

COUNTY OF NORTHUMBERLAND,  
VIRGINIA



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



**COUNTY OF NORTHUMBERLAND, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2021**

---

THIS PAGE LEFT BLANK INTENTIONALLY

# COUNTY OF NORTHUMBERLAND, VIRGINIA

---

## Board of Supervisors

---

Richard F. Haynie, Chairperson

Thomas H. Tomlin  
Ronald L. Jett

James W. Brann  
James M. Long

## School Board

---

Betty Christopher, Chairperson

Carl Perez  
Dana O'Bier

Denise Mazyck  
Gayle Sterrett

## Board of Social Services

---

Thomas Tomlin, Chairperson

Sharon Fisher

Paul Carlson

## Other Officials

---

|                                       |                     |
|---------------------------------------|---------------------|
| Judge of the Circuit Court.....       | R. Michael McKenney |
| Clerk of the Circuit Court .....      | Deborah T. Bingham  |
| Judge of General District Court ..... | John S. Martin      |
| Clerk of General District Court ..... | Angela W. Tadlock   |
| Commonwealth's Attorney .....         | Jane B. Wrightson   |
| Treasurer .....                       | Ellen Kirby         |
| Sheriff .....                         | Johnny Beauchamp    |
| Superintendent of Schools.....        | Dr. Holly Wargo     |
| Director of Social Services .....     | Jackie Clayton      |
| Commissioner of the Revenue .....     | Todd E. Thomas      |
| County Administrator .....            | E. Luttrell Tadlock |

THIS PAGE LEFT BLANK INTENTIONALLY

COUNTY OF NORTHUMBERLAND, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

---

|   | <u>Page</u>  |
|---|--------------|
| Independent Auditors' Report  | 1-3          |
| Management's Discussion and Analysis  | 4-10         |
| <b><u>Basic Financial Statements</u></b>  |              |
| <b>Government-wide Financial Statements</b>   |              |
| Exhibit 1    Statement of Net Position  | 11           |
| Exhibit 2    Statement of Activities  | 12-13        |
| <b>Fund Financial Statements</b>  |              |
| Exhibit 3    Balance Sheet—Governmental Funds   | 14           |
| Exhibit 4    Reconciliation of the Balance Sheet of Governmental Funds<br>to the Statement of Net Position  | 15           |
| Exhibit 5    Statement of Revenues, Expenditures and Changes in Fund<br>Balances—Governmental Funds   | 16           |
| Exhibit 6    Reconciliation of Statement of Revenues, Expenditures and Changes in Fund<br>Balances of the Governmental Funds to the Statement of Activities | 17           |
| Exhibit 7    Statement of Net Position – Proprietary Funds  | 18           |
| Exhibit 8    Statement of Revenues, Expenses, and Changes in Net Position—<br>Proprietary Funds   | 19           |
| Exhibit 9    Statement of Cash Flows—Proprietary Funds  | 20           |
| Exhibit 10   Statement of Fiduciary Net Position—Fiduciary Funds  | 21           |
| Exhibit 11   Statement of Changes in Fiduciary Net Position—Fiduciary Funds   | 22           |
| <b>Notes to Financial Statements</b>  | <b>23-91</b> |

COUNTY OF NORTHUMBERLAND, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

---

|   | <u>Page</u> |
|---|-------------|
| <b><u>Required Supplementary Information:</u></b>   |             |
| Exhibit 12 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—General Fund   | 92          |
| Exhibit 13 Schedule of Changes in Net Pension Liability and Related Ratios—Primary Government   | 93-94       |
| Exhibit 14 Schedule of Changes in Net Pension Liability and Related Ratios—Component Unit School Board (nonprofessional)  | 95-96       |
| Exhibit 15 Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  | 97-98       |
| Exhibit 16 Schedule of Employer Contributions—Pension Plans   | 99          |
| Exhibit 17 Notes to Required Supplementary Information—Pension Plans  | 100         |
| Exhibit 18 Schedule of County's and Component Unit School Board's Share of Net OPEB Liability—Group Life Insurance (GLI) Plan   | 101         |
| Exhibit 19 Schedule of Employer Contributions—Group Life Insurance (GLI) Plan   | 102         |
| Exhibit 20 Notes to Required Supplementary Information—Group Life Insurance (GLI) Plan  | 103         |
| Exhibit 21 Schedule of Changes in the County's Net OPEB Liability (Asset) and Related Ratios—Health Insurance Credit (HIC) Plan—Primary Government                          | 104         |
| Exhibit 22 Schedule of Changes in the School Nonprofessional's Net OPEB Liability (Asset) and Related Ratios—Health Insurance Credit (HIC) Plan—Component Unit School Board | 105         |
| Exhibit 23 Schedule of Employer Contributions—Health Insurance Credit (HIC) Plan  | 106         |
| Exhibit 24 Notes to Required Supplementary Information—Health Insurance Credit (HIC) Plan—Primary Government  | 107         |
| Exhibit 25 Schedule of Component Unit School Board's Share of Net OPEB Liability—Teacher Employee Health Insurance Credit (HIC) Plan  | 108         |
| Exhibit 26 Schedule of Employer Contributions—Teacher Employee Health Insurance Credit (HIC) Plan—Component Unit School Board   | 109         |
| Exhibit 27 Notes to Required Supplementary Information—Teacher Employee Health Insurance Credit (HIC) Plan—Component Unit School Board                                      | 110         |



COUNTY OF NORTHUMBERLAND, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

---

|   | <u>Page</u> |
|---|-------------|
| <b><u>Required Supplementary Information: (Continued)</u></b>   |             |
| Exhibit 28 Schedule of Changes in Total OPEB Liability and Related Ratios—<br>Primary Government                                | 111         |
| Exhibit 29 Notes to Required Supplementary Information—County OPEB  | 112         |
| <b><u>Other Supplementary Information:</u></b>  |             |
| <b>Combining and Individual Fund Statements and Schedules:</b>  |             |
| Exhibit 30 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget<br>and Actual—County Capital Projects Fund    | 113         |
| Exhibit 31 Combining Balance Sheet—Nonmajor Special Revenue Funds   | 114         |
| Exhibit 32 Combining Statement of Revenues, Expenditures, and Changes in Fund<br>Balances—Nonmajor Special Revenue Funds        | 115         |
| Exhibit 33 Schedule of Revenues, Expenditures, and Changes in Fund<br>Balances—Budget and Actual—Nonmajor Special Revenue Funds | 116-117     |
| Exhibit 34 Combining Statement of Fiduciary Net Position - Fiduciary Funds  | 118         |
| Exhibit 35 Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds   | 119         |
| <b>Discretely Presented Component Unit School Board:</b>  |             |
| Exhibit 36 Combining Balance Sheet—Governmental Funds   | 120         |
| Exhibit 37 Combining Statement of Revenues, Expenditures and Changes in Fund<br>Balances—Governmental Funds                     | 121         |
| Exhibit 38 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget<br>and Actual—School Operating Fund           | 122         |
| Exhibit 39 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget<br>and Actual—Special Revenue Fund            | 123         |

COUNTY OF NORTHUMBERLAND, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

---

|  | <u>Page</u> |
|--|-------------|
| <b><u>Supporting Schedules:</u></b>  |             |
| Schedule 1 Governmental Funds—Schedule of Revenues—Budget and Actual   | 124-129     |
| Schedule 2 Governmental Funds—Schedule of Expenditures—Budget and Actual   | 130-134     |
| <b><u>Other Statistical Information:</u></b>   |             |
| Table 1 Government-Wide Expenses by Function—Last Ten Fiscal Years   | 135         |
| Table 2 Government-Wide Revenues—Last Ten Fiscal Years   | 136         |
| Table 3 General Governmental Expenditures by Function—Last Ten Fiscal Years  | 137         |
| Table 4 General Governmental Revenues by Source—Last Ten Fiscal Years  | 138         |
| Table 5 Property Tax Levies and Collections—Last Ten Fiscal Years  | 139         |
| Table 6 Assessed Value of Taxable Property—Last Ten Fiscal Years   | 140         |
| Table 7 Property Tax Rates—Last Ten Fiscal Years   | 141         |
| Table 8 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita  | 142         |
| <b><u>Compliance:</u></b>  |             |
| 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 | 143-144     |
| Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance   | 145-146     |
| Schedule of Expenditures of Federal Awards   | 147-148     |
| Notes to Schedule of Expenditures of Federal Awards  | 149         |
| Schedule of Findings and Questioned Costs  | 150         |
| Summary Schedule of Prior Audit Findings   | 151         |



---

**Independent Auditors' Report**

---

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

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

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

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

## ***Opinions***

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

## ***Change in Accounting Principle***

As described in Note 21 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement Nos. 84, *Fiduciary Activities*, and 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* during the fiscal year ended June 30, 2021. Our opinion is not modified with respect to these matters.

## ***Restatement of Beginning Balances***

As described in Note 24 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84 and to remove the School Board OPEB pay-as-you-go liability. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-10, 92, and 93-112 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Supplementary and Other Information***

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

*Supplementary and Other Information (Continued)*

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 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 December 2, 2021, on our consideration of County of Northumberland, 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 Northumberland, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Northumberland, Virginia's internal control over financial reporting and compliance.

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

Richmond, Virginia  
December 2, 2021

THIS PAGE LEFT BLANK INTENTIONALLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

### **Financial Highlights**

#### **Government-wide Financial Statements**

< The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,210,241 (net position).

#### **Fund Financial Statements**

The Governmental Funds, on a current financial resource basis, reported revenue and other sources more than expenditures and other financing uses of \$932,614 (Exhibit 5) after making contributions totaling \$11,493,451 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$9,936,823, an increase of \$932,614 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,965,017, or 30% of total general fund expenditures and other uses.
- < The combined long-term obligations increased \$446,527 during the current fiscal year.

## Overview of the Financial Statements

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

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

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

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

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

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

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

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

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



## Overview of the Financial Statements (Continued)

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

Proprietary funds - Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the public and use the accrual basis of accounting, like a private sector business.

The Sanitary District Fund provides a centralized source for water/sewer services to County residents.

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

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

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

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$16,210,241 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

| County of Northumberland, Virginia's Net Position |                         |               |                          |              |               |               |
|---|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
|   | Governmental Activities |               | Business-type Activities |              | Totals        |               |
|   | 2021                    | 2020          | 2021                     | 2020         | 2021          | 2020          |
| Current and other assets                          | \$ 13,451,900           | \$ 11,576,578 | \$ 501,108               | \$ 137,624   | \$ 13,953,008 | \$ 11,714,202 |
| Capital assets                                    | 32,711,952              | 33,809,788    | 4,783,029                | 4,827,999    | 37,494,981    | 38,637,787    |
| Total assets                                      | \$ 46,163,852           | \$ 45,386,366 | \$ 5,284,137             | \$ 4,965,623 | \$ 51,447,989 | \$ 50,351,989 |
| Deferred outflows of resources                    | \$ 2,199,288            | \$ 1,526,199  | \$ 95,768                | \$ 58,770    | \$ 2,295,056  | \$ 1,584,969  |
| Current liabilities                               | \$ 2,808,571            | \$ 1,931,071  | \$ 79,114                | \$ 63,168    | \$ 2,887,685  | \$ 1,994,239  |
| Long-term liabilities outstanding                 | 31,961,317              | 31,812,121    | 2,547,761                | 2,250,430    | 34,509,078    | 34,062,551    |
| Total liabilities                                 | \$ 34,769,888           | \$ 33,743,192 | \$ 2,626,875             | \$ 2,313,598 | \$ 37,396,763 | \$ 36,056,790 |
| Deferred inflows of resources                     | \$ 134,268              | \$ 308,838    | \$ 1,773                 | \$ 10,478    | \$ 136,041    | \$ 319,316    |
| Net position:                                     |                         |               |                          |              |               |               |
| Net investment in capital assets                  | \$ 5,450,234            | \$ 5,331,400  | \$ 2,445,757             | \$ 2,723,999 | \$ 7,895,991  | \$ 8,055,399  |
| Restricted  | 971,806                 | 1,832,850     | -                        | -            | 971,806       | 1,832,850     |
| Unrestricted                                      | 7,036,944               | 5,696,285     | 305,500                  | (23,682)     | 7,342,444     | 5,672,603     |
| Total net position                                | \$ 13,458,984           | \$ 12,860,535 | \$ 2,751,257             | \$ 2,700,317 | \$ 16,210,241 | \$ 15,560,852 |

## Government-wide Financial Analysis (Continued)

The County's net position increased by \$646,673 during the current fiscal year. The following table summarizes the County's Statement of Activities:

| County of Northumberland, Virginia's Changes in Net Position |                         |                      |                          |                     |                      |                      |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|  | Governmental Activities |                      | Business-type Activities |                     | Totals               |                      |
|  | 2021                    | 2020                 | 2021                     | 2020                | 2021                 | 2020                 |
| Revenues:  |                         |                      |                          |                     |                      |                      |
| Program revenues:  |                         |                      |                          |                     |                      |                      |
| Charges for services   | \$ 408,390              | \$ 495,556           | \$ 708,655               | \$ 698,010          | \$ 1,117,045         | \$ 1,193,566         |
| Operating grants and contributions                           | 4,909,164               | 3,255,933            | -                        | -                   | 4,909,164            | 3,255,933            |
| General revenues:  |                         |                      |                          |                     |                      |                      |
| General property taxes                                       | 20,583,436              | 21,096,700           | -                        | -                   | 20,583,436           | 21,096,700           |
| Other local taxes  | 2,640,587               | 2,192,579            | -                        | -                   | 2,640,587            | 2,192,579            |
| Grants and other contributions not restricted                | 1,376,542               | 1,419,505            | -                        | -                   | 1,376,542            | 1,419,505            |
| Other general revenues                                       | 406,761                 | 477,714              | 112,785                  | 45,105              | 519,546              | 522,819              |
| Transfers  | (442,792)               | (273,532)            | 442,792                  | 273,532             | -                    | -                    |
| <b>Total revenues</b>  | <b>\$ 29,882,088</b>    | <b>\$ 28,664,455</b> | <b>\$ 1,264,232</b>      | <b>\$ 1,016,647</b> | <b>\$ 31,146,320</b> | <b>\$ 29,681,102</b> |
| Expenses:  |                         |                      |                          |                     |                      |                      |
| General government administration                            | \$ 1,764,986            | \$ 1,896,227         | \$ -                     | \$ -                | \$ 1,764,986         | \$ 1,896,227         |
| Judicial administration                                      | 1,083,957               | 1,003,459            | -                        | -                   | 1,083,957            | 1,003,459            |
| Public safety  | 7,240,720               | 5,716,966            | -                        | -                   | 7,240,720            | 5,716,966            |
| Public works   | 1,732,578               | 1,586,507            | -                        | -                   | 1,732,578            | 1,586,507            |
| Health and welfare   | 2,450,796               | 2,291,488            | -                        | -                   | 2,450,796            | 2,291,488            |
| Education  | 13,385,222              | 13,537,202           | -                        | -                   | 13,385,222           | 13,537,202           |
| Parks, recreation, and cultural                              | 217,267                 | 208,401              | -                        | -                   | 217,267              | 208,401              |
| Community development  | 623,856                 | 596,669              | -                        | -                   | 623,856              | 596,669              |
| Interest and other fiscal charges                            | 786,973                 | 841,642              | -                        | -                   | 786,973              | 841,642              |
| Utilities  | -                       | -                    | 1,213,292                | 1,201,052           | 1,213,292            | 1,201,052            |
| <b>Total expenses</b>  | <b>\$ 29,286,355</b>    | <b>\$ 27,678,561</b> | <b>\$ 1,213,292</b>      | <b>\$ 1,201,052</b> | <b>\$ 30,499,647</b> | <b>\$ 28,879,613</b> |
| <b>Change in net position</b>                                | <b>\$ 595,733</b>       | <b>\$ 985,894</b>    | <b>\$ 50,940</b>         | <b>\$ (184,405)</b> | <b>\$ 646,673</b>    | <b>\$ 801,489</b>    |
| Net position, beginning of year, as restated                 | 12,863,251              | 11,874,641           | 2,700,317                | 2,884,722           | 15,563,568           | 14,759,363           |
| <b>Net position, end of year</b>                             | <b>\$ 13,458,984</b>    | <b>\$ 12,860,535</b> | <b>\$ 2,751,257</b>      | <b>\$ 2,700,317</b> | <b>\$ 16,210,241</b> | <b>\$ 15,560,852</b> |

## **Financial Analysis of the County's Funds**

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$9,936,823, an increase of \$932,614 in comparison with the prior year. Of this total, 90% constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

**Proprietary Funds** - The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year amounted to \$128,000. The total increase in net position was \$50,940. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

## **General Fund Budgetary Highlights**

During the year, revenues and other sources were more than budgetary estimates by \$2,625,035. Expenditures and other uses were less than budgetary estimates by \$2,705,410, resulting in a positive variance of \$5,330,410.

## **Capital Asset and Debt Administration**

< **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2021 amounts to \$32,711,952 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

**Long-term debt** - At the end of the current fiscal year, the County had total debt outstanding of \$27,812,272 (excludes bond premium). Of this amount, \$27,812,272 comprises debt backed by the full faith and credit of the County. The County's remaining debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

The County's total debt outstanding decreased by \$871,728 during the current fiscal year.

Additional information on the County of Northumberland, Virginia's long-term debt can be found in Note 7 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

< Inflationary trends in the region compare to national indexes.

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

The fiscal year 2022 budget increased approximately 1.82% with no changes in property tax rates.

### **Requests for Information**

This financial report is designed to provide a general overview of the County of Northumberland, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 72 Monument Place, Heathsville, Virginia 22473.

THIS PAGE LEFT BLANK INTENTIONALLY

*BASIC FINANCIAL STATEMENTS*

THIS PAGE LEFT BLANK INTENTIONALLY



*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

THIS PAGE LEFT BLANK INTENTIONALLY

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

|  | Primary Government         |                             |                      | Component             |
|--|----------------------------|-----------------------------|----------------------|-----------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                | Unit<br>School Board  |
| <b>ASSETS</b>                                      |                            |                             |                      |                       |
| Cash and cash equivalents                          | \$ 11,592,183              | \$ 406,463                  | \$ 11,998,646        | \$ 162,267            |
| Cash in custody of others                          | 3,831                      | -                           | 3,831                | 536,996               |
| Receivables (net of allowance for uncollectibles): |                            |                             |                      |                       |
| Taxes receivable                                   | 1,128,386                  | -                           | 1,128,386            | -                     |
| Accounts receivable                                | 114,369                    | 93,613                      | 207,982              | -                     |
| Notes receivable                                   | 10,345                     | -                           | 10,345               | -                     |
| Net OPEB asset                                     | 8,810                      | 1,032                       | 9,842                | -                     |
| Due from other governmental units                  | 593,976                    | -                           | 593,976              | 1,594,813             |
| Capital assets (net of accumulated depreciation):  |                            |                             |                      |                       |
| Land and land improvements                         | 894,628                    | 98,924                      | 993,552              | 23,929                |
| Buildings and improvements                         | 30,661,267                 | 4,400,151                   | 35,061,418           | 5,985,357             |
| Machinery and equipment                            | 1,156,057                  | 106,454                     | 1,262,511            | 1,499,135             |
| Construction in progress                           | -                          | 177,500                     | 177,500              | -                     |
| Total assets                                       | <u>\$ 46,163,852</u>       | <u>\$ 5,284,137</u>         | <u>\$ 51,447,989</u> | <u>\$ 9,802,497</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                            |                             |                      |                       |
| Deferred amount on refunding                       | \$ 239,395                 | \$ -                        | \$ 239,395           | \$ -                  |
| Pension related items                              | 1,769,092                  | 79,755                      | 1,848,847            | 3,861,591             |
| OPEB related items                                 | 190,801                    | 16,013                      | 206,814              | 341,511               |
| Total deferred outflows of resources               | <u>\$ 2,199,288</u>        | <u>\$ 95,768</u>            | <u>\$ 2,295,056</u>  | <u>\$ 4,203,102</u>   |
| <b>LIABILITIES</b>                                 |                            |                             |                      |                       |
| Accounts payable                                   | \$ 126,975                 | \$ 79,114                   | \$ 206,089           | \$ 234,970            |
| Accrued liabilities                                | -                          | -                           | -                    | 1,363,490             |
| Accrued interest payable                           | 410,025                    | -                           | 410,025              | -                     |
| Due to other governmental units                    | 403,831                    | -                           | 403,831              | -                     |
| Unearned revenue                                   | 1,867,740                  | -                           | 1,867,740            | -                     |
| Long-term liabilities:                             |                            |                             |                      |                       |
| Due within one year                                | 1,190,685                  | -                           | 1,190,685            | 40,743                |
| Due in more than one year                          | 30,770,632                 | 2,547,761                   | 33,318,393           | 17,635,574            |
| Total liabilities                                  | <u>\$ 34,769,888</u>       | <u>\$ 2,626,875</u>         | <u>\$ 37,396,763</u> | <u>\$ 19,274,777</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                            |                             |                      |                       |
| Deferred revenue - property taxes                  | \$ 96,591                  | \$ -                        | \$ 96,591            | \$ -                  |
| Pension related items                              | 17,312                     | 639                         | 17,951               | 1,413,624             |
| OPEB related items                                 | 20,365                     | 1,134                       | 21,499               | 135,622               |
| Total deferred inflows of resources                | <u>\$ 134,268</u>          | <u>\$ 1,773</u>             | <u>\$ 136,041</u>    | <u>\$ 1,549,246</u>   |
| <b>NET POSITION</b>                                |                            |                             |                      |                       |
| Net investment in capital assets                   | \$ 5,450,234               | \$ 2,445,757                | \$ 7,895,991         | \$ 7,508,421          |
| Restricted   | 971,806                    | -                           | 971,806              | -                     |
| Unrestricted (deficit)                             | 7,036,944                  | 305,500                     | 7,342,444            | (14,326,845)          |
| Total net position                                 | <u>\$ 13,458,984</u>       | <u>\$ 2,751,257</u>         | <u>\$ 16,210,241</u> | <u>\$ (6,818,424)</u> |

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

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

| <u>Functions/Programs</u>         | <u>Expenses</u> | <u>Program Revenues</u>     |   |   |
|-----------------------------------|-----------------|-----------------------------|---|---|
|                                   |                 | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| <b>PRIMARY GOVERNMENT:</b>        |                 |                             |   |   |
| Governmental activities:          |                 |                             |   |   |
| General government administration | \$ 1,764,986    | \$ -                        | \$ 256,807                                | \$ -                                    |
| Judicial administration           | 1,083,957       | 10,313                      | 536,762                                   | -                                       |
| Public safety                     | 7,240,720       | 180,700                     | 2,493,585                                 | -                                       |
| Public works                      | 1,732,578       | -                           | -   | -                                       |
| Health and welfare                | 2,450,796       | -                           | 1,283,538                                 | -                                       |
| Education                         | 13,385,222      | -                           | -   | -                                       |
| Parks, recreation, and cultural   | 217,267         | -                           | 15,726                                    | -                                       |
| Community development             | 623,856         | 217,377                     | 322,746                                   | -                                       |
| Interest on long-term debt        | 786,973         | -                           | -   | -                                       |
| Total governmental activities     | \$ 29,286,355   | \$ 408,390                  | \$ 4,909,164                              | \$ -                                    |
| Business-type activities:         |                 |                             |   |   |
| Sanitary District                 | \$ 1,213,292    | \$ 708,655                  | \$ -                                      | \$ -                                    |
| Total business-type activities    | \$ 1,213,292    | \$ 708,655                  | \$ -                                      | \$ -                                    |
| Total primary government          | \$ 30,499,647   | \$ 1,117,045                | \$ 4,909,164                              | \$ -                                    |
| <b>COMPONENT UNIT:</b>            |                 |                             |   |   |
| School Board                      | \$ 18,394,447   | \$ 3,241                    | \$ 7,532,265                              | \$ -                                    |
| Total component unit              | \$ 18,394,447   | \$ 3,241                    | \$ 7,532,265                              | \$ -                                    |

General revenues:

- General property taxes
- Other local taxes:
  - Local sales and use taxes
  - Motor vehicle licenses
  - Taxes on recordation and wills
  - Consumer's utility taxes
  - Bank stock taxes
  - Other local taxes
- Unrestricted revenues from use of money and property
- Miscellaneous
- Contributions from Northumberland County
- Grants and contributions not restricted to specific programs
- Transfers
- Total general revenues and transfers

Change in net position

Net position - beginning, as restated

Net position - ending

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

Exhibit 2

| Net (Expense) Revenue and<br>Changes in Net Position |                             |                        |                        |
|--|-----------------------------|------------------------|------------------------|
| Primary Government                                   |                             |                        | Component Unit         |
| Governmental<br>Activities                           | Business-type<br>Activities | Total                  | School Board           |
| \$ (1,508,179)                                       |                             | \$ (1,508,179)         |                        |
| (536,882)  |                             | (536,882)              |                        |
| (4,566,435)  |                             | (4,566,435)            |                        |
| (1,732,578)  |                             | (1,732,578)            |                        |
| (1,167,258)  |                             | (1,167,258)            |                        |
| (13,385,222)   |                             | (13,385,222)           |                        |
| (201,541)  |                             | (201,541)              |                        |
| (83,733)   |                             | (83,733)               |                        |
| (786,973)  |                             | (786,973)              |                        |
| <u>\$ (23,968,801)</u>                               |                             | <u>\$ (23,968,801)</u> |                        |
|  | \$ (504,637)                | \$ (504,637)           |                        |
|  | <u>\$ (504,637)</u>         | <u>\$ (504,637)</u>    |                        |
|  |                             | <u>\$ (24,473,438)</u> |                        |
|  |                             |                        | \$ (10,858,941)        |
|  |                             |                        | <u>\$ (10,858,941)</u> |
| \$ 20,583,436  | \$ -                        | \$ 20,583,436          | \$ -                   |
| 1,121,761  | -                           | 1,121,761              | -                      |
| 372,027  | -                           | 372,027                | -                      |
| 405,697  | -                           | 405,697                | -                      |
| 350,891  | -                           | 350,891                | -                      |
| 332,561  | -                           | 332,561                | -                      |
| 57,650   | -                           | 57,650                 | -                      |
| 151,875  | -                           | 151,875                | 144                    |
| 254,886  | 112,785                     | 367,671                | 138,995                |
| -  | -                           | -                      | 11,403,865             |
| 1,376,542  | -                           | 1,376,542              | -                      |
| (442,792)  | 442,792                     | -                      | -                      |
| <u>\$ 24,564,534</u>                                 | <u>\$ 555,577</u>           | <u>\$ 25,120,111</u>   | <u>\$ 11,543,004</u>   |
| \$ 595,733   | \$ 50,940                   | \$ 646,673             | \$ 684,063             |
| 12,863,251   | 2,700,317                   | 15,563,568             | (7,502,487)            |
| <u>\$ 13,458,984</u>                                 | <u>\$ 2,751,257</u>         | <u>\$ 16,210,241</u>   | <u>\$ (6,818,424)</u>  |

