



# County of Augusta, Virginia

**Comprehensive Annual Financial Report: June 30, 2020**

**COUNTY OF AUGUSTA, VIRGINIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2020**



Prepared by  
Misty Cook, Director of Finance  
Lora Swartzel, Accountant  
Augusta County, Virginia

**COUNTY OF AUGUSTA, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Fiscal Year Ended June 30, 2020**

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## **INTRODUCTORY SECTION**



**COUNTY OF AUGUSTA**

*Finance Department*

18 Government Center Lane \* PO Box 590

Verona, VA 24482-0590

Phone: 540-245-5741 \* Fax: 540-245-5742

December 14, 2020

***To the Honorable Board of Supervisors of the County of Augusta, Virginia:***

The comprehensive annual financial report of the County of Augusta for the year ended June 30, 2020, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the County of Augusta issue annually a report on its financial position and activity, and this report be audited by an independent firm of certified public accountants.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. Therefore, management of the County of Augusta is responsible for establishing and maintaining internal controls to ensure the protection of the County's assets. In developing and evaluating the County of Augusta's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: (1) the costs of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, activities and component unit of the County of Augusta. All disclosures necessary to enable the reader to gain an understanding of the County of Augusta's activities have been included.

The accounting firm of PBMares, LLP, Certified Public Accountants, have audited the County's financial statements. The goal of the independent audit is to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. This audit was conducted using guidelines set forth by *Government Auditing Standards* and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Based upon this audit, the independent auditor concluded there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

In addition to meeting requirements set forth by state statutes, the independent audit was also designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1997, to meet the special needs of federal grantor agencies. As a part of the County's single audit, tests are made to determine the adequacy of the system of internal control, including that portion related to federal financial assistance programs, as well as to determine the government has complied with applicable laws and regulations.

The financial reporting entity (*the government*) includes all funds of the primary government (*i.e., the County of Augusta as legally defined*), as well as its component unit. The government provides a full range of services including police and fire protection; sanitation services; recreational activities; cultural events; and welfare services.

Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The discretely presented component unit included in this report is the Augusta County School Board. The financial statements for the Augusta County Service Authority, Middle River Regional Jail Authority and the Economic Development Authority of Augusta County, Virginia are not included in the County report as these organizations do not create a financial benefit and/or burden on the County and are administered by independent boards separate from the Augusta County Board of Supervisors.

Generally accepted accounting principles require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County of Augusta's MD&A can be found immediately following the report of the independent auditors.

### □ **The Reporting Entity and Economic Outlook** □

The County of Augusta was formed in 1738 and named for Augusta, Princess of Wales and the mother of King George, III. The original western boundary of the County was the western edge of Virginia, which at that time was the Mississippi River. The present boundaries of the county were set in 1790. Situated in the Shenandoah Valley of Virginia, the County of Augusta is at the juncture of Interstates 64 and 81, and the headwaters of the James River and the Potomac River basins. It is 150 miles southwest of the nation's capital, Washington, D.C., 100 miles west of the state capital, Richmond, and 85 miles north of the City of Roanoke. Within the boundaries of the County of Augusta are the independent cities of Staunton, founded in 1747, and Waynesboro, founded in 1801. The County of Augusta is a political subdivision of the Commonwealth of Virginia administered by a seven-member board elected by magisterial district for four year staggered terms. The Board of Supervisors elects one of its own to serve as Chairman and selects a County Administrator to oversee the general administration of the County of Augusta.

Although primarily a rural county, Augusta County's 2020 population was 75,558. Augusta County enjoys a diversified economy, with manufacturing accounting for approximately 21% of the jobs in the County. Manufacturing employs approximately 5,900 of 36,800 workers in the County's labor force and makes up approximately 3.4% of the total local property taxes. Agriculture is a large portion of the overall economy of the County. Augusta County is one of the top producers of many commodities in the state and this wealth of production overflows into many other industries of the County; including farm equipment manufacturers and dealers, transportation, energy, retail, and the ever growing agritourism business. The unemployment rate for the County increased from 2.6% in 2019 to 5.8% in 2020. This dramatic increase is directly related to the nationwide Coronavirus pandemic. The County's rate remains lower than that of the State's unemployment rate of 8.2% and compares favorably to the national unemployment rate of 11.2%.

In fiscal year 2020, local revenues increased by 1.88%. The main contributor to this increase was sales and use tax, which were up by approximately 9% over the prior year. The total taxable sales for Augusta County as reported by the Virginia Department of Taxation, increased by approximately 3.75% over the prior year. Business License tax also contributed to the growth, with an increase of 6%, or \$247,795 over last year. Lodging taxes decreased by approximately 25% or \$150,097 over last year, this decrease can be directly linked to the nationwide Coronavirus pandemic which has limited travel since March 2020. Meals taxes also decreased due to the pandemic, down 5% over last year, or \$139,661. Long term economic impacts due to the pandemic are not yet known. Personal property taxes are due in December 2020 and Business License tax is due in March 2021, both of which are important to the overall tax base and expected to be lower than the prior year's collections.



## □ Major Initiatives and Goals □

The mission statement of the County of Augusta Board of Supervisors is as follows:

“The government of Augusta County exists to provide the citizens of the County with essential services which will address their individual and collective well-being. In partnership with the community of residents, the government of Augusta County pledges civic stewardship that is fiscally accountable, socially responsive, and worthy of the citizens trust.”

During fiscal year 2020, the County completed facility improvements to Natural Chimneys Park and Campground. The implementation of these improvements was largely due to aging and deteriorating infrastructure. The pool was completely resurfaced and renovations were done to remove the existing tot pool and add a wade-in area for the large pool. The cost of this improvement was \$242,500. Funding was provided from the County’s Capital account. The visitor center roof at Natural Chimneys was also replaced; work included complete roof replacement (including the underlying structure), asbestos abatement, opening up the interior space, upgrades to the electric and the installation of security cameras. The cost for this project was approximately \$116,000. Funding for this project was provided by the North River infrastructure account and County Capital Funds.

During fiscal year 2020, Fire and Rescue worked with the Emergency Communications Center on an Advanced Vehicle Location system (AVL). This system is mature technology that allows 911 dispatchers to see in real time on a map display, locations of ambulances within the County. This is a GPS based system that relays in real time to a control center. Adopting this technology will assist in saving lives and goes beyond filling an information void. The computerized technology can identify the ambulance closest to the scene of a life-threatening emergency and facilitate prompt dispatch of that asset. Additionally, the equipment that was purchased for Augusta County will allow the use of wireless internet so that equipment can connect and send and transmit data to the hospital to better prepare the emergency department for the arrival of that unit. Funding for this project came from the County Capital fund.

During fiscal year 2020, The IT and ECC Departments Servers were upgraded. Due to hardware degradation and performance issues over time, servers in the County are on a five year replacement schedule. Upgrades to the servers also allowed for upgraded software versions to enhance security. Funding for this project came from County Capital accounts.

Augusta County Fire-Rescue maintains a fleet of ambulances to respond to emergency medical calls. The ambulance purchased in fiscal year 2020 replaced a 16 year old ambulance plagued by continual maintenance issues. The new ambulance improved service dependability and decreased maintenance costs. The new PL Custom ambulance featured a contemporary design with safety in mind. A “Medic in Mind” layout provides for full time safety for the patient and EMS crew supporting easy access to everyday equipment for a seated and secured position when caring for a patient.

Five LIFEPAK 12 cardiac monitor defibrillators were replaced with new LIFEPAK 15 devices. The old cardiac monitors had reached the end of their serviceable life. Upgrading to the current cardiac monitor version, the LIFEPAK 15 monitor provided for increased reliability. The purchase standardized LIFEPAK devices across the organization and brought new and upgraded clinical technology to the back of the ambulance, providing for an improved standard of care for patients requiring cardiac monitoring or advanced electrical interventions.

## □ Financial Information □

### **Financial Planning**

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. The County has established a fund balance policy to maintain an unassigned General Fund balance of no less than two months of General Fund expenditures. Unassigned General Fund balance would provide the County with financial resources to address unforeseen revenue fluctuations, unanticipated expenditures and emergencies, which result in unanticipated budgetary shortfalls. As of June 30, 2020, the County has more than two months of General Fund operating expenditures by \$7,096,991. However, the County recognizes its obligation to the Debt Service Fund and Virginia Public Assistance Fund. When those obligations are considered in conjunction with the fund balance policy requirements, the County has less than the required two months of General Fund operating expenditures by \$2,056,277. The County will consider this requirement as it reviews the fund balance policy and prepares for the fiscal year 2021 revised budget.

### **Capital Improvement Plan**

The Capital Improvement Plan provides a systematic approach to planning and financing capital improvements including future capital facility needs, correlating projects to community goals and growth, eliminating poorly planned expenditures, encouraging cooperation with other governmental units, and facilitation of private sector improvements consistent with the County Comprehensive Plan. As part of the budget process each year the County Administrator proposes a capital improvements plan. Each year, based on the availability of funds and specific general operating revenues, amounts are budgeted as a transfer from the general operating budget to the Capital Improvement Fund. These transfers may vary year to year depending on the anticipation or demand of new projects, the availability of revenues in the General Fund, and year end fund balance surpluses. The County Capital Improvements Fund includes balances assigned to depreciation accounts for future capital replacement costs for fire apparatus, emergency communications equipment, information technology, vehicle replacements, and building capital improvements. It also includes balances assigned to develop and maintain County parks and recreational facilities, infrastructure improvements and economic development initiatives, renovations and improvements to County buildings, and fund support for local organizations capital improvements, such as Blue Ridge Community College and Shenandoah Valley Regional Airport Commission. The Capital Improvement Plan is based on a five-year outlook of replacement costs and needs. It anticipates future replacement costs by incorporating an inflationary factor into the original purchase cost and allocating that amount over the life of the capital asset. The Capital Improvement Plan has enabled the County to afford needed projects without bonding the cost. At June 30, 2020, the County had a number of debt issues outstanding related to school construction. These issues totaled \$64,344,898 in general obligation bonds. At June 30, 2020, the County also had revenue bonds for construction of a gravity sewage system, a roadway and bridge construction, and Mill Place water tank outstanding. These issues totaled \$5,221,725.

### **Cash Management**

Cash temporarily idle during the year was invested in demand deposits, money market funds, U.S. Agency Securities, Corporate Debt, and municipal bonds. The yield on investments ranged from .180% to 2.875%. LGIP interest rates have fallen with a range of rates of 0.419% to 2.39% in 2020. The County continues to carry a balance in a money market account and checking with a range of rates starting at 2.30% and ending with .50% and LGIP funds which offer higher yields than what may be earned on the standard checking accounts. All County deposits are insured by either federal depository insurance or the Virginia Security for Public Deposits Act.

□ Awards and Acknowledgements □

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Augusta, Virginia for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This is the twenty-second consecutive year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA awarded a Certificate of Achievement for Excellence in Budget Presentation to the County of Augusta, Virginia for its budget preparation document for the 2021 fiscal year budget. This is the fourth year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized budget document. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this is an important goal to strive for yearly and we will continue to make it a goal for our budget documents.

We would like to express our appreciation to all members of the staff who assisted and contributed to the preparation of this report. The preparation of this report would not have been accomplished without their efficient and dedicated services.

Also, without the leadership and support of the Board of Supervisors, preparation of this report would not have been possible.

Sincerely,



Misty Cook  
Director of Finance



Lora Swartzel  
Accountant



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Augusta County  
Virginia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

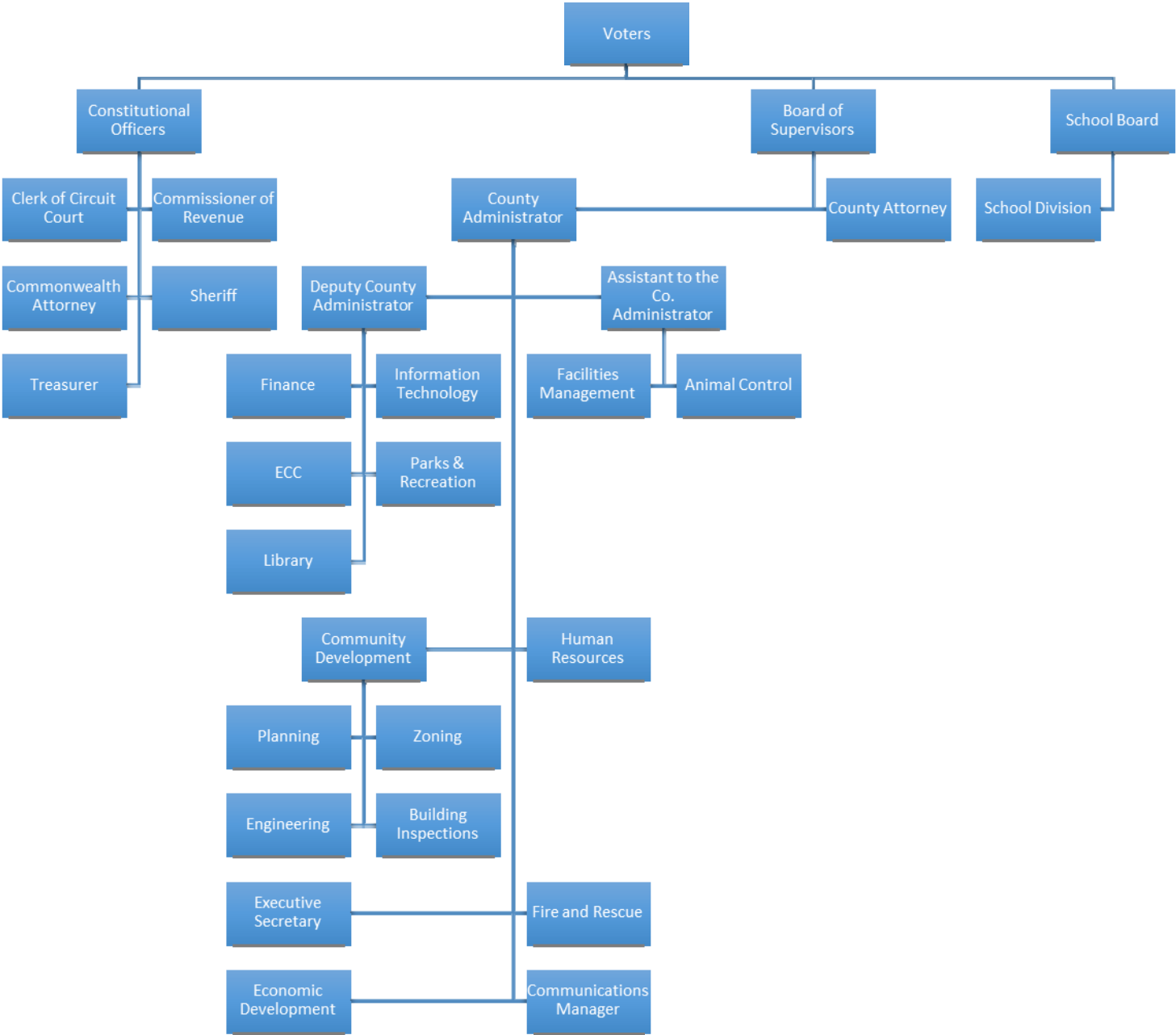
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# COUNTY OF AUGUSTA, VIRGINIA

