\$ 123,924</u>	<u>\$ 184,772</u>	<u>\$ 60,848</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2020 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Sheriff's fees	\$ 796	\$ 796	\$ 796	\$ -
Charges for ambulance and rescue	432,500	432,500	417,171	(15,329)
Charges for courthouse security	57,000	57,000	43,573	(13,427)
Charges for jail processing	1,342	1,342	1,206	(136)
Court appointed attorney	802	802	93	(709)
Charges for other localities	13,250	13,250	5,000	(8,250)
Charges for Commonwealth's Attorney	1,749	1,749	1,345	(404)
Charges for parks and recreation	393,780	393,780	264,565	(129,215)
Charges for engineer's fees/biosolids applications	10,000	10,000	7,700	(2,300)
E-tickets	30,000	30,000	15,275	(14,725)
Other charges for services	15,485	15,485	62,672	47,187
Total charges for services	\$ 956,704	\$ 956,704	\$ 819,396	\$ (137,308)
Miscellaneous:				
Miscellaneous	\$ 64,573	\$ 76,781	\$ 139,527	\$ 62,746
Total miscellaneous	\$ 64,573	\$ 76,781	\$ 139,527	\$ 62,746
Recovered costs:				
Rebates and refunds	\$ 5,000	\$ 5,000	\$ 8,934	\$ 3,934
Insurance recovery	20,030	36,536	54,194	17,658
Gifts and donations in lieu of taxes	7,000	7,500	835	(6,665)
Sale of salvage	7,208	-	-	-
Loan repayment	3,495	3,495	3,672	177
Recycling and other rebates and refunds	23,858	23,858	24,352	494
Total recovered costs	\$ 66,591	\$ 76,389	\$ 91,987	\$ 15,598
Total revenue from local sources	\$ 24,956,745	\$ 24,978,751	\$ 25,323,999	\$ 345,248
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 25,000	\$ 25,000	\$ 23,007	\$ (1,993)
Mobile home titling tax	-	-	-	-
Taxes on deeds	66,820	66,820	47,365	(19,455)
Quarterly rental tax	1,129	1,129	20	(1,109)
Communications tax	411,650	411,650	355,940	(55,710)
Personal property tax relief funds	2,483,842	2,483,842	2,483,842	-
Total noncategorical aid	\$ 2,988,441	\$ 2,988,441	\$ 2,910,174	\$ (78,267)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (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 Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 199,967	\$ 199,967	\$ 199,144	\$ (823)
Sheriff	806,538	806,538	805,116	(1,422)
Commissioner of revenue	81,236	81,236	80,938	(298)
Treasurer	99,608	99,608	98,511	(1,097)
Registrar/electoral board	39,433	39,433	40,780	1,347
Clerk of the Circuit Court	163,797	163,797	183,760	19,963
Total shared expenses	<u>\$ 1,390,579</u>	<u>\$ 1,390,579</u>	<u>\$ 1,408,249</u>	<u>\$ 17,670</u>
Other categorical aid:				
Fire programs fund	\$ 49,198	\$ 49,198	\$ 52,289	\$ 3,091
Litter control grant	6,207	6,207	4,007	(2,200)
Virginia Commission for the Arts	4,500	4,500	4,500	-
Other categorical aid	66,191	105,514	136,980	31,466
Total other categorical aid	<u>\$ 126,096</u>	<u>\$ 165,419</u>	<u>\$ 197,776</u>	<u>\$ 32,357</u>
Total categorical aid	<u>\$ 1,516,675</u>	<u>\$ 1,555,998</u>	<u>\$ 1,606,025</u>	<u>\$ 50,027</u>
Total revenue from the Commonwealth	<u>\$ 4,505,116</u>	<u>\$ 4,544,439</u>	<u>\$ 4,516,199</u>	<u>\$ (28,240)</u>
Revenue from the federal government:				
Payments in lieu of taxes				
	\$ 6,697	\$ 6,697	\$ 6,623	\$ (74)
Categorical aid:				
Crime victim assistance	\$ 72,191	\$ 72,191	\$ 52,596	\$ (19,595)
Coronavirus relief funds	-	646,827	651,456	4,629
SCAAP grant	-	-	3,929	3,929
DMV 402 grant	14,625	14,625	10,862	(3,763)
SAFER grant	7,500	133,611	118,754	(14,857)
Local law enforcement block grant	4,000	8,000	4,554	(3,446)
Violence against women formula grants	28,053	28,053	28,082	29
Total categorical aid	<u>\$ 126,369</u>	<u>\$ 903,307</u>	<u>\$ 870,233</u>	<u>\$ (33,074)</u>
Total revenue from the federal government	<u>\$ 133,066</u>	<u>\$ 910,004</u>	<u>\$ 876,856</u>	<u>\$ (33,148)</u>
Total General Fund	<u>\$ 29,594,927</u>	<u>\$ 30,433,194</u>	<u>\$ 30,717,054</u>	<u>\$ 283,860</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Recovered costs:				
Expenditure refunds	\$ 5,000	\$ 5,000	\$ 132	\$ (4,868)
Total recovered costs	\$ 5,000	\$ 5,000	\$ 132	\$ (4,868)
Total revenue from local sources	\$ 5,000	\$ 5,000	\$ 132	\$ (4,868)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 340,000	\$ 340,000	\$ 309,525	\$ (30,475)
Total categorical aid	\$ 340,000	\$ 340,000	\$ 309,525	\$ (30,475)
Total revenue from the Commonwealth	\$ 340,000	\$ 340,000	\$ 309,525	\$ (30,475)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 725,369	\$ 725,369	\$ 643,368	\$ (82,001)
Coronavirus relief funds	-	350	350	-
Total categorical aid	\$ 725,369	\$ 725,719	\$ 643,718	\$ (82,001)
Total revenue from the federal government	\$ 725,369	\$ 725,719	\$ 643,718	\$ (82,001)
Total Virginia Public Assistance Fund	\$ 1,070,369	\$ 1,070,719	\$ 953,375	\$ (117,344)
Children's Services Act Fund:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 9,357	\$ 9,357
Total miscellaneous	\$ -	\$ -	\$ 9,357	\$ 9,357
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Children's services	\$ 156,675	\$ 156,675	\$ 112,796	\$ (43,879)
Total categorical aid	\$ 156,675	\$ 156,675	\$ 112,796	\$ (43,879)
Total revenue from the Commonwealth	\$ 156,675	\$ 156,675	\$ 112,796	\$ (43,879)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 10,396	\$ 10,396
Total categorical aid	\$ -	\$ -	\$ 10,396	\$ 10,396
Total revenue from the federal government	\$ -	\$ -	\$ 10,396	\$ 10,396
Total Children's Services Act Fund	\$ 156,675	\$ 156,675	\$ 132,549	\$ (24,126)
Drug Enforcement Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 671	\$ 671
Revenue from the use of property	-	-	-	-
Total revenue from use of money and property	\$ -	\$ -	\$ 671	\$ 671

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Drug Enforcement Fund: (Continued)				
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 3,740	\$ 3,740
Total miscellaneous	\$ -	\$ -	\$ 3,740	\$ 3,740
Total revenue from local sources	\$ -	\$ -	\$ 4,411	\$ 4,411
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 1,511	\$ 1,511
Total revenue from the Commonwealth	\$ -	\$ -	\$ 1,511	\$ 1,511
Revenue from the federal government:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 6,832	\$ 6,832
Total revenue from the federal government	\$ -	\$ -	\$ 6,832	\$ 6,832
Total drug enforcement fund	\$ -	\$ -	\$ 12,754	\$ 12,754
Conservation Easement Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ -	\$ -	\$ 3,125	\$ 3,125
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 2,548	\$ 2,548
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 42,754	\$ 42,754
Total revenue from local sources	\$ -	\$ -	\$ 48,427	\$ 48,427
Intergovernmental:				
Revenue from the Commonwealth:				
Other categorical aid:				
Conservation easement grants	\$ 30,000	\$ 70,000	\$ 61,657	\$ (8,343)
Revenue from the federal government:				
Categorical aid:				
Conservation easement grants	\$ -	\$ -	\$ -	\$ -
Total Conservation Easement Fund	\$ 30,000	\$ 70,000	\$ 110,084	\$ 40,084