THIS PAGE LEFT BLANK INTENTIONALLY

*FUND FINANCIAL STATEMENTS*

THIS PAGE LEFT BLANK INTENTIONALLY



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

|   | General<br>Fund      | County<br>Capital<br>Projects<br>Fund | Other<br>Governmental<br>Funds | Total                |
|---|----------------------|---------------------------------------|--------------------------------|----------------------|
| <b>ASSETS</b>   |                      |                                       |                                |                      |
| Cash and cash equivalents   | \$ 10,635,217        | \$ 781,601                            | \$ 175,365                     | \$ 11,592,183        |
| Cash in custody of others   |                      |                                       | 3,831                          | 3,831                |
| Receivables (net of allowance for uncollectibles):                    |                      |                                       |                                |                      |
| Taxes receivable  | 1,128,386            | -                                     | -                              | 1,128,386            |
| Accounts receivable   | 113,705              | -                                     | 664                            | 114,369              |
| Notes receivable  | -                    | -                                     | 10,345                         | 10,345               |
| Due from other governmental units                                     | 593,976              | -                                     | -                              | 593,976              |
| Total assets  | <u>\$ 12,471,284</u> | <u>\$ 781,601</u>                     | <u>\$ 190,205</u>              | <u>\$ 13,443,090</u> |
| <b>LIABILITIES</b>  |                      |                                       |                                |                      |
| Accounts payable  | \$ 126,975           | \$ -                                  | \$ -                           | \$ 126,975           |
| Due to other governmental units                                       | 403,831              | -                                     | -                              | 403,831              |
| Unearned revenue  | 1,867,740            | -                                     | -                              | 1,867,740            |
| Total liabilities   | <u>\$ 2,398,546</u>  | <u>\$ -</u>                           | <u>\$ -</u>                    | <u>\$ 2,398,546</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                      |                                       |                                |                      |
| Unavailable revenue - property taxes                                  | \$ 1,107,721         | \$ -                                  | \$ -                           | \$ 1,107,721         |
| Total deferred inflows of resources                                   | <u>\$ 1,107,721</u>  | <u>\$ -</u>                           | <u>\$ -</u>                    | <u>\$ 1,107,721</u>  |
| <b>FUND BALANCES</b>  |                      |                                       |                                |                      |
| Restricted  | \$ -                 | \$ 781,601                            | \$ 190,205                     | \$ 971,806           |
| Unassigned  | 8,965,017            | -                                     | -                              | 8,965,017            |
| Total fund balances   | <u>\$ 8,965,017</u>  | <u>\$ 781,601</u>                     | <u>\$ 190,205</u>              | <u>\$ 9,936,823</u>  |
| Total liabilities, deferred inflows of resources<br>and fund balances | <u>\$ 12,471,284</u> | <u>\$ 781,601</u>                     | <u>\$ 190,205</u>              | <u>\$ 13,443,090</u> |

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 9,936,823

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

|                          |               |            |
|--------------------------|---------------|------------|
| Capital assets, cost     | \$ 51,701,684 |            |
| Accumulated depreciation | (18,989,732)  | 32,711,952 |
|                          |               |            |

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

|                               |              |           |
|-------------------------------|--------------|-----------|
| Unavailable property taxes    | \$ 1,011,130 |           |
| Net OPEB asset                | 8,810        |           |
| Deferred charges on refunding | 239,395      | 1,259,335 |
|                               |              |           |

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

|                       |              |           |
|-----------------------|--------------|-----------|
| Pension related items | \$ 1,769,092 |           |
| OPEB related items    | 190,801      | 1,959,893 |
|                       |              |           |

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

|                          |                 |              |
|--------------------------|-----------------|--------------|
| Lease revenue bond       | \$ (25,475,000) |              |
| Bond premium             | (2,026,113)     |              |
| Net OPEB liabilities     | (739,160)       |              |
| Accrued interest payable | (410,025)       |              |
| Net pension liability    | (3,414,196)     |              |
| Compensated absences     | (306,848)       | (32,371,342) |
|                          |                 |              |

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

|                       |             |          |
|-----------------------|-------------|----------|
| Pension related items | \$ (17,312) |          |
| OPEB related items    | (20,365)    | (37,677) |
|                       |             |          |

|   |  |               |
|---|--|---------------|
| Net position of governmental activities |  | \$ 13,458,984 |
|   |  |               |

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

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

|  | General<br>Fund      | County<br>Capital<br>Projects<br>Fund | Other<br>Governmental<br>Funds | Total                |
|--|----------------------|---------------------------------------|--------------------------------|----------------------|
| <b>REVENUES</b>  |                      |                                       |                                |                      |
| General property taxes                                       | \$ 20,572,189        | \$ -                                  | \$ -                           | \$ 20,572,189        |
| Other local taxes  | 2,640,587            | -                                     | -                              | 2,640,587            |
| Permits, privilege fees, and regulatory licenses             | 145,171              | -                                     | -                              | 145,171              |
| Fines and forfeitures  | 34,377               | -                                     | -                              | 34,377               |
| Revenue from the use of money and property                   | 151,861              | -                                     | 14                             | 151,875              |
| Charges for services   | 218,743              | -                                     | 10,099                         | 228,842              |
| Miscellaneous  | 213,307              | 34,950                                | 6,629                          | 254,886              |
| Recovered costs  | 142,439              | -                                     | -                              | 142,439              |
| Intergovernmental:   |                      |                                       |                                |                      |
| Commonwealth   | 3,687,649            | -                                     | 518                            | 3,688,167            |
| Federal  | 2,597,539            | -                                     | -                              | 2,597,539            |
| Total revenues   | <u>\$ 30,403,862</u> | <u>\$ 34,950</u>                      | <u>\$ 17,260</u>               | <u>\$ 30,456,072</u> |
| <b>EXPENDITURES</b>  |                      |                                       |                                |                      |
| Current:   |                      |                                       |                                |                      |
| General government administration                            | \$ 1,991,464         | \$ -                                  | \$ -                           | \$ 1,991,464         |
| Judicial administration                                      | 948,861              | -                                     | -                              | 948,861              |
| Public safety  | 6,862,770            | -                                     | 8,914                          | 6,871,684            |
| Public works   | 1,710,828            | -                                     | -                              | 1,710,828            |
| Health and welfare   | 2,389,748            | -                                     | -                              | 2,389,748            |
| Education  | 11,502,737           | -                                     | -                              | 11,502,737           |
| Parks, recreation, and cultural                              | 217,267              | -                                     | -                              | 217,267              |
| Community development  | 370,686              | -                                     | -                              | 370,686              |
| Capital projects   | 1,048,172            | -                                     | -                              | 1,048,172            |
| Debt service:  |                      |                                       |                                |                      |
| Principal retirement   | 1,105,000            | -                                     | -                              | 1,105,000            |
| Interest and other fiscal charges                            | 924,219              | -                                     | -                              | 924,219              |
| Total expenditures   | <u>\$ 29,071,752</u> | <u>\$ -</u>                           | <u>\$ 8,914</u>                | <u>\$ 29,080,666</u> |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>\$ 1,332,110</u>  | <u>\$ 34,950</u>                      | <u>\$ 8,346</u>                | <u>\$ 1,375,406</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                                       |                                |                      |
| Transfers in   | \$ 912,180           | \$ 5,124                              | \$ -                           | \$ 917,304           |
| Transfers out  | (447,916)            | (877,485)                             | (34,695)                       | (1,360,096)          |
| Total other financing sources (uses)                         | <u>\$ 464,264</u>    | <u>\$ (872,361)</u>                   | <u>\$ (34,695)</u>             | <u>\$ (442,792)</u>  |
| Net change in fund balances                                  | \$ 1,796,374         | \$ (837,411)                          | \$ (26,349)                    | \$ 932,614           |
| Fund balances - beginning, as restated                       | 7,168,643            | 1,619,012                             | 216,554                        | 9,004,209            |
| Fund balances - ending                                       | <u>\$ 8,965,017</u>  | <u>\$ 781,601</u>                     | <u>\$ 190,205</u>              | <u>\$ 9,936,823</u>  |

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

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

---

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

Net change in fund balances - total governmental funds \$ 932,614

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. The following is a summary of items supporting this adjustment:

|  |                  |             |
|--|------------------|-------------|
| Capital outlay   | \$ 720,921       |             |
| Depreciation expense   | (1,681,071)      |             |
| Transfer of joint tenancy assets to Component Unit from Primary Government | <u>(137,686)</u> | (1,097,836) |

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

|  |  |        |
|--|--|--------|
| Increase(decrease) in unavailable property taxes |  | 11,247 |
|--|--|--------|

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The following is a summary of items supporting this adjustment:

|  |                |           |
|--|----------------|-----------|
| Principal retired on school obligations            | \$ 1,105,000   |           |
| Amortization of bond premium on lease revenue bond | <u>126,632</u> | 1,231,632 |

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

The following is a summary of items supporting this adjustment:

|   |                 |           |
|---|-----------------|-----------|
| (Increase) decrease in compensated absences     | \$ 1,272        |           |
| (Increase) decrease in accrued interest payable | 25,576          |           |
| Amortization of deferred charges on refunding   | (14,962)        |           |
| Change in pension related items                 | (458,809)       |           |
| Change in OPEB related items                    | <u>(35,001)</u> | (481,924) |

|   |  |                   |
|---|--|-------------------|
| Change in net position of governmental activities |  | <u>\$ 595,733</u> |
|---|--|-------------------|

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

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

|  | Enterprise<br>Fund<br><u>Sanitary<br/>District</u> |
|--|--|
| <b>ASSETS</b>  |  |
| Current assets:  |  |
| Cash and cash equivalents                                | \$ 406,463   |
| Accounts receivable, net of allowance for uncollectibles | 93,613   |
| Total current assets                                     | <u>\$ 500,076</u>                                  |
| Noncurrent assets:                                       |  |
| Other assets:  |  |
| Net OPEB asset   | <u>\$ 1,032</u>                                    |
| Capital assets:  |  |
| Land   | \$ 98,924  |
| Construction in progress                                 | 177,500  |
| Utility plant in service                                 | 8,636,484  |
| Machinery and equipment                                  | 532,223  |
| Accumulated depreciation                                 | (4,662,102)  |
| Total capital assets                                     | <u>\$ 4,783,029</u>                                |
| Total noncurrent assets                                  | <u>\$ 4,784,061</u>                                |
| Total assets   | <u>\$ 5,284,137</u>                                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |  |
| Pension related items                                    | \$ 79,755  |
| OPEB related items                                       | 16,013   |
| Total deferred outflows of resources                     | <u>\$ 95,768</u>                                   |
| <b>LIABILITIES</b>                                       |  |
| Current liabilities:                                     |  |
| Accounts payable   | \$ 79,114  |
| Total current liabilities                                | <u>\$ 79,114</u>                                   |
| Noncurrent liabilities:                                  |  |
| Prepaid connection fees                                  |  |
| Bonds payable - net of current portion                   | \$ 2,337,272                                       |
| Net pension liability                                    | 148,195  |
| Net OPEB liabilities                                     | 62,294   |
| Total noncurrent liabilities                             | <u>\$ 2,547,761</u>                                |
| Total liabilities  | <u>\$ 2,626,875</u>                                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |  |
| Pension related items                                    | \$ 639   |
| OPEB related items                                       | 1,134  |
| Total deferred inflows of resources                      | <u>\$ 1,773</u>                                    |
| <b>NET POSITION</b>                                      |  |
| Net investment in capital assets                         | \$ 2,445,757                                       |
| Unrestricted   | 305,500  |
| Total net position                                       | <u>\$ 2,751,257</u>                                |

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

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

|   | Enterprise<br>Fund<br><u>Sanitary<br/>District</u> |
|---|--|
| <b>OPERATING REVENUES</b>               |  |
| Charges for services:                   |  |
| Sanitary district fees                  | \$ 708,655   |
| Miscellaneous                           | 19,495   |
| Total operating revenues                | <u>\$ 728,150</u>                                  |
| <b>OPERATING EXPENSES</b>               |  |
| Personnel services                      | \$ 200,884   |
| Fringe benefits                         | 95,949   |
| Other supplies and expenses             | 489,535  |
| Depreciation                            | 291,478  |
| Total operating expenses                | <u>\$ 1,077,846</u>                                |
| Operating income (loss)                 | <u>\$ (349,696)</u>                                |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |  |
| Connection fees                         | \$ 93,290  |
| Debt issuance costs                     | (44,747)   |
| Interest expense                        | (90,699)   |
| Total nonoperating revenues (expenses)  | <u>\$ (42,156)</u>                                 |
| Income (loss) before transfers          | <u>\$ (391,852)</u>                                |
| Transfers in                            | \$ 447,916   |
| Transfers out                           | (5,124)  |
| Change in net position                  | <u>\$ 50,940</u>                                   |
| Total net position - beginning          | 2,700,317  |
| Total net position - ending             | <u><u>\$ 2,751,257</u></u>                         |

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

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

|   | <u>Enterprise<br/>Fund<br/>Sanitary<br/>District</u> |
|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |
| Receipts from customers and users   | \$ 729,504   |
| Payments to suppliers   | (473,589)  |
| Payments to and for employees   | (278,415)  |
| Net cash provided by (used for) operating activities  | <u>\$ (22,500)</u>                                   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |  |
| Connection fees   | \$ 93,290  |
| Transfers to other funds  | (5,124)  |
| Transfers from other funds  | 447,916  |
| Net cash provided by (used for) noncapital financing activities   | <u>\$ 536,082</u>                                    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>   |  |
| Purchase of machinery and equipment   | \$ (246,508)   |
| Proceeds from issuance of debt  | 2,337,272  |
| Principal payments on bonds   | (2,104,000)  |
| Debt issuance costs   | (44,747)   |
| Interest expense  | (90,699)   |
| Net cash provided by (used for) capital and related financing activities                                  | <u>\$ (148,682)</u>                                  |
| Net increase (decrease) in cash and cash equivalents  | \$ 364,900   |
| Cash and cash equivalents - beginning   | 41,563   |
| Cash and cash equivalents - ending  | <u>\$ 406,463</u>                                    |
| <b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b> |  |
| Operating income (loss)   | <u>\$ (349,696)</u>                                  |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |  |
| Depreciation  | \$ 291,478   |
| (Increase) decrease in accounts receivable  | 1,354  |
| (Increase) decrease in deferred outflows of resources   | (36,998)   |
| Increase (decrease) in accounts payable   | 15,946   |
| Increase (decrease) in net pension liability  | 61,834   |
| Increase (decrease) in net OPEB liability (asset)   | 2,287  |
| Increase (decrease) in deferred inflows of resources  | (8,705)  |
| Total adjustments   | <u>\$ 327,196</u>                                    |
| Net cash provided by (used for) operating activities  | <u>\$ (22,500)</u>                                   |

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

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

---

|                              | <u>Custodial<br/>Funds</u> |
|------------------------------|----------------------------|
| <b>ASSETS</b>                |                            |
| Cash and cash equivalents    | \$ 126,579                 |
| Total assets                 | <u>\$ 126,579</u>          |
| <br><b>NET POSITION</b>      |                            |
| Restricted for individuals   | \$ 83,639                  |
| Restricted for organizations | 42,940                     |
| Total net position           | <u>\$ 126,579</u>          |

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



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

---

|   | <u>Custodial Funds</u> |
|---|------------------------|
| <b>ADDITIONS</b>                                      |                        |
| Miscellaneous:  |                        |
| Collections   | \$       64,772        |
| Investment earnings:                                  |                        |
| Interest  | 45                     |
| Total additions                                       | \$       64,817        |
| <br><b>DEDUCTIONS</b>                                 |                        |
| Recipient payments                                    | \$       77,658        |
| Total deductions                                      | \$       77,658        |
| <br>Net increase (decrease) in fiduciary net position | \$       (12,841)      |
| <br>Net position, beginning - as restated             | 139,420                |
| Net position, ending                                  | \$       126,579       |

THIS PAGE LEFT BLANK INTENTIONALLY

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021

---

### ***Note 1—Summary of Significant Accounting Policies:***

---

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

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

#### Government-wide and Fund Financial Statements

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

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

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

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

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

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (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. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

#### **A. Financial Reporting Entity**

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

#### **B. Individual Component Unit Disclosures**

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

*Discretely Presented Component Units.* The School Board members are elected by the citizens of Northumberland 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 is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2021.

#### **C. Other Related Organizations**

Included in the County's Financial Report

None

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

---

**C. Other Related Organizations (Continued)**

Excluded from the County’s Annual Financial Report

Northern Neck Regional Jail Authority

The Northern Neck Regional Jail Authority is an intergovernmental (joint) venture, and therefore, its operations are not included in the County’s financial statements. The participating jurisdictions’ provide the financial support for the Authority and appoints its governing Board. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board’s funding or has oversight responsibility over its operations.

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

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

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

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

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

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

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

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

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 recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

##### **1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The 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 is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

###### **b. Capital Projects Funds**

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 County Capital Projects Fund is considered a major fund.

###### **c. Special Revenue Funds**

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Law Library, Forfeited Assets, Economic Development and Courthouse Security Funds are nonmajor special revenue funds.

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

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

##### **2. Proprietary Funds**

Proprietary Funds account for operations that are financed in a manner similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

##### **Enterprise Funds**

Enterprise funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Sanitary District Fund.

##### **3. Fiduciary Funds (Trust and Custodial Funds)**

Fiduciary Funds accounts for assets held by the County unit in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Private Purpose Trust and Custodial Funds. Private Purpose Trust and Custodial Funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County's Custodial Funds include amounts held for others in a fiduciary capacity, which includes the following funds: Special Welfare, Road Improvement Bond, 350<sup>th</sup> Anniversary, Tornado Relief, Fallen Heroes, and Animal Shelter.

#### **E. Cash and Cash Equivalents**

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

#### **F. Investments**

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

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

#### **G. Receivables and Payables**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (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 uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$183,636 at June 30, 2021 and is comprised of property taxes of \$97,405 and sanitary district fees of \$86,231.

**Real and Personal Property Tax Data:**

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

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

The County bills and collects its own property taxes.

**H. Capital Assets**

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

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

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

| <u>Assets</u>                 | <u>Years</u> |
|-------------------------------|--------------|
| Buildings                     | 40           |
| Building Improvements         | 40           |
| Plant, equipment, and systems | 35-45        |
| Motor vehicles                | 5-10         |
| Machinery and equipment       | 2-15         |



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

---

**I. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for non-vesting accumulated rights to be received for 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**

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

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

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

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

#### **L. 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 two items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the mgovernment-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to the measurement of the net pension liability and net OPEB asset/liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB asset/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 has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid on the 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, 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 asset/liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

#### **M. 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.

#### **N. Other Postemployment Benefits (OPEB)**

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

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

---

**N. Other Postemployment Benefits (OPEB) (Continued)**

Medical and Dental Pay-As-You Go

For purposes of measuring the medical and dental pay-as-you go liability, deferred outflows of resources and deferred inflows of resources related to the Plan's OPEB, and the related OPEB expenses, information about the fiduciary net position of the County's Medical and Dental Pay-As-You go Plan and the additions to/deductions from the County's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the County's actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**O. 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 and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**P. Fund Balance**

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

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**P. Fund Balance: (Continued)**

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

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

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

|                      | General<br>Fund     | County<br>Capital<br>Projects<br>Fund | Other<br>Governmental<br>Funds | Total               |
|----------------------|---------------------|---------------------------------------|--------------------------------|---------------------|
| Fund balances:       |                     |                                       |                                |                     |
| Restricted:          |                     |                                       |                                |                     |
| Construction         | \$ -                | \$ 781,601                            | \$ -                           | \$ 781,601          |
| Law library          | -                   | -                                     | 779                            | 779                 |
| Forfeited assets     | -                   | -                                     | 55,866                         | 55,866              |
| Economic development | -                   | -                                     | 24,853                         | 24,853              |
| Courthouse security  | -                   | -                                     | 104,876                        | 104,876             |
| Sheriff              | -                   | -                                     | 3,831                          | 3,831               |
| Total Restricted     | <u>\$ -</u>         | <u>\$ 781,601</u>                     | <u>\$ 190,205</u>              | <u>\$ 971,806</u>   |
| Unassigned           | \$ 8,965,017        | \$ -                                  | \$ -                           | \$ 8,965,017        |
| Total fund balances  | <u>\$ 8,965,017</u> | <u>\$ 781,601</u>                     | <u>\$ 190,205</u>              | <u>\$ 9,936,823</u> |

**Note 2—Stewardship, Compliance, and Accounting:**

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

1. On or before March 30<sup>th</sup>, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each department or category can be revised only by the Board of Supervisors. The Board of Supervisors is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system’s categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County units.

Expenditures and Appropriations

Expenditures did not exceed appropriations in any fund for the fiscal year ended June 30, 2021.

**Note 3—Deposits and Investments:**

Deposits

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

Investments

Statutes authorize 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 that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2021 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale. The County’s investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are not allowed to exceed thirty-five percent of the investment portfolio.

| County’s Rated Debt Investments’ Values |                      |
|---|----------------------|
| Rated Debt Investments                  | Fair Quality Ratings |
|   | AAAm                 |
| Local Government Investment Pool (LGIP) | \$ 71,346            |
| Virginia Investment Pool                | 485                  |
| Total                                   | \$ 71,831            |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

**Note 3—Deposits and Investments: (Continued)**

---

**Interest Rate Risk**

According to the County’s investment policy, at no time shall the maturity or duration of an investment exceed five years.

| Investment Maturities (in years)        |            |                     |
|---|------------|---------------------|
| Investment Type                         | Fair Value | Less Than<br>1 Year |
| Local Government Investment Pool (LGIP) | \$ 71,346  | \$ 71,346           |
| Virginia Investment Pool                | 485        | 485                 |
| Total                                   | \$ 71,831  | \$ 71,831           |

**Redemption Restrictions**

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

**Fair Value Measurements**

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

**External Investment Pool**

The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As the 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.

*The remainder of this page left blank intentionally.*

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 4—Due to/from Other Governments:**

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

|                                       | Primary<br>Government | Component<br>Unit<br>School Board |
|---------------------------------------|-----------------------|-----------------------------------|
| Other Local Governments:              |                       |                                   |
| County of Northumberland              | \$ -                  | \$ 403,831                        |
| Commonwealth of Virginia:             |                       |                                   |
| Local sales tax                       | 221,062               | -                                 |
| Welfare                               | 37,640                | -                                 |
| Children's services                   | 30,527                | -                                 |
| Rolling stock tax                     | 4                     | -                                 |
| State Sales Tax                       | -                     | 210,197                           |
| Constitutional officer reimbursements | 126,510               | -                                 |
| DMV license agent                     | 6,167                 | -                                 |
| Mobile home titling tax               | 180                   | -                                 |
| Wireless grant                        | 7,501                 | -                                 |
| Auto rental                           | 47                    | -                                 |
| Victim witness grant                  | 15,969                | -                                 |
| Communications tax                    | 43,912                | -                                 |
| VPSA technology grant                 | -                     | 128,000                           |
| Federal Government:                   |                       |                                   |
| School fund grants                    | -                     | 852,785                           |
| Victim witness                        | 15,970                | -                                 |
| Transportation safety                 | 280                   | -                                 |
| Welfare                               | 68,618                | -                                 |
| Community development block grant     | 19,589                | -                                 |
| Total due from other governments      | <u>\$ 593,976</u>     | <u>\$ 1,594,813</u>               |

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

|                                    | Primary<br>Government | Component<br>Unit<br>School Board |
|------------------------------------|-----------------------|-----------------------------------|
| Other Local Governments:           |                       |                                   |
| Northumberland County School Board | <u>\$ 403,831</u>     | <u>\$ -</u>                       |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 5—Capital Assets:**

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

|   | Balance<br>July 1, 2020 | Increases    | Decreases  | Balance<br>June 30, 2021 |
|---|-------------------------|--------------|------------|--------------------------|
| <i>Primary Government:</i>                        |                         |              |            |                          |
| <i>Governmental Activities:</i>                   |                         |              |            |                          |
| Capital assets not subject to depreciation:       |                         |              |            |                          |
| Land and land improvements                        | \$ 894,628              | \$ -         | \$ -       | \$ 894,628               |
| Total capital assets not subject to depreciation  | \$ 894,628              | \$ -         | \$ -       | \$ 894,628               |
| Capital assets subject to depreciation:           |                         |              |            |                          |
| Buildings and improvements                        | \$ 7,058,600            | \$ 97,455    | \$ -       | \$ 7,156,055             |
| Machinery and equipment                           | 4,215,483               | 623,467      | 238,496    | 4,600,454                |
| Jointly owned assets                              | 39,253,885              | -            | 203,338    | 39,050,547               |
| Total capital assets subject to depreciation      | \$50,527,968            | \$ 720,922   | \$ 441,834 | \$ 50,807,056            |
| Accumulated depreciation:                         |                         |              |            |                          |
| Buildings and improvements                        | \$ 1,720,079            | \$ 249,709   | \$ -       | \$ 1,969,788             |
| Machinery and equipment                           | 3,218,844               | 464,049      | 238,496    | 3,444,397                |
| Jointly owned assets                              | 12,673,885              | 967,314      | 65,652     | 13,575,547               |
| Total accumulated depreciation                    | \$17,612,808            | \$ 1,681,072 | \$ 304,148 | \$ 18,989,732            |
| Total capital assets subject to depreciation, net | \$32,915,160            | \$ (960,150) | \$ 137,686 | \$ 31,817,324            |
| Governmental activities capital assets, net       | \$33,809,788            | \$ (960,150) | \$ 137,686 | \$ 32,711,952            |

*The remainder of this page left blank intentionally.*



COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 5—Capital Assets: (Continued)**

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

|   | Balance<br>July 1, 2020 | Increases    | Decreases | Balance<br>June 30, 2021 |
|---|-------------------------|--------------|-----------|--------------------------|
| <i>Business-type Activities:</i>                  |                         |              |           |                          |
| Capital assets not subject to depreciation:       |                         |              |           |                          |
| Land and land improvements                        | \$ 98,924               | \$ -         | \$ -      | \$ 98,924                |
| Construction in progress                          | -                       | 177,500      | -         | 177,500                  |
| Total capital assets not subject to depreciation  | \$ 98,924               | \$ 177,500   | \$ -      | \$ 276,424               |
| Capital assets subject to depreciation:           |                         |              |           |                          |
| Utility plant in service                          | \$ 8,636,484            | \$ -         | \$ -      | \$ 8,636,484             |
| Machinery and equipment                           | 463,215                 | 69,008       | -         | 532,223                  |
| Total capital assets subject to depreciation      | \$ 9,099,699            | \$ 69,008    | \$ -      | \$ 9,168,707             |
| Accumulated depreciation:                         |                         |              |           |                          |
| Utility plant in service                          | \$ 3,965,986            | \$ 270,347   | \$ -      | \$ 4,236,333             |
| Machinery and equipment                           | 404,638                 | 21,131       | -         | 425,769                  |
| Total accumulated depreciation                    | \$ 4,370,624            | \$ 291,478   | \$ -      | \$ 4,662,102             |
| Total capital assets subject to depreciation, net | \$ 4,729,075            | \$ (222,470) | \$ -      | \$ 4,506,605             |
| Business-type capital assets, net                 | \$ 4,827,999            | \$ (44,970)  | \$ -      | \$ 4,783,029             |

*The remainder of this page left blank intentionally.*

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 5—Capital Assets: (Continued)**

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

|   | Balance<br>July 1, 2020 | Increases           | Decreases          | Balance<br>June 30, 2021 |
|---|-------------------------|---------------------|--------------------|--------------------------|
| <i>Component Unit-School Board:</i>               |                         |                     |                    |                          |
| Capital assets not subject to depreciation:       |                         |                     |                    |                          |
| Land and land improvements                        | \$ 23,929               | \$ -                | \$ -               | \$ 23,929                |
| Construction in progress                          | 9,000                   | -                   | 9,000              | -                        |
| Total capital assets not subject to depreciation  | <u>\$ 32,929</u>        | <u>\$ -</u>         | <u>\$ 9,000</u>    | <u>\$ 23,929</u>         |
| Capital assets subject to depreciation:           |                         |                     |                    |                          |
| Machinery and equipment                           | \$ 2,907,350            | \$ 1,132,268        | \$ 10,400          | \$ 4,029,218             |
| Jointly owned assets                              | 8,971,597               | 203,338             | -                  | 9,174,935                |
| Total capital assets subject to depreciation      | <u>\$11,878,947</u>     | <u>\$ 1,335,606</u> | <u>\$ 10,400</u>   | <u>\$ 13,204,153</u>     |
| Accumulated depreciation:                         |                         |                     |                    |                          |
| Machinery and equipment                           | \$ 2,350,984            | \$ 185,342          | \$ 6,243           | \$ 2,530,083             |
| Jointly owned assets                              | 2,896,654               | 227,272             | (65,652)           | 3,189,578                |
| Total accumulated depreciation                    | <u>\$ 5,247,638</u>     | <u>\$ 412,614</u>   | <u>\$ (59,409)</u> | <u>\$ 5,719,661</u>      |
| Total capital assets subject to depreciation, net | <u>\$ 6,631,309</u>     | <u>\$ 922,992</u>   | <u>\$ 69,809</u>   | <u>\$ 7,484,492</u>      |
| Component unit school board capital assets, net   | <u>\$ 6,664,238</u>     | <u>\$ 922,992</u>   | <u>\$ 78,809</u>   | <u>\$ 7,508,421</u>      |

Depreciation expense was charged to functions/programs as follows:

|  |                     |
|--|---------------------|
| Primary Government:                                  |                     |
| Governmental activities:                             |                     |
| General government administration                    | \$ 92,523           |
| Judicial administration                              | 124,200             |
| Public safety  | 461,898             |
| Public works   | 15,017              |
| Health and welfare                                   | 17,687              |
| Education  | 967,314             |
| Community development                                | 2,433               |
| Total depreciation expense - governmental activities | <u>\$ 1,681,072</u> |
| Business type activities:                            |                     |
| Sanitary District                                    | <u>\$ 291,478</u>   |
| Total depreciation expense - primary government      | <u>\$ 1,972,550</u> |
| Component Unit School Board:                         |                     |
| Depreciation expense                                 | <u>\$ 412,614</u>   |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 6—Interfund Transfers:**

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

| Fund                     | Transfers In        | Transfers Out       |
|--------------------------|---------------------|---------------------|
| Primary Government:      |                     |                     |
| General                  | \$ 912,180          | \$ 447,916          |
| County Capital Projects  | 5,124               | 877,485             |
| Courthouse Security Fund | -                   | 34,695              |
| Sanitary District        | 447,916             | 5,124               |
| Total Primary Government | <u>\$ 1,365,220</u> | <u>\$ 1,365,220</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.