## ORGANIZATIONAL CHART



# COUNTY OF AUGUSTA, VIRGINIA

## LIST OF ELECTED AND APPOINTED OFFICIALS

### Board of Supervisors

---

Gerald W. Garber, Chairman  
Pamela L. Carter, Vice-Chairman

Scott Seaton  
G.L. "Butch" Wells  
Jeffrey A. Slaven

Steve Morelli  
Michael L. Shull  
Timothy K. Fitzgerald, Clerk

### County School Board

---

Nicholas T. Collins, Chairman  
John M. Ward, Vice-Chairman

John L. Ocheltree, Jr.  
David R. Shiflett  
Donna H. Wells

Timothy Z. Swortzel  
Tom Goforth  
Marsha K. Buehner, Clerk

### Other Officials

---

Judges of the Circuit Court	Hon. W. Chapman Goodwin, Hon. Paul A. Dryer Hon. Christopher B Russell, Hon. Joel R. Branscom, and Hon. Edward K. Stein
Judges of the General District Court	Hon. William H. Cleaveland (Chief Judge), Hon. Christopher M. Billias, Hon. Robin J. Mayer, and Hon. Rupen Shah
Judges of the Juvenile & Domestic Court	Hon. Linda S. Jones (Chief Judge), Hon. Laura L. Dascher, Hon. Susan B. Read, Hon. Correy R. Smith, Hon. Paul A. Tucker
Clerk of the General District Court	Christy D. Hostetter
Clerk of the Juvenile & Domestic Court	Teresa L. Smith
Clerk of the Circuit Court	R. Steven Landes
Commonwealth Attorney	Timothy Martin
Commissioner of the Revenue	W. Jean Shrewsbury
Treasurer	Richard T. Homes
Sheriff	Donald Smith
Superintendent of Schools	Dr. Eric Bond
Director of Augusta County Service Authority	Phil Martin
Director of Social Services	Anita Harris
General Registrar	Constance Evans
Chief Building Inspector	G.W. Wiseman
Director of Community Development	John Wilkinson
Director of Economic Development & Marketing	Rebekah Castle
Director of Information Technology	Jacquelyn A. Zetwick
Director of Parks and Recreation	Andy Wells
Director of Emergency Operation Center	Donna J. Good
Chief of Fire and Rescue	David Nichols
Facilities Management	Rusty Sprouse
Library Director	Diantha McCauley
Human Resources Director	Faith H. Duncan
County Attorney	James R. Benkahla
County Administrator	Timothy K. Fitzgerald
Deputy County Administrator	Jennifer M. Whetzel
Assistant to the County Administrator	Candy Hensley
Director of Finance	Misty D. Cook

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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

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

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

### **Auditor's 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 and specifications require 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 auditor's 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 County'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 County'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the required supplementary information on pages 12-21 and 114-136, respectively, 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.

### *Other Information*

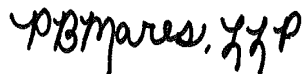
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedules listed in the table of contents as other supplementary information, supporting schedules, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supporting schedules 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 supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Harrisonburg, Virginia  
December 14, 2020

## COUNTY OF AUGUSTA, VIRGINIA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the County of Augusta, Virginia for the fiscal year ended June 30, 2020. This narrative is to be read in conjunction with the additional information we have furnished in our letter of transmittal which can be found earlier in this report.

#### 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 \$64,003,796 (net position). Of this amount, \$(25,249,208) is unrestricted, or may be used to meet the government's ongoing obligations to creditors and citizens. The School Board's net position was \$(30,495,613) of which \$(111,869,153) is unrestricted. (See Exhibit 1.)
- The County's total net position increased by \$445,503. The School Board's total net position increased by \$3,969,890. (See Exhibit 2.)
- The primary government and School Board general revenues, charges for services, operating grants and contributions, and capital grants and contributions were \$129,132,904 and \$119,722,295, respectively, for fiscal year 2020. (See Exhibit 2.)
- Expenses were \$128,687,401 for governmental activities and \$115,752,405 for the School Board. (See Exhibit 2.)

##### *Fund Financial Statements*

- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,202,654, or 21.2 percent, of the total General Fund expenditures. (See Exhibit 3.) This amount includes taxes, accounts and notes receivable reflected in the fiscal year 2020 budget as well as funding for future operating and capital expenditures as appropriated.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$55,481,051, an increase of \$4,744,841 in comparison with the prior year. Approximately 32.8 percent of this total amount, or \$18,204,654, is available for spending at the government's discretion (unassigned fund balance). (See Exhibit 3.)

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements are comprised of 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.

Local government accounting and financial reporting originally focused on funds which were designed to enhance and demonstrate fiscal accountability. Now accompanied by government-wide financial statements, the objective of operational accountability is also met. These objectives provide financial statement users with both justifications from the government that public monies have been used to comply with public decisions and as to whether operating objectives have been met efficiently and effectively and can continue to be met in the future.

## *Government-wide Financial Statements*

Government-wide financial statements provide financial statement users with a general overview of County finances. The statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting. All current year revenue and expenses are taken into account regardless of when cash is received or paid. Both the financial overview and accrual accounting factors are used in the reporting of a private-sector business. Two financial statements are used to present this information: 1) the Statement of Net Position and 2) the Statement of Activities.

The Statement of Net Position presents all of the County's permanent accounts, or assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. 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) until then. The County includes future pension and other postemployment benefits (OPEB) expenses as deferred outflows of resources. Deferred inflows of resources represent 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 includes property taxes receivable and items related to pension and OPEB plans as deferred inflows of resources. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining. Other non-financial factors will also need to be considered to determine the overall financial position of the County.

The Statement of Activities presents information showing how the government's net position changed during the fiscal year. The statement is focused on the gross and net cost of various government functions which are supported by general tax and other revenue. The Statement of Activities presents expenses before revenues, emphasizing that in government, revenues are generated for the express purpose of providing services rather than as an end in themselves.

The government-wide financial statements include, in addition to the primary government or County, a component unit, the Augusta County School Board. Although the component unit is a legally separate entity, the County is financially accountable for it. A primary government is financially accountable if either the government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. For example, the primary government may approve debt issuances, rate structures and/or provide significant funding for operations of the component unit.

## *Fund Financial Statements*

The fund financial statements present only major, or significant, funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into two categories: governmental funds and fiduciary funds.

## Governmental Funds

Governmental funds are used to account for essentially the same functions, or services, reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation between the two methods is provided on the exhibits following the governmental funds' Balance Sheet and the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances.

## Fiduciary Funds

Fiduciary funds account for assets held by the government as a trustee or agent for another organization or individual. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the government-wide financial statement because the funds are not available to support the County's own activities. A separate Statement of Net Position and Combining Statement of Changes in Net Position is provided in the report.

### *Notes to Financial Statements*

The notes provide additional information that is needed to fully understand the data provided in the government-wide and fund financial statements.

### *Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information displaying budgetary comparison schedules and the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

The combining statements referred to earlier in connection with fiduciary funds and School Board individual fund financial statements are presented immediately following the required supplementary information.

## **Government-wide Financial Analysis**

As previously noted, net position may serve as a useful indicator of a government's financial position. For the County of Augusta, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$64,003,796 at the end of the fiscal year.

The County's net position is divided into three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted.

**County of Augusta, Virginia**  
**Summary Statement of Net Position**  
**June 30, 2020 and 2019**

	Governmental Activities	
	2020	2019
Current and other assets	\$ 107,251,577	\$ 99,550,398
Capital assets, net	87,770,014	94,038,326
<b>Total assets</b>	<b>\$ 195,021,591</b>	<b>\$ 193,588,724</b>
 Deferred outflows of resources	 <b>\$ 6,027,952</b>	 <b>\$ 2,424,072</b>
Long-term liabilities	\$ 96,894,157	\$ 94,604,188
Other liabilities	12,794,422	10,807,936
<b>Total liabilities</b>	<b>\$ 109,688,579</b>	<b>\$ 105,412,124</b>
 Deferred inflows of resources	 <b>\$ 27,357,168</b>	 <b>\$ 27,042,379</b>
Net position:		
Net investment in capital assets	\$ 16,560,315	\$ 16,861,519
Restricted	2,858,862	2,950,319
Unrestricted	44,584,619	43,746,455
<b>Total net position</b>	<b>\$ 64,003,796</b>	<b>\$ 63,558,293</b>

The County uses these capital assets to provide services to citizens; therefore, the assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt used to acquire those assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents 4.5 percent of total net position and are resources that are subject to external restrictions on how they may be used. The majority of restricted net position is used for capital projects, fire service, education and training, as well as, law enforcement operations to support drug education, awareness, and enforcement. The balance of unrestricted net position, which is (\$44,584,619, or 69.7 percent of total net position, may be used to meet the government's ongoing obligations to citizens and creditors. These obligations include public safety and future construction projects.

During the current fiscal year, the government's net position increased by \$445,503.

Legislation requires debt issued for projects by the School Board to be assumed by the Primary Government. Therefore, the School Board is not recognizing the debt for these renovations and only recognizes a portion of the building renovations in its current capital assets.

*Governmental Activities*

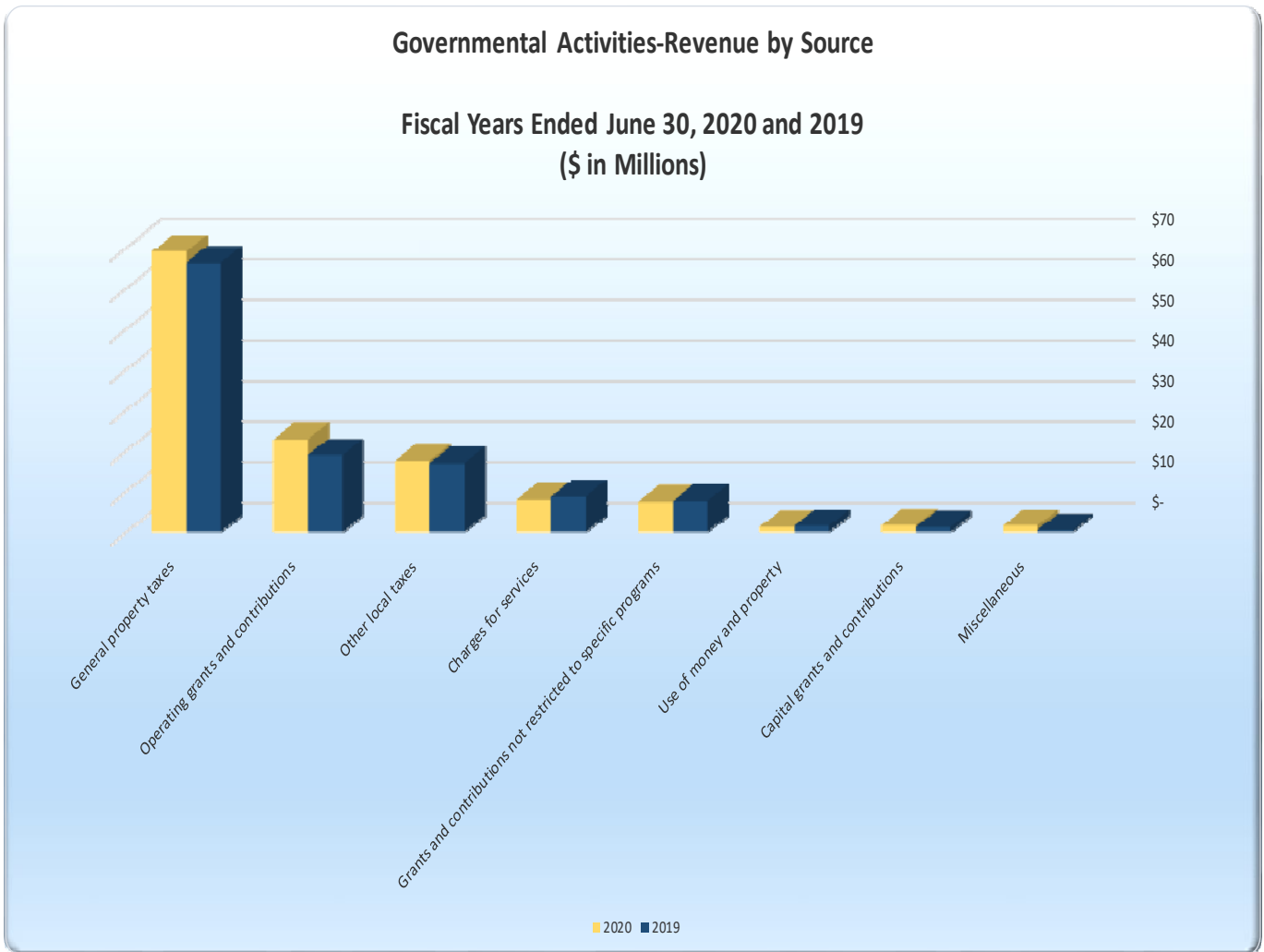
Governmental activities increased the County’s net position by \$445,503. Key elements of this increase are as follows:

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 7,927,419	\$ 8,693,832
Operating grants and contributions	22,870,708	18,868,004
Capital grants and contributions	1,635,216	1,204,916
General revenues:		
General property taxes	68,989,644	66,259,967
Other local taxes	17,461,921	16,840,497
Use of money and property	1,272,079	1,510,344
Miscellaneous	1,576,340	470,448
Grants and contributions not restricted to specific programs	7,399,577	7,540,903
<b>Total revenues</b>	<b>129,132,904</b>	<b>121,388,911</b>
Expenses:		
General government	7,547,543	6,515,263
Judicial administration	2,103,246	2,108,041
Public safety	30,057,120	24,101,613
Public works	8,891,842	6,901,669
Health and welfare	19,625,147	18,370,628
Education	53,373,007	48,420,490
Parks, recreation and cultural	2,870,905	2,449,762
Community development	2,051,382	1,905,013
Interest on long-term debt	2,167,209	2,403,885
<b>Total expenses</b>	<b>128,687,401</b>	<b>113,176,364</b>
<b>Increase in net position</b>	<b>445,503</b>	<b>8,212,547</b>
Net position, beginning,	63,558,293	55,345,746
Net position, ending	<b>\$ 64,003,796</b>	<b>\$ 63,558,293</b>

Governmental Activities – Revenues

- General property taxes increased by approximately \$2.7 million. The County realized an increase in general property taxes due to an increase in the 2019 tax rate as a result of a reassessment.
- Charges for Services decreased by 8.8% due to a decrease in landfill tipping fees, camp fees for Natural Chimneys, and Parks and Recreation revenue for afterschool and summer programs. All of these decreases in revenue can be attributed to the COVID-19 Pandemic.