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Funds:				
School Debt Service Fund				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ 105,494	\$ 105,494	\$ 105,494	\$ -
Total revenue from local sources	<u>\$ 105,494</u>	<u>\$ 105,494</u>	<u>\$ 105,494</u>	<u>\$ -</u>
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
BAB interest subsidy	\$ 106,978	\$ 106,978	\$ 107,745	\$ 767
Total School Debt Service Fund	<u>\$ 212,472</u>	<u>\$ 212,472</u>	<u>\$ 213,239</u>	<u>\$ 767</u>
General Debt Service Fund:				
Revenue from local sources:				
Charges for services:				
Charges for services	\$ -	\$ -	\$ 9,910	\$ 9,910
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,910</u>	<u>\$ 9,910</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,910</u>	<u>\$ 9,910</u>
Total General Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,910</u>	<u>\$ 9,910</u>
Capital Projects Fund:				
General Government Capital Projects Fund:				
Revenue from local sources:				
Miscellaneous:				
Gifts and donations	\$ -	\$ 7,000	\$ -	\$ (7,000)
Total revenue from local sources	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ (7,000)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ 241,452	\$ 450,965	\$ 209,513	\$ (241,452)
Total revenue from the Commonwealth	<u>\$ 241,452</u>	<u>\$ 450,965</u>	<u>\$ 209,513</u>	<u>\$ (241,452)</u>
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 34,000	\$ 34,530	\$ -	\$ (34,530)
Total categorical aid	<u>\$ 34,000</u>	<u>\$ 34,530</u>	<u>\$ -</u>	<u>\$ (34,530)</u>
Total revenue from the federal government	<u>\$ 34,000</u>	<u>\$ 34,530</u>	<u>\$ -</u>	<u>\$ (34,530)</u>
Total General Government Capital Projects Fund	<u>\$ 275,452</u>	<u>\$ 492,495</u>	<u>\$ 209,513</u>	<u>\$ (282,982)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Parks Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 414	\$ 414
Total revenue from use of money and property	\$ -	\$ -	\$ 414	\$ 414
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 17,015	\$ 17,015
Total miscellaneous	\$ -	\$ -	\$ 17,015	\$ 17,015
Total revenue from local sources	\$ -	\$ -	\$ 17,429	\$ 17,429
Total Parks Construction Fund	\$ -	\$ -	\$ 17,429	\$ 17,429
Total Primary Government	\$ 31,339,895	\$ 32,435,555	\$ 32,375,907	\$ (59,648)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 49,000	\$ 49,000	\$ 49,111	\$ 111
Charges for services:				
Tuition	\$ 195,673	\$ 195,673	\$ 194,137	\$ (1,536)
Town of Berryville Crossing	-	-	2,500	2,500
Total charges for services	\$ 195,673	\$ 195,673	\$ 196,637	\$ 964
Miscellaneous:				
Other miscellaneous	\$ 56,946	\$ 56,946	\$ 35,353	\$ (21,593)
Private gifts and donations	31,000	50,740	39,806	(10,934)
Total miscellaneous	\$ 87,946	\$ 107,686	\$ 75,159	\$ (32,527)
Recovered costs:				
Rebates and refunds	\$ 32,703	\$ 32,703	\$ 7,484	\$ (25,219)
Insurance recoveries	21,135	21,135	-	(21,135)
Sale of equipment	6,000	6,000	1,233	(4,767)
Total recovered costs	\$ 59,838	\$ 59,838	\$ 8,717	\$ (51,121)
Total revenue from local sources	\$ 392,457	\$ 412,197	\$ 329,624	\$ (82,573)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 13,354,928	\$ 13,354,928	\$ 12,523,902	\$ (831,026)
Total revenues from local governments	\$ 13,354,928	\$ 13,354,928	\$ 12,523,902	\$ (831,026)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,493,164	\$ 2,493,164	\$ 2,554,734	\$ 61,570
At risk payments	25,590	25,590	25,565	(25)
Basic school aid	4,073,754	4,073,754	4,035,347	(38,407)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2020 (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 Commonwealth: (Continued)				
Categorical aid: (Continued)				
Foster home children	\$ 52,372	\$ 52,372	\$ 11,830	\$ (40,542)
Gifted and talented children	42,997	42,997	43,072	75
Homebound education	1,829	1,829	3,740	1,911
Preschool At-Risk	25,304	25,304	25,304	-
Special education - soq	567,389	567,389	568,384	995
Special education - foster children	25,139	25,139	43,292	18,153
Vocational education - soq	119,717	119,717	119,927	210
Vocational equipment	7,625	7,625	8,577	952
Vocational - occupational	7,083	7,083	3,378	(3,705)
Textbook payments	84,889	84,889	85,038	149
Remedial education	61,544	61,544	61,652	108
Share of fringe benefits	830,427	830,427	827,661	(2,766)
Remedial summer school	13,833	13,833	17,521	3,688
Industry certification program	2,091	2,091	3,531	1,440
Mentor teacher program	825	825	1,264	439
SOL algebra readiness	7,758	7,758	7,969	211
Early intervention	21,546	21,546	30,779	9,233
Salary supplement/bonus	5,000	5,000	5,000	-
Compensation supplement	588,732	588,732	567,825	(20,907)
Project graduation	3,912	3,912	3,912	-
ISAEP	7,859	8,387	8,387	-
English as a second language	32,467	32,467	33,704	1,237
Lord Fairfax dual enrollment	-	-	3,819	3,819
Other categorical aid	63,241	63,241	47,967	(15,274)
Total categorical aid	<u>\$ 9,166,087</u>	<u>\$ 9,166,615</u>	<u>\$ 9,149,179</u>	<u>\$ (17,436)</u>
Total revenue from the Commonwealth	<u>\$ 9,166,087</u>	<u>\$ 9,166,615</u>	<u>\$ 9,149,179</u>	<u>\$ (17,436)</u>
Revenue from the federal government:				
Categorical aid:				
Title I part A: Grants to local educational agencies	\$ 187,864	\$ 198,680	\$ 193,982	\$ (4,698)
Title II part A: Improving teacher quality	40,685	42,553	38,041	(4,512)
Title III, Part A: English language acquisition grants	5,499	5,899	5,580	(319)
Title IV, Part A: Student support and academic enrichment grants	13,276	14,280	13,822	(458)
Medicaid	7,702	7,702	8,053	351
Vocational education basic grants to states	23,532	23,496	23,496	-
Title VI-B: Special education grants to states	627,855	432,164	431,664	(500)
Special education preschool handicapped grant	13,467	17,129	14,627	(2,502)
Coronavirus relief funds	-	51,128	51,128	-
Other categorical aid	-	157,669	-	(157,669)
Total categorical aid	<u>\$ 919,880</u>	<u>\$ 950,700</u>	<u>\$ 780,393</u>	<u>\$ (170,307)</u>
Total revenue from the federal government	<u>\$ 919,880</u>	<u>\$ 950,700</u>	<u>\$ 780,393</u>	<u>\$ (170,307)</u>
Total School Operating Fund	<u><u>\$ 23,833,352</u></u>	<u><u>\$ 23,884,440</u></u>	<u><u>\$ 22,783,098</u></u>	<u><u>\$ (1,101,342)</u></u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (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)				
Special Revenue Fund:				
School Food Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 180	\$ 180
Total revenue from use of money and property	\$ -	\$ -	\$ 180	\$ 180
Charges for services:				
Cafeteria sales	\$ 488,000	\$ 488,000	\$ 379,992	\$ (108,008)
Other charges for services	-	-	14,028	14,028
Total charges for services	\$ 488,000	\$ 488,000	\$ 394,020	\$ (93,980)
Recovered costs:				
Expenditure refunds and rebates	\$ 10,000	\$ 10,000	\$ 4,561	\$ (5,439)
Total recovered costs	\$ 10,000	\$ 10,000	\$ 4,561	\$ (5,439)
Total revenue from local sources	\$ 498,000	\$ 498,000	\$ 398,761	\$ (99,239)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 14,998	\$ 14,998	\$ 11,458	\$ (3,540)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 298,454	\$ 298,454	\$ 432,119	\$ 133,665
Coronavirus relief funds	-	8,366	8,366	-
Total categorical aid	\$ 298,454	\$ 306,820	\$ 440,485	\$ 133,665
Total revenue from the federal government	\$ 298,454	\$ 306,820	\$ 440,485	\$ 133,665
Total School Food Service Fund	\$ 811,452	\$ 819,818	\$ 850,704	\$ 30,886
Capital Projects Funds:				
School Capital Projects Fund:				
Revenue from local sources:				
Miscellaneous:				
Donations	\$ -	\$ 75,000	\$ 75,000	\$ -
Total revenue from local sources	\$ -	\$ 75,000	\$ 75,000	\$ -
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 522,750	\$ 1,981,021	\$ 1,176,378	\$ (804,643)
Total revenues from local governments	\$ 522,750	\$ 1,981,021	\$ 1,176,378	\$ (804,643)
Revenue from the Commonwealth:				
Categorical aid:				
Technology grant	\$ 154,000	\$ 303,000	\$ 82,530	\$ (220,470)
Total revenue from the Commonwealth	\$ 154,000	\$ 303,000	\$ 82,530	\$ (220,470)
Revenue from the federal government:				
Categorical aid:				
Coronavirus relief funds	\$ -	\$ 14,550	\$ 14,550	\$ -
Total revenue from the federal government	\$ -	\$ 14,550	\$ 14,550	\$ -
Total School Capital Projects Fund	\$ 676,750	\$ 2,373,571	\$ 1,348,458	\$ (1,025,113)
Total Discretely Presented Component Unit - School Board	\$ 25,321,554	\$ 27,077,829	\$ 24,982,260	\$ (2,095,569)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 58,805	\$ 58,805	\$ 58,053	\$ 752
General and financial administration:				
County administrator	\$ 448,880	\$ 449,049	\$ 470,435	\$ (21,386)
Independent auditor	39,000	39,000	40,714	(1,714)
Legal services	30,000	30,000	23,922	6,078
Commissioner of revenue	206,718	206,741	206,477	264
Assessor	4,500	4,500	-	4,500
Equalization board	5,250	5,250	425	4,825
Data processing	467,622	468,532	412,566	55,966
Information systems	57,316	57,753	60,710	(2,957)
Finance and purchasing	634,185	635,036	623,341	11,695
Treasurer	312,712	312,763	312,875	(112)
Total general and financial administration	\$ 2,206,183	\$ 2,208,624	\$ 2,151,465	\$ 57,159
Board of elections:				
Registrar	\$ 87,449	\$ 87,449	\$ 83,654	\$ 3,795
Electoral board and officials	56,974	64,846	53,970	10,876
Total board of elections	\$ 144,423	\$ 152,295	\$ 137,624	\$ 14,671
Total general government administration	\$ 2,409,411	\$ 2,419,724	\$ 2,347,142	\$ 72,582
Judicial administration:				
Courts:				
Circuit court	\$ 14,580	\$ 32,724	\$ 26,454	\$ 6,270
General district court	4,320	4,397	4,697	(300)
Magistrate	50	50	-	50
Juvenile and domestic relations court	2,850	3,350	1,968	1,382
Clerk of the circuit court	258,857	258,870	247,916	10,954
Victim Witness Program	74,066	74,167	70,658	3,509
Regional court services	6,180	6,180	6,179	1
Blue Ridge legal services	1,500	1,500	1,500	-
Total courts	\$ 362,403	\$ 381,238	\$ 359,372	\$ 21,866
Commonwealth's attorney:				
Commonwealth's attorney	\$ 357,850	\$ 362,791	\$ 351,633	\$ 11,158
Total commonwealth's attorney	\$ 357,850	\$ 362,791	\$ 351,633	\$ 11,158
Total judicial administration	\$ 720,253	\$ 744,029	\$ 711,005	\$ 33,024