The following is a summary of due to/from other funds on June 30, 2021:

| Fund                                | Interfund<br>Receivables | Interfund<br>Payables |
|-------------------------------------|--------------------------|-----------------------|
| Component Unit-School Board:        |                          |                       |
| School Operating                    | \$ 200,880               | \$ -                  |
| School Cafeteria                    | -                        | 200,880               |
| Total Component Unit - School Board | <u>\$ 200,880</u>        | <u>\$ 200,880</u>     |

*The remainder of this page left blank intentionally.*

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 7—Long Term Obligations:**

**Primary Government:**

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

|  | Balance at<br>July 1, 2020 | Issuances/<br>Increases | Retirements/<br>Decreases | Balance at<br>June 30, 2021 | Amounts<br>Due Within<br>One Year |
|--|----------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------------|
| Primary Government Obligations:                    |                            |                         |                           |                             |                                   |
| Governmental Activities Obligations:               |                            |                         |                           |                             |                                   |
| Incurred by County:                                |                            |                         |                           |                             |                                   |
| Compensated absences                               | \$ 308,120                 | \$ 29,540               | \$ 30,812                 | \$ 306,848                  | \$ 30,685                         |
| Net pension liability<br>(Payable by General Fund) | 2,067,289                  | 2,312,701               | 965,794                   | 3,414,196                   | -                                 |
| Net OPEB liabilities<br>(Payable by General Fund)  | 703,967                    | 275,504                 | 240,311                   | 739,160                     | -                                 |
| Total incurred by County                           | \$ 3,079,376               | \$ 2,617,745            | \$ 1,236,917              | \$ 4,460,204                | \$ 30,685                         |
| Incurred by School Board:                          |                            |                         |                           |                             |                                   |
| Direct borrowings and placements:                  |                            |                         |                           |                             |                                   |
| Refunding general obligation bond                  | \$26,580,000               | \$ -                    | \$ 1,105,000              | \$25,475,000                | \$ 1,160,000                      |
| Bond premium                                       | 2,152,745                  | -                       | 126,632                   | 2,026,113                   | -                                 |
| Total incurred by School Board                     | \$28,732,745               | \$ -                    | \$ 1,231,632              | \$27,501,113                | \$ 1,160,000                      |
| Total Governmental Activities<br>Obligations       | \$31,812,121               | \$ 2,617,745            | \$ 2,468,549              | \$31,961,317                | \$ 1,190,685                      |
| Business-type Activities Obligations:              |                            |                         |                           |                             |                                   |
| Net pension liability                              | \$ 86,361                  | \$ 103,615              | \$ 41,781                 | \$ 148,195                  | \$ -                              |
| Net OPEB liabilities                               | 60,069                     | 25,968                  | 23,743                    | 62,294                      | -                                 |
| Direct borrowings and placements:                  |                            |                         |                           |                             |                                   |
| Revenue bond                                       | 2,104,000                  | 2,337,272               | 2,104,000                 | 2,337,272                   | -                                 |
| Total Business-type Activities<br>Obligations      | \$ 2,250,430               | \$ 2,466,855            | \$ 2,169,524              | \$ 2,547,761                | \$ -                              |
| Total Primary Government<br>Obligations            | \$34,062,551               | \$ 5,084,600            | \$ 4,638,073              | \$34,509,078                | \$ 1,190,685                      |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 7—Long-Term Obligations: (Continued)**

**Primary Government: (continued)**

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

| Year Ending<br>June 30 | Governmental Activities                 |                     |
|------------------------|---|---------------------|
|                        | Direct Borrowings and Direct Placements |                     |
|                        | General Obligation Bond                 |                     |
|                        | Principal                               | Interest            |
| 2022                   | \$ 1,160,000                            | \$ 865,310          |
| 2023                   | 1,220,000                               | 805,215             |
| 2024                   | 1,285,000                               | 741,964             |
| 2025                   | 1,350,000                               | 675,430             |
| 2026                   | 1,420,000                               | 605,487             |
| 2027                   | 1,490,000                               | 532,010             |
| 2028                   | 1,550,000                               | 478,500             |
| 2029                   | 1,585,000                               | 438,441             |
| 2030                   | 1,630,000                               | 395,525             |
| 2031                   | 1,670,000                               | 351,312             |
| 2032                   | 1,720,000                               | 303,915             |
| 2033                   | 1,770,000                               | 254,993             |
| 2034                   | 1,825,000                               | 202,450             |
| 2035                   | 1,875,000                               | 148,306             |
| 2036                   | 1,935,000                               | 90,204              |
| 2037                   | 1,990,000                               | 30,348              |
| Total                  | <u>\$ 25,475,000</u>                    | <u>\$ 6,919,410</u> |

*The remainder of this page left blank intentionally.*

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

**Note 7—Long-Term Obligations: (Continued)**

---

**Primary Government: (continued)**

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

| Year Ending<br>June 30 | Business-type Activities                |            |
|------------------------|---|------------|
|                        | Direct Borrowings and Direct Placements |            |
|                        | Revenue Bonds                           |            |
|                        | Principal                               | Interest   |
| 2022                   | \$ -                                    | \$ 33,657  |
| 2023                   | -                                       | 33,657     |
| 2024                   | -                                       | 33,657     |
| 2025                   | 2,337,272                               | 33,657     |
| Total                  | \$ 2,337,272                            | \$ 134,627 |

*The remainder of this page left blank intentionally.*

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

**Note 7—Long-Term Obligations: (Continued)**

---

**Primary Government: (Continued)**

Details of long-term indebtedness are as follows:

|  | <u>Total<br/>Amount</u> |
|--|-------------------------|
| <u>Governmental Activities:</u>  |                         |
| <u>Incurred by County:</u>   |                         |
| Net OPEB liabilities (payable by General Fund)   | \$ 739,160              |
| Net pension liability (payable by General Fund)  | \$ 3,414,196            |
| Compensated absences (payable by General Fund)   | \$ 306,848              |
| Total Incurred by County   | <u>\$ 4,460,204</u>     |
| <br><u>Incurred by School Board:</u>   |                         |
| <u>Direct Borrowings and Direct Placements:</u>  |                         |
| <u>General Obligation Bond:</u>  |                         |
| \$29,580,000 General Obligation Refunding Bond payable annually in various amounts through July 15, 2036, interest payable semi-annually at coupon rates from 2.05% to 5.05%. Face amount of bonds outstanding, \$25,475,000 plus unamortized issuance premium of \$2,026,113. | <u>\$ 27,501,113</u>    |
| Total incurred by School Board   | <u>\$ 27,501,113</u>    |
| Total Long-Term Obligations, Governmental Activities   | <u>\$ 31,961,317</u>    |

*The remainder of this page left blank intentionally.*

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 7—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

Details of long-term indebtedness are as follows: (Continued)

|  | Total<br>Amount |
|--|-----------------|
| <u>Business-type Activities:</u>   |                 |
| <u>Direct Borrowings and Direct Placements:</u>  |                 |
| <u>Revenue Bond:</u>   |                 |
| \$5,007,000 Revenue Bond issued June 25, 2021, principal due in full on January 15, 2025, interest due semi-annually through January 15, 2025 at 1.44%. \$2,669,728 remains available for drawdown at June 30, 2021. | \$ 2,337,272    |
| Total Revenue Bond   | \$ 2,337,272    |
| Net OPEB liabilities   | \$ 62,294       |
| Net pension liability  | \$ 148,195      |
| Total Long-Term Obligations, Business-type Activities  | \$ 2,547,761    |
| Total Long-Term Obligations, Primary Government  | \$ 34,509,078   |

The County's outstanding direct placements and borrowings related to governmental activities of \$25,475,000 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

The County's outstanding direct placements and borrowings related to business-type activities are secured by a lien on the net revenues of the sewer system.

**Component Unit - School Board:**

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

|  | Balance at<br>July 1, 2020 | Increases           | Decreases           | Balance at<br>June 30, 2021 | Amounts<br>Due Within<br>One Year |
|--|----------------------------|---------------------|---------------------|-----------------------------|-----------------------------------|
| <b>Component Unit-School Board:</b>      |                            |                     |                     |                             |                                   |
| Compensated absences                     |                            |                     |                     |                             |                                   |
| (Payable by School Operating Fund)       | \$ 390,231                 | \$ 56,226           | \$ 39,023           | \$ 407,434                  | \$ 40,743                         |
| Net pension liabilities                  |                            |                     |                     |                             |                                   |
| (Payable by School Operating Fund)       | 13,798,690                 | 5,855,758           | 4,514,107           | 15,140,341                  | -                                 |
| Net OPEB liabilities                     |                            |                     |                     |                             |                                   |
| (Payable by School Operating Fund)       | 2,615,002                  | 558,744             | 1,045,204           | 2,128,542                   | -                                 |
| <b>Total Component Unit-School Board</b> | <b>\$16,803,923</b>        | <b>\$ 6,470,728</b> | <b>\$ 5,598,334</b> | <b>\$17,676,317</b>         | <b>\$ 40,743</b>                  |



COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 8—Unearned and Deferred/Unavailable Revenue:**

Unearned and 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 of accounting, assessments for future periods are deferred. The County reports unavailable revenue totaling \$1,107,721 and deferred revenue totaling \$96,591 which is comprised of the following:

|  | Government-wide<br>Statements      | Balance<br>Sheet              |
|--|------------------------------------|-------------------------------|
|  | <u>Governmental<br/>Activities</u> | <u>Governmental<br/>Funds</u> |
| Deferred/Unavailable revenue:  |                                    |                               |
| Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures | \$ -                               | \$ 1,011,130                  |
| Prepaid property taxes due after June 30 but paid in advance by taxpayers  | <u>96,591</u>                      | <u>96,591</u>                 |
| Total deferred/unavailable revenue   | <u>\$ 96,591</u>                   | <u>\$ 1,107,721</u>           |

**Note 9—Contingent Liabilities:**

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

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

**Note 10—Litigation:**

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

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### **Note 11—Risk Management:**

---

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

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation and public officials' liability coverage with the Virginia Association of Counties Group Self Insurance Risk Pool. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

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

### **Note 12—Pension Plans:**

---

#### **Plan Description**

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

#### **Benefit Structures**

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

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

**Note 12—Pension Plans: (Continued)**

---

**Benefit Structures (Continued)**

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

**Average Final Compensation and Service Retirement Multiplier**

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

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

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

**Employees Covered by Benefit Terms**

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

|  | <u>Primary<br/>Government</u> | <u>Component Unit<br/>School Board<br/>Nonprofessional</u> |
|--|-------------------------------|--|
| Inactive members or their beneficiaries currently receiving benefits | 61                            | 30   |
| Inactive members:  |                               |  |
| Vested inactive members  | 8                             | 3  |
| Non-vested inactive members  | 19                            | 8  |
| Inactive members active elsewhere in VRS                             | 40                            | 7  |
| Total inactive members   | 67                            | 18   |
| Active members   | 103                           | 25   |
| Total covered employees  | <u>231</u>                    | <u>73</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, 2021 was 10.4% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$490,166 and \$425,399 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 12.75% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$54,934 and \$76,135 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

**Note 12—Pension Plans: (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, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020.

**Actuarial Assumptions - General Employees**

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

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

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

**Actuarial Assumptions - General Employees (Continued)**

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

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

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

**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits**

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

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

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

**Note 12—Pension Plans: (Continued)**

---

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

*The remainder of this page left blank intentionally.*

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

**Long-Term Expected Rate of Return**

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

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the



COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

**Discount Rate (Continued)**

alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2020, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

|   | Primary Government                   |  |  |
|---|--------------------------------------|--|--|
|   | Increase (Decrease)                  |  |  |
|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>Pension<br>Liability<br>(a) - (b) |
| Balances at June 30, 2019                             | \$ 20,005,539                        | \$ 17,851,889                            | \$ 2,153,650                             |
| Changes for the year:                                 |                                      |  |  |
| Service cost  | \$ 493,599                           | \$ -                                     | \$ 493,599                               |
| Interest  | 1,318,889                            | -  | 1,318,889                                |
| Assumption changes                                    | -                                    | -  | -  |
| Differences between expected<br>and actual experience | 588,602                              | -  | 588,602                                  |
| Contributions - employer                              | -                                    | 425,399                                  | (425,399)                                |
| Contributions - employee                              | -                                    | 232,735                                  | (232,735)                                |
| Net investment income                                 | -                                    | 346,211                                  | (346,211)                                |
| Benefit payments, including refunds                   | (932,875)                            | (932,875)                                | -  |
| Administrative expenses                               | -                                    | (11,592)                                 | 11,592                                   |
| Other changes   | -                                    | (404)                                    | 404                                      |
| Net changes   | \$ 1,468,215                         | \$ 59,474                                | \$ 1,408,741                             |
| Balances at June 30, 2020                             | \$ 21,473,754                        | \$ 17,911,363                            | \$ 3,562,391                             |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

**Changes in Net Pension Liability (Continued)**

|   | Component School Board (Nonprofessional) |  |  |
|---|--|--|--|
|   | Increase (Decrease)                      |  |  |
|   | Total<br>Pension<br>Liability<br>(a)     | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>Pension<br>Liability<br>(a) - (b) |
| Balances at June 30, 2019                             | \$ 4,654,773                             | \$ 3,861,357                             | \$ 793,416                               |
| Changes for the year:                                 |  |  |  |
| Service cost  | \$ 68,409                                | \$ -                                     | \$ 68,409                                |
| Interest  | 303,495                                  | -  | 303,495                                  |
| Assumption changes                                    | -  | -  | -  |
| Differences between expected<br>and actual experience | 47,076                                   | -  | 47,076                                   |
| Contributions - employer                              | -  | 76,009                                   | (76,009)                                 |
| Contributions - employee                              | -  | 30,729                                   | (30,729)                                 |
| Net investment income                                 | -  | 72,405                                   | (72,405)                                 |
| Benefit payments, including refunds                   | (317,098)                                | (317,098)                                | -  |
| Administrative expenses                               | -  | (2,598)                                  | 2,598                                    |
| Other changes   | -  | (84)                                     | 84                                       |
| Net changes   | \$ 101,882                               | \$ (140,637)                             | \$ 242,519                               |
| Balances at June 30, 2020                             | \$ 4,756,655                             | \$ 3,720,720                             | \$ 1,035,935                             |

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

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

|   | Rate         |                  |              |
|---|--------------|------------------|--------------|
|   | 1% Increase  | Current Discount | 1% Decrease  |
|   | (5.75%)      | (6.75%)          | (7.75%)      |
| County's  |              |                  |              |
| Net Pension Liability (Asset)                   | \$ 6,195,827 | \$ 3,562,391     | \$ 1,379,019 |
| Component Unit School Board's (Nonprofessional) |              |                  |              |
| Net Pension Liability                           | \$ 1,486,733 | \$ 1,035,935     | \$ 649,198   |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

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

For the year ended June 30, 2021, the County and Component Unit School Board (Nonprofessional) recognized pension expense of \$967,655 and \$224,101, respectively. On June 30, 2021, the County and Component Unit School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Primary Government             |                               | Component Unit School Board (Nonprofessional) |                               |
|--|--------------------------------|-------------------------------|---|-------------------------------|
|  | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources                | Deferred Inflows of Resources |
| Differences between expected and actual experience                               | \$ 573,246                     | \$ 15,030                     | \$ 23,655                                     | \$ -                          |
| Change in assumptions  | 254,821                        | -                             | -   | -                             |
| Changes in proportionate share of net position liability                         | 2,921                          | 2,921                         | -   | -                             |
| Net difference between projected and actual earnings on pension plan investments | 527,693                        | -                             | 112,261                                       | -                             |
| Employer contributions subsequent to the measurement date                        | 490,166                        | -                             | 54,934  | -                             |
| <b>Total</b>   | <b>\$ 1,848,847</b>            | <b>\$ 17,951</b>              | <b>\$ 190,850</b>                             | <b>\$ -</b>                   |

\$490,166 and \$54,934 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| Year ended June 30 | Primary Government | Component Unit School Board (Nonprofessional) |
|--------------------|--------------------|---|
| 2022               | \$ 396,267         | \$ 24,693                                     |
| 2023               | 483,417            | 36,159  |
| 2024               | 291,223            | 38,853  |
| 2025               | 169,823            | 36,211  |
| 2026               | -                  | -   |
| Thereafter         | -                  | -   |

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### ***Note 12—Pension Plans: (Continued)***

---

#### ***Pension Plan Data***

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

#### **Component Unit School Board (professional)**

##### ***Plan Description***

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

##### ***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,374,710 and \$1,287,931 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

On June 30, 2021, the school division reported a liability of \$14,104,406 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, the school division's proportion was 0.09690% as compared to 0.09882% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$1,487,590. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

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

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

|   | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ -  | \$ 826,735                                   |
| Change in assumptions   | 962,803                                       | -  |
| Net difference between projected and actual earnings on pension plan investments                              | 1,072,796                                     | -  |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 260,432                                       | 586,889                                      |
| Employer contributions subsequent to the measurement date   | <u>1,374,710</u>                              | <u>-</u>                                     |
| Total   | <u>\$ 3,670,741</u>                           | <u>\$ 1,413,624</u>                          |

\$1,374,710 reported as deferred outflows of resources related to pensions resulting from the school division's contributions after the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| <u>Year ended June 30</u> |             |
|---------------------------|-------------|
| 2022                      | \$ (51,389) |
| 2023                      | 321,635     |
| 2024                      | 366,332     |
| 2025                      | 272,773     |
| 2026                      | (26,944)    |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

**Note 12—Pension Plans: (Continued)**

---

**Component Unit School Board (professional) (Continued)**

**Actuarial Assumptions**

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

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

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

**Mortality rates:**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

**Actuarial Assumptions: (Continued)**

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

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

**Net Pension Liability**

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

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

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

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 12—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

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

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

|  | Rate          |                  |              |
|--|---------------|------------------|--------------|
|  | 1% Decrease   | Current Discount | 1% Increase  |
|  | (5.75%)       | (6.75%)          | (7.75%)      |
| School Board's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability | \$ 20,694,331 | \$ 14,104,406    | \$ 8,653,705 |

***Pension Plan Fiduciary Net Position***

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

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

|                              | Primary Government  |                  |                       |                   | Component Unit School Board |                     |                         |                     |
|------------------------------|---------------------|------------------|-----------------------|-------------------|-----------------------------|---------------------|-------------------------|---------------------|
|                              | Deferred Outflows   | Deferred Inflows | Net Pension Liability | Pension Expense   | Deferred Outflows           | Deferred Inflows    | Net Pension Liabilities | Pension Expense     |
| VRS Pension Plans:           |                     |                  |                       |                   |                             |                     |                         |                     |
| Primary Government           | \$ 1,848,847        | \$ 17,951        | \$ 3,562,391          | \$ 967,655        | \$ -                        | \$ -                | \$ -                    | \$ -                |
| School Board Nonprofessional | -                   | -                | -                     | -                 | 190,850                     | -                   | 1,035,935               | 224,101             |
| School Board Professional    | -                   | -                | -                     | -                 | 3,670,741                   | 1,413,624           | 14,104,406              | 1,487,590           |
| Totals                       | <u>\$ 1,848,847</u> | <u>\$ 17,951</u> | <u>\$ 3,562,391</u>   | <u>\$ 967,655</u> | <u>\$ 3,861,591</u>         | <u>\$ 1,413,624</u> | <u>\$ 15,140,341</u>    | <u>\$ 1,711,691</u> |



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

---

**Plan Description**

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

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

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

**Eligible Employees**

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

**Benefit Amounts**

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

**Contributions**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Contributions (Continued)**

with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$26,590 and \$25,198 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$46,715 and \$44,294 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the GLI from the Component Unit School Board nonprofessional group were \$2,493 and \$3,588 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

On June 30, 2021, the County reported a liability of \$393,010 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$690,731 and \$55,906, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer’s proportion of the Net GLI OPEB Liability was based on the covered employer’s actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the County’s proportion was 0.02360% as compared to 0.02315% on June 30, 2019. At June 30, 2020, the Component Unit School Board professional and nonprofessional groups’ proportions were 0.04140% and 0.00340%, respectively as compared to 0.04225% and 0.00366%, respectively, on June 30, 2019.

For the year ended June 30, 2021, the County recognized GLI OPEB expense of \$21,696. For the year ended June 30, 2021, the Component Unit School Board professional group recognized GLI OPEB expense of \$25,993. For the year ended June 30, 2021, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$1,034. 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.

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

|   | Primary Government                   |                                     | Component School Board<br>(Professional) |                                     | Component School Board<br>(Nonprofessional) |                                     |
|---|--------------------------------------|-------------------------------------|--|-------------------------------------|---|-------------------------------------|
|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources | Deferred<br>Outflows<br>of Resources     | Deferred<br>Inflows<br>of Resources | Deferred<br>Outflows<br>of Resources        | Deferred<br>Inflows<br>of Resources |
| Differences between expected and actual experience                                | \$ 25,208                            | \$ 3,531                            | \$ 44,304                                | \$ 6,204                            | \$ 3,586                                    | \$ 502                              |
| Net difference between projected and actual earnings on GLI OPEB plan investments | 11,806                               | -                                   | 20,749                                   | -                                   | 1,679                                       | -                                   |
| Change in assumptions   | 19,655                               | 8,206                               | 34,545                                   | 14,423                              | 2,796                                       | 1,167                               |
| Changes in proportionate share  | 21,816                               | -                                   | 14,534                                   | 27,014                              | -   | 5,691                               |
| Employer contributions subsequent to the measurement date                         | 26,590                               | -                                   | 46,715                                   | -                                   | 2,493                                       | -                                   |
| <b>Total</b>  | <b>\$ 105,075</b>                    | <b>\$ 11,737</b>                    | <b>\$ 160,847</b>                        | <b>\$ 47,641</b>                    | <b>\$ 10,554</b>                            | <b>\$ 7,360</b>                     |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

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

\$26,590, \$46,715, and \$2,493, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

| Year Ended<br>June 30 | Primary<br>Government | Component Unit<br>School Board<br>(Professional) | Component Unit<br>School Board<br>(Nonprofessional) |
|-----------------------|-----------------------|--|---|
| 2022                  | \$ 12,629             | \$ 10,056  | \$ (256)  |
| 2023                  | 15,963                | 15,916   | 219   |
| 2024                  | 17,151                | 20,399   | 652   |
| 2025                  | 15,770                | 17,968   | 671   |
| 2026                  | 4,788                 | 2,242  | (441)   |
| Thereafter            | 447                   | (90)   | (144)   |

**Actuarial Assumptions**

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

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

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Actuarial Assumptions: (Continued)**

**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Actuarial Assumptions: (Continued)**

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

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

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Actuarial Assumptions: (Continued)**

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

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

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

**NET GLI OPEB Liability**

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

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

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Long-Term Expected Rate of Return**

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

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

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

**Discount Rate**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

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

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

|   | Rate                   |                             |                        |
|---|------------------------|-----------------------------|------------------------|
|   | 1% Decrease<br>(5.75%) | Current Discount<br>(6.75%) | 1% Increase<br>(7.75%) |
| County's proportionate share of the GLI Plan Net OPEB Liability                                   | \$ 516,643             | \$ 393,010                  | \$ 292,610             |
| Component School Board (Professional)'s proportionate share of the GLI Plan Net OPEB Liability    | \$ 908,018             | \$ 690,731                  | \$ 514,273             |
| Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability | \$ 73,493              | \$ 55,906                   | \$ 41,624              |

**GLI Plan Fiduciary Net Position**

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

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

**Plan Description**

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions



COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Plan Description**

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

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

**Eligible Employees**

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

**Benefit Amounts**

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

**HIC Plan Notes**

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

**Employees Covered by Benefit Terms**

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

|  | <u>Primary<br/>Government</u> | <u>Component Unit<br/>School Board<br/>(Nonprofessional)</u> |
|--|-------------------------------|--|
| Inactive members or their beneficiaries currently receiving benefits | 5                             | -  |
| Active members   | 34                            | 25   |
| Total covered employees  | <u>39</u>                     | <u>25</u>  |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

**Contributions**

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County’s and School Board’s contractually required employer contribution rate for the year ended June 30, 2021 was 0.12% and 1.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$1,914 and \$2,147 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions from the School Board to the HIC Plan were \$5,078 and \$0 for the years ended June 30, 2021 and June 30, 2020, respectively.

**Net HIC OPEB Liability (Asset)**

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

**Actuarial Assumptions**

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

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

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Actuarial Assumptions: (Continued)**

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

**Actuarial Assumptions: (Continued)**

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

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

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

*The remainder of this page left blank intentionally.*

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Long-Term Expected Rate of Return**

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

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

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

**Discount Rate**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Changes in Net HIC OPEB Liability (Asset)**

|   | Primary Government                    |  |   |
|---|---------------------------------------|--|---|
|   | Increase (Decrease)                   |  |   |
|   | Total<br>HIC OPEB<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>HIC OPEB<br>Liability (Asset)<br>(a) - (b) |
| Balances at June 30, 2019                             | \$ 39,392                             | \$ 50,108                                | \$ (10,716)                                       |
| Changes for the year:                                 |                                       |  |   |
| Service cost  | \$ 2,098                              | \$ -                                     | \$ 2,098  |
| Interest  | 2,572                                 | -  | 2,572   |
| Differences between expected<br>and actual experience | (724)                                 | -  | (724)   |
| Contributions - employer                              | -                                     | 2,147                                    | (2,147)   |
| Net investment income                                 | -                                     | 1,022                                    | (1,022)   |
| Benefit payments, including refunds                   | (2,581)                               | (2,581)                                  | -   |
| Administrative expenses                               | -                                     | (97)                                     | 97  |
| Net changes   | \$ 1,365                              | \$ 491                                   | \$ 874  |
| Balances at June 30, 2020                             | \$ 40,757                             | \$ 50,599                                | \$ (9,842)  |

|                           | Component Unit School Board (Nonprofessional) |  |   |
|---------------------------|---|--|---|
|                           | Increase (Decrease)                           |  |   |
|                           | Total<br>HIC OPEB<br>Liability<br>(a)         | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>HIC OPEB<br>Liability (Asset)<br>(a) - (b) |
| Balances at June 30, 2019 | \$ -  | \$ -                                     | \$ -  |
| Changes for the year:     |   |  |   |
| Benefit changes           | \$ 116,524                                    | \$ -                                     | \$ 116,524  |
| Net changes               | \$ 116,524                                    | \$ -                                     | \$ 116,524  |
| Balances at June 30, 2020 | \$ 116,524                                    | \$ -                                     | \$ 116,524  |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Sensitivity of the County’s HIC Net OPEB Liability (Asset) to Changes in the Discount Rate**

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

|   | Rate        |                  |             |
|---|-------------|------------------|-------------|
|   | 1% Decrease | Current Discount | 1% Increase |
|   | (5.75%)     | (6.75%)          | (7.75%)     |
| <b>Primary Government:</b>                            |             |                  |             |
| Net HIC OPEB Liability (Asset)                        | \$ (5,452)  | \$ (9,842)       | \$ (13,571) |
| <b>Component Unit School Board (Nonprofessional):</b> |             |                  |             |
| Net HIC OPEB Liability (Asset)                        | \$ 126,401  | \$ 116,524       | \$ 107,860  |

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

For the year ended June 30, 2021, the County and School Board recognized HIC Plan OPEB expense of \$212 and \$116,524. At June 30, 2021, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the County’s HIC Plan 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                                | \$ -                           | \$ 5,488                      | \$ -  | \$ -                          |
| Net difference between projected and actual earnings on HIC OPEB plan investments | 1,597                          | -                             | -   | -                             |
| Change in assumptions   | 690                            | 815                           | -   | -                             |
| Employer contributions subsequent to the measurement date                         | 1,914                          | -                             | 5,078   | -                             |
| Total   | \$ 4,201                       | \$ 6,303                      | \$ 5,078                                      | \$ -                          |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

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

\$1,914 and \$5,078 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board’s contributions after the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | <u>Primary<br/>Government</u> |
|---------------------------|-------------------------------|
| 2022                      | \$ (1,191)                    |
| 2023                      | (799)                         |
| 2024                      | (737)                         |
| 2025                      | (481)                         |
| 2026                      | (577)                         |
| Thereafter                | (231)                         |

**HIC Plan Data**

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

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

---

**Plan Description**

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



## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

#### ***Plan Description (Continued)***

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

#### ***Eligible Employees***

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

#### ***Benefit Amounts***

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

#### ***HIC Plan Notes***

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

#### ***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$103,535 and \$102,046 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

On June 30, 2021, the school division reported a liability of \$1,265,381 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.09700% as compared to 0.09874% on June 30, 2019.