**Governmental Activities – Revenues by Source  
Years Ended June 30, 2020 and 2019**

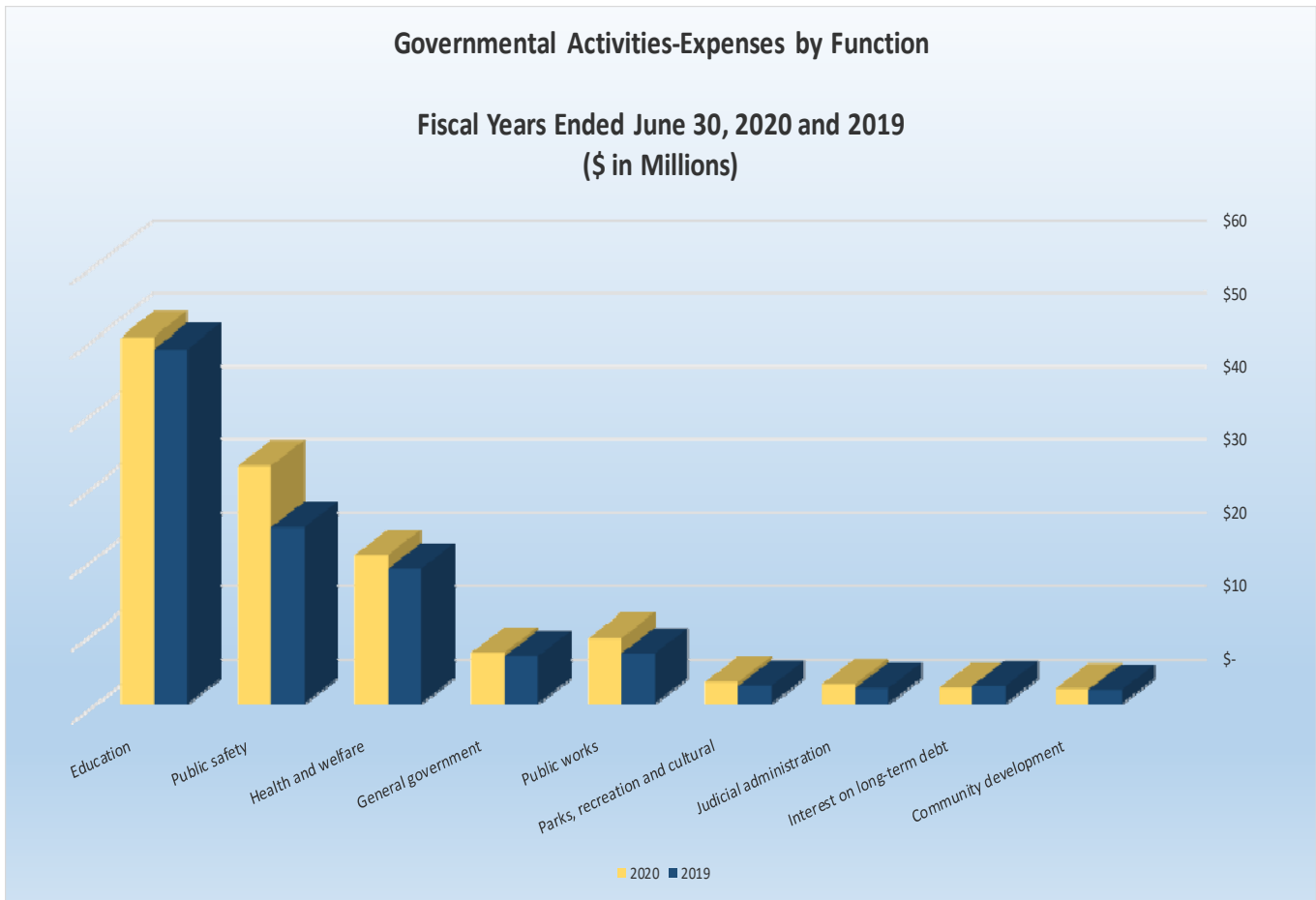


Governmental Activities – Expenses

- Expenses allocated to education were 10.2% higher in fiscal year 2020 due to an increase in net pension and OPEB liabilities.
- Health and Welfare expenses increased 6.8% over the prior year due to an increase in OPEB and net pension liabilities.



**Governmental Activities – Expenses by Function  
Years Ended June 30, 2020 and 2019**



**Financial Analysis of the Government’s Funds**

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

*Governmental Funds*

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

At the end of the fiscal year, the County’s governmental funds reported combined ending fund balances of \$55,481,051. Approximately 32.8 percent of this total amount constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance falls within the categories of nonspendable, restricted, committed, or assigned. Nonspendable fund balance totals \$1,203,343, which is inventories and prepaid items reported in the governmental funds, as well as land held for sale and long-term loans receivable. Restricted fund balance includes funds that have been constrained for specific purposes by sources outside the government. Restricted fund balance includes funds received from the state for fire programs, state and federal asset forfeiture funds. Committed and assigned fund balances have been constrained by the government itself, depending on the level of decision-making authority. These fund balance amounts include funds for issuing fire revolving loans, work in drug enforcement operations, EMS contributions related to EMS transport services, and capital projects. Of the capital projects, the most prominent are public safety equipment replacement and general government renovations.

The General Fund is the chief operating fund of the County. As of June 30, 2020, total fund balance of the General Fund was \$25,143,969, of which \$18,204,654 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 21.2 percent of total General Fund expenditures, which includes transfers to the School Board component unit of \$42,763,948

The fund balance of the County's General Fund increased by \$5,973,657 during the current fiscal year.

Other governmental funds consist of the Virginia Public Assistance (VPA) Fund, Debt Service Fund, County Capital Improvements Fund, and School Capital Improvements Fund. As of June 30, 2020, total fund balances of these funds were \$0, \$0, \$30,034,487, and \$302,595, respectively. The VPA Fund accounts for revenues and expenditures related to welfare. The Debt Service Fund accounts for debt service payments made by the County. The County Capital Improvements Fund accounts for funds used for the acquisition or construction of major capital facilities. Significant changes in the County Capital Improvement Fund are attributable to the completion of construction in progress projects as noted in the capital assets section of the Management's Discussion and Analysis. The School Capital Improvements Fund accounts for construction expenditures for the school system.

### **General Fund Budgetary Highlights**

Differences between the original budgeted expenditure appropriations and the final amended budgeted expenditure appropriations were a \$1,240,505 increase. Budgeted revenues increased by \$9,469,035. The increase in budgeted revenues can be attributed to federal funding under the CARES Relief Act. Final budget appropriations and revenues closely reflected actual results, as the final budget is prepared in March of the fiscal year.

### **Capital Asset and Debt Administration**

#### *Capital Assets*

The County's investment in capital assets for its governmental activities as of June 30, 2020, is \$87,770,014 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, machinery and equipment, land improvements, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Completion of two projects at the Natural Chimney's park. Projects included; the pool, to include removing the existing tot pool and replacing with a wade-in area for the larger pool (\$242,500), and replacing the roof structure at the visitor center (\$116,000).
- Replacement of the Servers in IT and ECC (\$166,940).
- Construction in progress includes the Courts Complex design and the Jennings Branch Stream restoration construction.

**County of Augusta, Virginia**  
**Capital Assets for Governmental Activities (net of depreciation)**  
**June 30, 2020 and 2019**

	Governmental Activities	
	2020	2019
Land	\$ 5,449,063	\$ 5,440,703
Buildings and system	64,964,481	71,057,752
Machinery and equipment	11,882,347	11,416,555
Land improvements	4,199,198	3,776,785
Construction in progress	1,274,925	2,346,531
<b>Total assets</b>	<b>\$ 87,770,014</b>	<b>\$ 94,038,326</b>

Additional information on the County’s capital assets can be found in Note 17 to the financial statements.

*Long-Term Debt*

At the end of the fiscal year the County had the following outstanding debt:

	Governmental Activities	
	2020	2019
General obligation bonds	\$ 64,344,898	\$ 69,656,703
Premium on general obligation bonds	4,468,275	4,738,098
Revenue bonds	5,221,725	5,759,402
premium on revenue bonds	585,762	743,452
Capital lease	1,375,872	-
Compensated absences	2,267,362	2,123,103
<b>Total assets</b>	<b>\$ 78,263,894</b>	<b>\$ 83,020,758</b>

Legislation enacted in fiscal year ended June 30, 2002 required that debt historically reported by the School Board be assumed by the Primary Government. The legislation affected the reporting of local school capital assets as well.

Additional information on the County’s long-term debt can be found in Note 8 to the financial statements.

**Economic Factors and Next Year’s Budgets and Rates**

- The annual unemployment rate for Augusta County in 2020 was 5.8 percent. The County’s rate is slightly better than the state’s unemployment rate of 8.2 percent and still compares favorably to the national average rate of 11.2 percent. The unemployment rate continues to be effected by the nationwide pandemic.
- The County depends on financial resources flowing from, or associated with, both the federal government and the Commonwealth of Virginia. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. Revenues from the Commonwealth of Virginia represent approximately 10.8 percent, 42 percent, and 55 percent of total revenues for the General Fund, Virginia Public Assistance Fund, and the School Operating Fund, respectively. Revenues from the federal government represent 6.6 percent, 45.8 percent, and 3.7 percent of total revenues for the General Fund, Virginia Public Assistance Fund, and the School Operating Fund, respectively.

- Investment earnings are subject to changes associated with the U.S. treasury securities because of actions by the Federal Reserve.
- Real Estate tax rates for fiscal year 2020 are \$0.63 per \$100 of assessed value. Personal Property tax rates for autos and motorcycles are \$2.50 per \$100 of assessed value. Other Personal Property tax rates are \$2.50 per \$100 of assessed value for campers, boats, and airplanes and \$2.00 per \$100 assessed valued value for business personal property, large trucks and machinery and tools.

All of these factors were considered in preparing the County's budget for the 2021 fiscal year.

In the General Fund, the County strives to maintain an unrestricted fund balance to be used for unanticipated emergencies of no less than two months of the GAAP basis General Fund expenditures at the close of the fiscal year. As of June 30, 2020, the County has more than the required two months of General Fund operating expenditures by \$7,096,991. The County also recognizes its obligation to the Debt Service Fund and Virginia Public Assistance Fund. When those obligations are considered in conjunction with the fund balance policy requirements, the County has less than the required two months of General Fund operating expenditures by \$2,058,276. The County will consider this requirement as it reviews its fund balance policy and prepares for the fiscal year 2021 revised budget.

Appropriations for County funds lapse at fiscal year-end, with the exception of the County Capital Improvements Fund. It is anticipated that fund balance will not be used to finance daily operations for the 2021 budget year, although as in some previous fiscal years, it is a possibility.

### **Requests for Information**

This financial report is designed to provide readers with a general overview of the County of Augusta's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, P.O. Box 590, Verona, Virginia 24482. Also, please visit the County's website at [www.co.augusta.va.us](http://www.co.augusta.va.us).

## **BASIC FINANCIAL STATEMENTS**

*Government-Wide Financial Statements*

**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Primary Government <hr/> Governmental Activities	Component Unit <hr/> School Board
<b>ASSETS</b>		
Cash and cash equivalents	\$ 37,734,633	\$ 3,242,241
Cash in custody of others	421,177	5,000
Investments	23,319,393	-
Investments - land held for sale	1,122,748	-
Receivables, net:		
Taxes receivable	28,240,121	-
Accounts receivable	1,733,131	170,898
Notes receivable	4,951,403	-
Due from primary government	-	3,367,825
Due from component unit	555,795	-
Due from other governmental units	3,606,979	6,227,610
Inventories	22,571	-
Prepaid expenses	58,024	-
Equity interest in joint venture	5,485,602	-
Capital assets, net of accumulated depreciation and amortization:		
Land	5,449,063	1,551,430
Buildings and system	64,964,481	74,843,836
Machinery and equipment	11,882,347	3,757,725
Land improvement	4,199,198	-
Construction in progress	1,274,925	1,220,549
<b>Total assets</b>	<b>195,021,591</b>	<b>94,387,114</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension plan	4,561,826	19,381,544
Other postemployment benefits	1,466,126	3,169,490
<b>Total deferred outflows of resources</b>	<b>6,027,952</b>	<b>22,551,034</b>

STATEMENT OF NET POSITION (Continued)  
June 30, 2020

	Primary Government <hr/> Governmental Activities	Component Unit <hr/> School Board
<b>LIABILITIES</b>		
Reconciled overdraft	\$ -	\$ 208,165
Accounts payable	2,368,308	3,068,004
Accrued liabilities	872,816	3,163,200
Accrued interest payable	1,174,865	-
Due to primary government	-	555,795
Due to component unit	3,367,825	-
Unearned revenue	3,158,407	105,829
Deposits held in escrow	1,852,201	-
Long-term liabilities:		
Due within one year	6,718,969	404,256
Due in more than one year	71,544,925	1,710,150
Net pension liability	11,033,402	93,423,211
Other postemployment benefits	7,596,861	26,470,439
<b>Total liabilities</b>	<hr/> 109,688,579	<hr/> 129,109,049
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenue - property taxes	23,558,718	-
Deferred revenue - other	1,927,427	-
Pension plan	1,038,522	11,409,613
Other postemployment benefits	832,501	6,915,099
<b>Total deferred inflows of resources</b>	<hr/> 27,357,168	<hr/> 18,324,712
<b>NET POSITION</b>		
Net investment in capital assets	16,560,315	81,373,540
Restricted:		
Fire revolving loans	2,537,124	-
Drug enforcement	19,143	-
Capital projects	302,595	-
Unrestricted (deficit)	44,584,619	(111,869,153)
<b>Total net position</b>	<hr/> <hr/> \$ 64,003,796	<hr/> <hr/> \$ (30,495,613)