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,672,042	\$ 2,872,244	\$ 2,759,159	\$ 113,085
Criminal justice training	19,593	19,593	19,422	171
Drug task force	12,500	12,500	11,165	1,335
Total law enforcement and traffic control	<u>\$ 2,704,135</u>	<u>\$ 2,904,337</u>	<u>\$ 2,789,746</u>	<u>\$ 114,591</u>
Fire and rescue services:				
Emergency medical services	\$ 1,145,364	\$ 1,261,645	\$ 1,199,277	\$ 62,368
Fire and rescue departments	413,923	414,423	399,471	14,952
Lord Fairfax Emergency Medical Services	6,262	6,262	6,262	-
Forestry services	2,874	2,874	2,873	1
Total fire and rescue services	<u>\$ 1,568,423</u>	<u>\$ 1,685,204</u>	<u>\$ 1,607,883</u>	<u>\$ 77,321</u>
Correction and detention:				
Regional jail	\$ 479,467	\$ 479,467	\$ 471,624	\$ 7,843
Juvenile detention home	17,219	17,219	17,219	-
Probation office	400	400	48	352
Total correction and detention	<u>\$ 497,086</u>	<u>\$ 497,086</u>	<u>\$ 488,891</u>	<u>\$ 8,195</u>
Inspections:				
Building	\$ 216,194	\$ 216,278	\$ 205,064	\$ 11,214
Total inspections	<u>\$ 216,194</u>	<u>\$ 216,278</u>	<u>\$ 205,064</u>	<u>\$ 11,214</u>
Other protection:				
Animal control	\$ 115,837	\$ 117,384	\$ 112,391	\$ 4,993
Medical examiner	200	200	220	(20)
Total other protection	<u>\$ 116,037</u>	<u>\$ 117,584</u>	<u>\$ 112,611</u>	<u>\$ 4,973</u>
Total public safety	<u>\$ 5,101,875</u>	<u>\$ 5,420,489</u>	<u>\$ 5,204,195</u>	<u>\$ 216,294</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 150,000	\$ 150,000	\$ 176,530	\$ (26,530)
Sanitation	235,000	235,000	231,398	3,602
Convenience center services	82,835	82,835	53,952	28,883
Litter control program	6,207	6,207	3,442	2,765
Total sanitation and waste removal	<u>\$ 474,042</u>	<u>\$ 474,042</u>	<u>\$ 465,322</u>	<u>\$ 8,720</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public Works: (continued)				
Maintenance of general buildings and grounds:				
General properties	\$ 854,279	\$ 863,262	\$ 795,805	\$ 67,457
Total maintenance of general buildings and grounds	\$ 854,279	\$ 863,262	\$ 795,805	\$ 67,457
Total public works	\$ 1,328,321	\$ 1,337,304	\$ 1,261,127	\$ 76,177
Health and welfare:				
Health:				
Supplement of local health department	\$ 192,623	\$ 192,623	\$ 192,623	\$ -
Our Health	6,500	6,500	6,500	-
Total health	\$ 199,123	\$ 199,123	\$ 199,123	\$ -
Mental health and mental retardation:				
Northwestern Community Services	\$ 94,000	\$ 94,000	\$ 94,000	\$ -
Concern Hotline	1,000	1,000	1,000	-
Northern Shen. Valley Substance Abuse Coalition	15,000	15,000	15,000	-
NW Works	1,500	1,500	1,500	-
Total mental health and mental retardation	\$ 111,500	\$ 111,500	\$ 111,500	\$ -
Welfare:				
Shenandoah area on aging	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Virginia Regional Transit	19,302	19,302	19,302	-
FISH human services	1,000	1,000	1,000	-
Abused women's shelter	3,500	3,500	3,500	-
Tax relief for the elderly	225,000	225,000	211,007	13,993
Independent living center	1,000	1,000	1,000	-
Total welfare	\$ 289,802	\$ 289,802	\$ 275,809	\$ 13,993
Total health and welfare	\$ 600,425	\$ 600,425	\$ 586,432	\$ 13,993
Education:				
Other instructional costs:				
Contribution to Clarke County Public Schools	\$ 13,877,678	\$ 15,335,949	\$ 13,700,280	\$ 1,635,669
Lord Fairfax Community College	17,796	17,796	17,796	-
Total education	\$ 13,895,474	\$ 15,353,745	\$ 13,718,076	\$ 1,635,669
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 463,993	\$ 464,762	\$ 450,958	\$ 13,804
Recreation center	118,025	118,072	103,322	14,750
Swimming pool	85,509	85,555	59,969	25,586
Concession stand	16,436	16,436	10,086	6,350
Programs	248,684	248,980	166,610	82,370
Total parks and recreation	\$ 932,647	\$ 933,805	\$ 790,945	\$ 142,860