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 15—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)**

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC OPEB expense of \$101,654. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

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

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ -                                      | \$ 16,899                                |
| Net difference between projected and actual earnings on Teacher HIC OPEB plan investments | 5,608                                     | -  |
| Change in assumptions   | 25,015                                    | 6,914                                    |
| Change in proportionate share   | 30,874                                    | 56,808                                   |
| Employer contributions subsequent to the measurement date                                 | <u>103,535</u>                            | <u>-</u>                                 |
| Total   | <u>\$ 165,032</u>                         | <u>\$ 80,621</u>                         |

\$103,535 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

|            |            |
|------------|------------|
| 2022       | \$ (1,973) |
| 2023       | (1,417)    |
| 2024       | (1,603)    |
| 2025       | (1,574)    |
| 2026       | (4,674)    |
| Thereafter | (7,883)    |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

**Actuarial Assumptions**

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

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

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

**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Actuarial Assumptions (Continued)**

**Mortality Rates - Teachers (Continued)**

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

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

**Net Teacher Employee HIC OPEB Liability**

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

|   |    | <b>Teacher<br/>Employee HIC<br/>OPEB Plan</b> |
|---|----|---|
| Total Teacher Employee HIC OPEB Liability       | \$ | 1,448,676                                     |
| Plan Fiduciary Net Position                     |    | 144,160                                       |
| Teacher Employee net HIC OPEB Liability (Asset) | \$ | <u>1,304,516</u>                              |

|   |       |
|---|-------|
| Plan Fiduciary Net Position as a Percentage<br>of the Total Teacher Employee HIC OPEB Liability | 9.95% |
|---|-------|

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**Long-Term Expected Rate of Return**

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

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

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

**Discount Rate**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**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<br>(5.75%) | Current Discount<br>(6.75%) | 1% Increase<br>(7.75%) |
| School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability | \$ 1,416,462           | \$ 1,265,381                | \$ 1,136,973           |

**Teacher Employee HIC OPEB Fiduciary Net Position**

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

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

**County**

**Plan Description**

In addition to the pension benefits described in Note 12, the group life benefits described in Note 13, and the HIC benefits described in Note 14, the County administers a single-employer defined benefit healthcare plan, The County of Northumberland Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

**Benefits Provided**

Postemployment benefits that are provided to eligible County retirees and their eligible spouses or dependents. Benefits include medical, dental, and vision coverage. Benefits end at the earlier of the retiree’s age 65 or the retiree’s death. The monthly premiums below are effective for the year beginning July 1, 2017.

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

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

---

**County: (Continued)**

***Plan Membership***

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

|  | Primary<br>Government |
|--|-----------------------|
| Total active employees with coverage     | 108                   |
| Total retirees and spouses with coverage | 5                     |
| Total                                    | 113                   |

***Contributions***

The County does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County. The amounts paid by the County for OPEB as the benefits came due during the year ended June 30, 2021 was \$32,671.

***Total OPEB Liability***

The County's total OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 for the County.

***Actuarial Assumptions***

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

|                  |  |
|------------------|--|
| Inflation        | 2.50% per year   |
| Salary Increases | The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service |
| Discount Rate    | 2.16% as of June 30, 2021; 2.21% as of June 30, 2020   |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**County: (Continued)**

**Actuarial Assumptions (Continued)**

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

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.

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; females setback 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

These mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2017 valuation of the Virginia Retirement System.

**Discount Rate**

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Bond GO Index as of June 30, 2021.

**Changes in Total OPEB Liability**

|   | <b>Primary<br/>Government<br/>Total OPEB<br/>Liability</b> |
|---|--|
| Balance at June 30, 2020                          | \$ 387,324   |
| Changes for the year:                             |  |
| Service cost                                      | 42,905   |
| Interest  | 9,149  |
| Difference between expected and actual experience | -  |
| Changes in assumptions                            | 1,737  |
| Benefit payments                                  | (32,671)   |
| Net changes                                       | \$ 21,120  |
| Balance at June 30, 2021                          | \$ 408,444   |



COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**County: (Continued)**

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

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

|                            | <b>Rate</b>                    |  |                                |
|----------------------------|--------------------------------|--|--------------------------------|
|                            | <b>1% Decrease<br/>(1.16%)</b> | <b>Current Discount<br/>Rate (2.16%)</b> | <b>1% Increase<br/>(3.16%)</b> |
| <b>Primary Government:</b> |                                |  |                                |
| Total OPEB liability       | \$ 444,703                     | \$ 408,444                               | \$ 375,172                     |

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current healthcare cost trend rates:

|                            | <b>Rates</b>                   |  |                                |
|----------------------------|--------------------------------|--|--------------------------------|
|                            | <b>1% Decrease<br/>(3.00%)</b> | <b>Healthcare Cost<br/>Trend<br/>(4.00%)</b> | <b>1% Increase<br/>(5.00%)</b> |
| <b>Primary Government:</b> |                                |  |                                |
| Total OPEB liability       | \$ 350,859                     | \$ 408,444                                   | \$ 478,088                     |

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

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

**County: (Continued)**

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

For the year ended June 30, 2021, the County recognized OPEB expense in the amount of \$74,065. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>Primary Government</b>                 |  |
|--|---|--|
|  | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
| Differences between expected and actual experience | \$ -                                      | \$ 991                                   |
| Changes in assumptions                             | 97,538                                    | 2,468                                    |
| Total  | <u>\$ 97,538</u>                          | <u>\$ 3,459</u>                          |

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

| <b>Year Ended June 30</b> | <b>Primary<br/>Government</b> |
|---------------------------|-------------------------------|
| 2022                      | \$ 22,011                     |
| 2023                      | 22,011                        |
| 2024                      | 21,816                        |
| 2025                      | 21,727                        |
| 2026                      | 6,514                         |
| Thereafter                | -                             |

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 17—Summary of Other Postemployment Benefit Plans:**

**Primary Government and Component Unit School Board**

|  | Primary Government |                  |                              |              | Component Unit School Board |                  |                      |              |
|--|--------------------|------------------|------------------------------|--------------|-----------------------------|------------------|----------------------|--------------|
|  | Deferred Outflows  | Deferred Inflows | Net OPEB Liabilities/(Asset) | OPEB Expense | Deferred Outflows           | Deferred Inflows | Net OPEB Liabilities | OPEB Expense |
| VRS OPEB Plans:  |                    |                  |                              |              |                             |                  |                      |              |
| Group Life Insurance Plan (Note 13):                           |                    |                  |                              |              |                             |                  |                      |              |
| County   | \$ 105,075         | \$ 11,737        | \$ 393,010                   | \$ 21,696    | \$ -                        | \$ -             | \$ -                 | \$ -         |
| School Board Nonprofessional                                   | -                  | -                | -                            | -            | 10,554                      | 7,360            | 55,906               | 1,034        |
| School Board Professional                                      | -                  | -                | -                            | -            | 160,847                     | 47,641           | 690,731              | 25,993       |
| County Health Insurance Credit Plan (Note 14)                  | 4,201              | 6,303            | (9,842)                      | 212          | -                           | -                | -                    | -            |
| Nonprofessional Teacher Health Insurance Credit Plan (Note 14) | -                  | -                | -                            | -            | 5,078                       | -                | 116,524              | 116,524      |
| Teacher Health Insurance Credit Plan (Note 15)                 | -                  | -                | -                            | -            | 165,032                     | 80,621           | 1,265,381            | 101,654      |
| County Stand-Alone Plan (Note 16)                              | 97,538             | 3,459            | 408,444                      | 74,065       | -                           | -                | -                    | -            |
| Totals   | \$ 206,814         | \$ 21,499        | \$ 791,612                   | \$ 95,973    | \$ 341,511                  | \$ 135,622       | \$ 2,128,542         | \$ 245,205   |

**Note 18—Surety Bonds:**

|   | Amount     |
|---|------------|
| Division of Risk Management Surety Bond:                |            |
| Commonwealth Funds                                      |            |
| Deborah T. Bingham, Clerk of the Circuit Court          | \$ 103,000 |
| Ellen Kirby, Treasurer                                  | 400,000    |
| Todd E. Thomas, Commissioner of the Revenue             | 3,000      |
| Johnny Beauchamp, Sheriff                               | 30,000     |
| Fidelity and Deposit Company of Maryland - Surety:      |            |
| Board of Supervisors and County Administrator           | 1,000      |
| Association of Counties Group Self Insurance Risk Pool: |            |
| Public Officials Liability                              | 2,000,000  |
| Employee Dishonesty Policy                              | 250,000    |

**Note 19—Postclosure Costs:**

**Old County Landfill**

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

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### **Note 20—Line of Duty Act (LODA) (OPEB Benefits):**

---

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2021 was \$48,706.

### **Note 21—Adoption of Accounting Principles:**

---

The County implemented provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The implementation of this Statement resulted in the restatement of net position as discussed in Note 24.

The County early implemented provisions of Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* during the fiscal year ended June 30, 2021. This Statement simplifies accounting for interest cost incurred before the end of a construction period. Interest cost incurred during construction is expensed and no longer capitalized as part of project costs. No restatement was required as a result of this implementation.

### **Note 22—Upcoming Pronouncements:**

---

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

Statement No. 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.

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### **Note 22—Upcoming Pronouncements: (Continued)**

---

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

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

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

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

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

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

### **Note 23—COVID-19 Pandemic Funding and Subsequent Events:**

---

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

## COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

---

### ***Note 23—COVID-19 Pandemic Funding and Subsequent Events: (Continued)***

---

#### **CARES Act Funding**

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

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding of \$2,110,484. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$207,148. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. Unspent CRF funds in the amount of \$693,084 are reported as unearned revenue as of June 30.

#### **ARPA Funding**

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

In June 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$1,174,656 from the initial allocation are reported as unearned revenue as of June 30.

#### **ESF Funding**

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

COUNTY OF NORTHUMBERLAND, VIRGINIA

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 24—Restatement of Beginning Net Position and Fund Balance:**

Beginning net position and fund balance was restated as follows:

|  | Primary Government      |                                   | Component Unit        | Component Unit               | Primary Government - Custodial Funds |                       |                   |                  |               |                  |
|--|-------------------------|-----------------------------------|-----------------------|------------------------------|--------------------------------------|-----------------------|-------------------|------------------|---------------|------------------|
|  | Governmental Activities | Special Revenue Fund-Sheriff Fund | School Board          | Special Fund-School Activity | Special Welfare                      | Road Improvement Bond | 350th Anniversary | Tornado Relief   | Fallen Heroes | Animal Shelter   |
| Net Position/Fund Balance, June 30, 2020, as previously stated | \$ 12,860,535           | \$ -                              | \$ (8,278,062)        | \$ -                         | \$ -                                 | \$ -                  | \$ -              | \$ -             | \$ -          | \$ -             |
| <b>Restatement:</b>  |                         |                                   |                       |                              |                                      |                       |                   |                  |               |                  |
| Remove OPEB liability  | -                       | -                                 | 575,322               | -                            | -                                    | -                     | -                 | -                | -             | -                |
| Remove OPEB deferred outflows                                  | -                       | -                                 | (41,219)              | -                            | -                                    | -                     | -                 | -                | -             | -                |
| Remove OPEB deferred inflows                                   | -                       | -                                 | 6,156                 | -                            | -                                    | -                     | -                 | -                | -             | -                |
| Implementation of GASB 84                                      | 2,716                   | 2,716                             | 235,316               | 235,316                      | 71,069                               | 43,118                | 104               | 10,137           | 173           | 14,819           |
| Net Position/Fund Balance, July 1, 2020, as restated           | \$ <u>12,863,251</u>    | \$ <u>2,716</u>                   | \$ <u>(7,502,487)</u> | \$ <u>235,316</u>            | \$ <u>71,069</u>                     | \$ <u>43,118</u>      | \$ <u>104</u>     | \$ <u>10,137</u> | \$ <u>173</u> | \$ <u>14,819</u> |

THIS PAGE LEFT BLANK INTENTIONALLY



*REQUIRED SUPPLEMENTARY INFORMATION*

THIS PAGE LEFT BLANK INTENTIONALLY

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

|   | Budgeted Amounts     |                       | Actual<br>Amounts    | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|----------------------|-----------------------|----------------------|---|
|   | Original             | Final                 |                      |   |
| <b>REVENUES</b>   |                      |                       |                      |   |
| General property taxes                                    | \$ 19,972,811        | \$ 19,972,811         | \$ 20,572,189        | \$ 599,378  |
| Other local taxes   | 1,738,790            | 1,738,790             | 2,640,587            | 901,797   |
| Permits, privilege fees, and regulatory licenses          | 97,800               | 97,800                | 145,171              | 47,371  |
| Fines and forfeitures                                     | 20,000               | 20,000                | 34,377               | 14,377  |
| Revenue from the use of money and property                | 120,000              | 120,000               | 151,861              | 31,861  |
| Charges for services                                      | 207,089              | 207,089               | 218,743              | 11,654  |
| Miscellaneous   | 327,612              | 327,612               | 213,307              | (114,305)   |
| Recovered costs   | 154,085              | 154,085               | 142,439              | (11,646)  |
| Intergovernmental:  |                      |                       |                      |   |
| Commonwealth  | 3,522,900            | 3,522,900             | 3,687,649            | 164,749   |
| Federal   | 1,464,678            | 2,519,920             | 2,597,539            | 77,619  |
| Total revenues  | <u>\$ 27,625,765</u> | <u>\$ 28,681,007</u>  | <u>\$ 30,403,862</u> | <u>\$ 1,722,855</u>                                       |
| <b>EXPENDITURES</b>                                       |                      |                       |                      |   |
| Current:  |                      |                       |                      |   |
| General government administration                         | \$ 2,235,414         | \$ 2,261,254          | \$ 1,991,464         | \$ 269,790  |
| Judicial administration                                   | 942,504              | 952,727               | 948,861              | 3,866   |
| Public safety   | 5,521,511            | 7,968,808             | 6,862,770            | 1,106,038   |
| Public works  | 1,424,238            | 1,460,890             | 1,710,828            | (249,938)   |
| Health and welfare  | 2,610,171            | 2,676,413             | 2,389,748            | 286,665   |
| Education   | 12,210,987           | 12,443,303            | 11,502,737           | 940,566   |
| Parks, recreation, and cultural                           | 213,904              | 213,904               | 217,267              | (3,363)   |
| Community development                                     | 404,506              | 410,237               | 370,686              | 39,551  |
| Capital projects  | 725,882              | 1,516,401             | 1,048,172            | 468,229   |
| Debt service:   |                      |                       |                      |   |
| Principal retirement                                      | 1,105,000            | 1,105,000             | 1,105,000            | -   |
| Interest and other fiscal charges                         | 922,502              | 922,502               | 924,219              | (1,717)   |
| Total expenditures  | <u>\$ 28,316,619</u> | <u>\$ 31,931,439</u>  | <u>\$ 29,071,752</u> | <u>\$ 2,859,687</u>                                       |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (690,854)</u>  | <u>\$ (3,250,432)</u> | <u>\$ 1,332,110</u>  | <u>\$ 4,582,542</u>                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                      |                       |                      |   |
| Transfers in  | \$ 10,000            | \$ 10,000             | \$ 912,180           | \$ 902,180  |
| Transfers out   | (293,639)            | (293,639)             | (447,916)            | (154,277)   |
| Total other financing sources (uses)                      | <u>\$ (283,639)</u>  | <u>\$ (283,639)</u>   | <u>\$ 464,264</u>    | <u>\$ 747,903</u>   |
| Net change in fund balances                               | \$ (974,493)         | \$ (3,534,071)        | \$ 1,796,374         | \$ 5,330,445  |
| Fund balances - beginning                                 | 7,500,000            | 6,225,975             | 7,168,643            | 942,668   |
| Fund balances - ending                                    | <u>\$ 6,525,507</u>  | <u>\$ 2,691,904</u>   | <u>\$ 8,965,017</u>  | <u>\$ 6,273,113</u>                                       |

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

|   | <u>2020</u>                 | <u>2019</u>                 |
|---|-----------------------------|-----------------------------|
| <b>Total pension liability</b>  |                             |                             |
| Service cost  | \$ 493,599                  | \$ 449,055                  |
| Interest  | 1,318,889                   | 1,253,243                   |
| Differences between expected and actual experience                                    | 588,602                     | 316,890                     |
| Changes of assumptions  | -                           | 561,833                     |
| Benefit payments, including refunds   | (932,875)                   | (957,915)                   |
| <b>Net change in total pension liability</b>  | <u>\$ 1,468,215</u>         | <u>\$ 1,623,106</u>         |
| <b>Total pension liability - beginning</b>  | <u>20,005,539</u>           | <u>18,382,433</u>           |
| <b>Total pension liability - ending (a)</b>   | <u><u>\$ 21,473,754</u></u> | <u><u>\$ 20,005,539</u></u> |
| <br><b>Plan fiduciary net position</b>  |                             |                             |
| Contributions - employer  | \$ 425,399                  | \$ 400,802                  |
| Contributions - employee  | 232,735                     | 218,731                     |
| Net investment income   | 346,211                     | 1,132,408                   |
| Benefit payments, including refunds   | (932,875)                   | (957,915)                   |
| Administrator charges   | (11,592)                    | (11,289)                    |
| Other   | (404)                       | (713)                       |
| <b>Net change in plan fiduciary net position</b>                                      | <u>\$ 59,474</u>            | <u>\$ 782,024</u>           |
| <b>Plan fiduciary net position - beginning</b>  | <u>17,851,889</u>           | <u>17,069,865</u>           |
| <b>Plan fiduciary net position - ending (b)</b>                                       | <u><u>\$ 17,911,363</u></u> | <u><u>\$ 17,851,889</u></u> |
| <br><b>County's net pension liability - ending (a) - (b)</b>                          | <br>\$ 3,562,391            | <br>\$ 2,153,650            |
| <br><b>Plan fiduciary net position as a percentage of the total pension liability</b> | <br>83.41%                  | <br>89.23%                  |
| <br><b>Covered payroll</b>  | <br>\$ 4,845,805            | <br>\$ 4,538,900            |
| <br><b>County's net pension liability as a percentage of covered payroll</b>          | <br>73.51%                  | <br>47.45%                  |

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

Exhibit 13

|      | <u>2018</u>              | <u>2017</u>                 | <u>2016</u>                 | <u>2015</u>                 | <u>2014</u>                 |
|------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$   | 437,178                  | \$ 440,974                  | \$ 413,402                  | \$ 383,185                  | \$ 379,392                  |
|      | 1,210,694                | 1,149,231                   | 1,110,893                   | 1,084,417                   | 1,031,873                   |
|      | (90,183)                 | 321,626                     | (71,832)                    | (282,284)                   | -                           |
|      | -                        | (123,405)                   | -                           | -                           | -                           |
|      | (941,779)                | (878,971)                   | (930,594)                   | (683,580)                   | (637,699)                   |
| \$   | <u>615,910</u>           | \$ <u>909,455</u>           | \$ <u>521,869</u>           | \$ <u>501,738</u>           | \$ <u>773,566</u>           |
|      | 17,766,523               | 16,857,068                  | 16,335,199                  | 15,833,461                  | 15,059,895                  |
| \$   | <u><u>18,382,433</u></u> | \$ <u><u>17,766,523</u></u> | \$ <u><u>16,857,068</u></u> | \$ <u><u>16,335,199</u></u> | \$ <u><u>15,833,461</u></u> |
| <br> |                          |                             |                             |                             |                             |
| \$   | 354,445                  | \$ 343,327                  | \$ 428,319                  | \$ 408,319                  | \$ 439,811                  |
|      | 205,563                  | 198,437                     | 184,084                     | 176,948                     | 168,381                     |
|      | 1,194,966                | 1,794,139                   | 252,892                     | 658,638                     | 1,965,945                   |
|      | (941,779)                | (878,971)                   | (930,594)                   | (683,580)                   | (637,699)                   |
|      | (10,433)                 | (10,491)                    | (9,367)                     | (8,983)                     | (10,518)                    |
|      | (1,059)                  | (1,590)                     | (109)                       | (137)                       | 104                         |
| \$   | <u>801,703</u>           | \$ <u>1,444,851</u>         | \$ <u>(74,775)</u>          | \$ <u>551,205</u>           | \$ <u>1,926,024</u>         |
|      | 16,268,162               | 14,823,311                  | 14,898,086                  | 14,346,881                  | 12,420,857                  |
| \$   | <u><u>17,069,865</u></u> | \$ <u><u>16,268,162</u></u> | \$ <u><u>14,823,311</u></u> | \$ <u><u>14,898,086</u></u> | \$ <u><u>14,346,881</u></u> |
| <br> |                          |                             |                             |                             |                             |
| \$   | 1,312,568                | \$ 1,498,361                | \$ 2,033,757                | \$ 1,437,113                | \$ 1,486,580                |
|      | 92.86%                   | 91.57%                      | 87.94%                      | 91.20%                      | 90.61%                      |
| <br> |                          |                             |                             |                             |                             |
| \$   | 4,253,585                | \$ 4,098,796                | \$ 3,763,252                | \$ 3,565,027                | \$ 3,367,620                |
|      | 30.86%                   | 36.56%                      | 54.04%                      | 40.31%                      | 44.14%                      |

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

|   | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| <b>Total pension liability</b>  |                     |                     |
| Service cost  | \$ 68,409           | \$ 72,845           |
| Interest  | 303,495             | 299,235             |
| Differences between expected and actual experience                                    | 47,076              | 51,460              |
| Changes of assumptions  | -                   | 107,540             |
| Benefit payments, including refunds   | (317,098)           | (302,181)           |
| <b>Net change in total pension liability</b>  | <b>\$ 101,882</b>   | <b>\$ 228,899</b>   |
| <b>Total pension liability - beginning</b>  | <b>4,654,773</b>    | <b>4,425,874</b>    |
| <b>Total pension liability - ending (a)</b>   | <b>\$ 4,756,655</b> | <b>\$ 4,654,773</b> |
| <br><b>Plan fiduciary net position</b>  |                     |                     |
| Contributions - employer  | \$ 76,009           | \$ 81,474           |
| Contributions - employee  | 30,729              | 33,629              |
| Net investment income   | 72,405              | 246,459             |
| Benefit payments, including refunds   | (317,098)           | (302,181)           |
| Administrator charges   | (2,598)             | (2,592)             |
| Other   | (84)                | (154)               |
| <b>Net change in plan fiduciary net position</b>                                      | <b>\$ (140,637)</b> | <b>\$ 56,635</b>    |
| <b>Plan fiduciary net position - beginning</b>  | <b>3,861,357</b>    | <b>3,804,722</b>    |
| <b>Plan fiduciary net position - ending (b)</b>                                       | <b>\$ 3,720,720</b> | <b>\$ 3,861,357</b> |
| <br><b>School Division's net pension liability - ending (a) - (b)</b>                 | <b>\$ 1,035,935</b> | <b>\$ 793,416</b>   |
| <br><b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>78.22%</b>       | <b>82.95%</b>       |
| <br><b>Covered payroll</b>  | <b>\$ 679,471</b>   | <b>\$ 709,632</b>   |
| <br><b>School Division's net pension liability as a percentage of covered payroll</b> | <b>152.46%</b>      | <b>111.81%</b>      |

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

Exhibit 14

|    | 2018      | 2017         | 2016         | 2015         | 2014         |
|----|-----------|--------------|--------------|--------------|--------------|
| \$ | 74,512    | \$ 72,261    | \$ 70,447    | \$ 69,172    | \$ 66,406    |
|    | 298,234   | 293,570      | 285,665      | 273,641      | 268,066      |
|    | (69,604)  | (21,072)     | (11,964)     | 84,598       | -            |
|    | -         | (25,266)     | -            | -            | -            |
|    | (275,497) | (230,250)    | (232,167)    | (279,140)    | (230,511)    |
| \$ | 27,645    | \$ 89,243    | \$ 111,981   | \$ 148,271   | \$ 103,961   |
|    | 4,398,229 | 4,308,986    | 4,197,005    | 4,048,734    | 3,944,773    |
| \$ | 4,425,874 | \$ 4,398,229 | \$ 4,308,986 | \$ 4,197,005 | \$ 4,048,734 |
| \$ | 94,352    | \$ 92,456    | \$ 86,287    | \$ 83,473    | \$ 70,655    |
|    | 34,897    | 34,330       | 32,341       | 31,292       | 31,088       |
|    | 267,465   | 406,550      | 57,310       | 152,762      | 479,575      |
|    | (275,497) | (230,250)    | (232,167)    | (279,140)    | (230,511)    |
|    | (2,385)   | (2,398)      | (2,173)      | (2,217)      | (2,674)      |
|    | (236)     | (360)        | (25)         | (32)         | 25           |
| \$ | 118,596   | \$ 300,328   | \$ (58,427)  | \$ (13,862)  | \$ 348,158   |
|    | 3,686,126 | 3,385,798    | 3,444,225    | 3,458,087    | 3,109,929    |
| \$ | 3,804,722 | \$ 3,686,126 | \$ 3,385,798 | \$ 3,444,225 | \$ 3,458,087 |
| \$ | 621,152   | \$ 712,103   | \$ 923,188   | \$ 752,780   | \$ 590,647   |
|    | 85.97%    | 83.81%       | 78.58%       | 82.06%       | 85.41%       |
| \$ | 726,516   | \$ 707,889   | \$ 659,462   | \$ 637,904   | \$ 636,555   |
|    | 85.50%    | 100.60%      | 139.99%      | 118.01%      | 92.79%       |

County of Northumberland, Virginia

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan

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

---

|   | <u>2020</u>   | <u>2019</u>   |
|---|---------------|---------------|
| Employer's Proportion of the Net Pension Liability  | 0.09690%      | 0.09882%      |
| Employer's Proportionate Share of the Net Pension Liability   | \$ 14,104,406 | \$ 13,005,274 |
| Employer's Covered Payroll  | 8,503,803     | 8,282,014     |
| Employer's Proportionate Share of the Net Pension Liability<br>as a Percentage of its Covered Payroll | 165.86%       | 157.03%       |
| Plan Fiduciary Net Position as a Percentage of the<br>Total Pension Liability                         | 71.47%        | 73.51%        |

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



Exhibit 15

---

|    | <u>2018</u> | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   |
|----|-------------|---------------|---------------|---------------|---------------|
|    | 0.10322%    | 0.09995%      | 0.09844%      | 0.10121%      | 0.10127%      |
| \$ | 12,139,000  | \$ 12,292,000 | \$ 13,795,000 | \$ 12,739,000 | \$ 12,238,000 |
|    | 8,314,729   | 8,183,043     | 8,498,329     | 7,260,159     | 7,383,190     |
|    | 145.99%     | 150.21%       | 162.33%       | 175.46%       | 165.75%       |
|    | 74.81%      | 72.92%        | 68.28%        | 70.68%        | 70.88%        |