*Fund Financial Statements*

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Activities	School Board
Primary Government:						
Governmental activities:						
General government administration	\$ 7,547,543	\$ 730,655	\$ 495,024	\$ -	\$ (6,321,864)	\$ -
Judicial administration	2,103,246	210,170	1,311,026	-	(582,050)	-
Public safety	30,057,120	2,963,621	7,782,082	94,804	(19,216,613)	-
Public works	8,891,842	1,822,007	-	280,232	(6,789,603)	-
Health and welfare	19,625,147	1,712,553	13,106,676	-	(4,805,918)	-
Education	53,373,007	-	-	-	(53,373,007)	-
Parks, recreation and cultural	2,870,905	488,413	175,900	-	(2,206,592)	-
Community development	2,051,382	-	-	1,260,180	(791,202)	-
Interest on long-term debt	2,167,209	-	-	-	(2,167,209)	-
<b>Total governmental activities</b>	<b>128,687,401</b>	<b>7,927,419</b>	<b>22,870,708</b>	<b>1,635,216</b>	<b>(96,254,058)</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 128,687,401</b>	<b>\$ 7,927,419</b>	<b>\$ 22,870,708</b>	<b>\$ 1,635,216</b>	<b>(96,254,058)</b>	<b>-</b>
Component Unit:						
School Board	\$ 115,752,405	\$ 3,729,168	\$ 72,793,629	\$ -	-	(39,229,608)
<b>Total component units</b>	<b>\$ 115,752,405</b>	<b>\$ 3,729,168</b>	<b>\$ 72,793,629</b>	<b>\$ -</b>	<b>-</b>	<b>(39,229,608)</b>
General revenues:						
Taxes:						
General property taxes					68,989,644	-
Local sales tax					6,822,265	-
Consumers' utility tax					1,812,435	-
Business license taxes					4,313,711	-
Restaurant food taxes					2,418,593	-
Other local taxes					2,094,917	-
Unrestricted revenues from use of money and property					1,272,079	105,152
Miscellaneous					1,576,340	245,706
Grants and contributions not restricted to specific programs					7,399,577	42,848,640
<b>Total general revenues</b>					<b>96,699,561</b>	<b>43,199,498</b>
<b>Change in net position</b>					<b>445,503</b>	<b>3,969,890</b>
Net position (deficit), beginning					63,558,293	(34,465,503)
Net position (deficit), ending					<b>\$ 64,003,796</b>	<b>\$ (30,495,613)</b>

**BALANCE SHEET –  
GOVERNMENTAL FUNDS  
June 30, 2020**

	General	Virginia Public Assistance	County Capital Improvements	School Capital Improvements	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 29,501,574	\$ -	\$ 7,968,941	\$ 264,118	\$ 37,734,633
Cash in custody of others	416,877	4,300	-	-	421,177
Investments	156,551	-	23,162,842	-	23,319,393
Receivables, net:					
Taxes receivable	28,240,121	-	-	-	28,240,121
Accounts receivable	1,612,252	-	4,435	116,444	1,733,131
Notes receivable	802,544	-	-	-	802,544
Due from other funds	919,627	-	-	-	919,627
Due from component unit	555,795	-	-	-	555,795
Due from other governmental units	2,239,367	1,302,661	64,951	-	3,606,979
Inventories	22,571	-	-	-	22,571
Prepaid items	58,024	-	-	-	58,024
Land held for sale	1,122,748	-	-	-	1,122,748
<b>Total assets</b>	<b>\$ 65,648,051</b>	<b>\$ 1,306,961</b>	<b>\$ 31,201,169</b>	<b>\$ 380,562</b>	<b>\$ 98,536,743</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,088,373	\$ 79,542	\$ 1,166,682	\$ 33,711	\$ 2,368,308
Accrued liabilities	565,024	307,792	-	-	872,816
Due to other funds	-	919,627	-	-	919,627
Due to component unit	3,367,825	-	-	-	3,367,825
Unearned revenue	3,158,407	-	-	-	3,158,407
Deposits held in escrow	1,807,945	-	-	44,256	1,852,201
<b>Total liabilities</b>	<b>9,987,574</b>	<b>1,306,961</b>	<b>1,166,682</b>	<b>77,967</b>	<b>12,539,184</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes collected in advance	979,055	-	-	-	979,055
Unavailable revenue - property taxes	27,610,026	-	-	-	27,610,026
Unavailable revenue - other	1,927,427	-	-	-	1,927,427
<b>Total deferred inflows of resources</b>	<b>30,516,508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,516,508</b>
<b>FUND BALANCES</b>					
Nonspendable	1,203,343	-	-	-	1,203,343
Restricted	2,556,267	-	-	302,595	2,858,862
Committed	2,794,338	-	-	-	2,794,338
Assigned	387,367	-	30,034,487	-	30,421,854
Unassigned	18,202,654	-	-	-	18,202,654
<b>Total fund balances</b>	<b>25,143,969</b>	<b>-</b>	<b>30,034,487</b>	<b>302,595</b>	<b>55,481,051</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 65,648,051</b>	<b>\$ 1,306,961</b>	<b>\$ 31,201,169</b>	<b>\$ 380,562</b>	<b>\$ 98,536,743</b>

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2020**

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 55,481,051
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Governmental capital assets, net of accumulated depreciation and amortization	87,770,014
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds	5,030,363
Notes receivable - EDA loan	180,000
Notes receivable - Middle River Regional Jail Buy-In	3,968,859
Equity interest in joint venture not reported in the funds.	5,485,602
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds, including unamortized premiums	\$ (74,620,660)
Capital leases	(1,375,872)
Compensated absences	(2,267,362)
Interest payable	(1,174,865)
Other postemployment benefits	(7,596,861)
Net pension liability	<u>(11,033,402)</u>
	(98,069,022)
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.	
Pension plan	4,561,826
Other postemployment benefits	<u>1,466,126</u>
	6,027,952
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.	
Pension plan	(1,038,522)
Other postemployment benefits	<u>(832,501)</u>
	<u>(1,871,023)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 64,003,796</u></u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	School Capital Improvements	Total Governmental Funds
<b>Revenues:</b>						
General property taxes	\$ 68,528,431	\$ -	\$ -	\$ -	\$ -	\$ 68,528,431
Other local taxes	17,461,921	-	-	-	-	17,461,921
Permits, privilege fees and regulatory licenses	602,235	-	-	-	-	602,235
Fines and forfeitures	272,161	-	-	-	-	272,161
Revenue from the use of money and property	1,213,542	-	-	42,866	15,671	1,272,079
Charges for services	4,166,579	195,510	30,180	-	-	4,392,269
Miscellaneous	655,177	-	-	90,069	831,094	1,576,340
Recovered costs	196,025	1,517,043	-	947,686	-	2,660,754
<b>Intergovernmental:</b>						
Commonwealth	12,251,276	6,318,332	-	124,066	-	18,693,674
Federal	4,919,372	6,788,344	-	1,504,111	-	13,211,827
<b>Total revenues</b>	<b>110,266,719</b>	<b>14,819,229</b>	<b>30,180</b>	<b>2,708,798</b>	<b>846,765</b>	<b>128,671,691</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government administration	5,673,355	-	-	-	-	5,673,355
Judicial administration	2,375,328	-	-	-	-	2,375,328
Public safety	24,190,420	-	-	-	-	24,190,420
Public works	4,710,949	-	-	-	-	4,710,949
Health and welfare	1,357,383	17,466,922	-	-	-	18,824,305
Education	42,768,948	-	-	-	-	42,768,948
Parks, recreation and cultural	2,377,415	-	-	-	-	2,377,415
Community development	2,030,070	-	-	-	-	2,030,070
Nondepartmental	240,340	-	-	-	-	240,340
Capital projects	-	-	-	10,261,997	3,304,404	13,566,401
<b>Debt service:</b>						
Principal retirement	-	-	5,849,481	-	454,524	6,304,005
Interest and other fiscal charges	-	-	2,687,063	-	8,647	2,695,710
<b>Total expenditures</b>	<b>85,724,208</b>	<b>17,466,922</b>	<b>8,536,544</b>	<b>10,261,997</b>	<b>3,767,575</b>	<b>125,757,246</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>24,542,511</b>	<b>(2,647,693)</b>	<b>(8,506,364)</b>	<b>(7,553,199)</b>	<b>(2,920,810)</b>	<b>2,914,445</b>
<b>Other financing sources (uses):</b>						
Proceeds from issuance of capital lease	-	-	-	-	1,830,396	1,830,396
Transfers in	1,975,000	2,647,693	8,506,364	9,492,542	1,198,702	23,820,301
Transfers out	(20,543,854)	-	-	(3,276,447)	-	(23,820,301)
<b>Other financing sources (uses), net</b>	<b>(18,568,854)</b>	<b>2,647,693</b>	<b>8,506,364</b>	<b>6,216,095</b>	<b>3,029,098</b>	<b>1,830,396</b>
<b>Net change in fund balances</b>	<b>5,973,657</b>	<b>-</b>	<b>-</b>	<b>(1,337,104)</b>	<b>108,288</b>	<b>4,744,841</b>
Fund balances, beginning	19,170,312	-	-	31,371,591	194,307	50,736,210
Fund balances, ending	\$ 25,143,969	\$ -	\$ -	\$ 30,034,487	\$ 302,595	\$ 55,481,051

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020**

	Governmental Funds	
Net change in fund balances - total governmental funds	\$	4,744,841
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditures for capital assets	\$	3,885,477
Less depreciation and amortization expense		<u>(2,849,323)</u>
Excess of capital outlays over depreciation and amortization		1,036,154
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(7,304,466)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue		461,213
Notes receivable - EDA loan		(60,000)
Notes receivable - Middle River Regional Jail Buy-In		(743,918)
Revenues related to the equity interest in joint venture not reported as revenues in the funds.		(68,402)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of capital lease		(1,830,396)
Principal repayments:		
General obligation debt	5,849,481	
Capital leases	<u>454,524</u>	
		6,304,005
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.		
Accrued interest	100,988	
Compensated absences	(144,259)	
Other postemployment benefits expense	(2,725,304)	
Amortization of premium	427,513	
Pension expense	<u>(2,258,879)</u>	
		(4,599,941)
Deferred outflows of resources subsequent to measurement date:		
Pension plan	2,274,291	
Other postemployment benefits	<u>232,122</u>	
		<u>2,506,413</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>445,503</u></b>

**STATEMENT OF NET POSITION –  
FIDUCIARY FUNDS  
June 30, 2020**

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 15,385,973
Other receivables	52,048
	15,438,021
<b>Total assets</b>	<b>\$ 15,438,021</b>
 <b>LIABILITIES</b>	
Accounts payable	\$ 1,574,452
Accrued liabilities	222,750
Other liabilities	3,001,143
Amounts held for social services clients	151,389
Amounts held for Shenandoah Valley Regional Program for Special Education	725,620
Amounts held for Valley Alcohol Safety Action Program	49,674
Amounts held for Valley Career and Technical Education Center	207,256
Amounts held for Valley Children's Advocacy Center	193,413
Amounts held for Insurance Trust	9,312,324
	9,312,324
<b>Total liabilities</b>	<b>\$ 15,438,021</b>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies

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

#### A. Financial Reporting Entity

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

##### *Blended Component Units*

There are no blended component units for the year ended June 30, 2020.

##### *Discretely Presented Component Unit*

The County has one discretely presented component unit, the Augusta County School Board.

The Augusta County School Board operates the elementary and secondary public schools in the County. School Board members are elected by popular vote. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The Augusta County School Board does not prepare separate financial statements.

##### *Related Organizations*

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's financial accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Augusta County Economic Development Authority and the Augusta County Service Authority. The County implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. Upon review it was determined that the Augusta County Economic Development Authority and the Augusta County Service Authority are related organizations of the County. This determination was based on the justification that the County is able to appoint a voting majority of the Authority's board, but a financial benefit and/or burden relationship does not exist between the two. The Augusta County Economic Development Authority and the Augusta County Service Authority have separate audited financial statements.

##### *Undivided Interests*

The Augusta Regional Landfill is an undivided interest contractually formed by the Cities of Staunton and Waynesboro and the County of Augusta, Virginia. The purposes for which the Landfill is formed are to develop regional garbage and refuse disposal, including development of systems and facilities for recycling, waste reduction, and disposal alternatives with the ultimate goal of acquiring, financing, construction, and/or operating and maintaining regional solid waste disposal areas, systems and facilities. The Landfill began operations on December 11, 1970.



# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### A. Financial Reporting Entity (Continued)

##### *Joint Ventures*

The County and the Cities of Staunton and Waynesboro participate in supporting the Augusta Regional Landfill for local residents. The Augusta Regional Landfill is a hybrid undivided interest/joint venture contractually formed by the City of Staunton, Virginia, the County of Augusta, Virginia and the City of Waynesboro, Virginia. A summary of revenues for the Augusta Regional Landfill for the year ended June 30, 2020 is as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Revenues	\$ 2,046,591	\$ 588,833	\$ 682,417
% of total revenues	61.68%	17.75%	20.57%

The County's net investment is recorded on the Statement of Net Position. The County's equity interest as of June 30, 2020 was \$ 5,485,602.

Complete financial statements for the Landfill can be obtained at the Augusta County Service Authority in Verona, Virginia.

The County School Board and the Cities of Staunton and Waynesboro participate in supporting the Valley Career and Technical Center (Center) for local residents. The Center provides vocational training to secondary and adult students. The Center is governed by a six member board of trustees of which two are appointed by the Augusta County School Board, two by City of Staunton School Board and two by City of Waynesboro School Board. Funding for the Center was provided by the County of Augusta, City of Staunton and City of Waynesboro for the year ended June 30, 2020 as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Operations	\$ 3,072,061	\$ 774,817	\$ 743,957
% of total revenues	66.92%	16.88%	16.21%

Complete financial statements for the Center can be obtained from their Administrative Offices in Fishersville, Virginia.

##### *Jointly Governed Organizations*

The County, in conjunction with other localities, has created the Shenandoah Valley Airport Commission, the Shenandoah Valley Juvenile Detention Home Commission, the Valley Alcohol Safety Action Program, the Valley Community Services Board, and the Middle River Regional Jail Authority. The School Board participates in the Shenandoah Valley Regional Program for Special Education. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$197,000 for operations to the Valley Community Services Board, \$134,080 to the Shenandoah Valley Airport, \$210,536 to the Shenandoah Valley Juvenile Detention Home and \$3,808,197 to the Middle River Regional Jail Authority. The School Board contributed \$1,607,313 to the Shenandoah Valley Regional Program for operations.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements however interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

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

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

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. Real and personal property taxes are recorded as revenues and receivables when levied, net of allowances for uncollectible amounts. Sales and utility taxes, which are collected by the state and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state, which is generally in a two month period preceding receipt by the County.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

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

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund. The General Fund includes the activities of the Fire Revolving Loan, CARES Act, Drug Enforcement, Revenue Recovery, Economic Development, and Central Stores.

The *special revenue fund* accounts for and reports the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue fund consists of the Virginia Public Assistance Fund. Revenue sources include reimbursements from the Commonwealth and Federal government for program expenditures. Local match is also provided by the County.