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Parks, recreation, and culture: (continued)				
Cultural enrichment:				
Barns of Rose Hill	\$ 6,750	\$ 11,750	\$ 11,750	\$ -
Virginia commission for the arts	9,000	9,000	9,000	-
Total cultural enrichment	<u>\$ 15,750</u>	<u>\$ 20,750</u>	<u>\$ 20,750</u>	<u>\$ -</u>
Library:				
Contribution to Handley library	\$ 241,150	\$ 241,150	\$ 241,150	\$ -
Total library	<u>\$ 241,150</u>	<u>\$ 241,150</u>	<u>\$ 241,150</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 1,189,547</u>	<u>\$ 1,195,705</u>	<u>\$ 1,052,845</u>	<u>\$ 142,860</u>
Community development:				
Planning and community development:				
Planning administration	\$ 445,404	\$ 445,442	\$ 423,001	\$ 22,441
Help with housing	2,500	2,500	2,500	-
Board of zoning appeals	3,519	3,519	1,412	2,107
Office of Economic Development	68,100	68,100	55,023	13,077
Berryville Development Authority	900	900	100	800
Small business development center	1,500	1,500	1,500	-
Blandy Experimental Farm	3,000	3,000	3,000	-
Planning commission	14,388	14,388	7,414	6,974
Board of septic appeals	1,565	1,565	2,348	(783)
Historic preservation	29,150	29,150	18,520	10,630
Northern Shenandoah Valley Regional Commission	10,776	10,776	10,776	-
Berryville Main St	2,500	2,500	2,500	-
Regional airport	2,500	2,500	2,500	-
Total planning and community development	<u>\$ 585,802</u>	<u>\$ 585,840</u>	<u>\$ 530,594</u>	<u>\$ 55,246</u>
Environmental management:				
Friends of the Shenandoah	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Water quality monitoring	30,000	30,000	22,500	7,500
Lord Fairfax Soil and Water Conservation	5,000	5,000	5,000	-
Biosolids Application	1,168	1,168	106	1,062
Total environmental management	<u>\$ 44,168</u>	<u>\$ 44,168</u>	<u>\$ 35,606</u>	<u>\$ 8,562</u>
Cooperative extension program:				
Cooperative extension service	\$ 52,011	\$ 52,107	\$ 39,845	\$ 12,262
Northern Virginia 4-H Center	2,300	2,300	2,300	-
Total cooperative extension program	<u>\$ 54,311</u>	<u>\$ 54,407</u>	<u>\$ 42,145</u>	<u>\$ 12,262</u>
Total community development	<u>\$ 684,281</u>	<u>\$ 684,415</u>	<u>\$ 608,345</u>	<u>\$ 76,070</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Nondepartmental:				
Miscellaneous	\$ -	\$ -	\$ 18,289	\$ (18,289)
Unemployment compensation	10,000	10,000	5,431	4,569
Legal/professional services contingency	78,000	61,130	-	61,130
Total nondepartmental	<u>\$ 88,000</u>	<u>\$ 71,130</u>	<u>\$ 23,720</u>	<u>\$ 47,410</u>
Total General Fund	<u>\$ 26,017,587</u>	<u>\$ 27,826,966</u>	<u>\$ 25,512,887</u>	<u>\$ 2,314,079</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Public assistance and welfare administration	\$ 1,672,332	\$ 1,672,682	\$ 1,310,392	\$ 362,290
Total health and welfare	<u>\$ 1,672,332</u>	<u>\$ 1,672,682</u>	<u>\$ 1,310,392</u>	<u>\$ 362,290</u>
Total Virginia Public Assistance Fund	<u>\$ 1,672,332</u>	<u>\$ 1,672,682</u>	<u>\$ 1,310,392</u>	<u>\$ 362,290</u>
Children's Services Act Fund:				
Health and welfare:				
Welfare and social services:				
Program expenditures	\$ 303,818	\$ 303,818	\$ 228,734	\$ 75,084
Total health and welfare	<u>\$ 303,818</u>	<u>\$ 303,818</u>	<u>\$ 228,734</u>	<u>\$ 75,084</u>
Total Children's Services Act Fund	<u>\$ 303,818</u>	<u>\$ 303,818</u>	<u>\$ 228,734</u>	<u>\$ 75,084</u>
Drug Enforcement Fund:				
Public Safety:				
Public Safety				
Operations	\$ -	\$ -	\$ 27,528	\$ (27,528)
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,528</u>	<u>\$ (27,528)</u>
Total Drug Enforcement Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,528</u>	<u>\$ (27,528)</u>
Conservation Easement Fund:				
Community development:				
Development rights				
Development rights	\$ 45,000	\$ 125,000	\$ 72,071	\$ 52,929
Total Conservation Easement Fund	<u>\$ 45,000</u>	<u>\$ 125,000</u>	<u>\$ 72,071</u>	<u>\$ 52,929</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
School Debt Service Fund:				
Debt service:				
Principal retirement	\$ 1,526,732	\$ 1,526,732	\$ 1,525,776	\$ 956
Interest and other fiscal charges	992,900	992,900	993,329	(429)
Total School Debt Service Fund	<u>\$ 2,519,632</u>	<u>\$ 2,519,632</u>	<u>\$ 2,519,105</u>	<u>\$ 527</u>
Primary Government Debt Service Fund:				
Debt service:				
Principal retirement	\$ 91,573	\$ 91,573	\$ 92,013	\$ (440)
Interest and other fiscal charges	160,127	160,127	159,687	440
Total Primary Government Debt Service	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ -</u>
Capital Projects Fund:				
General Government Capital Projects Fund:				
Capital projects:				
Communications equipment	\$ 590,085	\$ 901,639	\$ 282,566	\$ 619,073
Vehicles	30,000	30,246	24,256	5,990
Technology and equipment improvements	40,000	62,129	40,800	21,329
Sheriff vehicles	159,000	162,485	154,995	7,490
HVAC	-	160,940	11,522	149,418
Roofing	-	43,584	852	42,732
Sheriff equipment	10,000	10,000	9,661	339
Economic development	-	26,238	26,237	1
Reassessment	-	202,085	131,343	70,742
Parks - Shelter	-	20,723	-	20,723
Swimming pool	-	55,200	10,754	44,446
Painting and flooring	25,000	30,073	20,073	10,000
Paving	25,000	28,136	2,759	25,377
Landscaping	-	10,375	-	10,375
Buildings	-	32,617	9,031	23,586
Fencing - ballfield and pool	-	79,007	6,030	72,977
E911 Phone	241,452	241,452	34,680	206,772
Broadband	-	209,513	99,852	109,661
Mogans Mill Appalachian Trail	-	11,730	-	11,730
Citizens convenience center	-	4,105	4,106	(1)
Total General Government Capital Projects Fund	<u>\$ 1,120,537</u>	<u>\$ 2,322,277</u>	<u>\$ 869,517</u>	<u>\$ 1,452,760</u>
Total Primary Government	<u>\$ 31,930,606</u>	<u>\$ 35,022,075</u>	<u>\$ 30,791,934</u>	<u>\$ 4,230,141</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Instruction	\$ 19,259,485	\$ 19,160,073	\$ 18,434,489	\$ 725,584
Administration, attendance and health	1,230,252	1,333,574	1,199,617	133,957
Pupil transportation services	1,115,675	1,096,355	1,005,771	90,584
Operation and maintenance services	2,227,940	2,294,438	2,137,260	157,178
Total School Operating Fund	<u>\$ 23,833,352</u>	<u>\$ 23,884,440</u>	<u>\$ 22,777,137</u>	<u>\$ 1,107,303</u>
Special Revenue Fund:				
School Food Service Fund:				
Education:				
School food services:				
Administration of school food program	\$ 811,452	\$ 819,818	\$ 856,665	\$ (36,847)
Total School Food Service Fund	<u>\$ 811,452</u>	<u>\$ 819,818</u>	<u>\$ 856,665</u>	<u>\$ (36,847)</u>
Capital Projects Fund:				
School Capital Projects Fund:				
Capital projects:				
Band equipment	\$ -	\$ 11,137	\$ 8,838	\$ 2,299
Athletic equipment and uniforms	12,000	22,884	19,028	3,856
Furniture replacement	25,000	219,827	219,827	-
Bus purchases	160,000	161,734	161,734	-
Fencing	15,000	15,000	7,800	7,200
School food - service equipment	-	14,407	2,475	11,932
HVAC	75,000	481,815	327,558	154,257
Roof replacements	-	131,684	-	131,684
Flooring replacements	-	17,236	17,236	-
Security improvements	50,000	96,551	96,550	1
Surfacing	-	18,979	-	18,979
Playgrounds and fields	30,000	109,694	94,693	15,001
Technology	244,750	941,760	287,619	654,141
Dorsch scholarship fund	-	19,528	19,528	-
Boyce Elem repairs	65,000	65,000	47,601	17,399
Signs	-	2,000	1,140	860
Painting	-	32,779	25,276	7,503
Johnson Williams middle renovation	-	11,556	11,555	1
Total capital projects	<u>\$ 676,750</u>	<u>\$ 2,373,571</u>	<u>\$ 1,348,458</u>	<u>\$ 1,025,113</u>
Total School Capital Projects Fund	<u>\$ 676,750</u>	<u>\$ 2,373,571</u>	<u>\$ 1,348,458</u>	<u>\$ 1,025,113</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 25,321,554</u>	<u>\$ 27,077,829</u>	<u>\$ 24,982,260</u>	<u>\$ 2,095,569</u>