County of Northumberland, Virginia  
 Schedule of Employer Contributions  
 Pension Plans

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

| Date   | Contractually<br>Required<br>Contribution<br>(1) | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2) | Contribution<br>Deficiency<br>(Excess)<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Contributions<br>as a % of<br>Covered<br>Payroll<br>(5) |
|--|--|---|---|---|---|
| <b>Primary Government</b>                            |  |   |   |   |   |
| 2021   | \$ 490,166                                       | \$ 490,166  | \$ -  | \$ 4,920,373                            | 9.96%   |
| 2020   | 425,399  | 425,399   | -   | 4,845,805                               | 8.78%   |
| 2019   | 400,801  | 400,801   | -   | 4,538,900                               | 8.83%   |
| 2018   | 354,445  | 354,445   | -   | 4,253,585                               | 8.33%   |
| 2017   | 352,087  | 352,087   | -   | 4,098,796                               | 8.59%   |
| 2016   | 432,398  | 432,398   | -   | 3,763,252                               | 11.49%  |
| 2015   | 409,622  | 409,622   | -   | 3,565,027                               | 11.49%  |
| 2014   | 439,811  | 439,811   | -   | 3,367,620                               | 13.06%  |
| 2013   | 430,566  | 430,566   | -   | 3,296,831                               | 13.06%  |
| 2012   | 311,840  | 311,840   | -   | 3,096,728                               | 10.07%  |
| <b>Component Unit School Board (Nonprofessional)</b> |  |   |   |   |   |
| 2021   | \$ 54,934  | \$ 54,934   | \$ -  | \$ 457,521                              | 12.01%  |
| 2020   | 76,135   | 76,135  | -   | 679,471                                 | 11.21%  |
| 2019   | 81,475   | 81,475  | -   | 709,632                                 | 11.48%  |
| 2018   | 94,352   | 94,352  | -   | 726,516                                 | 12.99%  |
| 2017   | 93,795   | 93,795  | -   | 707,889                                 | 13.25%  |
| 2016   | 86,917   | 86,917  | -   | 659,462                                 | 13.18%  |
| 2015   | 84,076   | 84,076  | -   | 637,904                                 | 13.18%  |
| 2014   | 72,313   | 72,313  | -   | 636,555                                 | 11.36%  |
| 2013   | 74,653   | 74,653  | -   | 657,157                                 | 11.36%  |
| 2012   | 56,158   | 56,158  | -   | 607,765                                 | 9.24%   |
| <b>Component Unit School Board (Professional)</b>    |  |   |   |   |   |
| 2021   | \$ 1,374,710                                     | \$ 1,374,710  | \$ -  | \$ 8,556,626                            | 16.07%  |
| 2020   | 1,287,931  | 1,287,931   | -   | 8,503,803                               | 15.15%  |
| 2019   | 1,266,384  | 1,266,384   | -   | 8,282,014                               | 15.68%  |
| 2018   | 1,334,984  | 1,334,984   | -   | 8,314,729                               | 16.32%  |
| 2017   | 1,154,604  | 1,154,604   | -   | 8,183,043                               | 14.66%  |
| 2016   | 1,194,865  | 1,194,865   | -   | 8,498,329                               | 14.06%  |
| 2015   | 1,052,723  | 1,052,723   | -   | 7,260,159                               | 14.50%  |
| 2014   | 860,880  | 860,880   | -   | 7,383,190                               | 11.66%  |
| 2013   | 782,648  | 782,648   | -   | 6,712,247                               | 11.66%  |
| 2012   | 757,010  | 757,010   | -   | 6,681,465                               | 11.33%  |

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

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

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

| Date<br>(1)                                    | Employer's<br>Proportion of the<br>Net GLI OPEB<br>Liability<br>(2) | Employer's<br>Proportionate<br>Share of the<br>Net GLI OPEB<br>Liability<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Employer's<br>Proportionate Share<br>of the Net GLI OPEB<br>Liability<br>as a Percentage of<br>Covered Payroll<br>(3)/(4)<br>(5) | Plan Fiduciary<br>Net Position as a<br>Percentage of Total<br>GLI OPEB Liability<br>(6) |
|--|---|---|---|--|---|
| Primary Government:                            |   |   |   |  |   |
| 2020   | 0.02360% \$   | 393,010 \$  | 4,845,805                               | 8.11%  | 52.64%  |
| 2019   | 0.02315%  | 376,712   | 4,538,900                               | 8.30%  | 52.00%  |
| 2018   | 0.02237%  | 339,000   | 4,253,586                               | 7.97%  | 51.22%  |
| 2017   | 0.02228%  | 366,000   | 4,109,386                               | 8.91%  | 48.86%  |
| Component Unit School Board (nonprofessional): |   |   |   |  |   |
| 2020   | 0.00340% \$   | 55,906 \$   | 690,059                                 | 8.10%  | 52.64%  |
| 2019   | 0.00366%  | 59,558  | 718,210                                 | 8.29%  | 52.00%  |
| 2018   | 0.00382%  | 58,000  | 726,516                                 | 7.98%  | 51.22%  |
| 2017   | 0.00384%  | 58,000  | 707,889                                 | 8.19%  | 48.86%  |
| Component Unit School Board (professional):    |   |   |   |  |   |
| 2020   | 0.04140% \$   | 690,731 \$  | 8,518,025                               | 8.11%  | 52.64%  |
| 2019   | 0.04225%  | 687,520   | 8,282,014                               | 8.30%  | 52.00%  |
| 2018   | 0.04373%  | 665,000   | 8,316,322                               | 8.00%  | 51.22%  |
| 2017   | 0.04253%  | 640,000   | 7,844,121                               | 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.

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

| Date   | Contractually<br>Required<br>Contribution<br>(1) | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2) | Contribution<br>Deficiency<br>(Excess)<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Contributions<br>as a % of<br>Covered<br>Payroll<br>(5) |
|--|--|---|---|---|---|
| <b>Primary Government</b>                            |  |   |   |   |   |
| 2021   | \$ 26,590  | \$ 26,590   | \$ -  | 4,924,051                               | 0.54%   |
| 2020   | 25,198   | 25,198  | -   | 4,845,805                               | 0.52%   |
| 2019   | 23,602   | 23,602  | -   | 4,538,900                               | 0.52%   |
| 2018   | 22,119   | 22,119  | -   | 4,253,586                               | 0.52%   |
| 2017   | 21,369   | 21,369  | -   | 4,109,386                               | 0.52%   |
| 2016   | 18,064   | 18,064  | -   | 3,763,252                               | 0.48%   |
| 2015   | 17,152   | 17,152  | -   | 3,573,335                               | 0.48%   |
| 2014   | 16,165   | 16,165  | -   | 3,367,620                               | 0.48%   |
| 2013   | 15,825   | 15,825  | -   | 3,296,831                               | 0.48%   |
| 2012   | 8,682  | 8,682   | -   | 3,100,671                               | 0.28%   |
| <b>Component Unit School Board (nonprofessional)</b> |  |   |   |   |   |
| 2021   | \$ 2,493   | \$ 2,493  | \$ -  | 461,603                                 | 0.54%   |
| 2020   | 3,588  | 3,588   | -   | 690,059                                 | 0.52%   |
| 2019   | 3,735  | 3,735   | -   | 718,210                                 | 0.52%   |
| 2018   | 3,778  | 3,778   | -   | 726,516                                 | 0.52%   |
| 2017   | 3,681  | 3,681   | -   | 707,889                                 | 0.52%   |
| 2016   | 3,165  | 3,165   | -   | 659,462                                 | 0.48%   |
| 2015   | 3,073  | 3,073   | -   | 640,217                                 | 0.48%   |
| 2014   | 3,055  | 3,055   | -   | 636,555                                 | 0.48%   |
| 2013   | 3,154  | 3,154   | -   | 657,157                                 | 0.48%   |
| 2012   | 1,702  | 1,702   | -   | 607,765                                 | 0.28%   |
| <b>Component Unit School Board (professional)</b>    |  |   |   |   |   |
| 2021   | \$ 46,715  | \$ 46,715   | \$ -  | 8,650,954                               | 0.54%   |
| 2020   | 44,294   | 44,294  | -   | 8,518,025                               | 0.52%   |
| 2019   | 43,066   | 43,066  | -   | 8,282,014                               | 0.52%   |
| 2018   | 43,245   | 43,245  | -   | 8,316,322                               | 0.52%   |
| 2017   | 40,789   | 40,789  | -   | 7,844,121                               | 0.52%   |
| 2016   | 36,233   | 36,233  | -   | 7,548,590                               | 0.48%   |
| 2015   | 36,197   | 36,197  | -   | 7,541,035                               | 0.48%   |
| 2014   | 35,548   | 35,548  | -   | 7,405,916                               | 0.48%   |
| 2013   | 32,374   | 32,374  | -   | 6,744,618                               | 0.48%   |
| 2012   | 19,135   | 19,135  | -   | 6,833,846                               | 0.28%   |

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

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

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

**Teachers**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

County of Northumberland, Virginia  
Schedule of Changes in the County's Net OPEB Liability (Asset) and Related Ratios  
Health Insurance Credit (HIC) Plan  
Primary Government  
For the Measurement Dates of June 30, 2017 through June 30, 2020

|  | 2020                | 2019                | 2018                | 2017                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Total HIC OPEB Liability</b>  |                     |                     |                     |                     |
| Service cost   | \$ 2,098            | \$ 1,816            | \$ 1,725            | \$ 1,170            |
| Interest   | 2,572               | 2,764               | 2,850               | 2,857               |
| Differences between expected and actual experience   | (724)               | (4,400)             | -                   | -                   |
| Changes of assumptions   | -                   | 954                 | (2,990)             | (1,959)             |
| Benefit payments   | (2,581)             | (2,463)             | (3,152)             | (1,215)             |
| <b>Net change in total HIC OPEB liability</b>  | <b>\$ 1,365</b>     | <b>\$ (1,329)</b>   | <b>\$ (1,567)</b>   | <b>\$ 853</b>       |
| <b>Total HIC OPEB Liability - beginning</b>  | <b>39,392</b>       | <b>40,721</b>       | <b>42,288</b>       | <b>41,435</b>       |
| <b>Total HIC OPEB Liability - ending (a)</b>   | <b>\$ 40,757</b>    | <b>\$ 39,392</b>    | <b>\$ 40,721</b>    | <b>\$ 42,288</b>    |
| <b>Plan fiduciary net position</b>   |                     |                     |                     |                     |
| Contributions - employer   | \$ 2,147            | \$ 1,826            | \$ 220              | \$ 212              |
| Net investment income  | 1,022               | 3,055               | 3,326               | 4,984               |
| Benefit payments   | (2,581)             | (2,463)             | (3,152)             | (1,215)             |
| Administrator charges  | (97)                | (67)                | (75)                | (80)                |
| Other  | -                   | (3)                 | (256)               | 256                 |
| <b>Net change in plan fiduciary net position</b>   | <b>\$ 491</b>       | <b>\$ 2,348</b>     | <b>\$ 63</b>        | <b>\$ 4,157</b>     |
| <b>Plan fiduciary net position - beginning</b>   | <b>50,108</b>       | <b>47,760</b>       | <b>47,697</b>       | <b>43,540</b>       |
| <b>Plan fiduciary net position - ending (b)</b>  | <b>\$ 50,599</b>    | <b>\$ 50,108</b>    | <b>\$ 47,760</b>    | <b>\$ 47,697</b>    |
| <b>County's net HIC OPEB liability (asset) - ending (a) - (b)</b>                          | <b>\$ (9,842)</b>   | <b>\$ (10,716)</b>  | <b>\$ (7,039)</b>   | <b>\$ (5,409)</b>   |
| <b>Plan fiduciary net position as a percentage of the total HIC OPEB liability (asset)</b> | <b>124.15%</b>      | <b>127.20%</b>      | <b>117.29%</b>      | <b>112.79%</b>      |
| <b>Covered payroll</b>   | <b>\$ 1,533,906</b> | <b>\$ 1,304,373</b> | <b>\$ 1,100,266</b> | <b>\$ 1,058,674</b> |
| <b>County's net HIC OPEB liability (asset) as a percentage of covered payroll</b>          | <b>-0.64%</b>       | <b>-0.82%</b>       | <b>-0.64%</b>       | <b>-0.51%</b>       |

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

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

|  | <u>2020</u>       |
|--|-------------------|
| Total HIC OPEB Liability   |                   |
| Changes of benefit terms   | \$ 116,524        |
| Net change in total HIC OPEB liability   | \$ 116,524        |
| Total HIC OPEB Liability - beginning   | -                 |
| Total HIC OPEB Liability - ending (a)  | <u>\$ 116,524</u> |
| <br>   |                   |
| Plan fiduciary net position  |                   |
| Net change in plan fiduciary net position  | \$ -              |
| Plan fiduciary net position - beginning  | -                 |
| Plan fiduciary net position - ending (b)   | <u>\$ -</u>       |
| <br>   |                   |
| County's net HIC OPEB liability (asset) - ending (a) - (b)                             | \$ 116,524        |
| <br>   |                   |
| Plan fiduciary net position as a percentage of the total<br>HIC OPEB liability (asset) | 0.00%             |
| <br>   |                   |
| Covered payroll  | \$ -              |
| <br>   |                   |
| County's net HIC OPEB liability (asset) as a percentage of<br>covered payroll          | 0.00%             |

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



County of Northumberland, Virginia  
 Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2012 through June 30, 2021

| Date   | Contractually<br>Required<br>Contribution<br>(1) | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2) | Contribution<br>Deficiency<br>(Excess)<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Contributions<br>as a % of<br>Covered<br>Payroll<br>(5) |
|--|--|---|---|---|---|
| <b>Primary Government:</b>                           |  |   |   |   |   |
| 2021   | \$ 1,914   | \$ 1,914  | \$ -  | \$ 1,594,979                            | 0.12%   |
| 2020   | 2,147  | 2,147   | -   | 1,533,906                               | 0.14%   |
| 2019   | 1,826  | 1,826   | -   | 1,304,373                               | 0.14%   |
| 2018   | 220  | 220   | -   | 1,100,266                               | 0.02%   |
| 2017   | 212  | 212   | -   | 1,058,674                               | 0.02%   |
| 2016   | 166  | 166   | -   | 827,898                                 | 0.02%   |
| 2015   | 140  | 140   | -   | 698,781                                 | 0.02%   |
| 2014   | 67   | 67  | -   | 665,561                                 | 0.01%   |
| 2013   | 330  | 330   | -   | 3,295,534                               | 0.01%   |
| 2012   | 619  | 619   | -   | 3,094,890                               | 0.02%   |
| <b>Component Unit School Board (nonprofessional)</b> |  |   |   |   |   |
| 2021   | \$ 5,078   | \$ 5,078  | \$ -  | \$ 457,521                              | 1.11%   |

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available for the Component Unit School Board (nonprofessional). However, additional years will be included as they become available.

**County of Northumberland, Virginia**  
**Notes to Required Supplementary Information**  
**Health Insurance Credit (HIC) Plan**  
**Primary Government**  
**For the Year Ended June 30, 2021**

---

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

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

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

| Date<br>(1) | Employer's<br>Proportion of the<br>Net HIC OPEB<br>Liability<br>(2) | Employer's<br>Proportionate<br>Share of the<br>Net HIC OPEB<br>Liability<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Employer's<br>Proportionate Share<br>of the Net HIC OPEB<br>Liability<br>as a Percentage of<br>Covered Payroll<br>(3)/(4)<br>(5) | Plan Fiduciary<br>Net Position as a<br>Percentage of Total<br>HIC OPEB Liability<br>(6) |
|-------------|---|---|---|--|---|
| 2020        | 0.09700% \$   | 1,265,381 \$  | 8,503,803                               | 14.88%   | 9.95%   |
| 2019        | 0.09874%  | 1,292,602   | 8,282,014                               | 15.61%   | 8.97%   |
| 2018        | 0.10269%  | 1,303,000   | 8,304,933                               | 15.69%   | 8.08%   |
| 2017        | 0.09939%  | 1,260,000   | 7,844,121                               | 16.06%   | 7.04%   |

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

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

---

| Date | Contractually<br>Required<br>Contribution<br>(1) | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2) | Contribution<br>Deficiency<br>(Excess)<br>(3) | Employer's<br>Covered<br>Payroll<br>(4) | Contributions<br>as a % of<br>Covered<br>Payroll<br>(5) |
|------|--|---|---|---|---|
| 2021 | \$ 103,535                                       | \$ 103,535  | \$ -  | \$ 8,556,626                            | 1.21%   |
| 2020 | 102,046  | 102,046   | -   | 8,503,803                               | 1.20%   |
| 2019 | 99,384   | 99,384  | -   | 8,282,014                               | 1.20%   |
| 2018 | 102,151  | 102,151   | -   | 8,304,933                               | 1.23%   |
| 2017 | 87,070   | 87,070  | -   | 7,844,121                               | 1.11%   |
| 2016 | 79,562   | 79,562  | -   | 7,505,844                               | 1.06%   |
| 2015 | 79,762   | 79,762  | -   | 7,524,739                               | 1.06%   |
| 2014 | 82,206   | 82,206  | -   | 7,405,916                               | 1.11%   |
| 2013 | 73,766   | 73,766  | -   | 6,645,594                               | 1.11%   |
| 2012 | 40,089   | 40,089  | -   | 6,681,464                               | 0.60%   |

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

---

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

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

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

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

|  | 2021                | 2020                | 2019                | 2018                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB liability</b>  |                     |                     |                     |                     |
| Service cost   | \$ 42,905           | \$ 24,124           | \$ 17,929           | \$ 18,372           |
| Interest   | 9,149               | 9,179               | 9,687               | 8,711               |
| Changes of assumptions   | 1,737               | 136,262             | 7,199               | (6,764)             |
| Differences between expected and actual experience                               | -                   | (1,451)             | -                   | -                   |
| Benefit payments   | (32,671)            | (37,556)            | (20,663)            | (16,271)            |
| <b>Net change in total OPEB liability</b>  | <b>\$ 21,120</b>    | <b>\$ 130,558</b>   | <b>\$ 14,152</b>    | <b>\$ 4,048</b>     |
| <b>Total OPEB liability - beginning</b>  | <b>387,324</b>      | <b>256,766</b>      | <b>242,614</b>      | <b>238,566</b>      |
| <b>Total OPEB liability - ending</b>   | <b>\$ 408,444</b>   | <b>\$ 387,324</b>   | <b>\$ 256,766</b>   | <b>\$ 242,614</b>   |
| <br>   |                     |                     |                     |                     |
| <b>Covered-employee payroll</b>  | <b>\$ 4,971,243</b> | <b>\$ 4,860,234</b> | <b>\$ 4,158,383</b> | <b>\$ 4,158,383</b> |
| <br>   |                     |                     |                     |                     |
| <b>County's total OPEB liability as a percentage of covered-employee payroll</b> | <b>8.22%</b>        | <b>7.97%</b>        | <b>6.17%</b>        | <b>5.83%</b>        |

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

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

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

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

*Methods and assumptions used to determine OPEB liability:*

|                       |  |
|-----------------------|--|
| Actuarial Cost Method | Entry age normal, level % of salary  |
| Discount Rate         | 2.16% as of June 30, 2021; 2.21% as of June 30, 2020   |
| Inflation             | 2.50%  |
| Healthcare Trend Rate | The healthcare trend rate assumption starts 4.00% in 2020, then gradually declines to 4.00% by the year 2073   |
| Salary Increase Rates | The salary increase rate starts at a 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service   |
| Mortality Rates       | Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related. 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; females setback 1 year with 1.5% increase compounded from ages 70 to 85. Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates. |

THIS PAGE LEFT BLANK INTENTIONALLY



*OTHER SUPPLEMENTARY INFORMATION*

THIS PAGE LEFT BLANK INTENTIONALLY

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

THIS PAGE LEFT BLANK INTENTIONALLY

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

|  | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget - |
|--|-------------------------|--------------|---------------------------|---------------------------------|
|  | <u>Original</u>         | <u>Final</u> |                           | Positive<br>(Negative)          |
| <b>REVENUES</b>  |                         |              |                           |                                 |
| Miscellaneous  | \$ -                    | \$ -         | \$ 34,950                 | \$ 34,950                       |
| Total revenues   | <u>\$ -</u>             | <u>\$ -</u>  | <u>\$ 34,950</u>          | <u>\$ 34,950</u>                |
|  |                         |              |                           |                                 |
| Excess (deficiency) of revenues over (under)<br>expenditures | \$ -                    | \$ -         | \$ 34,950                 | \$ 34,950                       |
|  |                         |              |                           |                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |              |                           |                                 |
| Transfers in   | \$ -                    | \$ -         | \$ 5,124                  | \$ 5,124                        |
| Transfers out  | -                       | -            | (877,485)                 | (877,485)                       |
| Total other financing sources (uses)                         | <u>\$ -</u>             | <u>\$ -</u>  | <u>\$ (872,361)</u>       | <u>\$ (872,361)</u>             |
|  |                         |              |                           |                                 |
| Net change in fund balances                                  | \$ -                    | \$ -         | \$ (837,411)              | \$ (837,411)                    |
| Fund balances - beginning                                    | -                       | -            | 1,619,012                 | 1,619,012                       |
| Fund balances - ending                                       | <u>\$ -</u>             | <u>\$ -</u>  | <u>\$ 781,601</u>         | <u>\$ 781,601</u>               |

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

---

|  | <u>Law<br/>Library<br/>Fund</u> | <u>Forfeited<br/>Assets<br/>Fund</u> | <u>Economic<br/>Development<br/>Fund</u> | <u>Courthouse<br/>Security<br/>Fund</u> | <u>Sheriff's<br/>Fund</u> | <u>Total</u>      |
|--|---------------------------------|--------------------------------------|--|---|---------------------------|-------------------|
| <b>ASSETS</b>                                      |                                 |                                      |  |   |                           |                   |
| Cash and cash equivalents                          | \$ 779                          | \$ 55,866                            | \$ 14,508                                | \$ 104,212                              | \$ -                      | \$ 175,365        |
| Cash in custody of others                          | -                               | -                                    | -  | -                                       | 3,831                     | 3,831             |
| Receivables (net of allowance for uncollectibles): |                                 |                                      |  |   |                           |                   |
| Accounts receivable                                | -                               | -                                    | -  | 664                                     | -                         | 664               |
| Notes receivable                                   | -                               | -                                    | 10,345                                   | -                                       | -                         | 10,345            |
| Total assets                                       | <u>\$ 779</u>                   | <u>\$ 55,866</u>                     | <u>\$ 24,853</u>                         | <u>\$ 104,876</u>                       | <u>\$ 3,831</u>           | <u>\$ 190,205</u> |
| <b>FUND BALANCES</b>                               |                                 |                                      |  |   |                           |                   |
| Restricted   | \$ 779                          | \$ 55,866                            | \$ 24,853                                | \$ 104,876                              | \$ 3,831                  | \$ 190,205        |
| Total fund balances                                | <u>\$ 779</u>                   | <u>\$ 55,866</u>                     | <u>\$ 24,853</u>                         | <u>\$ 104,876</u>                       | <u>\$ 3,831</u>           | <u>\$ 190,205</u> |

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

|   | <u>Law<br/>Library<br/>Fund</u> | <u>Forfeited<br/>Assets<br/>Fund</u> | <u>Economic<br/>Development<br/>Fund</u> | <u>Courthouse<br/>Security<br/>Fund</u> | <u>Sheriff's<br/>Fund</u> | <u>Total</u>       |
|---|---------------------------------|--------------------------------------|--|---|---------------------------|--------------------|
| <b>REVENUES</b>   |                                 |                                      |  |   |                           |                    |
| Revenue from the use of money and property                | \$ -                            | \$ -                                 | \$ 14                                    | \$ -                                    | \$ -                      | \$ 14              |
| Charges for services                                      | 1                               | -                                    | -  | 10,098                                  | -                         | 10,099             |
| Miscellaneous   | -                               | 5,399                                | -  | -                                       | 1,230                     | 6,629              |
| Intergovernmental:  |                                 |                                      |  |   |                           |                    |
| Commonwealth  | -                               | 518                                  | -  | -                                       | -                         | 518                |
| Total revenues  | <u>\$ 1</u>                     | <u>\$ 5,917</u>                      | <u>\$ 14</u>                             | <u>\$ 10,098</u>                        | <u>\$ 1,230</u>           | <u>\$ 17,260</u>   |
| <b>EXPENDITURES</b>                                       |                                 |                                      |  |   |                           |                    |
| Current:  |                                 |                                      |  |   |                           |                    |
| Public safety   | \$ -                            | \$ 8,447                             | \$ -                                     | \$ 352                                  | \$ 115                    | \$ 8,914           |
| Total expenditures  | <u>\$ -</u>                     | <u>\$ 8,447</u>                      | <u>\$ -</u>                              | <u>\$ 352</u>                           | <u>\$ 115</u>             | <u>\$ 8,914</u>    |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 1</u>                     | <u>\$ (2,530)</u>                    | <u>\$ 14</u>                             | <u>\$ 9,746</u>                         | <u>\$ 1,115</u>           | <u>\$ 8,346</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                                 |                                      |  |   |                           |                    |
| Transfers out   | <u>\$ -</u>                     | <u>\$ -</u>                          | <u>\$ -</u>                              | <u>\$ (34,695)</u>                      | <u>\$ -</u>               | <u>\$ (34,695)</u> |
| Net change in fund balances                               | \$ 1                            | \$ (2,530)                           | \$ 14                                    | \$ (24,949)                             | \$ 1,115                  | \$ (26,349)        |
| Fund balances - beginning, as restated                    | 778                             | 58,396                               | 24,839                                   | 129,825                                 | 2,716                     | 216,554            |
| Fund balances - ending                                    | <u>\$ 779</u>                   | <u>\$ 55,866</u>                     | <u>\$ 24,853</u>                         | <u>\$ 104,876</u>                       | <u>\$ 3,831</u>           | <u>\$ 190,205</u>  |