The *debt service fund* accounts for and reports the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital project funds* account for and report financial resources to be used for the acquisition or construction of major capital facilities. Capital project funds consist of the County Capital Improvements Fund and the School Capital Improvements Fund.

Additionally, the government reports the following fund types:

*Fiduciary funds* account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Fiduciary funds include Special Welfare, Shenandoah Valley Regional Program for Special Education, Valley Alcohol Safety Action Program, Valley Career and Technical Center, Valley Children's Advocacy Center, Self-Insurance Trust, School Endowments and Augusta County School Activity Funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services provided and used are not eliminated in the process of consolidation.

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

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *Net Position Flow Assumption*

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g. restricted bond and 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.

#### D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance

##### *Deposits and Investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the government, as well as for its component units, are reported at fair value. The government and corporate securities are stated at fair value based on quoted market prices (level 1 inputs). The State Treasurer's Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The external local government investment pool is reported at amortized cost and classified as cash and cash equivalents.

##### *Receivables and Payables*

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

##### *Inventory and Prepaid Items*

Inventory is valued using the first in, first out method. Inventory in the General Fund consists of expendable supplies held for consumption and are accounted for under the consumption method. Cost is recorded as an expense at the time the individual inventory items are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expenditures in the General Fund of expendable services held for consumption and are accounted for under the consumption method. Cost is recorded as an expense at the time the individual inventory items are used.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance (Continued)

##### *Property Taxes*

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property taxes are due and collectible annually on December 5. The County bills and collects its own property taxes.

##### *Allowance for Uncollectible Accounts*

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. At June 30, 2020, the General Fund had allowances of \$1,041,943 for property taxes and \$10,478 for EMS transport fees. The allowance for property taxes represents 0.26 percent of the total levies for the previous six years.

##### *Use of Estimates*

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

##### *Capital Assets*

Capital assets, which include property, buildings, improvements, equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. There were no impaired capital assets at year end.

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

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

Property, buildings, improvements, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Land Improvements	15-20
Machinery and equipment	5-10

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance (Continued)

##### *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 liabilities in the Statement of Net Position. In accordance with the provisions of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be the maximum paid upon retirement. The County accrues salary-related payments associated with the payment of compensated absences.

##### *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

##### *Fund Equity*

The County reports fund balance in accordance with GASB. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself by the Board of Supervisors. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Supervisors takes the action to remove or change the constraint;
- Assigned fund balance – amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has by resolution authorized the Director of Finance to assign fund balance. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally 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.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance (Continued)

##### *Fund Equity (Continued)*

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

The Board of Supervisors, as the highest level of authority within the County, establishes the commitment of fund balance to purposes through the approval of the annual budget plan by resolution, in conjunction with the resolutions associated with the establishment of fee and tax rates, and acceptance or appropriation of funds. All subsequent commitments taken by the Board of Supervisors must occur prior to year-end; however, the amount can be determined in the subsequent period. The Board has authorized the County Administrator, or the County Administrator's designee, as the official authorized to assign resources and ending fund balance to a specific purpose within fund balance policy guidelines.

In the General Fund, the County strives to maintain an unrestricted fund balance to be used for unanticipated emergencies of no less than two months of the GAAP basis General Fund operating expenditures at the close of the fiscal year, as adjusted for temporary funding of unanticipated budgetary shortfalls, if applicable. In the event the unassigned General Fund balance is used to provide for temporary funding of unanticipated budgetary shortfalls, the County shall restore the unrestricted General Fund balance to the minimum level of two months of General Fund operating expenditures within three to five fiscal years following the fiscal year in which the event occurred. The plan to restore the unrestricted General Fund balance shall be included and highlighted in the County's adopted budget. At June 30, 2020, the County has more than two months of operating expenditures by \$7,096,991. The County also recognizes its obligation to the Debt Service Fund and Virginia Public Assistance Fund. When those obligations are considered in conjunction with the fund balance policy requirements, the County has less than the required two months of General Fund operating expenditures by \$2,056,277. See Note 21 for more information on fund balance designations.

##### *Net Position*

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation and amortization, less any outstanding debt and deferred inflows and deferred outflows related to the acquisition, construction or improvement of those assets.

##### *Restricted Assets*

The primary government did not have restricted assets.

##### *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) until then. The County and discretely presented component unit, the School Board, have several items that qualify for reporting in this category related to the pension plan and other postemployment benefits (OPEB) plans. See Notes 9 through 13 for details regarding these items.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance (Continued)

##### *Deferred Outflows/Inflows of Resources (Continued)*

In addition to liabilities, the statement of net 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. Several types of items qualify for reporting in this category related to the pension plan and OPEB plans. See Notes 9 through 13 for details regarding these items. Accordingly, two other items, unavailable revenue representing property taxes receivable and other unavailable revenues, which arise under the modified accrual basis of accounting, are reported only as unavailable revenues in the governmental funds Balance Sheet. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. Under the accrual basis, the second half installment of property taxes are reported as deferred inflows of resources on the Statement of Net Position. Other deferred revenues are also reported as deferred inflows of resources on the Statement of Net Position.

##### *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 of Augusta and its component unit, the Augusta County School Board, retirement plans and the additions to/deductions from the County, and the Augusta County School Board's retirement plan's net fiduciary positions 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.

##### *Medical Insurance Programs*

The Medical Insurance Programs are single-employer plans. Differences between expected and actual experience and actuarial assumptions are amortized over the average of the expected remaining service lives of all employees that are covered through the plans, which is 7.14 years. Plan amendments are recognized immediately.

##### *Group Life Insurance*

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 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. The GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's 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.



# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position/Fund Balance (Continued)

##### *Health Insurance Credit Program*

The School Board non-professional Health Insurance Credit (HIC) Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The School Board professional HIC Program is a multiple-employer, cost-sharing plan. Both HIC Programs were established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring both HIC Programs' total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the HIC Programs' OPEB, and the HIC Programs' OPEB expense, information about the fiduciary net position of the HIC Programs; and the additions to/deductions from both of the HIC Programs net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### *Line of Duty Act Program*

The VRS Line of Duty Act Program (LODA) is a multiple-employer, cost-sharing plan. LODA was established pursuant to Section 9.1-400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. LODA provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. The County purchases from VACORP full coverage for LODA claims, therefore, the County has no OPEB liability for LODA.

##### *Virginia Local Disability Program*

The VRS Political Subdivision Employee Virginia Local Disability Program (VLDP) is a multiple-employer, cost-sharing plan. For purposes of measuring the net VLDP OPEB liability, deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB, and the VLDP OPEB expense, information about the fiduciary net position of the VLDP; and the additions to/deductions from the VLDP's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### E. Subsequent Events

The County has evaluated subsequent events through December 14, 2020, the date on which the financial statements were available to be issued.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance total governmental funds* and *net position of governmental activities* as reported in the government-wide Statements of Net Position. One element of that reconciliation explains that long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The details of these (\$98,069,022) and (\$122,008,056) differences for the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit - School Board
Bonds payable	\$ (69,566,623)	\$ -
Unamortized premium on bonds	(5,054,037)	-
Capital lease payable	(1,375,872)	-
Accrued interest payable	(1,174,865)	-
Net OPEB obligation	(7,596,861)	(26,470,439)
Net pension liability	(11,033,402)	(93,423,211)
Compensated absences	(2,267,362)	(2,114,406)
<b>Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i></b>	<b>\$ (98,069,022)</b>	<b>\$ (122,008,056)</b>

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between *net changes in fund balances total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that 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. The details of these \$1,036,154 and (\$2,336,207) differences for the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit - School Board
Capital outlay	\$ 3,885,477	\$ 4,173,975
Depreciation and amortization expense	(2,849,323)	(6,510,182)
<b>Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i></b>	<b>\$ 1,036,154</b>	<b>\$ (2,336,207)</b>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

**B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)**

Another element of that reconciliation explains the net effect of various miscellaneous transactions involving capital assets (i.e. disposals, trade-ins, transfers, and donations). The details of these (\$7,304,466) and \$5,682,845 differences for the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit - School Board
Disposals of capital assets, net	\$ (1,600,977)	\$ (20,644)
Allocation of debt-financed school assets based on current year repayments, net	(5,703,489)	5,703,489
<b>Net adjustment to increase (decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</b>	<b>\$ (7,304,466)</b>	<b>\$ 5,682,845</b>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of the differences are as follows:

	Primary Government	Component Unit - School Board
Compensated absences	\$ (144,259)	\$ (166,918)
Pension expense	(2,258,879)	(8,341,890)
OPEB expense	(2,725,304)	(1,772,150)
Accrued interest	100,988	-
Amortization of bond premium	427,513	-
<b>Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</b>	<b>\$ (4,599,941)</b>	<b>\$ (10,280,958)</b>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that 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 details of the difference for the primary government are as follows:

	Primary Government
Principal repayments:	
General obligation debt	\$ 5,849,481
Capital lease	454,524
<b>Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</b>	<b>\$ 6,304,005</b>

Note 3. Stewardship, Compliance and Accountability

A. Budgetary Information

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

1. Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following Funds have legally adopted budgets: General Fund, Virginia Public Assistance Fund, School Operating Fund, School Cafeteria Fund, School Capital Improvements Fund, Debt Service Fund, Head Start Fund, Governor’s School Fund and County Capital Improvements Fund.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department or category can be revised only by the Board of Supervisors. During preparation of the revised budget, the County Administrator is authorized to transfer budgeted amounts between general government departments and the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary review is employed as a management control device during the year for all budgeted funds.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 3. Stewardship, Compliance and Accountability (Continued)

#### A. Budgetary Information (Continued)

6. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate capital projects by project.
7. All budget data presented in the accompanying financial statements is the original and revised budget as of June 30.
8. Encumbrances, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, lapse at year end.
9. Annual budgets are adopted on a basis consistent with GAAP for all governmental funds.

#### B. Excess of Expenditures over Appropriations

For the year ended June 30, 2020, the School Cafeteria Fund had expenditures exceeding appropriations due to a non-cash adjustment for USDA inventories as well as stipends paid to food service workers who continued to work during the COVID-19 pandemic shutdown to provide and deliver meals to students. The School Capital Improvement Fund also had expenditures exceeding appropriations due to the addition of a capital lease for a technology upgrade.

### Note 4. Deposits and Investments

#### Deposits

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

#### Custodial Credit Risk (Deposits)

This is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. The County requires all deposits to comply with the Virginia Security for Public Deposits Act.

#### Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

#### Custodial Credit Risk (Investments)

The County's investment policy provides that securities purchased for the County shall be held by the County Treasurer or by the Treasurer's custodian. If held by a custodian, the securities must be in the County's name or in the custodian's nominee name and identifiable on the custodian's books as belonging to the County. Further, if held by a custodian, the custodian must be a third-party, not a counterparty (buyer or seller) to the transaction. At June 30, 2020, all of the County's investments were held in accordance with this policy.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 4. Deposits and Investments (Continued)

#### Credit Risk of Debt Securities

The County investment policy for credit risk is consistent with the investments allowed by statutes as detailed above.

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

	Fair Quality Ratings	
	AAAm	AA+
U.S. Agencies	\$ -	\$ 11,908,354
U.S. Treasury Obligations	-	5,235,161
Municipal/Public Bonds	970,827	-
Local Government Investment Pool	156,551	-
<b>Total</b>	<b>\$ 1,127,378</b>	<b>\$ 17,143,515</b>

#### Concentration of Credit Risk

The County's investment policy limits the investment in corporate notes or bonds and obligations of other state, local government or districts within in the United States, but outside Virginia, to not more than 5% in the obligations of any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and external investment pools are excluded from this requirement.

#### Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the maturity of its investment portfolio to less than five years.

Investment Type	Investment Maturities (in years)	
	Fair Value	Less than 1 Year
Municipal/Public Bonds	\$ 970,827	\$ 970,827
U.S. Treasury Obligations	5,235,161	3,949,843
U.S. Agencies	11,908,354	7,863,356
<b>Total</b>	<b>\$ 18,114,342</b>	<b>\$ 12,784,026</b>

#### External Investment Pools

The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia Statutes pursuant to Section 2.2-4605 *Code of Virginia*. The Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The County's investment in the LGIP, totaling \$156,551, is stated at amortized cost and classified as cash and cash equivalents. The maturity of the LGIP is less than one year. There are no limitations or restrictions on withdrawals.

#### Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 4. Deposits and Investments (Continued)**

Fair Value Measurements (Continued)

The County has the following recurring fair value measurements as of June 30, 2020:

- U.S. agency securities of \$11,908,354 are valued using quoted market prices (Level 1 inputs).
- U.S. Treasury obligations of \$5,235,161 are valued using quoted market prices (Level 1 inputs).
- Municipal/Public bonds of \$970,827 are valued using quoted market price (Level 1 inputs).
- Money market funds of \$5,048,500 are valued using quoted market prices (Level 1 inputs).

**Note 5. Due from Other Governmental Units**

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

	Primary Government	Component Unit - School Board
Shenandoah Valley Regional Program for Special Education:		
Net pension and other post employment benefits liability	\$ -	\$ 3,287,792
Commonwealth of Virginia:		
Local sales tax	-	1,535,821
State sales tax	1,277,213	-
Motor vehicle carrier's tax	77,968	-
Reimbursement of shared services	374,172	-
Auto rental tax	10,055	-
Criminal Justice	33,321	-
Wireless PSAP	42,522	-
Fees-Circuit Court Clerk	28,558	-
Library	43,920	-
Timber tax	1,258	-
Interest on Bond	158,794	-
School Grants	-	118,218
Other	20,253	-
Children's services act	426,596	-
Virginia public assistance	302,699	-
Federal Government:		
Virginia public assistance	573,366	-
Department of Elections - CARES Act	71,277	-
Criminal justice	89,989	-
Homeland security	64,951	-
Transportation	10,067	-
Child Nutrition	-	372,068
School grants	-	565,300
Head Start	-	348,411
<b>Totals</b>	\$ 3,606,979	\$ 6,227,610

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Interfund/Entity Obligations**

The interfund/Entity receivables and payables are due to the fact the General Fund aided in funding the operations of the various funds and Entities.

Fund	Interfund Receivable	Interfund Payable	Due to Primary Government/ Component Unit	Due from Primary Government/ Component Unit
<b>Primary Government:</b>				
General Fund	\$ 919,627	\$ -	\$ 3,367,825	\$ 555,795
VPA Fund	-	919,627	-	-
<b>Total</b>	\$ 919,627	\$ 919,627	\$ 3,367,825	\$ 555,795
<b>Component Unit - School Board:</b>				
School Operating Fund	\$ -	\$ -	\$ -	\$ 3,367,825
Head Start Fund	-	-	12,623	-
Governor's School Fund	-	-	543,172	-
<b>Total</b>	\$ -	\$ -	\$ 555,795	\$ 3,367,825

**Note 7. Interfund Transfers**

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

Fund	Transfers In	Transfers Out
<b>Primary Government:</b>		
General Fund	\$ 1,975,000	\$ 20,543,854
Virginia Public Assistance Fund	2,647,693	-
School Capital Improvements Fund	1,198,702	-
Debt Service Fund	8,506,364	-
County Capital Improvements Fund	9,492,542	3,276,447
<b>Total</b>	\$ 23,820,301	\$ 23,820,301

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.