Other Statistical Information

COUNTY OF CLARKE, VIRGINIA

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works (1)	Health and Welfare
2010-11	\$ 1,905,789	\$ 406,759	\$ 3,205,467	\$ 900,060	\$ 2,447,164
2011-12	1,943,393	424,222	3,466,939	970,017	2,501,215
2012-13	2,039,336	566,006	3,462,973	1,001,606	2,101,344
2013-14	2,085,415	595,926	3,515,863	883,176	2,258,462
2014-15	2,228,785	598,469	4,414,115	863,529	2,418,330
2015-16	2,236,563	602,451	4,094,648	943,504	2,646,112
2016-17	1,756,158	691,496	4,312,322	942,657	2,859,737
2017-18	2,183,992	756,574	4,390,173	1,040,596	2,553,964
2018-19	2,432,025	815,472	5,018,338	1,149,634	2,177,021
2019-20	2,819,934	809,978	5,789,312	1,262,313	2,139,568

- (1) Public works total is reduced by the contribution to the component unit Clarke County Sanitary Authority
- (2) Education total includes both general government and component unit school board and is reduced by the contribution to the component unit school board.

Table 1

	<u>Education (2)</u>	<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Interest on Long- Term Debt</u>	<u>Sanitary Authority</u>	<u>IDA</u>	<u>Total</u>
\$	20,984,893	\$ 969,405	\$ 991,056	\$ 1,832,949	\$ 832,459	\$ 10,501	\$ 34,486,502
	21,767,329	1,001,174	708,196	2,061,986	867,469	9,081	35,721,021
	22,974,665	1,018,007	1,098,325	1,777,739	946,254	419,373	37,405,628
	23,785,661	999,980	1,656,333	1,671,404	895,992	8,714	38,356,926
	23,617,577	1,048,103	980,692	1,559,976	958,018	10,235	38,697,829
	23,362,861	1,046,407	866,154	1,453,276	928,141	10,090	38,190,207
	24,942,640	1,740,882	1,786,425	1,333,403	864,755	9,484	41,239,959
	24,113,225	1,184,765	751,064	1,262,545	991,414	10,405	39,238,717
	24,743,660	1,221,501	1,114,874	1,165,960	1,101,563	14,863	40,954,911
	26,436,334	1,153,029	676,267	1,101,459	945,879	19,753	43,153,826

COUNTY OF CLARKE, VIRGINIA

Government-Wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2010-11	\$ 2,616,152	\$ 11,706,825	\$ 406,085
2011-12	2,422,452	11,747,408	439,405
2012-13	2,346,633	12,006,615	810,499
2013-14	2,312,708	12,076,289	1,297,384
2014-15	2,461,210	12,840,732	1,006,920
2015-16	2,852,037	12,760,998	405,142
2016-17	2,974,503	12,776,552	1,111,713
2017-18	2,954,132	12,775,540	241,152
2018-19	3,439,395	12,836,899	529,937
2019-20	3,127,521	13,262,749	385,747

(1) Includes discretely presented component units.