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

|   | Law Library Fund |       |        | Variance<br>with<br>Final Budget<br>Positive<br>(Negative) | Forfeited Assets Fund |            |            | Variance<br>with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-------|--------|--|-----------------------|------------|------------|--|
|   | Budgeted Amounts |       | Actual |  | Budgeted Amounts      |            | Actual     |  |
|   | Original         | Final |        |  | Original              | Final      |            |  |
| <b>REVENUES</b>   |                  |       |        |  |                       |            |            |  |
| Revenue from the use of money and property                | \$ -             | \$ -  | \$ -   | \$ -   | \$ -                  | \$ -       | \$ -       | \$ -   |
| Charges for services                                      | -                | -     | 1      | 1  | -                     | -          | -          | -  |
| Miscellaneous   | -                | -     | -      | -  | -                     | -          | 5,399      | 5,399  |
| Intergovernmental:  |                  |       |        |  |                       |            |            |  |
| Commonwealth  | -                | -     | -      | -  | -                     | -          | 518        | 518  |
| Total revenues  | \$ -             | \$ -  | \$ 1   | \$ 1   | \$ -                  | \$ -       | \$ 5,917   | \$ 5,917   |
| <b>EXPENDITURES</b>                                       |                  |       |        |  |                       |            |            |  |
| Current:  |                  |       |        |  |                       |            |            |  |
| Public safety   | \$ -             | \$ -  | \$ -   | \$ -   | \$ -                  | \$ 4,995   | \$ 8,447   | \$ (3,452)   |
| Total expenditures  | \$ -             | \$ -  | \$ -   | \$ -   | \$ -                  | \$ 4,995   | \$ 8,447   | \$ (3,452)   |
| Excess (deficiency) of revenues over (under) expenditures | \$ -             | \$ -  | \$ 1   | \$ 1   | \$ -                  | \$ (4,995) | \$ (2,530) | \$ 2,465   |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                  |       |        |  |                       |            |            |  |
| Transfers out   | \$ -             | \$ -  | \$ -   | \$ -   | \$ -                  | \$ -       | \$ -       | \$ -   |
| Total other financing sources and uses                    | \$ -             | \$ -  | \$ -   | \$ -   | \$ -                  | \$ -       | \$ -       | \$ -   |
| Net change in fund balances                               | \$ -             | \$ -  | \$ 1   | \$ 1   | \$ -                  | \$ (4,995) | \$ (2,530) | \$ 2,465   |
| Fund balances - beginning                                 | -                | -     | 778    | 778  | -                     | 28,013     | 58,396     | 30,383   |
| Fund balances - ending                                    | \$ -             | \$ -  | \$ 779 | \$ 779   | \$ -                  | \$ 23,018  | \$ 55,866  | \$ 32,848  |



| Economic Development Fund |       |           |  | Courthouse Security Fund |           |             |  |
|---------------------------|-------|-----------|--|--------------------------|-----------|-------------|--|
| Budgeted Amounts          |       | Actual    | Variance with Final Budget Positive (Negative) | Budgeted Amounts         |           | Actual      | Variance with Final Budget Positive (Negative) |
| Original                  | Final |           |  | Original                 | Final     |             |  |
| \$ -                      | \$ -  | \$ 14     | \$ 14  | \$ -                     | \$ -      | \$ -        | \$ -   |
| -                         | -     | -         | -  | 10,000                   | 10,000    | 10,098      | 98   |
| -                         | -     | -         | -  | -                        | -         | -           | -  |
| -                         | -     | -         | -  | -                        | -         | -           | -  |
| \$ -                      | \$ -  | \$ 14     | \$ 14  | \$ 10,000                | \$ 10,000 | \$ 10,098   | \$ 98  |
| \$ -                      | \$ -  | \$ -      | \$ -   | \$ -                     | \$ -      | \$ 352      | \$ (352)                                       |
| \$ -                      | \$ -  | \$ -      | \$ -   | \$ -                     | \$ -      | \$ 352      | \$ (352)                                       |
| \$ -                      | \$ -  | \$ 14     | \$ 14  | \$ 10,000                | \$ 10,000 | \$ 9,746    | \$ (254)                                       |
| \$ -                      | \$ -  | \$ -      | \$ -   | \$ (10,000)              | \$ -      | \$ (34,695) | \$ (34,695)                                    |
| \$ -                      | \$ -  | \$ -      | \$ -   | \$ (10,000)              | \$ -      | \$ (34,695) | \$ (34,695)                                    |
| \$ -                      | \$ -  | \$ 14     | \$ 14  | \$ -                     | \$ 10,000 | \$ (24,949) | \$ (34,949)                                    |
| -                         | -     | 24,839    | 24,839   | -                        | -         | 129,825     | 129,825  |
| \$ -                      | \$ -  | \$ 24,853 | \$ 24,853                                      | \$ -                     | \$ 10,000 | \$ 104,876  | \$ 94,876                                      |

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

|                           | Custodial Funds            |                                      |                              |                           |                          |                           |                   |
|---------------------------|----------------------------|--------------------------------------|------------------------------|---------------------------|--------------------------|---------------------------|-------------------|
|                           | <u>Special<br/>Welfare</u> | <u>Road<br/>Improvement<br/>Bond</u> | <u>350th<br/>Anniversary</u> | <u>Tornado<br/>Relief</u> | <u>Fallen<br/>Heroes</u> | <u>Animal<br/>Shelter</u> | <u>Total</u>      |
| <b>ASSETS</b>             |                            |                                      |                              |                           |                          |                           |                   |
| Cash and cash equivalents | \$ 46,504                  | \$ 37,135                            | \$ 104                       | \$ 10,137                 | \$ 173                   | \$ 32,526                 | \$ 126,579        |
| Total assets              | <u>\$ 46,504</u>           | <u>\$ 37,135</u>                     | <u>\$ 104</u>                | <u>\$ 10,137</u>          | <u>\$ 173</u>            | <u>\$ 32,526</u>          | <u>\$ 126,579</u> |
| <b>NET POSITION</b>       |                            |                                      |                              |                           |                          |                           |                   |
| Restricted for:           |                            |                                      |                              |                           |                          |                           |                   |
| Individuals               | \$ 46,504                  | \$ 37,135                            | \$ -                         | \$ -                      | \$ -                     | \$ -                      | \$ 83,639         |
| Organizations             | -                          | -                                    | 104                          | 10,137                    | 173                      | 32,526                    | 42,940            |
| Total net position        | <u>\$ 46,504</u>           | <u>\$ 37,135</u>                     | <u>\$ 104</u>                | <u>\$ 10,137</u>          | <u>\$ 173</u>            | <u>\$ 32,526</u>          | <u>\$ 126,579</u> |

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

|   | Custodial Funds    |                             |                      |                   |                  |                   | Total             |
|---|--------------------|-----------------------------|----------------------|-------------------|------------------|-------------------|-------------------|
|   | Special<br>Welfare | Road<br>Improvement<br>Bond | 350th<br>Anniversary | Tornado<br>Relief | Fallen<br>Heroes | Animal<br>Shelter |                   |
| <b>ADDITIONS</b>                                  |                    |                             |                      |                   |                  |                   |                   |
| Miscellaneous:                                    |                    |                             |                      |                   |                  |                   |                   |
| Collections                                       | \$ 36,065          | \$ 11,000                   | \$ -                 | \$ -              | \$ -             | \$ 17,707         | \$ 64,772         |
| Investment earnings:                              |                    |                             |                      |                   |                  |                   |                   |
| Interest  | 28                 | 17                          | -                    | -                 | -                | -                 | 45                |
| Total additions                                   | <u>\$ 36,093</u>   | <u>\$ 11,017</u>            | <u>\$ -</u>          | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ 17,707</u>  | <u>\$ 64,817</u>  |
| <b>DEDUCTIONS</b>                                 |                    |                             |                      |                   |                  |                   |                   |
| Recipient paymens                                 | \$ 60,658          | \$ 17,000                   | \$ -                 | \$ -              | \$ -             | \$ -              | \$ 77,658         |
| Total deductions                                  | <u>\$ 60,658</u>   | <u>\$ 17,000</u>            | <u>\$ -</u>          | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 77,658</u>  |
| Net increase (decrease) in fiduciary net position | \$ (24,565)        | \$ (5,983)                  | \$ -                 | \$ -              | \$ -             | \$ 17,707         | \$ (12,841)       |
| Net position, beginning - as restated             | 71,069             | 43,118                      | 104                  | 10,137            | 173              | 14,819            | 139,420           |
| Net position, ending                              | <u>\$ 46,504</u>   | <u>\$ 37,135</u>            | <u>\$ 104</u>        | <u>\$ 10,137</u>  | <u>\$ 173</u>    | <u>\$ 32,526</u>  | <u>\$ 126,579</u> |

THIS PAGE LEFT BLANK INTENTIONALLY

*DISCRETELY PRESENTED COMPONENT UNIT  
SCHOOL BOARD*

THIS PAGE LEFT BLANK INTENTIONALLY

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

|                                     | School<br>Operating<br>Fund | Health<br>Insurance<br>Recovery<br>Fund | School<br>Cafeteria<br>Fund | School<br>Activity<br>Fund | Total<br>Governmental<br>Funds |
|-------------------------------------|-----------------------------|---|-----------------------------|----------------------------|--------------------------------|
| <b>ASSETS</b>                       |                             |   |                             |                            |                                |
| Cash and cash equivalents           | \$ 2,000                    | \$ 160,267                              | \$ -                        | \$ -                       | \$ 162,267                     |
| Cash in custody of others           | -                           | -                                       | 288,014                     | 248,982                    | 536,996                        |
| Due from other funds                | 200,880                     | -                                       | -                           | -                          | 200,880                        |
| Due from other governmental units   | 1,397,580                   | -                                       | 197,233                     | -                          | 1,594,813                      |
| Total assets                        | <u>\$ 1,600,460</u>         | <u>\$ 160,267</u>                       | <u>\$ 485,247</u>           | <u>\$ 248,982</u>          | <u>\$ 2,494,956</u>            |
| <b>LIABILITIES</b>                  |                             |   |                             |                            |                                |
| Accounts payable                    | \$ 234,970                  | \$ -                                    | \$ -                        | \$ -                       | \$ 234,970                     |
| Accrued liabilities                 | 1,363,490                   | -                                       | -                           | -                          | 1,363,490                      |
| Due to other funds                  | -                           | -                                       | 200,880                     | -                          | 200,880                        |
| Total liabilities                   | <u>\$ 1,598,460</u>         | <u>\$ -</u>                             | <u>\$ 200,880</u>           | <u>\$ -</u>                | <u>\$ 1,799,340</u>            |
| <b>FUND BALANCES</b>                |                             |   |                             |                            |                                |
| Committed:                          |                             |   |                             |                            |                                |
| School Operating Fund               | \$ 2,000                    | \$ -                                    | \$ -                        | \$ -                       | \$ 2,000                       |
| School Cafeteria Fund               | -                           | -                                       | 284,367                     | -                          | 284,367                        |
| Assigned:                           |                             |   |                             |                            |                                |
| Health Insurance Recovery Fund      | -                           | 160,267                                 | -                           | -                          | 160,267                        |
| School Activity Fund                | -                           | -                                       | -                           | 248,982                    | 248,982                        |
| Total fund balances                 | <u>\$ 2,000</u>             | <u>\$ 160,267</u>                       | <u>\$ 284,367</u>           | <u>\$ 248,982</u>          | <u>\$ 695,616</u>              |
| Total liabilities and fund balances | <u>\$ 1,600,460</u>         | <u>\$ 160,267</u>                       | <u>\$ 485,247</u>           | <u>\$ 248,982</u>          | <u>\$ 2,494,956</u>            |

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

Total fund balances per above \$ 695,616

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

|                          |                    |           |
|--------------------------|--------------------|-----------|
| Capital assets, cost     | \$ 13,228,082      |           |
| Accumulated depreciation | <u>(5,719,661)</u> | 7,508,421 |

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

|                       |                |           |
|-----------------------|----------------|-----------|
| Pension related items | \$ 3,861,591   |           |
| OPEB related items    | <u>341,511</u> | 4,203,102 |

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

|                       |                    |              |
|-----------------------|--------------------|--------------|
| Compensated absences  | \$ (407,434)       |              |
| Net pension liability | (15,140,341)       |              |
| Net OPEB liabilities  | <u>(2,128,542)</u> | (17,676,317) |

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

|                       |                  |             |
|-----------------------|------------------|-------------|
| Pension related items | \$ (1,413,624)   |             |
| OPEB related items    | <u>(135,622)</u> | (1,549,246) |

Net position of governmental activities \$ (6,818,424)

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

|   | School<br>Operating<br>Fund | Health<br>Insurance<br>Recovery<br>Fund | School<br>Cafeteria<br>Fund | School<br>Activity<br>Fund | Total<br>Governmental<br>Funds |
|---|-----------------------------|---|-----------------------------|----------------------------|--------------------------------|
| <b>REVENUES</b>   |                             |   |                             |                            |                                |
| Revenue from the use of money and property  | \$ -                        | \$ -                                    | \$ 144                      | \$ -                       | \$ 144                         |
| Charges for services  | -                           | -                                       | 3,241                       | -                          | 3,241                          |
| Miscellaneous   | 57,789                      | -                                       | 190                         | 81,016                     | 138,995                        |
| Recovered costs   | 175,296                     | -                                       | -                           | -                          | 175,296                        |
| Intergovernmental:  |                             |   |                             |                            |                                |
| Local government  | 11,493,451                  | -                                       | -                           | -                          | 11,493,451                     |
| Commonwealth  | 5,119,550                   | -                                       | 13,646                      | -                          | 5,133,196                      |
| Federal   | 1,521,906                   | -                                       | 877,163                     | -                          | 2,399,069                      |
| Total revenues  | <u>\$ 18,367,992</u>        | <u>\$ -</u>                             | <u>\$ 894,384</u>           | <u>\$ 81,016</u>           | <u>\$ 19,343,392</u>           |
| <b>EXPENDITURES</b>   |                             |   |                             |                            |                                |
| Current:  |                             |   |                             |                            |                                |
| Education   | \$ 18,329,593               | \$ -                                    | \$ 680,466                  | \$ 67,350                  | \$ 19,077,409                  |
| Capital projects  | 38,399                      | -                                       | -                           | -                          | 38,399                         |
| Total expenditures  | <u>\$ 18,367,992</u>        | <u>\$ -</u>                             | <u>\$ 680,466</u>           | <u>\$ 67,350</u>           | <u>\$ 19,115,808</u>           |
| Excess (deficiency) of revenues over (under) expenditures   | <u>\$ -</u>                 | <u>\$ -</u>                             | <u>\$ 213,918</u>           | <u>\$ 13,666</u>           | <u>\$ 227,584</u>              |
| Net change in fund balances   | \$ -                        | \$ -                                    | \$ 213,918                  | \$ 13,666                  | \$ 227,584                     |
| Fund balances - beginning, as restated  | 2,000                       | 160,267                                 | 70,449                      | 235,316                    | 468,032                        |
| Fund balances - ending  | <u>\$ 2,000</u>             | <u>\$ 160,267</u>                       | <u>\$ 284,367</u>           | <u>\$ 248,982</u>          | <u>\$ 695,616</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  |                             |   |                             |                            | \$ 227,584                     |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. The following is a summary of items supporting this adjustment: |                             |   |                             |                            |                                |
| Capital outlay  |                             |   | \$ 1,112,868                |                            |                                |
| Depreciation expense  |                             |   | (179,099)                   |                            |                                |
| Transfer of joint tenancy assets to Component Unit from Primary Government  |                             |   | <u>(89,586)</u>             |                            | 844,183                        |
| 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:  |                             |   |                             |                            |                                |
| Decrease (increase) in compensated absences   |                             |   | \$ (17,203)                 |                            |                                |
| Change in pension related items   |                             |   | (283,227)                   |                            |                                |
| Change in OPEB related items  |                             |   | <u>(87,274)</u>             |                            | (387,704)                      |
| Change in net position of governmental activities   |                             |   |                             |                            | <u>\$ 684,063</u>              |



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

|   | School Operating Fund |                      |                      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-----------------------|----------------------|----------------------|---|
|   | Budgeted Amounts      |                      | Actual               |   |
|   | Original              | Final                |                      |   |
| <b>REVENUES</b>   |                       |                      |                      |   |
| Revenue from the use of money and property                | \$ 8,500              | \$ 8,500             | \$ -                 | \$ (8,500)  |
| Miscellaneous   | 146,050               | 175,850              | 57,789               | (118,061)   |
| Recovered costs   | 224,000               | 224,000              | 175,296              | (48,704)  |
| Intergovernmental:  |                       |                      |                      |   |
| Local government  | 12,201,701            | 12,434,017           | 11,493,451           | (940,566)   |
| Commonwealth  | 5,058,009             | 5,058,009            | 5,119,550            | 61,541  |
| Federal   | 979,156               | 1,278,794            | 1,521,906            | 243,112   |
| Total revenues  | <u>\$ 18,617,416</u>  | <u>\$ 19,179,170</u> | <u>\$ 18,367,992</u> | <u>\$ (811,178)</u>                                     |
| <b>EXPENDITURES</b>                                       |                       |                      |                      |   |
| Current:  |                       |                      |                      |   |
| Education   | \$ 18,570,416         | \$ 19,132,170        | \$ 18,329,593        | \$ 802,577  |
| Capital projects  | 47,000                | 47,000               | 38,399               | 8,601   |
| Total expenditures  | <u>\$ 18,617,416</u>  | <u>\$ 19,179,170</u> | <u>\$ 18,367,992</u> | <u>\$ 811,178</u>                                       |
| Excess (deficiency) of revenues over (under) expenditures | \$ -                  | \$ -                 | \$ -                 | \$ -  |
| Net change in fund balances                               | \$ -                  | \$ -                 | \$ -                 | \$ -  |
| Fund balances - beginning                                 | -                     | -                    | 2,000                | 2,000   |
| Fund balances - ending                                    | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ 2,000</u>      | <u>\$ 2,000</u>   |

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

|   | School Cafeteria Fund |                   |                   |   |
|---|-----------------------|-------------------|-------------------|---|
|   | Budgeted Amounts      |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|   | Original              | Final             |                   |   |
| <b>REVENUES</b>   |                       |                   |                   |   |
| Revenue from the use of money and property                | \$ 40                 | \$ 40             | \$ 144            | \$ 104  |
| Charges for services                                      | 151,495               | 151,495           | 3,241             | (148,254)   |
| Miscellaneous   | 27,975                | 27,975            | 190               | (27,785)  |
| Intergovernmental:  |                       |                   |                   |   |
| Commonwealth  | 4,959                 | 4,959             | 13,646            | 8,687   |
| Federal   | 432,912               | 677,434           | 877,163           | 199,729   |
| Total revenues  | <u>\$ 617,381</u>     | <u>\$ 861,903</u> | <u>\$ 894,384</u> | <u>\$ 32,481</u>  |
| <b>EXPENDITURES</b>                                       |                       |                   |                   |   |
| Current:  |                       |                   |                   |   |
| Education   | \$ 617,381            | \$ 861,903        | \$ 680,466        | \$ 181,437  |
| Total expenditures  | <u>\$ 617,381</u>     | <u>\$ 861,903</u> | <u>\$ 680,466</u> | <u>\$ 181,437</u>                                       |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ -</u>           | <u>\$ -</u>       | <u>\$ 213,918</u> | <u>\$ 213,918</u>                                       |
| Net change in fund balances                               | \$ -                  | \$ -              | \$ 213,918        | \$ 213,918  |
| Fund balances - beginning                                 | -                     | -                 | 70,449            | 70,449  |
| Fund balances - ending                                    | <u>\$ -</u>           | <u>\$ -</u>       | <u>\$ 284,367</u> | <u>\$ 284,367</u>                                       |

*SUPPORTING SCHEDULES*

THIS PAGE LEFT BLANK INTENTIONALLY

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

| <u>Fund, Major and Minor Revenue Source</u>            | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|----------------------|---|
| <b>General Fund:</b>                                   |                            |                         |                      |   |
| Revenue from local sources:                            |                            |                         |                      |   |
| General property taxes:                                |                            |                         |                      |   |
| Real property taxes                                    | \$ 16,220,457              | \$ 16,220,457           | \$ 16,514,215        | \$ 293,758  |
| Real and personal public service corporation taxes     | 315,650                    | 315,650                 | 320,038              | 4,388   |
| Personal property taxes                                | 2,446,364                  | 2,446,364               | 2,613,017            | 166,653   |
| Custom house boat taxes                                | 522,000                    | 522,000                 | 533,514              | 11,514  |
| Mobile home taxes                                      | 27,140                     | 27,140                  | 26,927               | (213)   |
| Machinery and tools taxes                              | 223,200                    | 223,200                 | 254,585              | 31,385  |
| Merchant's capital taxes                               | 48,000                     | 48,000                  | 45,270               | (2,730)   |
| Penalties  | 110,000                    | 110,000                 | 136,589              | 26,589  |
| Interest   | 60,000                     | 60,000                  | 128,034              | 68,034  |
| Total general property taxes                           | <u>\$ 19,972,811</u>       | <u>\$ 19,972,811</u>    | <u>\$ 20,572,189</u> | <u>\$ 599,378</u>   |
| Other local taxes:                                     |                            |                         |                      |   |
| Local sales and use taxes                              | \$ 667,790                 | \$ 667,790              | \$ 1,121,761         | \$ 453,971  |
| Consumers' utility taxes                               | 340,000                    | 340,000                 | 350,891              | 10,891  |
| Consumption tax  | 46,000                     | 46,000                  | 57,650               | 11,650  |
| Motor vehicle licenses                                 | 360,000                    | 360,000                 | 372,027              | 12,027  |
| Bank stock taxes                                       | 175,000                    | 175,000                 | 332,561              | 157,561   |
| Taxes on recordation and wills                         | 150,000                    | 150,000                 | 405,697              | 255,697   |
| Total other local taxes                                | <u>\$ 1,738,790</u>        | <u>\$ 1,738,790</u>     | <u>\$ 2,640,587</u>  | <u>\$ 901,797</u>   |
| Permits, privilege fees, and regulatory licenses:      |                            |                         |                      |   |
| Animal licenses  | \$ 15,000                  | \$ 15,000               | \$ 15,951            | \$ 951  |
| Land use application fees                              | 2,000                      | 2,000                   | 1,480                | (520)   |
| Transfer fees  | 1,000                      | 1,000                   | 1,337                | 337   |
| Permits and other licenses                             | 79,800                     | 79,800                  | 126,403              | 46,603  |
| Total permits, privilege fees, and regulatory licenses | <u>\$ 97,800</u>           | <u>\$ 97,800</u>        | <u>\$ 145,171</u>    | <u>\$ 47,371</u>  |
| Fines and forfeitures:                                 |                            |                         |                      |   |
| Court fines and forfeitures                            | \$ 20,000                  | \$ 20,000               | \$ 34,377            | \$ 14,377   |
| Revenue from use of money and property:                |                            |                         |                      |   |
| Revenue from use of money                              | \$ 50,000                  | \$ 50,000               | \$ 69,630            | \$ 19,630   |
| Revenue from use of property                           | 70,000                     | 70,000                  | 82,231               | 12,231  |
| Total revenue from use of money and property           | <u>\$ 120,000</u>          | <u>\$ 120,000</u>       | <u>\$ 151,861</u>    | <u>\$ 31,861</u>  |
| Charges for services:                                  |                            |                         |                      |   |
| Sheriff's fees   | \$ 539                     | \$ 539                  | \$ 539               | \$ -  |
| Court costs  | 2,500                      | 2,500                   | (2,354)              | (4,854)   |
| Courthouses maintenance fees                           | 2,000                      | 2,000                   | 1,813                | (187)   |
| Charges for Commonwealth's Attorney                    | 900                        | 900                     | 755                  | (145)   |
| Charges for correction and detention                   | 1,000                      | 1,000                   | 613                  | (387)   |
| Charges for other protection                           | 150                        | 150                     | -                    | (150)   |
| Charges for EMS  | 200,000                    | 200,000                 | 217,377              | 17,377  |
| Total charges for services                             | <u>\$ 207,089</u>          | <u>\$ 207,089</u>       | <u>\$ 218,743</u>    | <u>\$ 11,654</u>  |

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

| <u>Fund, Major and Minor Revenue Source</u>  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---------------|---|
| <b>General Fund: (Continued)</b>             |                            |                         |               |   |
| Revenue from local sources: (Continued)      |                            |                         |               |   |
| Miscellaneous:                               |                            |                         |               |   |
| Miscellaneous                                | \$ 327,612                 | \$ 327,612              | \$ 213,307    | \$ (114,305)  |
| Recovered costs:                             |                            |                         |               |   |
| Judge reimbursement                          | \$ 54,476                  | \$ 54,476               | \$ 54,939     | \$ 463  |
| Game reimbursements                          | -                          | -                       | 359           | 359   |
| DMV License Agent fee                        | 24,000                     | 24,000                  | 55,186        | 31,186  |
| Animal shelter                               | -                          | -                       | 2,155         | 2,155   |
| School resource officer                      | 70,809                     | 70,809                  | 25,000        | (45,809)  |
| Multi-Jurisdictional Task Force              | 4,800                      | 4,800                   | 4,800         | -   |
| Total recovered costs                        | \$ 154,085                 | \$ 154,085              | \$ 142,439    | \$ (11,646)   |
| Total revenue from local sources             | \$ 22,638,187              | \$ 22,638,187           | \$ 24,118,674 | \$ 1,480,487  |
| Intergovernmental:                           |                            |                         |               |   |
| Revenue from the Commonwealth:               |                            |                         |               |   |
| Noncategorical aid:                          |                            |                         |               |   |
| Communications tax                           | \$ 370,000                 | \$ 370,000              | \$ 281,536    | \$ (88,464)   |
| Motor vehicle carriers' tax                  | -                          | -                       | 4             | 4   |
| Mobile home titling tax                      | 10,000                     | 10,000                  | 15,312        | 5,312   |
| Recordation and grantors tax                 | 57,000                     | 57,000                  | 127,957       | 70,957  |
| Personal property tax relief funds           | 930,000                    | 930,000                 | 932,952       | 2,952   |
| ATV & moped tax                              | -                          | -                       | 223           | 223   |
| Games of skill tax                           | -                          | -                       | 18,000        | 18,000  |
| Auto rental tax                              | -                          | -                       | 558           | 558   |
| Total noncategorical aid                     | \$ 1,367,000               | \$ 1,367,000            | \$ 1,376,542  | \$ 9,542  |
| Categorical aid:                             |                            |                         |               |   |
| Shared expenses:                             |                            |                         |               |   |
| Commonwealth's attorney                      | \$ 224,808                 | \$ 224,808              | \$ 222,545    | \$ (2,263)  |
| Sheriff                                      | 786,999                    | 786,999                 | 792,424       | 5,425   |
| Commissioner of revenue                      | 95,345                     | 95,345                  | 98,352        | 3,007   |
| Treasurer                                    | 120,201                    | 120,201                 | 118,920       | (1,281)   |
| Medical examiner                             | -                          | -                       | (80)          | (80)  |
| Registrar/electoral board                    | 36,000                     | 36,000                  | 39,383        | 3,383   |
| Clerk of the Circuit Court                   | 260,058                    | 260,058                 | 260,985       | 927   |
| Total shared expenses                        | \$ 1,523,411               | \$ 1,523,411            | \$ 1,532,529  | \$ 9,118  |
| Other categorical aid:                       |                            |                         |               |   |
| Public assistance and welfare administration | \$ 402,489                 | \$ 402,489              | \$ 344,662    | \$ (57,827)   |
| Animal friendly plates                       | -                          | -                       | 152           | 152   |
| Victim witness program                       | 28,000                     | 28,000                  | 13,308        | (14,692)  |
| VDEM next generation grant                   | -                          | -                       | 144,460       | 144,460   |
| Clerk's records grant                        | -                          | -                       | 15,726        | 15,726  |
| EMS - Four for life                          | 12,000                     | 12,000                  | -             | (12,000)  |
| Children's services act                      | -                          | -                       | 164,396       | 164,396   |
| Fire programs fund                           | 40,000                     | 40,000                  | 46,990        | 6,990   |
| E911 wireless grant                          | -                          | -                       | 44,463        | 44,463  |
| Emergency services grant                     | 150,000                    | 150,000                 | -             | (150,000)   |

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

| <u>Fund, Major and Minor Revenue Source</u>  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---------------|---|
| <b>General Fund: (Continued)</b>             |                            |                         |               |   |
| Intergovernmental: (Continued)               |                            |                         |               |   |
| Revenue from the Commonwealth: (Continued)   |                            |                         |               |   |
| Categorical aid: (Continued)                 |                            |                         |               |   |
| Other categorical aid: (Continued)           |                            |                         |               |   |
| Other grants                                 | \$ -                       | \$ -                    | \$ 4,421      | \$ 4,421  |
| Total other categorical aid                  | \$ 632,489                 | \$ 632,489              | \$ 778,578    | \$ 146,089  |
| Total categorical aid                        | \$ 2,155,900               | \$ 2,155,900            | \$ 2,311,107  | \$ 155,207  |
| Total revenue from the Commonwealth          | \$ 3,522,900               | \$ 3,522,900            | \$ 3,687,649  | \$ 164,749  |
| Revenue from the federal government:         |                            |                         |               |   |
| Noncategorical aid:                          |                            |                         |               |   |
| COVID-19 CARES Act                           | \$ -                       | \$ 1,055,242            | \$ 1,414,870  | \$ 359,628  |
| Categorical aid:                             |                            |                         |               |   |
| Public assistance and welfare administration | \$ 857,796                 | \$ 857,796              | \$ 774,480    | \$ (83,316)   |
| Community development block grant            | 600,882                    | 600,882                 | 278,565       | (322,317)   |
| CARES elections grant                        | -                          | -                       | 30,479        | 30,479  |
| Ground transportation                        | 6,000                      | 6,000                   | 13,702        | 7,702   |
| Victim witness program                       | -                          | -                       | 39,924        | 39,924  |
| Juvneile justice grant                       | -                          | -                       | 45,519        | 45,519  |
| Total categorical aid                        | \$ 1,464,678               | \$ 1,464,678            | \$ 1,182,669  | \$ (282,009)  |
| Total revenue from the federal government    | \$ 1,464,678               | \$ 2,519,920            | \$ 2,597,539  | \$ 77,619   |
| Total General Fund                           | \$ 27,625,765              | \$ 28,681,007           | \$ 30,403,862 | \$ 1,722,855  |
| <b>Special Revenue Funds:</b>                |                            |                         |               |   |
| <b>Forfeited Assets Fund:</b>                |                            |                         |               |   |
| Revenue from local sources:                  |                            |                         |               |   |
| Miscellaneous:                               |                            |                         |               |   |
| Other miscellaneous                          | \$ -                       | \$ -                    | \$ 5,399      | \$ 5,399  |
| Total miscellaneous                          | \$ -                       | \$ -                    | \$ 5,399      | \$ 5,399  |
| Intergovernmental:                           |                            |                         |               |   |
| Revenue from the Commonwealth:               |                            |                         |               |   |
| Categorical aid:                             |                            |                         |               |   |
| Forfeited assets                             | \$ -                       | \$ -                    | \$ 518        | \$ 518  |
| Total revenue from the Commonwealth          | \$ -                       | \$ -                    | \$ 518        | \$ 518  |
| Total Forfeited Assets Fund                  | \$ -                       | \$ -                    | \$ 5,917      | \$ 5,917  |
| <b>Law Library Fund:</b>                     |                            |                         |               |   |
| Revenue from local sources:                  |                            |                         |               |   |
| Charges for services:                        |                            |                         |               |   |
| Law library fees                             | \$ -                       | \$ -                    | \$ 1          | \$ 1  |
| Total charges for services                   | \$ -                       | \$ -                    | \$ 1          | \$ 1  |
| Total Law Library Fund                       | \$ -                       | \$ -                    | \$ 1          | \$ 1  |