**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Long-Term Obligations**

**Primary Government – Governmental Activity Indebtedness**

The following is a summary of long-term debt transactions for the County for the year ended June 30, 2020:

	Balance		Balance	
	June 30, 2019	Issuances	Retirements	June 30, 2020
General obligation bonds	\$ 69,656,702	\$ -	\$ 5,311,804	\$ 64,344,898
Revenue bonds	5,759,402	-	537,677	5,221,725
Premiums on bond issues	5,481,550	-	427,513	5,054,037
Capital lease	-	1,830,396	454,524	1,375,872
Compensated absences	2,123,103	1,146,067	1,001,808	2,267,362
<b>Total long-term liabilities</b>	<b>\$ 83,020,757</b>	<b>\$ 2,976,463</b>	<b>\$ 7,733,326</b>	<b>\$ 78,263,894</b>

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

Years Ending June 30,	General Obligation Bonds		Revenue Bonds		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 4,948,004	\$ 2,352,572	\$ 557,676	\$ 171,866	\$ 376,077	\$ 87,095
2022	5,057,781	2,133,915	582,677	151,944	322,606	71,694
2023	5,176,611	1,910,824	602,676	130,269	335,818	58,483
2024	5,291,822	1,682,002	627,677	104,416	341,371	44,730
2025	5,420,405	1,444,007	657,676	78,141	-	-
2026-2030	18,690,276	4,436,893	1,933,383	135,150	-	-
2031-2035	14,115,000	1,941,649	259,960	-	-	-
2036-2037	5,645,000	177,781	-	-	-	-
<b>Total</b>	<b>\$ 64,344,899</b>	<b>\$ 16,079,643</b>	<b>\$ 5,221,725</b>	<b>\$ 771,786</b>	<b>\$ 1,375,872</b>	<b>\$ 262,002</b>

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
<u>General obligation bonds (issued for school construction):</u>		
\$5,875,000 2004A Series, issued May 13, 2004, Virginia Public School Authority Bonds, due in annual installments from \$290,000 to \$295,000 through July 2025, plus semi-annual interest at 5.1%. The bond was issued at a premium of \$425,392 which will be amortized over the life of the bond.	\$ 1,450,000	\$ 290,000
\$6,454,481 2004B Series, issued November 10, 2004, Virginia Public School Authority Bonds, due in annual installments from \$335,570 to \$372,067 through July 15, 2024, plus semi-annual interest at 4.1% to 5.1%. The bond was issued at a premium of \$474,102 which will be amortized over the life of the bond.	1,808,317	352,774

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 8. Long-Term Obligations (Continued)

#### Primary Government – Governmental Activity Indebtedness (Continued)

	Total Amount	Amount Due Within One Year
<u>General obligation bonds (issued for school construction): (continued)</u>		
\$26,610,000 2006A Series, issued November 9, 2006, Virginia Public School Authority Bonds, due in annual installments of \$1,330,000 through July 2026, plus semi-annual interest at 4.225% to 5.1%. The bond was issued at a premium of \$791,524 which will be amortized over the life of the bond.	\$ 9,310,000	\$ 1,330,000
\$12,729,426 2007A Series, issued November 8, 2007, Virginia Public School Authority Bonds, due in annual installments from \$625,930 to \$742,320 through July 15, 2027, plus semi-annual interest at 4.35% to 5.1%. The bond was issued at a premium of \$686,698 which will amortized over the life of the bond.	5,570,331	656,480
\$7,500,000 2011A Series, issued June 28, 2011, Virginia Public School Authority Bonds as Qualified School Construction Bonds, due in annual installments of \$468,750 through June 1, 2027, plus semi-annual interest which will be reimbursed to VPSA as a federal tax credit and then transferred to the County.	3,281,250	468,750
\$6,600,000 2012B Series, issued May 10, 2012, Virginia Public School Authority Bonds due in annual installments from \$245,000 to \$490,000 through July 15, 2032, plus semi-annual interest at 3.05% to 5.05%. The bond was issued at a premium of \$966,694 which will be amortized over the life of the bond.	4,955,000	285,000
\$27,825,000 2016A Series, issued April 26, 2016, Virginia Public School Authority Bonds due in annual installments from \$890,000 to \$1,875,000 through July 15, 2035 plus semi-annual interest at 2.05% to 5.05%. The bond was issued at a premium of \$2,381,661 which will be amortized over the life of the bond.	25,010,000	1,035,000
\$14,285,000 2016B Series, issued October 25, 2016, Virginia Public School Authority Bonds due in annual installments from \$345,000 to \$990,000 through July 15, 2036 plus semi-annual interest at 3.05% to 5.05%. The bond was issued at a premium of \$1,247,289 which will be amortized over the life of the bond.	12,960,000	530,000
<b>Sub-total general obligation bonds payable</b>	<b>64,344,898</b>	<b>4,948,004</b>
Unamortized premium on general obligation bonds	4,468,275	348,668

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 8. Long-Term Obligations (Continued)**

*Primary Government – Governmental Activity Indebtedness (Continued)*

	Total Amount	Amount Due Within One Year
	<hr/>	<hr/>
<u>Revenue bonds:</u>		
\$1,789,123 2012B Series, issued August 23, 2012, Virginia Resources Authority Bonds due in annual installments of \$92,677 through December 1, 2033. The loan is interest free.	\$ 1,186,725	\$ 92,676
\$4,415,000 2013A Series, issued June 5, 2013, Virginia Resources Authority Bonds due in annual installments from \$240,000 to \$390,000 through October 1, 2028, plus semi-annual interest at 2.02% to 4.84%. The bond was issued at a premium of \$718,271 which will be amortized over the life of the bond.	2,980,000	275,000
\$1,890,000 2014C Series, issued November 19, 2014, Virginia Resources Authority Bonds due in annual installments from \$165,000 to \$235,000 through October 1, 2024, plus semi-annual interest at 2.969% to 5.125%. The bond was issued at a premium of \$309,600 which will be amortized over the life of the bond.	1,055,000	190,000
	<hr/>	<hr/>
<b>Sub-total revenue bonds payable</b>	5,221,725	557,676
	<hr/>	<hr/>
Unamortized premium on revenue bonds	585,762	78,845
	<hr/>	<hr/>
ePlus Group, Inc. capital lease, dated October 16, 2019, due in annual installments from \$454,524 to \$322,606 through November 1, 2025, plus annual interest at 4.095%.	1,375,872	376,077
Compensated absences (payable from the General Fund)	2,267,362	409,699
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 78,263,894</b>	<b>\$ 6,718,969</b>
	<hr/> <hr/>	<hr/> <hr/>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 8. Long-Term Obligations (Continued)**

***Primary Government-Governmental Activity Indebtedness (Continued)***

Arbitrage Rebate Compliance:

As of June 30, 2020 and for the year then ended, the County was not liable for any amounts due under current rules governing arbitrage earnings.

Certain debt agreements contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the County is unable to make payment.

***Discretely Presented Component Unit-School Board-Indebtedness:***

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

	Balance June 30, 2019	Issuances	Retirements	Balance June 30, 2020
Compensated absences	\$ 1,947,488	\$ 965,091	\$ 798,173	\$ 2,114,406
<b>Total long-term liabilities</b>	<b>\$ 1,947,488</b>	<b>\$ 965,091</b>	<b>\$ 798,173</b>	<b>\$ 2,114,406</b>

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
Accrued compensated absences (payable from the School Operating Fund)	\$ 2,114,406	\$ 404,256
<b>Total long-term obligations</b>	<b>\$ 2,114,406</b>	<b>\$ 404,256</b>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Pension Plan**

Name of Plan: Virginia Retirement System (VRS)  
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Pension Plans  
Administering Entity: Virginia Retirement System (System)

**A. Plan Description**

All full-time, salaried permanent employees of the County of Augusta and its component unit, the Augusta County School Board (School Board), are automatically covered by the VRS Retirement Plan or the VRS Teacher Retirement Plan upon employment. These plans are 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.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>About Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About Plan 2</b> Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"><li>• The defined benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</li><li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li><li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li></ul>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 9. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Eligible Members</b> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election</i> Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Eligible Members</b> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><i>Hybrid Opt-In Election</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"><li>• Political subdivision employees*</li><li>• School division employees (teachers)</li><li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014</li></ul> <p><i>*Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"><li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li></ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Pension Plan (Continued)**

**A. Plan Description (Continued)**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Retirement Contributions</b>                      Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b>                      Same as Plan 1.</p>	<p><b>Retirement Contributions</b>                      A member’s retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee’s creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p><b>Service Credit</b>                      Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Service Credit</b>                      Same as Plan 1.</p>	<p><b>Service Credit</b>  <i>Defined Benefit Component</i>                      Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><i>Defined Contribution Component</i>                      Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 9. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as Plan 1.</p>	<p><b>Vesting</b> <i>Defined Benefit Component</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contribution Component</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"><li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li><li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li><li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li></ul> <p>Distributions not required, except a governed by law.</p>



COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 9. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Calculating the Benefit</b> The basic benefit is determined using the average final compensation, service credit and plan multiplier.</p> <p>An early retirement reduction factor is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p><b>Calculating the Benefit</b> See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b> <i>Defined Benefit Component</i> See definition under Plan 1.</p> <p><i>Defined Contribution Component</i> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b> <i>VRS:</i> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p><i>Sheriffs and regional jail superintendents:</i> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p>	<p><b>Service Retirement Multiplier</b> <i>VRS:</i> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p> <p><i>Sheriffs and regional jail superintendents:</i> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier</b> <i>Defined Benefit Component</i> <i>VRS:</i> The retirement multiplier for the defined benefit component is 1.0%.</p> <p>For members that 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.</p> <p><i>Sheriffs and regional jail superintendents:</i> Not applicable.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Pension Plan (Continued)**

**A. Plan Description (Continued)**

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Service Retirement Multiplier (Continued)</b>  <i>Political subdivision hazardous duty employees:</i> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier (Continued)</b>  <i>Political subdivision hazardous duty employees:</i> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier (Continued)</b>  <i>Political subdivision hazardous duty employees:</i> Not applicable.   <i>Defined Contribution Component</i>                      Not applicable.</p>
<p><b>Normal Retirement Age</b>  <i>VRS:</i> Age 65.   <i>Political subdivisions hazardous duty employees:</i> Age 60.</p>	<p><b>Normal Retirement Age</b>  <i>VRS:</i> Normal Social Security retirement age.   <i>Political subdivisions hazardous duty employees:</i> Same as Plan 1.</p>	<p><b>Normal Retirement Age</b>  <i>Defined Benefit Component</i>  <i>VRS:</i> Same as Plan 2.   <i>Political subdivisions hazardous duty employees:</i> Not applicable.   <i>Defined Contribution Component</i>                      Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Unreduced Retirement Eligibility</b>  <i>VRS:</i> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.   <i>Political subdivision hazardous duty employees:</i> Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <i>VRS:</i> Age 60 with at least five years (60 months) of service credit or when their age plus service credit equals 90.   <i>Political subdivision hazardous duty employees:</i> Same as Plan 1.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <i>Defined Benefit Component</i>  <i>VRS:</i> Age 60 with at least five years (60 months) of service credit or when their age plus service credit equals 90.   <i>Political subdivision hazardous duty employees:</i> Not applicable.   <i>Defined Contribution Component</i>                      Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Pension Plan (Continued)**

**A. Plan Description (Continued)**

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Earliest Reduced Retirement Eligibility</b>  <i>VRS:</i> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.  <i>Political subdivisions hazardous duty employees:</i> Age 50 with at least five years of service credit.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <i>VRS:</i> Age 60 with at least five years (60 months) of service credit.  <i>Political subdivisions hazardous duty employees:</i> Same as Plan 1.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <i>Defined Benefit Component</i>  <i>VRS:</i> Age 60 with at least five years (60 months) of service credit.  <i>Political subdivisions hazardous duty employees:</i> Not applicable.    <i>Defined Contribution Component</i>                      Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>                      The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>                      The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  <i>Defined Benefit Component</i>                      Same as Plan 2.    <i>Defined Contribution Component</i>                      Not applicable.    <i>Eligibility:</i> Same as Plan 1 and Plan 2.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Pension Plan (Continued)**

**A. Plan Description (Continued)**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</b></p> <p><i>Exceptions to COLA Effective Dates</i>  <i>School Division (Teachers) and Political Subdivision Employees:</i>                      The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> </ul> <p><u>Exceptions to COLA Effective Dates (Continued)</u>  <i>School Division (Teachers) and Political Subdivision Employees (Continued):</i></p> <ul style="list-style-type: none"> <li>• The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> <li>• <i>Political subdivision employees:</i> The member retires directly from short-term or long-term disability.</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</b></p> <p><i>Exceptions to COLA Effective Dates</i>  <i>School Division (Teachers) and Political Subdivision Employees:</i>                      Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</b></p> <p><i>Exceptions to COLA Effective Dates</i>  <i>School Division (Teachers) and Political Subdivision Employees:</i>                      Same as Plan 1 and Plan 2.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 9. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Disability Coverage</b> <i>Political subdivision employees:</i> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b> <i>Political subdivision employees:</i> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b> Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>
<p><b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b> Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b> <i>Defined Benefit Component</i> Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"><li>• Hybrid Retirement Plan members are ineligible for ported service.</li></ul> <p><i>Defined Contribution Component</i> Not applicable.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 9. Pension Plan (Continued)

B. Employees Covered by Benefit Terms

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

**County Plan (Agent Plan)**

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>331</u>
Inactive members:	
Vested inactive members	78
Non-vested inactive members	120
Inactive members active elsewhere in VRS	<u>302</u>
<b>Total inactive members</b>	<u>500</u>
Active members	<u>480</u>
<b>Total covered employees</b>	<u><u>1,311</u></u>

**School Board Non-Professional Plan (Agent Plan)**

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>58</u>
Inactive members:	
Vested inactive members	13
Non-vested inactive members	49
Inactive members active elsewhere in VRS	<u>23</u>
<b>Total inactive members</b>	<u>85</u>
Active members	<u>89</u>
<b>Total covered employees</b>	<u><u>232</u></u>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 9. Pension Plan (Continued)

#### C. Contributions

##### **County Plan (Agent Plan)**

The contribution requirement for active employees is governed by Section 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 contribution rate for the year ended June 30, 2020 was 9.43% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018.