(2) In fiscal year 2010, communications tax reporting was moved from Other Local Taxes to Grants and Contributions Not Restricted to Specific Programs

Table 2

GENERAL REVENUES						
General Property Taxes	Other Local Taxes (2)	Unrestricted revenues from money or property	Miscella- neous	Grants and Contributions Not Restricted to Specific Programs	Gain (Loss) on Disposal of Asset	Total
\$ 17,655,465	\$ 1,653,965	\$ 312,727	\$ 272,123	\$ 2,995,371	-	\$ 37,618,713
17,478,712	1,814,930	181,632	783,751	3,043,021	-	37,911,311
18,046,810	1,855,520	168,355	324,211	2,982,591	3,336	38,544,570
18,649,133	1,849,613	140,606	452,072	3,004,576	-	39,782,381
19,310,001	1,777,225	134,424	318,395	3,034,774	-	40,883,681
19,814,919	1,921,422	159,519	530,887	3,018,096	-	41,463,020
19,862,341	1,969,108	187,956	493,989	3,002,922	-	42,379,084
20,679,221	1,949,217	161,134	427,413	3,026,459	-	42,214,268
21,340,980	2,005,268	225,643	463,009	2,965,641	-	43,806,772
21,658,983	2,345,551	241,313	619,409	3,687,357	-	45,328,630

COUNTY OF CLARKE, VIRGINIA

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

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Education (2)</u>
2010-11	\$ 1,758,864	\$ 406,846	\$ 3,300,190	\$ 866,886	\$ 2,558,292	\$ 19,753,538
2011-12	1,705,944	422,609	3,291,332	971,266	2,480,546	19,362,230
2012-13	1,723,450	566,436	3,512,071	949,685	2,115,119	21,498,917
2013-14	1,742,173	595,936	3,536,630	898,325	2,251,459	20,891,004
2014-15	1,772,923	618,450	4,115,259	1,003,202	2,438,840	21,320,100
2015-16	1,822,898	629,270	4,073,933	1,087,367	2,662,444	21,651,173
2016-17	1,903,602	698,294	4,265,587	1,169,117	2,892,366	22,299,561
2017-18	1,995,469	723,002	4,505,954	1,112,695	2,558,960	22,658,730
2018-19	2,255,423	733,782	4,843,017	1,244,354	2,224,237	23,292,323
2019-20	2,347,142	711,005	5,231,723	1,261,127	2,125,558	23,651,598

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

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

Table 3

<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Non- departmental</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 900,137	\$ 814,400	\$ 3,531	\$ 4,087,218	\$ 16,577,174	\$ 51,027,076
920,144	721,318	1,242	4,497,146	14,668,743	49,042,520
948,452	1,081,175	11,430	4,420,922	3,381,480	40,209,137
929,900	1,648,207	(336)	4,286,713	7,654,661	44,434,672
952,685	984,087	18,980	4,379,113	3,055,653	40,659,292
962,519	849,873	12,956	4,192,646	1,950,746	39,895,825
973,326	1,273,491	5,144	4,066,811	5,332,860	44,880,159
1,021,052	661,213	29,623	3,223,790	3,650,407	42,140,895
1,071,994	1,130,526	12,460	3,194,090	3,011,845	43,014,051
1,052,845	680,416	23,720	2,770,805	2,217,975	42,073,914

COUNTY OF CLARKE, VIRGINIA

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

Fiscal Year	General Property Taxes	Other Local Taxes (3)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services
2010-11	\$ 17,351,499	\$ 1,653,965	\$ 326,865	\$ 381,509	\$ 293,560	\$ 1,467,079
2011-12	17,569,637	1,814,930	236,880	362,725	165,093	1,338,568
2012-13	17,940,641	1,855,520	238,733	347,687	161,139	1,277,309
2013-14	18,466,352	1,849,613	286,818	237,835	135,704	1,280,108
2014-15	19,407,675	1,777,225	266,539	303,637	130,204	1,359,581
2015-16	19,734,792	1,921,422	280,881	304,861	157,216	1,677,127
2016-17	19,981,515	1,969,108	393,891	352,279	186,147	1,656,398
2017-18	20,774,033	1,949,217	328,391	357,254	158,930	1,654,201
2018-19	20,795,449	2,005,268	385,048	320,568	215,622	1,724,593
2019-20	21,188,556	2,345,551	323,687	233,648	237,696	1,419,963

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

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

(3) In fiscal year 2010, communications tax reporting was moved from Other Local Taxes to Intergovernmental Revenue.

Table 4

<u>Miscellaneous</u>	<u>Recovered Costs</u>	<u>Inter- governmental (2)</u>	<u>Subtotal</u>	<u>Proceeds From Debt</u>	<u>Total</u>
\$ 141,845	\$ 315,412	\$ 14,907,445	\$ 36,839,179	\$ 567,178	\$ 37,406,357
648,323	263,772	15,004,334	37,404,262	307,792	37,712,054
194,021	351,897	15,978,905	38,345,852	-	38,345,852
334,942	258,406	16,348,249	39,198,027	-	39,198,027
182,402	159,612	16,822,126	40,409,001	-	40,409,001
382,181	307,618	15,854,309	40,620,407	-	40,620,407
361,299	186,469	16,867,526	41,954,632	-	41,954,632
293,108	226,368	16,043,151	41,784,653	-	41,784,653
318,702	173,447	16,332,477	42,271,174	-	42,271,174
468,046	105,397	17,335,343	43,657,887	-	43,657,887

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1), (2)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2010-11	\$ 19,716,647	\$ 19,437,175	98.58%	\$ 144,661	\$ 19,581,836	99.32%	\$ 1,939,623	9.84%
2011-12	19,776,620	19,650,841	99.36%	140,961	19,791,802	100.08%	2,008,440	10.16%
2012-13	19,976,661	20,033,782	100.29%	94,917	20,128,699	100.76%	1,991,275	9.97%
2013-14	20,499,518	20,661,349	100.79%	45,265	20,706,614	101.01%	2,261,984	11.03%
2014-15	20,980,117	21,454,716	102.26%	74,554	21,529,270	102.62%	2,096,823	9.99%
2015-16	21,383,904	21,672,649	101.35%	19,419	21,692,068	101.44%	2,095,157	9.80%
2016-17	21,641,717	21,511,699	99.40%	321,933	21,833,632	100.89%	2,036,380	9.41%
2017-18	21,841,583	22,374,271	102.44%	224,500	22,598,771	103.47%	2,071,734	9.49%
2018-19	21,295,315	22,607,804	106.16%	100,981	22,708,785	106.64%	2,373,029	11.14%
2019-20	22,947,025	22,927,936	99.92%	182,993	23,110,929	100.71%	3,235,671	14.10%

(1) Exclusive of penalties and interest.

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

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Utility (2)		Total
				Real Estate	Personal Property	
2009-10	\$ 2,226,939,452	\$ 121,592,042	\$ 19,086,630	\$ 54,229,648	\$ -	\$ 2,421,847,772
2010-11	2,189,128,079	125,806,164	17,424,033	56,051,400	-	2,388,409,676
2011-12	2,190,224,504	128,161,170	16,579,941	62,777,134	-	2,397,742,749
2012-13	2,195,199,863	133,156,000	15,478,677	63,758,974	-	2,407,593,514
2013-14	2,202,442,172	137,517,528	14,729,940	64,243,208	-	2,418,932,848
2014-15	2,209,918,924	140,683,592	14,079,731	64,514,825	-	2,429,197,072
2015-16	2,125,953,962	146,341,321	15,926,677	67,026,398	-	2,355,248,358
2016-17	2,040,151,212	151,716,784	15,961,187	67,718,041	-	2,275,547,224
2017-18	2,054,072,530	158,886,595	13,701,728	69,909,256	-	2,296,570,109
2018-19	2,074,702,400	166,582,252	13,309,929	69,434,398	-	2,324,028,979
2019-20	2,245,740,742	172,695,652	13,640,472	67,952,261	-	2,500,029,127

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

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

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	(2) Real Estate	Mobile Homes	Personal Property	Rescue Vehicles	Machinery and Tools	Public Utility	
						Real Estate (2)	Personal Property
2010-11	\$.62/.62	\$.62/.62	\$ 4.83/4.69	\$ 2.41/2.35	\$ 1.25	\$ 0.62	4.00
2011-12	.62/.63	.62/.63	4.69/4.496	2.35/2.248	1.25	0.62	n/a
2012-13	.63/.63	.63/.63	4.496/4.496	2.248/2.248	1.25	0.63	n/a
2013-14	.63/.655	.63/.655	4.496/4.496	2.248/2.248	1.25	0.63	n/a
2014-15	.655/.655	.655/.655	4.496/4.496	2.248/2.248	1.25	0.655	n/a
2015-16	.655/.72	.655/.72	4.496/4.496	2.248/2.248	1.25	0.655	n/a
2016-17	.72/.71	.72/.71	4.496/4.496	2.248/2.248	1.25	0.72	n/a
2017-18	.71/.71	.71/.71	4.496/4.496	2.248/2.248	1.25	0.71	n/a
2018-19	.71/.71	.71/.71	4.496/4.496	2.248/2.248	1.25	0.71	n/a
2019-20	.71/.615	.71/.615	4.496/4.496	2.248/2.248	1.25	0.71	n/a

(1) Per \$100 of assessed value.