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

| <u>Fund, Major and Minor Revenue Source</u>                | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---------------|---|
| <b>Special Revenue Funds: (Continued)</b>                  |                            |                         |               |   |
| <b>Economic Development Fund:</b>                          |                            |                         |               |   |
| Revenue from local sources:                                |                            |                         |               |   |
| Revenue from use of money and property:                    |                            |                         |               |   |
| Revenue from the use of money                              | \$ -                       | \$ -                    | \$ 14         | \$ 14   |
| Total Economic Development Fund                            | \$ -                       | \$ -                    | \$ 14         | \$ 14   |
| <b>Courthouse Security Fund:</b>                           |                            |                         |               |   |
| Revenue from local sources:                                |                            |                         |               |   |
| Charges for services:                                      |                            |                         |               |   |
| Courthouse security fees                                   | \$ 10,000                  | \$ 10,000               | \$ 10,098     | \$ 98   |
| Total Courthouse Security Fund                             | \$ 10,000                  | \$ 10,000               | \$ 10,098     | \$ 98   |
| <b>Sheriff's Fund:</b>                                     |                            |                         |               |   |
| Revenue from local sources:                                |                            |                         |               |   |
| Miscellaneous:   |                            |                         |               |   |
| Contributions  | \$ -                       | \$ -                    | \$ 1,230      | \$ 1,230  |
| Total miscellaneous  | \$ -                       | \$ -                    | \$ 1,230      | \$ 1,230  |
| Total Sheriff's Fund                                       | \$ -                       | \$ -                    | \$ 1,230      | \$ 1,230  |
| <b>Capital Projects Fund:</b>                              |                            |                         |               |   |
| <b>County Capital Projects Fund:</b>                       |                            |                         |               |   |
| Revenue from local sources:                                |                            |                         |               |   |
| Miscellaneous:   |                            |                         |               |   |
| Other miscellaneous  | \$ -                       | \$ -                    | \$ 34,950     | \$ 34,950   |
| Total County Capital Projects Fund                         | \$ -                       | \$ -                    | \$ 34,950     | \$ 34,950   |
| Total Primary Government                                   | \$ 27,635,765              | \$ 28,691,007           | \$ 30,456,072 | \$ 1,765,065  |
| <b>Discretely Presented Component Unit - School Board:</b> |                            |                         |               |   |
| <b>School Operating Fund:</b>                              |                            |                         |               |   |
| Revenue from local sources:                                |                            |                         |               |   |
| Revenue from use of money and property:                    |                            |                         |               |   |
| Revenue from the use of property                           | \$ 8,500                   | \$ 8,500                | \$ -          | \$ (8,500)  |
| Total revenue from use of money and property               | \$ 8,500                   | \$ 8,500                | \$ -          | \$ (8,500)  |
| Miscellaneous:   |                            |                         |               |   |
| Miscellaneous  | \$ 146,050                 | \$ 175,850              | \$ 57,789     | \$ (118,061)  |
| Recovered costs:   |                            |                         |               |   |
| Medicaid reimbursements                                    | \$ 20,000                  | \$ 20,000               | \$ 48,227     | \$ 28,227   |
| E-rate reimbursements                                      | 120,000                    | 120,000                 | -             | (120,000)   |
| Northern Neck Regional Special Education                   | 80,000                     | 80,000                  | 81,084        | 1,084   |
| Other recovered costs                                      | 4,000                      | 4,000                   | 45,985        | 41,985  |
| Total recovered costs                                      | \$ 224,000                 | \$ 224,000              | \$ 175,296    | \$ (48,704)   |
| Total revenue from local sources                           | \$ 378,550                 | \$ 408,350              | \$ 233,085    | \$ (175,265)  |
| Intergovernmental:   |                            |                         |               |   |
| Revenues from local governments:                           |                            |                         |               |   |
| Contribution from County of Northumberland, Virginia       | \$ 12,201,701              | \$ 12,434,017           | \$ 11,493,451 | \$ (940,566)  |



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

| <u>Fund, Major and Minor Revenue Source</u>                            | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|----------------------|---|
| <b>Discretely Presented Component Unit - School Board: (Continued)</b> |                            |                         |                      |   |
| <b>School Operating Fund: (Continued)</b>                              |                            |                         |                      |   |
| Intergovernmental: (Continued)   |                            |                         |                      |   |
| Revenue from the Commonwealth:   |                            |                         |                      |   |
| Categorical aid:   |                            |                         |                      |   |
| Share of state sales tax   | \$ 1,524,003               | \$ 1,524,003            | \$ 1,634,482         | \$ 110,479  |
| Basic school aid   | 1,809,913                  | 1,809,913               | 1,918,262            | 108,349   |
| At risk 4 year olds  | 142,660                    | 142,660                 | 67,703               | (74,957)  |
| At risk payments   | 198,028                    | 198,028                 | 162,801              | (35,227)  |
| Community provider   | 15,000                     | 15,000                  | -                    | (15,000)  |
| Early reading intervention   | 15,379                     | 15,379                  | 14,354               | (1,025)   |
| English as a second language   | 9,530                      | 9,530                   | 7,243                | (2,287)   |
| Foster care  | 52                         | 52                      | -                    | (52)  |
| GED funding  | 8,386                      | 8,386                   | 8,387                | 1   |
| Gifted and talented  | 17,996                     | 17,996                  | 17,833               | (163)   |
| Homebound  | 7,472                      | 7,472                   | 5,000                | (2,472)   |
| Mentor teacher program   | 632                        | 632                     | 1,351                | 719   |
| No Loss  | 11,701                     | 11,701                  | 30,252               | 18,551  |
| PPA  | 4,848                      | 4,848                   | 28,397               | 23,549  |
| Positive behavior intervention   | -                          | -                       | 25,000               | 25,000  |
| Primary class size   | 111,044                    | 111,044                 | 106,505              | (4,539)   |
| Project Graduation   | 3,366                      | 3,366                   | 3,366                | -   |
| Remedial education   | 78,906                     | 78,906                  | 78,192               | (714)   |
| Remedial summer education  | 12,889                     | 12,889                  | 8,330                | (4,559)   |
| School fringes   | 372,728                    | 372,728                 | 365,926              | (6,802)   |
| Special education  | 210,763                    | 210,763                 | 208,855              | (1,908)   |
| Supplemental lottery funds   | 127,323                    | 127,323                 | 200,000              | 72,677  |
| Standards of Learning algebra readiness                                | 9,345                      | 9,345                   | 9,297                | (48)  |
| Textbook payment   | 37,193                     | 37,193                  | 36,857               | (336)   |
| Technology VPSA  | 128,000                    | 128,000                 | 128,000              | -   |
| Vocational education   | 56,905                     | 56,905                  | 53,157               | (3,748)   |
| Compensation supplement  | 49,430                     | 49,430                  | -                    | (49,430)  |
| Regional programs  | 94,517                     | 94,517                  | -                    | (94,517)  |
| Total categorical aid  | <u>\$ 5,058,009</u>        | <u>\$ 5,058,009</u>     | <u>\$ 5,119,550</u>  | <u>\$ 61,541</u>  |
| Total revenue from the Commonwealth                                    | <u>\$ 5,058,009</u>        | <u>\$ 5,058,009</u>     | <u>\$ 5,119,550</u>  | <u>\$ 61,541</u>  |
| Revenue from the federal government:                                   |                            |                         |                      |   |
| Categorical aid:   |                            |                         |                      |   |
| Title I  | \$ 473,734                 | \$ 473,734              | \$ 310,432           | \$ (163,302)  |
| Vocational education   | 30,676                     | 30,676                  | 68,851               | 38,175  |
| Title IV   | -                          | 37,679                  | 43,891               | 6,212   |
| Title VIB  | 317,883                    | 317,883                 | 581,874              | 263,991   |
| Title II Part A  | 71,452                     | 71,452                  | -                    | (71,452)  |
| JROTC grant  | 63,500                     | 63,500                  | 63,740               | 240   |
| CARES  | -                          | 207,148                 | 207,148              | -   |
| ESSERF   | -                          | 54,811                  | 225,109              | 170,298   |
| TANF   | -                          | -                       | 20,861               | 20,861  |
| Title VI - rural education   | 21,911                     | 21,911                  | -                    | (21,911)  |
| Total categorical aid  | <u>\$ 979,156</u>          | <u>\$ 1,278,794</u>     | <u>\$ 1,521,906</u>  | <u>\$ 243,112</u>   |
| Total revenue from the federal government                              | <u>\$ 979,156</u>          | <u>\$ 1,278,794</u>     | <u>\$ 1,521,906</u>  | <u>\$ 243,112</u>   |
| Total School Operating Fund  | <u>\$ 18,617,416</u>       | <u>\$ 19,179,170</u>    | <u>\$ 18,367,992</u> | <u>\$ (811,178)</u>   |

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

| <u>Fund, Major and Minor Revenue Source</u>                            | <u>Original<br/>Budget</u>  | <u>Final<br/>Budget</u>     | <u>Actual</u>               | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-----------------------------|-----------------------------|-----------------------------|---|
| <b>Discretely Presented Component Unit - School Board: (Continued)</b> |                             |                             |                             |   |
| <b>School Cafeteria Fund:</b>  |                             |                             |                             |   |
| Revenue from local sources:  |                             |                             |                             |   |
| Revenue from use of money and property:                                |                             |                             |                             |   |
| Revenue from the use of money  | \$ 40                       | \$ 40                       | \$ 144                      | \$ 104  |
| Total revenue from use of money and property                           | <u>\$ 40</u>                | <u>\$ 40</u>                | <u>\$ 144</u>               | <u>\$ 104</u>   |
| Charges for services:  |                             |                             |                             |   |
| Cafeteria sales  | \$ 151,495                  | \$ 151,495                  | \$ 3,241                    | \$ (148,254)  |
| Miscellaneous:   |                             |                             |                             |   |
| Miscellaneous  | \$ 27,975                   | \$ 27,975                   | \$ 190                      | \$ (27,785)   |
| Total revenue from local sources                                       | <u>\$ 179,510</u>           | <u>\$ 179,510</u>           | <u>\$ 3,575</u>             | <u>\$ (175,935)</u>   |
| Revenue from the Commonwealth:   |                             |                             |                             |   |
| Categorical aid:   |                             |                             |                             |   |
| School food program  | \$ 4,959                    | \$ 4,959                    | \$ 13,646                   | \$ 8,687  |
| Revenue from the federal government:                                   |                             |                             |                             |   |
| Categorical aid:   |                             |                             |                             |   |
| Commodities  | \$ -                        | \$ 54,522                   | \$ 54,522                   | \$ -  |
| School nutrition program   | 432,912                     | 622,912                     | 822,641                     | 199,729   |
| Total categorical aid  | <u>\$ 432,912</u>           | <u>\$ 677,434</u>           | <u>\$ 877,163</u>           | <u>\$ 199,729</u>   |
| Total revenue from the federal government                              | <u>\$ 432,912</u>           | <u>\$ 677,434</u>           | <u>\$ 877,163</u>           | <u>\$ 199,729</u>   |
| Total School Cafeteria Fund  | <u><u>\$ 617,381</u></u>    | <u><u>\$ 861,903</u></u>    | <u><u>\$ 894,384</u></u>    | <u><u>\$ 32,481</u></u>   |
| <b>School Activity Fund:</b>   |                             |                             |                             |   |
| Revenue from local sources:  |                             |                             |                             |   |
| Miscellaneous:   |                             |                             |                             |   |
| Other miscellaneous  | \$ -                        | \$ -                        | \$ 81,016                   | \$ 81,016   |
| Total miscellaneous  | <u>\$ -</u>                 | <u>\$ -</u>                 | <u>\$ 81,016</u>            | <u>\$ 81,016</u>  |
| Total School Activity Fund   | <u>\$ -</u>                 | <u>\$ -</u>                 | <u>\$ 81,016</u>            | <u>\$ 81,016</u>  |
| Total Discretely Presented Component Unit - School Board               | <u><u>\$ 19,234,797</u></u> | <u><u>\$ 20,041,073</u></u> | <u><u>\$ 19,343,392</u></u> | <u><u>\$ (697,681)</u></u>  |

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

| <u>Fund, Function, Activity and Element</u>    | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---------------|---|
| <b>General Fund:</b>                           |                            |                         |               |   |
| General government administration:             |                            |                         |               |   |
| Legislative:                                   |                            |                         |               |   |
| Board of supervisors                           | \$ 486,790                 | \$ 486,790              | \$ 351,630    | \$ 135,160  |
| General and financial administration:          |                            |                         |               |   |
| County administrator                           | \$ 306,952                 | \$ 310,182              | \$ 316,083    | \$ (5,901)  |
| Information Technology                         | 391,853                    | 394,930                 | 260,727       | 134,203   |
| Legal services                                 | 21,000                     | 29,500                  | 29,500        | -   |
| Commissioner of revenue                        | 341,235                    | 346,617                 | 345,667       | 950   |
| Legislative audit                              | 56,811                     | 56,811                  | 53,695        | 3,116   |
| Treasurer                                      | 395,088                    | 400,740                 | 431,486       | (30,746)  |
| Reassessment                                   | 13,733                     | 13,733                  | 6,581         | 7,152   |
| Total general and financial administration     | \$ 1,526,672               | \$ 1,552,513            | \$ 1,443,739  | \$ 108,774  |
| Board of elections:                            |                            |                         |               |   |
| Electoral board and officials                  | \$ 108,247                 | \$ 108,247              | \$ 84,891     | \$ 23,356   |
| Registrar                                      | 113,705                    | 113,704                 | 111,204       | 2,500   |
| Total board of elections                       | \$ 221,952                 | \$ 221,951              | \$ 196,095    | \$ 25,856   |
| Total general government administration        | \$ 2,235,414               | \$ 2,261,254            | \$ 1,991,464  | \$ 269,790  |
| Judicial administration:                       |                            |                         |               |   |
| Courts:  |                            |                         |               |   |
| Circuit court                                  | \$ 84,509                  | \$ 85,585               | \$ 114,496    | \$ (28,911)   |
| General district court                         | 5,272                      | 5,272                   | 3,779         | 1,493   |
| Victim witness protection program              | 53,736                     | 54,812                  | 52,232        | 2,580   |
| Juvenile and domestic relations district court | 60,635                     | 60,635                  | 62,201        | (1,566)   |
| Clerk of the circuit court                     | 385,119                    | 390,231                 | 370,391       | 19,840  |
| Total courts                                   | \$ 589,271                 | \$ 596,535              | \$ 603,099    | \$ (6,564)  |
| Commonwealth's attorney:                       |                            |                         |               |   |
| Commonwealth's attorney                        | \$ 353,233                 | \$ 356,192              | \$ 345,762    | \$ 10,430   |
| Total judicial administration                  | \$ 942,504                 | \$ 952,727              | \$ 948,861    | \$ 3,866  |
| Public safety:                                 |                            |                         |               |   |
| Law enforcement and traffic control:           |                            |                         |               |   |
| Sheriff  | \$ 2,578,776               | \$ 2,660,223            | \$ 2,636,951  | \$ 23,272   |
| Fire and rescue services:                      |                            |                         |               |   |
| Fire department                                | \$ 533,281                 | \$ 533,281              | \$ 540,475    | \$ (7,194)  |
| Ambulance and rescue services                  | 1,768,860                  | 1,772,685               | 1,432,722     | 339,963   |
| Total fire and rescue services                 | \$ 2,302,141               | \$ 2,305,966            | \$ 1,973,197  | \$ 332,769  |
| Inspections:                                   |                            |                         |               |   |
| Building                                       | \$ 231,703                 | \$ 284,472              | \$ 283,487    | \$ 985  |

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

Schedule 2  
Page 2 of 5

| <u>Fund, Function, Activity and Element</u>              | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|----------------------|---|
| <b>General Fund: (Continued)</b>                         |                            |                         |                      |   |
| Public safety: (Continued)                               |                            |                         |                      |   |
| Other protection:  |                            |                         |                      |   |
| Animal control   | \$ 241,499                 | \$ 245,401              | \$ 234,913           | \$ 10,488   |
| Emergency services                                       | 167,042                    | 2,472,396               | 1,734,142            | 738,254   |
| Medical examiner   | 350                        | 350                     | 80                   | 270   |
| Total other protection                                   | <u>\$ 408,891</u>          | <u>\$ 2,718,147</u>     | <u>\$ 1,969,135</u>  | <u>\$ 749,012</u>   |
| Total public safety                                      | <u>\$ 5,521,511</u>        | <u>\$ 7,968,808</u>     | <u>\$ 6,862,770</u>  | <u>\$ 1,106,038</u>   |
| Public works:  |                            |                         |                      |   |
| Maintenance of highways, streets, bridges and sidewalks: |                            |                         |                      |   |
| Streetlights   | \$ 18,360                  | \$ 18,360               | \$ 16,982            | \$ 1,378  |
| Sanitation and waste removal:                            |                            |                         |                      |   |
| Refuse disposal  | \$ 10,000                  | \$ 10,000               | \$ 7,027             | \$ 2,973  |
| Refuse collection  | 1,114,385                  | 1,134,923               | 1,396,477            | (261,554)   |
| Total sanitation and waste removal                       | <u>\$ 1,124,385</u>        | <u>\$ 1,144,923</u>     | <u>\$ 1,403,504</u>  | <u>\$ (258,581)</u>   |
| Maintenance of general buildings and grounds:            |                            |                         |                      |   |
| General properties                                       | \$ 281,493                 | \$ 297,607              | \$ 290,342           | \$ 7,265  |
| Total public works                                       | <u>\$ 1,424,238</u>        | <u>\$ 1,460,890</u>     | <u>\$ 1,710,828</u>  | <u>\$ (249,938)</u>   |
| Health and welfare:                                      |                            |                         |                      |   |
| Health:  |                            |                         |                      |   |
| Supplement of local health department                    | \$ 177,160                 | \$ 177,160              | \$ 177,160           | \$ -  |
| Mental health and mental retardation:                    |                            |                         |                      |   |
| Community services board                                 | \$ 50,690                  | \$ 50,690               | \$ 50,690            | \$ -  |
| Welfare:   |                            |                         |                      |   |
| Public assistance and welfare administration             | \$ 2,382,321               | \$ 2,448,563            | \$ 1,814,048         | \$ 634,515  |
| Children's services act                                  | -                          | -                       | 250,080              | (250,080)   |
| Tax relief for the elderly                               | -                          | -                       | 97,770               | (97,770)  |
| Total welfare  | <u>\$ 2,382,321</u>        | <u>\$ 2,448,563</u>     | <u>\$ 2,161,898</u>  | <u>\$ 286,665</u>   |
| Total health and welfare                                 | <u>\$ 2,610,171</u>        | <u>\$ 2,676,413</u>     | <u>\$ 2,389,748</u>  | <u>\$ 286,665</u>   |
| Education:   |                            |                         |                      |   |
| Other instructional costs:                               |                            |                         |                      |   |
| Contributions to Community College                       | \$ 9,286                   | \$ 9,286                | \$ 9,286             | \$ -  |
| Contribution to County School Board                      | 12,201,701                 | 12,434,017              | 11,493,451           | 940,566   |
| Total education  | <u>\$ 12,210,987</u>       | <u>\$ 12,443,303</u>    | <u>\$ 11,502,737</u> | <u>\$ 940,566</u>   |
| Parks, recreation, and cultural:                         |                            |                         |                      |   |
| Parks and recreation:                                    |                            |                         |                      |   |
| Supervision of parks and recreation                      | \$ 50,000                  | \$ 50,000               | \$ 53,363            | \$ (3,363)  |

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

| <u>Fund, Function, Activity and Element</u>          | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---------------|---|
| <b>General Fund: (Continued)</b>                     |                            |                         |               |   |
| Parks, recreation, and cultural: (Continued)         |                            |                         |               |   |
| Library:   |                            |                         |               |   |
| Contribution to county library                       | \$ 163,904                 | \$ 163,904              | \$ 163,904    | \$ -  |
| Total parks, recreation, and cultural                | \$ 213,904                 | \$ 213,904              | \$ 217,267    | \$ (3,363)  |
| Community development:                               |                            |                         |               |   |
| Planning and community development:                  |                            |                         |               |   |
| Planning and zoning                                  | \$ 241,916                 | \$ 245,147              | \$ 231,092    | \$ 14,055   |
| Economic development                                 | 56,500                     | 56,500                  | 53,480        | 3,020   |
| Planning district commission                         | 7,000                      | 9,500                   | 9,500         | -   |
| Total planning and community development             | \$ 305,416                 | \$ 311,147              | \$ 294,072    | \$ 17,075   |
| Environmental management:                            |                            |                         |               |   |
| Contribution to soil and water conservation district | \$ 15,000                  | \$ 15,000               | \$ 15,000     | \$ -  |
| Wetlands   | 18,389                     | 18,389                  | 14,653        | 3,736   |
| Forestry   | 5,700                      | 5,700                   | 5,700         | -   |
| Total environmental management                       | \$ 39,089                  | \$ 39,089               | \$ 35,353     | \$ 3,736  |
| Cooperative extension program:                       |                            |                         |               |   |
| Extension office                                     | \$ 60,001                  | \$ 60,001               | \$ 41,261     | \$ 18,740   |
| Total community development                          | \$ 404,506                 | \$ 410,237              | \$ 370,686    | \$ 39,551   |
| Capital projects:                                    |                            |                         |               |   |
| Animal pound   | \$ 25,000                  | \$ 25,000               | \$ 17,923     | \$ 7,077  |
| Callao revitalization                                | 625,882                    | 625,882                 | 236,405       | 389,477   |
| County owned facilities                              | 75,000                     | 75,000                  | 1,325         | 73,675  |
| EMS building   | -                          | 15,034                  | 15,034        | -   |
| Elementary school HVAC                               | -                          | 775,485                 | 777,485       | (2,000)   |
| Total capital projects                               | \$ 725,882                 | \$ 1,516,401            | \$ 1,048,172  | \$ 468,229  |
| Debt service:  |                            |                         |               |   |
| Principal retirement                                 | \$ 1,105,000               | \$ 1,105,000            | \$ 1,105,000  | \$ -  |
| Interest and other fiscal charges                    | 922,502                    | 922,502                 | 924,219       | (1,717)   |
| Total debt service                                   | \$ 2,027,502               | \$ 2,027,502            | \$ 2,029,219  | \$ (1,717)  |
| Total General Fund                                   | \$ 28,316,619              | \$ 31,931,439           | \$ 29,071,752 | \$ 2,859,687  |
| <b>Special Revenue Funds:</b>                        |                            |                         |               |   |
| <b>Forfeited Assets Fund:</b>                        |                            |                         |               |   |
| Public safety:                                       |                            |                         |               |   |
| Sheriff:   |                            |                         |               |   |
| Forfeited assets                                     | \$ -                       | \$ 4,995                | \$ 4,995      | \$ -  |
| Commonwealth Attorney:                               |                            |                         |               |   |
| Forfeited assets                                     | \$ -                       | \$ -                    | \$ 3,452      | \$ (3,452)  |
| Total Forfeited Assets Fund                          | \$ -                       | \$ 4,995                | \$ 8,447      | \$ (3,452)  |

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

| <u>Fund, Function, Activity and Element</u> | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|-------------------------|---------------|---|
| <b>Courthouse Security Fund:</b>            |                            |                         |               |   |
| Public safety:                              |                            |                         |               |   |
| Sheriff:                                    |                            |                         |               |   |
| Other protection                            | \$ -                       | \$ -                    | \$ 352        | \$ (352)  |
| Total public safety                         | \$ -                       | \$ -                    | \$ 352        | \$ (352)  |
| Total Courthouse Security Fund              | \$ -                       | \$ -                    | \$ 352        | \$ (352)  |
| <b>Sheriff's Fund</b>                       |                            |                         |               |   |
| Public safety:                              |                            |                         |               |   |
| Sheriff:                                    |                            |                         |               |   |
| Other protection                            | \$ -                       | \$ -                    | \$ 115        | \$ (115)  |
| Total public safety                         | -                          | -                       | 115           | (115)   |
| Total Courthouse Security Fund              | \$ -                       | \$ -                    | \$ 115        | \$ (115)  |
| Total Primary Government                    | \$ 28,316,619              | \$ 31,936,434           | \$ 29,080,666 | \$ 2,855,768  |

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

| <u>Fund, Function, Activity and Element</u>                 | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|-------------------------|----------------------|---|
| <b>Discretely Presented Component Unit - School Board:</b>  |                            |                         |                      |   |
| <b>School Operating Fund:</b>                               |                            |                         |                      |   |
| Education:  |                            |                         |                      |   |
| Administration, health, and attendance                      | \$ 1,160,788               | \$ 1,160,788            | \$ 1,176,893         | \$ (16,105)   |
| Instruction costs   | 13,356,781                 | 13,711,387              | 13,314,893           | 396,494   |
| Pupil transportation  | 1,273,418                  | 1,273,418               | 1,061,331            | 212,087   |
| Operation and maintenance of school plant                   | 1,859,927                  | 1,859,927               | 1,871,913            | (11,986)  |
| Technology  | 919,502                    | 1,126,650               | 904,563              | 222,087   |
| Total education   | <u>\$ 18,570,416</u>       | <u>\$ 19,132,170</u>    | <u>\$ 18,329,593</u> | <u>\$ 802,577</u>   |
| Capital projects:   |                            |                         |                      |   |
| Capital Outlay  | \$ 47,000                  | \$ 47,000               | \$ 38,399            | \$ 8,601  |
| Total School Operating Fund                                 | <u>\$ 18,617,416</u>       | <u>\$ 19,179,170</u>    | <u>\$ 18,367,992</u> | <u>\$ 811,178</u>   |
| <b>School Cafeteria Fund:</b>                               |                            |                         |                      |   |
| Education:  |                            |                         |                      |   |
| School food services:                                       |                            |                         |                      |   |
| School food   | \$ 617,381                 | \$ 861,903              | \$ 680,466           | \$ 181,437  |
| Total School Cafeteria Fund                                 | <u>\$ 617,381</u>          | <u>\$ 861,903</u>       | <u>\$ 680,466</u>    | <u>\$ 181,437</u>   |
| <b>School Activity Fund:</b>                                |                            |                         |                      |   |
| Education:  |                            |                         |                      |   |
| Elementary and secondary schools                            | \$ -                       | \$ -                    | \$ 67,350            | \$ (67,350)   |
| Total education   | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 67,350</u>     | <u>\$ (67,350)</u>  |
| Total School Activity Fund                                  | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 67,350</u>     | <u>\$ (67,350)</u>  |
| Total Discretely Presented Component Unit -<br>School Board | <u>\$ 19,234,797</u>       | <u>\$ 20,041,073</u>    | <u>\$ 19,115,808</u> | <u>\$ 925,265</u>   |