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 \$2,274,291 and \$2,003,652 for the years ended June 30, 2020 and 2019, respectively.

##### **School Board Non-Professional Plan (Agent Plan)**

The contribution requirement for active employees is governed by Section 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 School Board non-professional's contractually required contribution rate for the year ended June 30, 2020 was 4.16% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018.

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 School Board for the non-professional plan were \$89,040 and \$96,440 for the years ended June 30, 2020 and 2019, respectively.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 9. Pension Plan (Continued)

#### C. Contributions (Continued)

##### **School Board Professional Plan (Cost-Sharing Plan)**

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to five years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The School Board Professional's contractually required contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018.

The actuarial rate for the Teacher Retirement Plan was 16.32%. 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 Board for the professional plan were \$9,127,152 and \$8,209,823 for the years ended June 30, 2020 and 2019, respectively.

#### D. Net Pension Liability

##### **County and School Board Non-Professional Plans (Agent Plans)**

The County and the School Board's non-professional plans' net pension liabilities are 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. For the County and School Board's non-professional plans, the net pension liability was measured as of June 30, 2019. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019.



COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan (Continued)

D. Net Pension Liability (Continued)

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2020, the School Board reported a liability for the professional plan of \$92,995,208 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019. The School Board’s proportion of the net pension liability was based on the School Board’s actuarially determined employer contributions to the pension plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Board’s proportion was 0.70662% as compared to 0.71350% at June 30, 2018.

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

	Teacher Employee Retirement Plan
Total pension liability	\$ 49,683,336,000
Plan fiduciary net position	<u>36,522,769,000</u>
<b>Employers' net pension liability</b>	<b><u>\$ 13,160,567,000</u></b>

Plan fiduciary net position as a percentage of the total pension liability 73.51%

The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net position 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.

E. Actuarial Assumptions

County and School Board Non-Professional Plans (Agent Plans)

General Employees

The total pension liability for General Employee’s in the County’s retirement plan and the total pension liability for General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Pension Plan (Continued)**

**E. Actuarial Assumptions (Continued)**

**County and School Board Non-Professional Plans (Agent Plans) (Continued)**

*General Employees (Continued)*

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

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

Mortality Rates:	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 BBG to 2020; males set forward three 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 two years, 110% of rates; females 125% of rates.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Pension Plan (Continued)**

**E. Actuarial Assumptions (Continued)**

**County and School Board Non-Professional Plans (Agent Plans) (Continued)**

*Public Safety Employees*

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

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

Mortality Rates:	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 one 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 one year, 1.0% increase compounded from ages 70 to 90; females set forward three years.
- Post-disablement:	RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward two years; unisex using 100% male.

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

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 each year, age and service through nine years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 9. Pension Plan (Continued)

#### E. Actuarial Assumptions (Continued)

##### School Board Professional Plan (Cost-Sharing Plan)

The total pension liability for the VRS Teacher retirement plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2019.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

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

##### Mortality Rates:

- 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 three years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.
- Post-disablement: RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

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

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

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Pension Plan (Continued)

#### F. Long-Term Expected Rate of Return

##### County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

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 estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	34.00%	5.61%	1.91%
Fixed income	15.00%	0.88%	0.13%
Credit strategies	14.00%	5.13%	0.72%
Real assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS-Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investment Partnership	3.00%	6.29%	0.19%
	<u>100.00%</u>		<u>5.13%</u>
	Inflation		<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.63%</u>

\* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 9. Pension Plan (Continued)

#### G. Discount Rate

##### **County and School Board Non-Professional Plans (Agent Plans)**

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; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2019, on, participating employers 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.

##### **School Board Professional Plan (Cost-Sharing Plan)**

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 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. Through the fiscal year ending June 30, 2019, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019, on, 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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset)

County Plan (Agent Plan)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2018	\$ 93,820,643	\$ 86,124,212	\$ 7,696,431
Changes for the year:			
Service cost	2,348,634	-	2,348,634
Interest	6,400,578	-	6,400,578
Changes of assumptions	2,983,642	-	2,983,642
Differences between expected and actual experience	307,198	-	307,198
Contributions - employer	-	2,003,652	(2,003,652)
Contributions - employee	-	1,054,711	(1,054,711)
Net investment income	-	5,705,114	(5,705,114)
Benefit payments, including refunds of employee contributions	(4,767,639)	(4,767,639)	-
Administrative expense	-	(56,801)	56,801
Other changes	-	(3,595)	3,595
<b>Net changes</b>	<b>7,272,413</b>	<b>3,935,442</b>	<b>3,336,971</b>
Balances at June 30, 2019	\$ 101,093,056	\$ 90,059,654	\$ 11,033,402

School Board Non-Professional Plan (Agent Plan)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2018	\$ 12,009,128	\$ 12,091,649	\$ (82,521)
Changes for the year:			
Service cost	213,677	-	213,677
Interest	815,037	-	815,037
Changes of assumptions	344,653	-	344,653
Differences between expected and actual experience	132,192	-	132,192
Contributions - employer	-	96,440	(96,440)
Contributions - employee	-	122,114	(122,114)
Net investment income	-	785,148	(785,148)
Benefit payments, including refunds of employee contributions	(731,495)	(731,495)	-
Administrative expense	-	(8,174)	8,174
Other changes	-	(493)	493
<b>Net changes</b>	<b>774,064</b>	<b>263,540</b>	<b>510,524</b>
Balances at June 30, 2019	\$ 12,783,192	\$ 12,355,189	\$ 428,003

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 9. Pension Plan (Continued)**

**I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

**County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)**

The following presents the net pension liabilities of the County, the School Board non-professional plan, and the School Board professional plan, using the discount rate of 6.75%, as well as what the County, the School Board non-professional plan, and the School Board professional plan's net pension liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County net pension liability	\$ 24,786,262	\$ 11,033,402	\$ 158,324
School Board non-professional net pension liability (asset)	1,972,056	428,003	(803,950)
School Board professional net pension liability	139,998,187	92,995,208	54,132,449

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

**County Plan (Agent Plan)**

For the year ended June 30, 2020, the County recognized pension expense of \$2,267,405. The County also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 213,540	\$ (252,878)
Changes of assumptions	2,073,995	(33,558)
Net difference between projected and actual earnings on pension plan investments	-	(752,086)
Employer contributions subsequent to the measurement date	2,274,291	-
	<u>\$ 4,561,826</u>	<u>\$ (1,038,522)</u>

The \$2,274,291 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ 712,056
2022	219,780
2023	264,847
2024	52,330
	<u>\$ 1,249,013</u>



COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan (Continued)

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

**School Board Non-Professional Plan (Agent Plan)**

For the year ended June 30, 2020, the School Board recognized pension expense related to its non-professional plan of \$75,206. The School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,832	\$ (39,227)
Changes of assumptions	228,998	(3,169)
Net difference between projected and actual earnings on pension plan investments	-	(105,749)
Employer contributions subsequent to the measurement date	89,040	-
	<u>\$ 405,870</u>	<u>\$ (148,145)</u>

The \$89,040 reported as deferred outflows of resources related pensions resulting from the School Board non-professional plan’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ 120,845
2022	41,021
2023	(1,784)
2024	8,603
	<u>\$ 168,685</u>

**School Board Professional Plan (Cost-Sharing Plan)**

For the year ended June 30, 2020, the School Board recognized pension expense related to the professional plan of \$9,099,436. 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.

The School Board professional plan includes employees of the Shenandoah Valley Regional Program for the purpose of determining the actuarial valuation for postemployment retirement liability. The actuarial valuation cannot be determined for the Program’s employees separately from the School Board’s employees, but a portion of the pension expense totaling \$1,131,287 has been allocated and reported as due from the Program.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan (Continued)

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

**School Board Professional Plan (Cost-Sharing Plan) (Continued)**

At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (5,954,877)
Changes of assumptions	9,208,706	-
Net difference between projected and actual earnings on pension plan investments	-	(2,041,954)
Changes in proportionate share	639,816	(3,264,637)
Employer contributions subsequent to the measurement date	9,127,152	-
	<u>\$ 18,975,674</u>	<u>\$ (11,261,468)</u>

The \$9,127,152 reported as deferred outflows of resources related to pensions resulting from the School Board’s contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ (913,741)
2022	(2,523,071)
2023	247,054
2024	1,106,703
2025	670,109
	<u>\$ (1,412,946)</u>

**K. Pension Plan Data**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2019-annual-report.pdf](http://varetire.org/pdf/publications/2019-annual-report.pdf) or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Other Postemployment Benefits – Medical Insurance Program**

**A. Plan Description**

The County’s and the School Board’s defined benefit other postemployment benefit (OPEB) – medical insurance plans provide OPEB for all permanent full-time general and public safety employees of the County and the School Board. The County and the School Board have separate plans. The plans were established by their respective Boards and any amendments to the plans must be approved by the respective Boards. These plans are single-employer defined benefit OPEB plans. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. These plans do not issue stand-alone financial reports.

The specific information for Medical Insurance Program’s OPEB, including eligibility, is set out in the tables below:

**County**

<b>MEDICAL INSURANCE PROGRAM PLAN PROVISIONS</b>
<p><b><i>Eligibility Conditions</i></b>                      A retired employee, who is participating in the employer’s medical program is eligible to elect post-retirement coverage if:</p> <ul style="list-style-type: none"> <li>• Is at least age 50 with 10 years of service, and is eligible for immediate retirement benefits under VRS, or</li> <li>• Has at least 10 years of service and is eligible for immediate disability retirement benefits under VRS.</li> </ul> <p>Coverage ceases if the retiree is employed and that employer offers to pay 50% or more of the monthly premium for individual coverage as a benefit of that job. Coverage ceases when retiree turns 65 and is eligible for Medicare.</p>
<p><b><i>Covered Employees</i></b>                      All full time employees (must be covered by the active plan at time of retirement or disability).</p>
<p><b><i>Medical Coverage</i></b>                      Pre-Medicare coverage is provided under the same plan as provided to active employees under the employer’s group health coverage. Several post-65 retirees are grandfathered and will continue for life. Disabled retirees are covered until the attainment of age 65. If they become eligible for Medicare benefits due to their disability prior to the attainment of age 65, their coverage ceases upon their date of eligibility for Medicare.</p>
<p><b><i>Spousal Coverage</i></b>                      Offer COBRA insurance after death of retiree.</p>
<p><b><i>Retiree Cost Sharing</i></b>                      Retirees will be responsible for paying 100% of the medical premium rates.                      Spouses – Pay 100% of reported medical rates.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. Other Postemployment Benefits – Medical Insurance Program (Continued)**

**A. Plan Description (Continued)**

**School Board**

<b>MEDICAL INSURANCE PROGRAM PLAN PROVISIONS</b>
<p><b><i>Eligibility Conditions</i></b>                      A retiring employee, who is participating in the employer’s medical program at the time of retirement, is eligible to elect post retirement coverage:</p> <ul style="list-style-type: none"> <li>• If the employee is eligible to retire under the Virginia Retirement System (VRS), or</li> <li>• If not eligible for VRS, the employee is at least 55 years of age, and has worked for the School Board for at least five years.</li> <li>• An employee who is participating in the employer’s medical program at the time of retirement and who is disabled is eligible to elect post-retirement coverage.</li> <li>• If covered by VRS, must have at least 10 years of service and be eligible for VRS disability benefits, or</li> <li>• If not covered by VRS, the employee is a least 55 years of age, and has worked for the School Board for at least five years and to be disabled under Social Security.</li> </ul> <p>Coverage ceases at the earlier eligibility for Medicare or for any other health coverage.</p>
<p><b><i>Covered Employees</i></b>                      All full time employees (must be covered by the active plan at time or retirement or disability).</p>
<p><b><i>Medical Coverage</i></b>                      Employee Cost Sharing</p> <ul style="list-style-type: none"> <li>• Employee pays 100% of individual premium.</li> <li>• Spouse – Employee pays 100% of spousal premium.</li> </ul> <p>Coverage ceases upon eligibility for any other health coverage, including Medicare.</p>

**B. Employees Covered by Benefit Terms**

At June 30, 2019, the following employees were covered by the benefit terms:

**County**

	<u>Number</u>
Inactive employees or beneficiaries currently receiving benefit payments	15
Active employees	<u>510</u>
<b>Total</b>	<u>525</u>

**School Board**

	<u>Number</u>
Inactive employees or beneficiaries currently receiving benefit payments	47
Active employees	<u>1,331</u>
<b>Total</b>	<u><u>1,378</u></u>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Other Postemployment Benefits – Medical Insurance Program (Continued)

#### C. Total Medical Insurance Program OPEB Liability

##### County and School Board

The County's total Medical Insurance OPEB liability of \$5,767,000 was measured as of July 1, 2019 and was determined by an actuarial valuation as of July 1, 2019. The School Board's total Medical Insurance OPEB liability of \$12,071,000 was measured as of July 1, 2019 and was determined by an actuarial valuation as of July 1, 2019.

#### D. Actuarial Assumptions and Other Inputs

##### County and School Board

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2019, using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	N/A
Salary increases	2.50%
Discount rate	3.13%
Healthcare cost trend rates	6.50% for fiscal year end 2020, decreasing 0.25% per year to an ultimate rate of 4.50%.

The discount rate was based on Municipal GO AA 20-year yield curve rate as of June 30, 2019.

##### *Mortality Rates*

RP-2014 Fully Generational Mortality Table, with base year 2006, using two-dimensional improvement scale MP-2019.