(2) The County collects property taxes based on installments. Calendar year 2010 was a reassessment year for real property. The tax neutral rate for calendar year 2010 was computed to be \$.60/100. Calendar year 2016 was a reassessment year. The tax neutral rate for calendar year 2016 was computed to be \$.7165/100. Calendar year 2020 was a reassessment year. The tax neutral rate for calendar year 2020 was computed to be \$.615/100.

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross & Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2009-10	14,565	\$ 2,421,848	\$ 44,596,490	1.84%	\$ 3,062
2010-11	14,458	2,388,410	43,187,940	1.81%	2,987
2011-12	14,458	2,397,743	36,753,000	1.53%	2,542
2012-13	14,458	2,407,594	34,490,500	1.43%	2,386
2013-14	14,348	2,418,933	32,208,000	1.33%	2,245
2014-15	14,423	2,429,197	29,814,000	1.23%	2,067
2015-16	14,423	2,355,248	27,400,000	1.16%	1,900
2016-17	14,374	2,275,547	24,995,000	1.10%	1,739
2017-18	14,508	2,296,570	23,340,000	1.02%	1,609
2018-19	14,523	2,324,029	21,640,000	0.93%	1,490
2019-20	14,619	2,500,029	20,295,000	0.81%	1,388

(1) <https://www.census.gov/quickfacts>

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

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

General Government Capital Projects Carryover Budget Allocations
Last Ten Fiscal Years

	FY 19 Carryover	FY 20 Original Budget	FY 20 Project Transfers	FY 20 Supplemental Budget	Final Budget
Expenditures:					
HVAC System Replacement	\$ 119,280	\$ -	\$ 41,660	\$ -	\$ 160,940
Roofing	52,732	-	(10,000)	-	42,732
Painting and Flooring	-	25,000	5,073	-	30,073
Landscaping	10,375	-	-	-	10,375
Asphalt, Sidewalk, Path	3,136	25,000	-	-	28,136
Courthouse Complex Repairs (formally GenDist Court Bldg Repair)	27,681	-	4,936	-	32,617
Sheriff's Equipment	-	10,000	-	-	10,000
Auto Replacement	246	30,000	-	-	30,246
Sheriff's Vehicles	3,485	159,000	-	-	162,485
Citizen's Convenience Center	3,012	-	1,093	-	4,105
Southeastern Coll. Trans	42,900	-	(16,662)	-	26,238
Josephine School Museum	852	-	-	-	852
Morgan's Mill Appalachian Trail	-	-	(3,270)	15,000	11,730
Technology Improvements	22,129	40,000	-	-	62,129
Communications Equipment	311,554	590,085	-	-	901,639
911 Phone Systems	-	241,452	-	-	241,452
Telecommunication & Broadband Study	-	-	-	209,513	209,513
Swimming Pool	55,200	-	-	-	55,200
Fencing - ballfield and pool	79,007	-	-	-	79,007
Parks - Kohn Prpty Development	15,000	-	(15,000)	-	-
Parks - Shelter	20,723	-	-	-	20,723
Reassessment	109,915	-	(7,830)	100,000	202,085
Total expenditures	<u>\$ 877,227</u>	<u>\$ 1,120,537</u>	<u>\$ -</u>	<u>\$ 324,513</u>	<u>\$ 2,322,277</u>

School Board Capital Projects Carryover Budget Allocations

	FY 19 Carryover	FY 20 Original Budget	FY 20 Project Transfers	FY 20 Supplemental Budget	Final Budget
Expenditures:					
Tri-County Virginia OIC Donation	\$ -	\$ -	\$ (55,472)	\$ 75,000	\$ 19,528
Furniture replacement	10,373	25,000	134,454	50,000	219,827
Band equipment	11,137		-	-	11,137
Athletic equipment and uniforms	-	12,000	-	10,884	22,884
Bus purchases	-	160,000	1,734	-	161,734
School vehicles	-	-	(25,000)	25,000	-
School food - service equipment	14,407	-	-	-	14,407
Fencing	-	15,000	-	-	15,000
Signs	2,000	-	-	-	2,000
Fields and Playgrounds	2,707	30,000	61,987	15,000	109,694
Surfacing	41,016	-	(22,037)	-	18,979
Painting	135,167	-	(102,388)	-	32,779
HVAC	71,930	75,000	(25,115)	360,000	481,815
Cooley Lower Campus renovations	-	-	-	-	-
Cooley Upper Campus renovations	-	-	-	-	-
Roof replacements	131,684	-	-	-	131,684
Flooring replacements	-	-	17,236	-	17,236
Security improvements	23,506	50,000	3,045	20,000	96,551
Boyce Elementary repairs	-	65,000	-	-	65,000
Johnson Williams Middle renovation	-	-	11,556	-	11,556
Technology	533,460	17,000	(43,066)	14,550	521,944
Technology (VPSA)	149,000	155,000	(1,000)	-	303,000
Technology Administration	-	60,000	37,590	-	97,590
Technology-Food service	-	12,750	6,476	-	19,226
Total expenditures	\$ 1,126,387	\$ 676,750	\$ -	\$ 570,434	\$ 2,373,571

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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 Clarke, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County of Clarke, Virginia's basic financial statements and have issued our report thereon dated March 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Clarke, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Clarke, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Clarke, 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 the County of Clarke, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002.

County of Clarke, Virginia's Response to Findings

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

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

March 3, 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 Clarke, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of Clarke, 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 Clarke, Virginia's major federal programs for the year ended June 30, 2020. The County of Clarke, 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 Clarke, 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 Clarke, 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 Clarke, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, the County of Clarke, 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, 2020.