THIS PAGE LEFT BLANK INTENTIONALLY



*OTHER STATISTICAL INFORMATION*

THIS PAGE LEFT BLANK INTENTIONALLY

Table 1

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

| Fiscal Year | General Government Administration | Judicial Administration | Public Safety | Public Works | Health and Welfare | Education    | Parks, Recreation, and Cultural | Community Development | Interest on Long-Term Debt | Sanitary District | Total         |
|-------------|-----------------------------------|-------------------------|---------------|--------------|--------------------|--------------|---------------------------------|-----------------------|----------------------------|-------------------|---------------|
|             |                                   |                         |               |              |                    |              |                                 |                       |                            |                   |               |
| 2011-12     | \$ 1,575,956                      | \$ 809,001              | \$ 3,192,554  | \$ 1,197,769 | \$ 2,108,697       | \$ 9,613,564 | \$ 160,000                      | \$ 866,569            | \$ 1,681,962               | \$ 805,077        | \$ 22,011,149 |
| 2012-13     | 1,887,494                         | 748,238                 | 3,340,665     | 1,209,904    | 1,991,739          | 11,598,124   | 161,418                         | 754,292               | 1,608,524                  | 836,447           | 24,136,845    |
| 2013-14     | 1,745,031                         | 729,034                 | 3,489,876     | 1,341,207    | 2,034,759          | 13,264,282   | 160,216                         | 632,469               | 1,565,816                  | 780,519           | 25,743,209    |
| 2014-15     | 1,752,971                         | 668,958                 | 3,638,800     | 1,261,806    | 2,254,600          | 10,703,493   | 234,380                         | 392,796               | 1,509,002                  | 912,461           | 23,329,267    |
| 2015-16     | 1,565,248                         | 787,486                 | 4,167,123     | 1,373,510    | 2,381,542          | 14,239,193   | 193,173                         | 359,072               | 1,542,994                  | 1,065,484         | 27,674,825    |
| 2016-17     | 1,553,729                         | 963,843                 | 4,306,715     | 1,480,539    | 2,373,831          | 11,771,380   | 191,995                         | 368,178               | 1,101,641                  | 1,096,077         | 25,207,928    |
| 2017-18     | 1,573,195                         | 914,671                 | 4,275,981     | 1,478,033    | 2,393,486          | 12,723,019   | 232,225                         | 334,174               | 944,956                    | 1,001,468         | 25,871,208    |
| 2018-19     | 2,044,349                         | 893,461                 | 4,590,304     | 1,636,075    | 2,429,433          | 12,744,896   | 322,613                         | 360,106               | 894,562                    | 1,115,713         | 27,031,512    |
| 2019-20     | 1,896,227                         | 1,003,459               | 5,716,966     | 1,586,507    | 2,291,488          | 13,537,202   | 208,401                         | 596,669               | 841,642                    | 1,201,052         | 28,879,613    |
| 2020-21     | 1,764,986                         | 1,083,957               | 7,240,720     | 1,732,578    | 2,450,796          | 13,385,222   | 217,267                         | 623,857               | 786,973                    | 1,168,545         | 30,454,901    |

Table 2

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

| Fiscal Year | PROGRAM REVENUES     |                                    |                                  | GENERAL REVENUES       |                   |                                  |               |  |               |  | Total |
|-------------|----------------------|------------------------------------|----------------------------------|------------------------|-------------------|----------------------------------|---------------|--|---------------|--|-------|
|             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | General Property Taxes | Other Local Taxes | Unrestricted Investment Earnings | Miscellaneous | Grants and Contributions Not Restricted to Specific Programs |               |  |       |
| 2011-12     | \$ 561,706           | \$ 2,605,285                       | \$ 560,885                       | \$ 15,443,129          | \$ 1,731,687      | \$ 182,448                       | \$ 170,499    | \$ 1,379,120   | \$ 22,634,759 |  |       |
| 2012-13     | 612,221              | 2,507,321                          | 298,775                          | 16,199,114             | 1,749,597         | 170,617                          | 233,532       | 1,440,348  | 23,211,525    |  |       |
| 2013-14     | 590,151              | 2,707,605                          | 138,084                          | 16,291,941             | 1,787,209         | 157,150                          | 139,608       | 1,430,889  | 23,242,637    |  |       |
| 2014-15     | 582,684              | 2,926,608                          | 137,940                          | 17,085,338             | 1,853,559         | 148,763                          | 59,502        | 1,430,436  | 24,224,830    |  |       |
| 2015-16     | 520,600              | 3,107,559                          | -                                | 17,109,646             | 1,812,625         | 135,194                          | 176,920       | 1,431,224  | 24,293,768    |  |       |
| 2016-17     | 719,838              | 3,140,722                          | -                                | 18,905,618             | 1,860,367         | 144,597                          | 186,909       | 1,454,303  | 26,412,354    |  |       |
| 2017-18     | 1,044,413            | 3,270,979                          | -                                | 19,516,880             | 1,905,317         | 165,219                          | 157,041       | 1,457,415  | 27,517,264    |  |       |
| 2018-19     | 1,110,329            | 3,017,728                          | -                                | 20,039,580             | 1,949,417         | 287,546                          | 160,385       | 1,377,543  | 27,942,528    |  |       |
| 2019-20     | 1,193,566            | 3,255,933                          | -                                | 21,096,700             | 2,192,579         | 252,562                          | 270,257       | 1,419,505  | 29,681,102    |  |       |
| 2020-21     | 1,117,045            | 3,494,294                          | -                                | 20,583,436             | 2,640,587         | 151,875                          | 322,924       | 2,791,412  | 31,101,573    |  |       |

Table 3

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

| Fiscal Year | General Government |                         |               |              |                    | Public Safety | Public Works | Health and Welfare | Education (2) | Parks, Recreation, and Cultural | Community Development | Debt Service | Total |
|-------------|--------------------|-------------------------|---------------|--------------|--------------------|---------------|--------------|--------------------|---------------|---------------------------------|-----------------------|--------------|-------|
|             | Administration     | Judicial Administration | Public Safety | Public Works | Health and Welfare |               |              |                    |               |                                 |                       |              |       |
| 2011-12     | \$ 1,303,952       | \$ 799,970              | \$ 3,214,223  | \$ 1,212,832 | \$ 2,094,948       | \$ 15,549,789 | \$ 160,000   | \$ 399,377         | \$ 2,918,399  | \$ 27,653,490                   |                       |              |       |
| 2012-13     | 1,611,371          | 746,282                 | 3,761,020     | 1,209,452    | 2,026,063          | 15,803,625    | 160,000      | 434,021            | 2,716,454     | 28,468,288                      |                       |              |       |
| 2013-14     | 1,525,218          | 726,972                 | 3,592,050     | 1,343,060    | 2,041,404          | 15,929,537    | 160,000      | 398,097            | 2,701,296     | 28,417,634                      |                       |              |       |
| 2014-15     | 1,465,848          | 703,337                 | 4,384,453     | 1,278,360    | 2,245,848          | 16,346,444    | 233,132      | 370,274            | 2,384,030     | 29,411,726                      |                       |              |       |
| 2015-16     | 1,700,773          | 742,368                 | 4,565,904     | 1,379,597    | 2,396,073          | 16,923,056    | 193,263      | 355,043            | 2,332,679     | 30,588,756                      |                       |              |       |
| 2016-17     | 1,540,938          | 841,441                 | 4,172,472     | 1,487,091    | 2,459,477          | 16,649,355    | 193,263      | 367,975            | 1,727,528     | 29,439,540                      |                       |              |       |
| 2017-18     | 1,590,404          | 860,773                 | 4,683,605     | 1,491,756    | 2,458,919          | 17,941,925    | 193,263      | 337,495            | 2,028,615     | 31,586,755                      |                       |              |       |
| 2018-19     | 2,081,399          | 889,196                 | 5,170,072     | 1,631,454    | 2,463,341          | 18,414,288    | 322,263      | 337,889            | 2,029,378     | 33,339,280                      |                       |              |       |
| 2019-20     | 1,887,601          | 909,539                 | 5,171,684     | 1,586,060    | 2,239,945          | 18,578,335    | 207,600      | 345,312            | 2,027,615     | 32,953,691                      |                       |              |       |
| 2020-21     | 1,991,464          | 948,861                 | 6,871,684     | 1,710,828    | 2,389,748          | 19,086,695    | 217,267      | 370,686            | 2,029,219     | 35,616,452                      |                       |              |       |

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

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

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

| Fiscal Year | General Property Taxes |              | Other Local Taxes |           | Permits, Privilege Fees, Regulatory Licenses | Fines and Forfeitures | Revenue from the Use of Money and Property | Charges for Services | Miscellaneous | Recovered Costs | Inter-governmental (2) | Total |
|-------------|------------------------|--------------|-------------------|-----------|--|-----------------------|--|----------------------|---------------|-----------------|------------------------|-------|
|             | \$                     |              | \$                |           |  |                       |  |                      |               |                 |                        |       |
| 2011-12     | \$ 15,503,870          | \$ 1,731,687 | \$ 134,362        | \$ 30,603 | \$ 182,269                                   | \$ 215,937            | \$ 276,157                                 | \$ 102,261           | \$ 9,293,353  | \$ 27,470,499   |                        |       |
| 2012-13     | 16,134,615             | 1,749,597    | 127,195           | 27,611    | 169,793                                      | 197,537               | 359,880                                    | 102,265              | 8,904,032     | 27,772,525      |                        |       |
| 2013-14     | 16,246,598             | 1,787,209    | 107,766           | 28,476    | 156,447                                      | 149,392               | 353,604                                    | 111,246              | 9,100,199     | 28,040,937      |                        |       |
| 2014-15     | 17,102,085             | 1,853,559    | 112,582           | 27,675    | 154,421                                      | 162,050               | 291,499                                    | 124,422              | 10,167,053    | 29,995,346      |                        |       |
| 2015-16     | 17,175,133             | 1,812,625    | 102,714           | 20,871    | 142,032                                      | 187,144               | 312,655                                    | 393,090              | 9,939,582     | 30,085,846      |                        |       |
| 2016-17     | 18,802,915             | 1,860,367    | 105,581           | 33,817    | 147,492                                      | 298,605               | 138,069                                    | 239,059              | 10,132,755    | 31,758,660      |                        |       |
| 2017-18     | 19,536,736             | 1,905,317    | 128,861           | 35,607    | 167,873                                      | 482,714               | 131,516                                    | 814,557              | 10,413,030    | 33,616,211      |                        |       |
| 2018-19     | 19,880,326             | 1,949,417    | 111,896           | 26,933    | 293,025                                      | 448,286               | 188,310                                    | 486,798              | 10,716,583    | 34,101,574      |                        |       |
| 2019-20     | 20,918,767             | 2,192,579    | 106,133           | 19,406    | 253,219                                      | 392,068               | 269,186                                    | 284,408              | 10,798,501    | 35,234,267      |                        |       |
| 2020-21     | 20,572,189             | 2,640,587    | 145,171           | 34,377    | 152,019                                      | 232,083               | 393,881                                    | 317,735              | 13,817,971    | 38,306,013      |                        |       |

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

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

Table 5

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

| Fiscal Year | Total Tax Levy (1) | Current Tax Collections (1) | Percent of Levy Collected | Delinquent Tax Collections (1) | Total Tax Collections | Percent of Total Tax Collections to Tax Levy | Outstanding Delinquent Taxes (1,2) | Percent of Delinquent Taxes to Tax Levy |
|-------------|--------------------|-----------------------------|---------------------------|--------------------------------|-----------------------|--|------------------------------------|---|
| 2011-12     | \$ 16,275,738      | \$ 15,971,392               | 98.13%                    | \$ 294,244                     | \$ 16,265,636         | 99.94%                                       | \$ 561,257                         | 3.45%                                   |
| 2012-13     | 16,995,677         | 16,679,439                  | 98.14%                    | 203,352                        | 16,882,791            | 99.34%                                       | 647,572                            | 3.81%                                   |
| 2013-14     | 17,106,506         | 16,736,919                  | 97.84%                    | 261,762                        | 16,998,681            | 99.37%                                       | 710,759                            | 4.15%                                   |
| 2014-15     | 17,840,566         | 17,569,040                  | 98.48%                    | 273,210                        | 17,842,250            | 100.01%                                      | 685,239                            | 3.84%                                   |
| 2015-16     | 17,941,860         | 17,621,608                  | 98.22%                    | 281,548                        | 17,903,156            | 99.78%                                       | 647,344                            | 3.61%                                   |
| 2016-17     | 19,591,804         | 19,169,559                  | 97.84%                    | 401,482                        | 19,571,041            | 99.89%                                       | 610,191                            | 3.11%                                   |
| 2017-18     | 20,239,412         | 19,933,512                  | 98.49%                    | 363,644                        | 20,297,156            | 100.29%                                      | 725,861                            | 3.59%                                   |
| 2018-19     | 20,520,510         | 20,193,277                  | 98.41%                    | 390,812                        | 20,584,089            | 100.31%                                      | 786,872                            | 3.83%                                   |
| 2019-20     | 21,565,193         | 21,231,258                  | 98.45%                    | 394,622                        | 21,625,880            | 100.28%                                      | 929,549                            | 4.31%                                   |
| 2020-21     | 21,042,425         | 20,748,328                  | 98.60%                    | 492,190                        | 21,240,518            | 100.94%                                      | 1,070,964                          | 5.09%                                   |

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

Table 6

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

| Fiscal<br>Year | Real<br>Estate (1) | Personal<br>Property<br>and Mobile<br>Homes (1) | Machinery<br>and<br>Tools | Merchant's<br>Capital | Public<br>Utility (2) | Total            |
|----------------|--------------------|---|---------------------------|-----------------------|-----------------------|------------------|
| 2011-12        | \$ 3,080,451,758   | \$ 106,163,570                                  | \$ 5,161,162              | \$ 4,939,229          | \$ 45,441,422         | \$ 3,242,157,141 |
| 2012-13        | 3,091,570,771      | 105,462,100                                     | 4,893,424                 | 4,567,724             | 41,926,278            | 3,248,420,297    |
| 2013-14        | 3,120,026,152      | 105,379,492                                     | 5,828,476                 | 4,685,002             | 45,044,045            | 3,280,963,167    |
| 2014-15        | 2,805,775,428      | 106,938,812                                     | 5,468,822                 | 4,821,578             | 45,154,586            | 2,968,159,226    |
| 2015-16        | 2,810,608,837      | 107,339,101                                     | 5,349,593                 | 5,015,304             | 47,412,637            | 2,975,725,472    |
| 2016-17        | 2,831,421,491      | 109,539,932                                     | 5,763,066                 | 4,889,664             | 50,513,573            | 3,002,127,726    |
| 2017-18        | 2,845,060,107      | 111,077,054                                     | 5,269,889                 | 4,971,022             | 53,156,984            | 3,019,535,056    |
| 2018-19        | 2,855,073,442      | 116,259,000                                     | 6,792,540                 | 4,887,523             | 54,583,803            | 3,037,596,308    |
| 2019-20        | 2,869,693,572      | 119,587,017                                     | 6,480,685                 | 4,566,290             | 53,515,841            | 3,053,843,405    |
| 2020-21        | 2,764,944,546      | 120,932,273                                     | 7,077,078                 | 4,600,081             | 54,223,039            | 2,951,777,017    |

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

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



Table 7

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

| Fiscal Year | Real Estate | Mobile Homes | Personal Property | Merchant's Capital | Machinery and Tools |
|-------------|-------------|--------------|-------------------|--------------------|---------------------|
| 2011-12     | \$ 0.40     | \$ 0.40      | \$ 3.60           | \$ 1.00            | \$ 3.60             |
| 2012-13     | 0.40        | 0.40         | 3.60              | 1.00               | 3.60                |
| 2013-14     | 0.42        | 0.42         | 3.60              | 1.00               | 3.60                |
| 2014-15     | 0.49        | 0.49         | 3.60              | 1.00               | 3.60                |
| 2015-16     | 0.49        | 0.49         | 3.60              | 1.00               | 3.60                |
| 2016-17     | 0.54        | 0.54         | 3.60              | 1.00               | 3.60                |
| 2017-18     | 0.56        | 0.56         | 3.60              | 1.00               | 3.60                |
| 2018-19     | 0.56        | 0.56         | 3.60              | 1.00               | 3.60                |
| 2019-20     | 0.59        | 0.59         | 3.60              | 1.00               | 3.60                |
| 2020-21     | 0.59        | 0.59         | 3.60              | 1.00               | 3.60                |

(1) Per \$100 of assessed value.

Table 8

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

| Fiscal<br>Year | Population (1) | Assessed<br>Value (2) | Gross<br>Bonded<br>Debt (3) | Ratio of<br>Net Bonded<br>Debt to<br>Assessed<br>Value | Net<br>Bonded<br>Debt per<br>Capita |
|----------------|----------------|-----------------------|-----------------------------|--|-------------------------------------|
| 2011-12        | 12,330         | \$ 3,242,157,141      | \$ 615,000                  | 0.02%  | \$ 50                               |
| 2012-13        | 12,330         | 3,248,420,297         | 310,000                     | 0.01%  | 25                                  |
| 2013-14        | 12,330         | 3,280,963,167         | -                           | 0.00%  | -                                   |
| 2014-15        | 12,330         | 2,968,159,226         | -                           | 0.00%  | -                                   |
| 2015-16        | 12,330         | 2,975,725,472         | 29,580,000                  | 0.99%  | 2,399                               |
| 2016-17        | 12,330         | 3,002,127,726         | 29,580,000                  | 0.99%  | 2,399                               |
| 2017-18        | 12,330         | 3,019,535,056         | 28,630,000                  | 0.95%  | 2,322                               |
| 2018-19        | 12,330         | 3,037,596,308         | 27,630,000                  | 0.91%  | 2,241                               |
| 2019-20        | 12,330         | 3,053,843,405         | 26,580,000                  | 0.87%  | 2,156                               |
| 2020-21        | 12,100         | 2,951,777,017         | 25,475,000                  | 0.86%  | 2,105                               |

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

(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/postclosure care liability, capital leases, and compensated absences.

*COMPLIANCE*

THIS PAGE LEFT BLANK INTENTIONALLY



**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 Northumberland  
Northumberland, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Northumberland Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County of Northumberland, Virginia's basic financial statements, and have issued our report thereon dated December 2, 2021.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

### Purpose of this Report

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

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

Richmond, Virginia  
December 2, 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 Northumberland  
Northumberland, Virginia

**Report on Compliance for Each Major Federal Program**

We have audited County of Northumberland, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Northumberland, Virginia's major federal programs for the year ended June 30, 2021. County of Northumberland, 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 County of Northumberland, 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*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Northumberland, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

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

## Report on Internal Control over Compliance

Management of County of Northumberland, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Northumberland, 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 County of Northumberland, Virginia's internal control over compliance.

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

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

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



Richmond, Virginia  
December 2, 2021



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

| Federal Grantor/State Pass - Through Grantor/<br>Program or Cluster Title                        | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Entity<br>Identifying Number | Federal<br>Expenditures | Expenditures<br>Passed Through<br>to Subrecipients |
|--|--|--|-------------------------|--|
| <b>Department of Health and Human Services:</b>  |  |  |                         |  |
| Direct Payments:   |  |  |                         |  |
| COVID-19 Provider Relief Fund  | 93.498                                     | n/a  | \$ 18,187               | \$ -   |
| Pass Through Payments:   |  |  |                         |  |
| <i>Department of Education:</i>  |  |  |                         |  |
| Temporary Assistance for Needy Families  | 93.558                                     | unavailable                                  | 20,861                  | -  |
| <i>Department of Social Services:</i>  |  |  |                         |  |
| Temporary Assistance for Needy Families  | 93.558                                     | 0400120/0400121                              | 96,438                  | -  |
| Total FALN# 93.558   |  |  | \$ 117,299              | -  |
| MaryLee Allen Promoting Safe and Stable Families Program   | 93.556                                     | 0950120/0950121                              | 16,288                  | -  |
| Refugee and Entrant Assistance State/Replacement Designee Administered Programs                  | 93.566                                     | 0500120/0500121                              | 177                     | -  |
| Low-income Home Energy Assistance  | 93.568                                     | 0600420/00600421                             | 14,490                  | -  |
| Child Care Mandatory and Matching Funds of the Child Care<br>and Development Fund (CCDF Cluster) | 93.596                                     | 0760120/0760121                              | 21,354                  | -  |
| Stephanie Tubbs Jones Child Welfare Services Program   | 93.645                                     | 0900120/090121                               | 78                      | -  |
| Foster Care - Title IV-E   | 93.658                                     | 1100120/1100121                              | 83,180                  | -  |
| Adoption Assistance  | 93.659                                     | 1150120/11501121                             | 61,463                  | -  |
| Social Services Block Grant  | 93.667                                     | 1000120/1000121                              | 77,970                  | -  |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood                        | 93.674                                     | 9150120/9150121                              | 995                     | -  |
| Children's Health Insurance Program  | 93.767                                     | 0540120/0540121                              | 2,172                   | -  |
| Medical Assistance Program (Medicaid Cluster)  | 93.778                                     | 1200120/1200121                              | 170,796                 | -  |
| Total Department of Health and Human Services  |  |  | \$ 584,449              | \$ -   |
| <b>Department of Housing and Urban Development:</b>  |  |  |                         |  |
| Pass Through Payments:   |  |  |                         |  |
| <i>Department of Housing and Community Development:</i>  |  |  |                         |  |
| Community Development Block Grants/State's Program<br>and Non-Entitlement Grants in Hawaii       | 14.228                                     | 53305-50799                                  | \$ 278,565              | \$ -   |
| <b>Department of Treasury:</b>   |  |  |                         |  |
| Pass Through Payments:   |  |  |                         |  |
| <i>Virginia Department of Accounts:</i>  |  |  |                         |  |
| COVID-19 Coronavirus Relief Fund   | 21.019                                     | SLT0022                                      | \$ 1,414,870            | \$ 227,161   |
| <i>Department of Education:</i>  |  |  |                         |  |
| COVID-19 Coronavirus Relief Fund   | 21.019                                     | SLT0022                                      | 207,148                 | -  |
| Total Department of Treasury   |  |  | \$ 1,622,018            | \$ 227,161   |
| <b>Department of Justice:</b>  |  |  |                         |  |
| Pass Through Payments:   |  |  |                         |  |
| <i>Department of Criminal Justice:</i>   |  |  |                         |  |
| Crime Victim Assistance  | 16.575                                     | 390001-CJS86015                              | \$ 39,924               | \$ -   |
| Juvenile Justice and Delinquency Prevention  | 16.540                                     | unavailable                                  | 45,519                  | -  |
| Total Department of Justice  |  |  | \$ 85,443               | \$ -   |
| <b>Department of Defense:</b>  |  |  |                         |  |
| Direct payments:   |  |  |                         |  |
| Jr ROTC  | 12.u01                                     | N/A  | \$ 63,740               | \$ -   |
| <b>Department of Transportation:</b>   |  |  |                         |  |
| Pass Through Payments:   |  |  |                         |  |
| <i>Department of Motor Vehicles:</i>   |  |  |                         |  |
| State and Community Highway Safety (Highway Safety Cluster)                                      | 20.600                                     | 60507-50159/59255                            | \$ 13,702               | \$ -   |
| <b>Department of Agriculture:</b>  |  |  |                         |  |
| Pass Through Payments:   |  |  |                         |  |
| <i>Department of Agriculture:</i>  |  |  |                         |  |
| Food Distribution - Summer Food Service Program for Children                                     | 10.559                                     | unavailable                                  | \$ 1,964                |  |
| <i>Department of Education:</i>  |  |  |                         |  |
| COVID-19 Summer Food Service Program for Children  | 10.559                                     | unavailable                                  | 193,779                 |  |
| Summer Food Service Program for Children   | 10.559                                     | unavailable                                  | 628,693                 | \$ 824,436 \$ -                                    |

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

| Federal Grantor/State Pass - Through Grantor/<br>Program or Cluster Title                             | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Entity<br>Identifying Number | Federal<br>Expenditures | Expenditures<br>Passed Through<br>to Subrecipients |
|---|--|--|-------------------------|--|
| <b>Department of Agriculture: (Continued)</b>   |  |  |                         |  |
| Pass Through Payments: (Continued)  |  |  |                         |  |
| <i>Department of Agriculture:</i>   |  |  |                         |  |
| Food Distribution - National School Lunch Program   | 10.555                                     | 17901-45707                                  | \$ 52,557               |  |
| <i>Department of Education:</i>   |  |  |                         |  |
| National School Lunch Program   | 10.555                                     | 17901-40623                                  | 170 \$ 52,727           | \$ -   |
| Total Child Nutrition Cluster   |  |  | \$ 877,163              | \$ -   |
| Department of Social Services:  |  |  |                         |  |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) | 10.561                                     | 0010120/0010121                              | 229,079                 | -  |
| Total Department of Agriculture - pass-through payments   |  |  | \$ 1,983,405            | \$ -   |
| Total Department of Agriculture   |  |  | \$ 1,106,242            | \$ -   |
| <b>Election Assistance Commission:</b>  |  |  |                         |  |
| Pass Through Payments:  |  |  |                         |  |
| HAVA Election Security Grants   | 90.404                                     | unavailable                                  | \$ 30,479               | \$ -   |
| Department of Education:  |  |  |                         |  |
| Pass Through Payments:  |  |  |                         |  |
| <i>Department of Education:</i>   |  |  |                         |  |
| Title I Grants to Local Educational Agencies  | 84.010                                     | 17901-42901                                  | \$ 310,432              | \$ -   |
| Special Education - Grants to States (Special Education Cluster (IDEA))                               | 84.027                                     | 17901-43071                                  | 581,874                 | -  |
| Career and Technical Education - Basic Grants to States   | 84.048                                     | 17901-61095                                  | 68,851                  | -  |
| Elementary and Secondary School Emergency Relief Fund   | 84.425D                                    | 17901-43481                                  | 225,109                 | -  |
| Student Support and Academic Enrichment Program   | 84.424                                     | S424A170048                                  | 43,891                  | -  |
| Total Department of Education   |  |  | \$ 1,230,157            | \$ -   |
| Total Expenditures of Federal Awards  |  |  | \$ 5,014,795            | \$ 227,161   |

See accompanying notes to schedule of expenditures of federal awards.

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

---

Note 1 - Basis of Presentation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

|              |              |
|--------------|--------------|
| General Fund | \$ 2,597,539 |
|--------------|--------------|

Component Unit School Board:

|                       |              |
|-----------------------|--------------|
| School Operating Fund | \$ 1,521,906 |
|-----------------------|--------------|

|                       |         |
|-----------------------|---------|
| School Cafeteria Fund | 877,163 |
|-----------------------|---------|

|                                   |              |
|-----------------------------------|--------------|
| Total Component Unit School Board | \$ 2,399,069 |
|-----------------------------------|--------------|

|   |              |
|---|--------------|
| Total expenditures of federal awards per basic financial statements | \$ 4,996,608 |
|---|--------------|

|   |           |
|---|-----------|
| Fiscal Year 2020 Provider Relief Fund to report in Fiscal Year 2021 | \$ 18,187 |
|---|-----------|

|   |              |
|---|--------------|
| Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards | \$ 5,014,795 |
|---|--------------|

Note 5 - De Minimis Cost Rate

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

Note 6 - Loan Balances

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

Note 7 - Provider Relief Fund

For fiscal years ended (FYE) on or before June 29, 2021, no Provider Relief Fund (PRF) expenditures (including lost revenue) should have been reported on the SEFA. Due to guidance available when the FYE 2020 report was issued, the entity reported \$18,187 of PRF expenditures on the FYE 2020 SEFA with no significant impact on the SEFA. Based on current guidance from the Department of Health and Human Services (HHS), PRF expenditures (including lost revenue) are to be reported on the SEFA based upon PRF reports submitted through the Health Resources and Services Administration (HRSA) reporting portal. Therefore, the amount of PRF expenditures included on the FYE June 30, 2021 SEFA is based upon the PRF reporting portal guidelines for Period 1, as specified by HHS.

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

---

**Section I-Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: unmodified  
 Internal control over financial reporting:  
 Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_  no  
 Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_  none reported  
 Noncompliance material to financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_  no

**Federal Awards**

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

Identification of major programs:

Assistance Listing Number(s)  
 10.553/10.555/10.559  
 21.019

Name of Federal Program or Cluster  
 Child Nutrition Cluster  
 Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? \_\_\_\_\_  yes \_\_\_\_\_ no

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

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

---

There were no prior audit findings.

THIS PAGE LEFT BLANK INTENTIONALLY