Report on Internal Control over Compliance

Management of the County of Clarke, 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 Clarke, 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 Clarke, 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
March 3, 2021

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

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:			
Medicaid Cluster:			
Direct payments			
Medical Assistance Program	93.778	n/a	\$ 8,053
Pass Through Payments:			
Department of Social Services:			
Medical Assistance Program	93.778	1200119, 1200120	180,453
Total Medicaid Cluster			\$ 188,506
Pass Through Payments:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950118, 0950119	2,591
Temporary Assistance For Needy Families (TANF)	93.558	0400119, 0400120	70,612
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500120	74
Low-Income Home Energy Assistance	93.568	0600419, 0600420	11,381
Child Care and Development Fund (CCDF) Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760119, 0760120	\$ 14,105
Total Child Care and Development Fund (CCDF) Cluster			14,105
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900118, 0900119	108
Foster Care - Title IV-E	93.658	1100119, 1100120, 1110119	79,864
Adoption Assistance - Title IV-E	93.659	1120119, 1120120	28,951
Social Services Block Grant	93.667	1000119, 1000120	85,648
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150118, 9150119	517
Children's Health Insurance Program (CHIP)	93.767	0540119, 0540120	2,834
Total Department of Health and Human Services			\$ 485,191
Department of Agriculture:			
Child Nutrition Cluster:			
Pass Through Payments:			
Department of Agriculture:			
Food Distribution	10.555	unavailable	\$ 45,003
Department of Education:			
National School Lunch Program	10.555	201919N109941 / 202020N109941	129,088
COVID-19 - National School Lunch Program	10.555	202020N8530341	18,813
School Breakfast Program	10.553	201919N109941 / 202020N109941	43,241
COVID-19 - School Breakfast Program	10.553	202020N8530341	7,825
COVID-19 - Summer Food Service Program for Children	10.559	202020N8530341	188,149
Total Child Nutrition Cluster			\$ 432,119
SNAP Cluster:			
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010119, 0010120, 0040119, 0040120	\$ 176,625
Total SNAP Cluster			176,625
Total Department of Agriculture			\$ 608,744

Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended June 30, 2020

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Homeland Security:			
Direct payments:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	n/a	107,328
Pass Through Payments:			
Department of Homeland Security: Emergency Management Performance Grants	97.042	unavailable	\$ 11,425
Total Department of Homeland Security			<u>\$ 118,753</u>
Department of Justice:			
Direct payments:			
State Criminal Alien Assistance Program	16.606	n/a	\$ 3,929
Equitable Sharing Program	16.922	n/a	6,832
Pass Through Payments:			
Department of Criminal Justice Service: Bulletproof Vest Partnership Program	16.607	unavailable	\$ 3,610
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-T1131LO17	944
Violence Against Women Formula Grants	16.588	19-P4438VA18, 20-Q4438VA19	28,082
Crime Victim Assistance	16.575	19-S3591VW17, 20-T3591VW18	52,597
Total Department of Justice - pass-through			<u>\$ 81,623</u>
Total Department of Justice - pass-through payments			<u>\$ 85,233</u>
Total Department of Justice			<u>\$ 95,994</u>
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles: Alcohol Open Container Requirements Highway Safety Cluster	20.607	154AL-19-59084, 154AL 20 50218	\$ 6,887
State and Community Highway Safety Total Highway Safety Cluster	20.600	FSC-19-59082, FSC-20-50219	\$ 3,976
Total Department of Transportation			<u>\$ 10,863</u>
Department of Treasury:			
Pass Through Payments:			
Virginia Department of Accounts: COVID-19 - Coronavirus Relief Fund	21.019	SLT0022	\$ 740,521
Department of Education:			
Direct Payments:			
Pass Through Payments:			
Department of Education: Title I Grants to Local Educational Agencies	84.010	S010A180046, S010A190046	\$ 193,981
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	H027A180107, H027A190107	\$ 431,664
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A180112, H173A190112	14,627
Total Special Education Cluster			446,291
English Language Acquisition State Grants	84.365	Unknown	5,580
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	V048A190046	23,496
Supporting Effective Instruction State Grants	84.367	S367A180044, S367A190044	38,041
Student Support and Academic Enrichment Program	84.424	S424A190048	13,822
Total Department of Education			<u>\$ 721,211</u>
Total Expenditures of Federal Awards			<u>\$ 2,781,277</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF CLARKE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Clarke, Virginia under programs of the federal government for the year ended June 30, 2020. 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 Clarke, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Clarke, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Indirect Cost Rate

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

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - 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	\$	876,856
Special Revenue Funds:		
Virginia Public Assistance Fund		643,718
Comprehensive Services Act Fund		10,396
Drug Enforcement Fund		6,832
Debt Service Funds:		
School Debt Service Fund		107,745
Agency Funds:		
Unemployment compensation benefits fund		14,160
Total primary government	\$	<u>1,659,707</u>
Component Unit School Board:		
School Operating Fund	\$	780,393
School Capital Improvement Fund		14,550
School Food Service Fund		440,485
Total component unit school board	\$	<u>1,235,428</u>
Component Unit Clarke County Sanitary Authority:		
Water Fund	\$	255
Sewer Fund		255
Total component unit school board	\$	<u>510</u>
Total federal expenditures per basic financial statements	\$	<u>2,895,645</u>
Less amounts not reported on the Schedule of Expenditures of Federal Awards:		
Payment in lieu of taxes	\$	6,623
Build America Bond interest rate subsidy		107,745
Total federal expenditures per basic financial statements	\$	<u>2,781,277</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>2,781,277</u></u>

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

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>
84.027	Special Education Cluster (IDEA):
84.173	Special Education - Grants to States (IDEA, Part B)
	Special Education - Preschool Grants (IDEA Preschool)
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? No

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section III - Federal Award Findings and Questioned Costs

None

Section II - Financial Statement Findings

None

Section IV - Commonwealth of Virginia Findings

2020-001 - Compliance Finding - Special Welfare Bank Account

Criteria:

Per Section 3-15 of the *Specifications for Audits of Counties, Cities, and Towns*, all Child Welfare accounts with sustained balances must be interest-bearing accounts.

Condition:

The portion of special welfare dedicated to individuals with sustained balances is not maintained in an interest-bearing account.

Cause:

When the Special Welfare bank account was established, it was not set up as an interest-bearing account.

Effect:

Individuals with sustained Special Welfare balances are not earning interest as required.

Recommendation:

We recommend that the County establish an interest bearing account to place funds for individuals with sustained Special Welfare balances.

Management Response and Corrective Action Plan:

The Clarke County Department of Social Services' bank account currently has \$32,166 in SSI payments that were collected from 2014-2017 for a Title IV-E foster child that was in our custody during this timeframe. The DSS Director and Administrative Services Manager at that time did not apply these monthly SSI payments toward the Title IV-E maintenance funds spent on the child's care as they should have done. Additionally, the Social Worker did not take action with SSA to suspend SSI payments as required.

Director Parker and ASM Scott have met with the Virginia Department of Social Services Regional Consultant and Area Manager, and have been instructed to credit Title IV-E in the March 2021 Laser submission. This submission will post in LASER no later than April 10, 2021. ASM Scott will contact the County Treasurer to request that the \$32,166 be moved into the General Fund, as this amount will be deducted from the County's monthly state reimbursement once the credit posts in LASER.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

2020-002 - Compliance Finding - Special Welfare Bank Account

Criteria:

Per Section 3-15 of the *Specifications for Audits of Counties, Cities, and Towns*, the Special Welfare ledger account maintained by the Department of Social Services should be reconciled with the Special Welfare bank statement maintained by the County's Treasurer's Office.

Condition:

The Special Welfare ledger account maintained by the Department of Social Services does not reconcile with the Special Welfare bank statement maintained by the County's Treasurer's Office.

Cause:

The County did not have procedures in place to reconcile the Special Welfare ledger with the Special Welfare bank account.

Effect:

Errors could occur without being detected in the Special Welfare Ledger or Special Welfare bank account.

Recommendation:

We recommend that the Special Welfare ledger and Special Welfare bank account are reconciled on a monthly basis and that any discrepancies are investigated, documented, and corrected.

Management Response and Corrective Action Plan:

The Clarke County Department of Social Services is now receiving copies of the bank statement from the County Treasurer each month, and the special welfare ledger and bank statements are being reconciled. Though no discrepancies exist at this time, DSS will investigate, document and correct any discrepancies if they should occur.

Section V - Prior Year Audit Findings

2019-001 - Compliance Finding - No Annual Review of Employee System Access at Local Department of Social Services