#### E. Changes in the Total Medical Insurance OPEB Liability

##### County

	<u>Total Medical Insurance OPEB Liability</u>
Balance at July 1, 2018	\$ 2,198,000
Changes for the year:	
Service cost	93,000
Interest	79,000
Difference between expected and actual experience	764,000
Contributions - employer	(210,000)
Changes in Benefit terms	2,532,000
Other changes	311,000
<b>Net changes</b>	<u>3,569,000</u>
Balance at June 30, 2019	<u>\$ 5,767,000</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. Other Postemployment Benefits – Medical Insurance Program (Continued)**

**E. Changes in the Total Medical Insurance OPEB Liability (Continued)**

**School Board**

	<u>Total Medical Insurance OPEB Liability</u>
Balance at July 1, 2018	\$ 14,652,000
Changes for the year:	
Service cost	602,000
Interest	554,000
Difference between expected and actual experience	(4,483,000)
Contributions - employer	98,000
Other Changes	648,000
<b>Net changes</b>	<u>(2,581,000)</u>
Balance at June 30, 2019	<u>\$ 12,071,000</u>

**F. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in the Discount Rate**

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County and the School Board’s total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13%) or 1-percentage-point higher (4.13%) than the current discount rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
County	\$ 6,484,000	\$ 5,767,000	\$ 5,138,000
School Board	13,222,000	12,071,000	11,011,000

**G. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in the Trend Rate**

The following represents the total Medical Insurance OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County and the School Board’s total Medical Insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County	\$ 4,986,000	\$ 5,767,000	\$ 6,710,000
School Board	10,616,000	12,071,000	13,792,000

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Other Postemployment Benefits – Medical Insurance Program (Continued)**

**H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB**

**County**

For the year ended June 30, 2020, the County recognized Medical OPEB plan expense of \$2,713,000. The County also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 658,000	\$ (455,000)
Changes of assumptions	268,000	(261,000)
Employer contributions after measurement date but prior to fiscal year end	114,981	-
	<u>\$ 1,040,981</u>	<u>\$ (716,000)</u>

The \$114,981 reported as deferred outflows of resources to the Medical OPEB plan resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the total Medical OPEB plan liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to the Medical OPEB plan will be recognized in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ 9,000
2022	9,000
2023	9,000
2024	9,000
2025	9,000
Thereafter	165,000
	<u>\$ 210,000</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits – Medical Insurance Program (Continued)

**H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB (Continued)**

**School Board**

For the year ended June 30, 2020, the School Board recognized Medical OPEB plan expense of \$263,000. The School Board also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 563,000	\$ (5,129,000)
Net difference between projected and actual earnings on OPEB plan investments	-	(921,000)
Employer contributions after measurement date but prior to fiscal year end	440,894	-
	<u>\$ 1,003,894</u>	<u>\$ (6,050,000)</u>

The \$440,894 reported as deferred outflows of resources related to the Medical OPEB plan resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the total Medical OPEB plan liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to the Medical OPEB plan will be recognized in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ (893,000)
2022	(893,000)
2023	(893,000)
2024	(893,000)
Thereafter	<u>(1,915,000)</u>
	<u>\$ (5,487,000)</u>



**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11. Other Postemployment Benefits – Group Life Insurance Program**

**A. Plan Description**

All full-time, salaried permanent employees of the County, and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is 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. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the members’ paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is set out in the table below:

<b>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS</b>
<p><b><i>Eligibility Conditions</i></b>                      The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.                      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.</p>
<p><b><i>Benefit Amounts</i></b>                      The benefits payable under the GLI have several components.</p> <ul style="list-style-type: none"> <li>• <u>Natural Death Benefit</u>: The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled.</li> <li>• <u>Accidental Death Benefit</u>: The accidental death benefit is double the natural death benefit.</li> <li>• <u>Other Benefit Provisions</u>: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:                             <ul style="list-style-type: none"> <li>○ Accidental dismemberment benefit</li> <li>○ Safety belt benefit</li> <li>○ Repatriation benefit</li> <li>○ Felonious assault benefit</li> <li>○ Accelerated death benefit option</li> </ul> </li> </ul>
<p><b><i>Reduction in Benefit Amounts</i></b>                      The benefit amounts provided to members covered under the GLI 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.</p>
<p><b><i>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</i></b>                      For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 COLA calculation. The minimum benefit adjusted for the COLA was \$8,463 effective June 30, 2020.</p>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)

#### B. Contributions

The contribution requirements for the GLI are governed by Sections 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 was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the participating employers for the years ended June 30, 2020 and June 30, 2019 were as follows:

	2020	2019
County	\$ 117,141	\$ 110,267
School Board Non-Professional	15,470	14,657
School Board Professional	351,118	344,130

#### C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI OPEB

At June 30, 2020, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

County	\$ 1,829,861
School Board Non-Professional	218,379
School Board Professional	4,920,202

The net GLI OPEB liability was measured as of June 30, 2019 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The covered employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2019, comparisons of the participating employers' proportions to June 30, 2018 are as follows:

	2019	2018
County	0.11245%	0.11123%
School Board Non-Professional	0.01342%	0.01345%
School Board Professional	0.30236%	0.30348%

For the year ended June 30, 2020, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$59,917, \$1,588, and \$99,825, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)**

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

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

**County**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,697	\$ (23,736)
Net difference between projected and actual earnings on GLI OPEB investments	-	(37,587)
Changes of assumptions	115,527	(55,178)
Changes in proportionate share	70,780	-
Employer contributions subsequent to the measurement date	117,141	-
	<u>\$ 425,145</u>	<u>\$ (116,501)</u>

The \$117,141 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ 24,105
2022	24,107
2023	40,026
2024	49,240
2025	42,540
Thereafter	11,485
	<u>\$ 191,503</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)

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

School Board Non-Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,524	\$ (2,832)
Net difference between projected and actual earnings on GLI OPEB investments	-	(4,486)
Changes of assumptions	13,787	(6,585)
Changes in proportionate share	-	(14,008)
Employer contributions subsequent to the measurement date	15,470	-
	<u>\$ 43,781</u>	<u>\$ (27,911)</u>

The \$15,470 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ (2,686)
2022	(2,685)
2023	(786)
2024	1,688
2025	3,643
Thereafter	1,226
	<u>\$ 400</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)

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

School Board Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 327,223	\$ (63,819)
Net difference between projected and actual earnings on GLI OPEB investments	-	(101,065)
Changes of assumptions	310,633	(148,366)
Changes in proportionate share	56,596	(136,247)
Employer contributions subsequent to the measurement date	351,118	-
	<u>\$ 1,045,570</u>	<u>\$ (449,497)</u>

The \$351,118 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ 3,532
2022	3,536
2023	46,341
2024	76,387
2025	87,909
Thereafter	27,250
	<u>\$ 244,955</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions

County, School Board Non-Professional, and School Board Professional Plans

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.5
Salary increases, including inflation:	
Teachers	3.5% – 5.95%
Locality – general employees	3.5% – 5.35%
Locality – hazardous duty employees	3.5% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

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

School Board Professional Plan

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 Health 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 three years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study 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 changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

County and School Board Non-Professional Plans

*Mortality Rates – 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 three 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 two years, 110% of rates; females 125% of rates.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

*Mortality Rates – 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 one 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 one year with 1.0% increase compounded from ages 70 to 90; females set forward three years.

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)**

**D. Actuarial Assumptions (Continued)**

**County and School Board Non-Professional Plans (Continued)**

***Mortality Rates – Hazardous Duty Employees (Continued)***

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

**E. Net GLI OPEB Liability**

**School Board Professional Plan**

The net OPEB liability (NOL) for the GLI represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2019, NOL amounts for the GLI are as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$3,390,238,000
Plan fiduciary net position	(1,762,972,000)
<b>Employers' net GLI OPEB liability</b>	<b>\$1,627,266,000</b>

Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.00%
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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 AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)**

**F. Long-Term Expected Rate of Return**

**County, School Board Non-Professional, and School Board Professional Plans**

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	34.00%	5.61%	1.91%
Fixed income	15.00%	0.88%	0.13%
Credit strategies	14.00%	5.13%	0.72%
Real assets	14.00%	5.27%	0.74%
Private equity	14.00%	8.77%	1.23%
MAPS-Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investment Partnership	3.00%	6.29%	0.19%
	<u>100.00%</u>		<u>5.13%</u>
	Inflation		<u>2.50%</u>
			<u>7.63%</u>

\*Expected arithmetic nominal return

\* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

**G. Discount Rate**

**County, School Board Non-Professional, and School Board Professional Plans**

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 ending June 30, 2019, the rate contributed by the participating employers for the GLI OPEB will subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, 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 AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Other Postemployment Benefits – Group Life Insurance Program (Continued)**

**H. Sensitivity of the Participating Employers’ Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

**County, School Board Non-Professional, and School Board Professional Plans**

The following presents the participating employers’ proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the participating employers’ 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	\$ 2,403,931	\$ 1,829,861	\$ 1,364,306
School Board Non-Professional	286,890	218,379	162,819
School Board Professional	6,463,783	4,920,202	3,668,400

**I. GLI Fiduciary Net Position**

Detailed information about the GLI’s fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2019-annual-report.pdf](http://varetire.org/pdf/publications/2019-annual-report.pdf), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

**Note 12. Other Postemployment Benefits – Health Insurance Credit Program**

**A. Plan Description**

**School Board Professional Plan**

The County has one Health Insurance Credit Program (HIC) OPEB plan, a cost-sharing employer plan for VRS teacher employees (School Board professional plan). For the School Board professional plan, all full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

A. Plan Description (Continued)

School Board Professional Plan (Continued)

The specific information for the Teacher Employee HIC, including eligibility, coverage, and benefits is set out in the table below:

<b>TEACHER EMPLOYEE HIC PLAN PROVISIONS</b>
<p><b><i>Eligible Employees</i></b>            The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.            Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> <li>• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li> </ul>
<p><b><i>Benefit Amounts</i></b>            The Teacher Employee Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> <li>• <u>At Retirement</u> – for Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.</li> <li>• <u>Disability Retirement</u> – for Teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either:               <ul style="list-style-type: none"> <li>○ \$4.00 per month, multiplied by twice the amount of service credit, or</li> <li>○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li> </ul> </li> </ul>
<p><b><i>HIC Program Notes</i></b></p> <ul style="list-style-type: none"> <li>• The monthly HIC benefit cannot exceed the individual premium amount.</li> <li>• 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.</li> </ul>

B. Contributions

School Board Professional Plan

The contribution requirement for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division’s contractually required employer contribution rate for the year ended June 30, 2020 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee HIC. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. 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 to the HIC from the participating employers for the years ended June 30, 2020 and June 30, 2019 were \$728,889 and \$701,595, respectively.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

C. Net HIC OPEB Liability

School Board Professional Plan

The net OPEB liability (NOL) for the Teacher Employee HIC represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2019, NOL amounts for the Teacher Employee HIC is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Program
Total HIC OPEB liability	\$ 1,438,114
Plan fiduciary net position	<u>(129,016)</u>
<b>Employers' net HIC OPEB liability</b>	<b><u>\$ 1,309,098</u></b>

Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability 8.97%

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

D. Actuarial Assumptions

School Board Professional Plan

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

- Inflation 2.5%
- Salary increases, including inflation:
  - Teacher employees 3.5% – 5.95%
  - Investment rate of return 6.75%, net of pension plan investment expense, including inflation\*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the 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 AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 12. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

D. Actuarial Assumptions (Continued)

School Board Professional Plan (Continued)

*Mortality Rates – Teachers*

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and changed final retirement age 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	Decrease rate from 7.00% to 6.75%

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

E. Long-Term Expected Rate of Return

School Board Professional Plan

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	34.00%	5.61%	1.91%
Fixed income	15.00%	0.88%	0.13%
Credit strategies	14.00%	5.13%	0.72%
Real assets	14.00%	5.27%	0.74%
Private equity	14.00%	8.77%	1.23%
MAPS-Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investment Partnership	3.00%	6.29%	0.19%
	<u>100.00%</u>		<u>5.13%</u>
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u><u>7.63%</u></u>

\*The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

F. Discount Rate

School Board Professional Plan

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 ending June 30, 2019, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

G. Sensitivity of the HIC Net OPEB Liability to Changes in the Discount Rate

School Board Professional Plan

The following presents the net HIC OPEB liability using the discount rate of 6.75%, as well as what the net HIC OPEB liabilities would be if they 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	\$ 10,347,579	\$ 9,245,761	\$ 8,309,769

H. HIC OPEB Liability, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB

School Board Professional Plan

At June 30, 2020, the School Board professional plan reported a liability of \$9,245,761 for its proportionate share of the Teacher Employee HIC total OPEB liability. The Net Teacher Employee HIC OPEB liability was measured as of June 30, 2019 and the total Teacher Employee HIC OPEB liability used to calculate the total Teacher Employee HIC OPEB liability was determined by an actuarial valuation as of that date. The School Board professional plan’s proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan’s actuarially determined employer contributions to the Teacher Employee HIC OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Board professional plan’s proportion of the Teacher Employee HIC was 0.70627% as compared to 0.71330% at June 30, 2018.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 12. Other Postemployment Benefits – Health Insurance Credit Program (Continued)**

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

For the year ended June 30, 2020, the School Board professional plan recognized Teacher Employee HIC OPEB expense of \$727,546. Since there was a change in proportionate share between measurement dates a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (52,370)
Net difference between projected and actual earnings on HIC OPEB investments	584	-
Changes of assumptions	215,192	(64,245)
Changes in proportionate share	60,011	(268,342)
Employer contributions subsequent to the measurement date	728,889	-
	<u>\$ 1,004,676</u>	<u>\$ (384,957)</u>

The \$728,889 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan’s contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2021	\$ (24,631)
2022	(24,640)
2023	(20,588)
2024	(21,945)
2025	(22,749)
Thereafter	5,383
	<u>\$ (109,170)</u>

**I. HIC Credit Program Plan Data**

**School Board Professional Plan**

Detailed information about the VRS Teacher Employee Health Insurance Credit Program’s Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2019-annual-report.pdf](http://varetire.org/pdf/publications/2019-annual-report.pdf), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.



COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Postemployment Benefits – Virginia Local Disability Program

A. Plan Description

**School Board Professional Plan**

All full-time, salaried permanent (professional) employees of public school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee Virginia Local Disability Program. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. School divisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the Virginia Local Disability Program (VLDP).

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

<b>TEACHER EMPLOYEE VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS</b>
<p><b><i>Eligible Employees</i></b></p> <p>The Teacher Employee VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits.</p> <p>Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:</p> <ul style="list-style-type: none"><li>• Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li></ul>
<p><b><i>Benefit Amounts</i></b></p> <ul style="list-style-type: none"><li>• The Teacher Employee VLDP provides the following benefits for eligible employees: <u>Short-Term Disability :</u><ul style="list-style-type: none"><li>○ The program provides a short-term disability benefit beginning after a seven calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.</li><li>○ During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related of work-related disability.</li><li>○ Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.</li></ul> <u>Long-Term Disability:</u><ul style="list-style-type: none"><li>○ The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.</li><li>○ Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.</li></ul></li></ul>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 13. Other Postemployment Benefits – Virginia Local Disability Program (Continued)

#### A. Plan Description (Continued)

***Virginia Local Disability Program Notes***

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

#### B. Contributions

##### **School Board Professional Plan**

The contribution requirement for active hybrid plan employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 0.41% of covered employee compensation for employees in the VRS Teacher Employee VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee VLDP were \$68,934 and \$56,759 for the years ended June 30, 2020 and June 30, 2019, respectively.

#### C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB

##### **School Board Professional Plan**

At June 30, 2020, the school division reported a liability of \$15,097 for its proportionate share of the VRS Teacher Employee VLDP Net OPEB Liability. The Net VRS Teacher Employee VLDP OPEB Liability was measured as of June 30, 2019 and the total VRS Teacher Employee VLDP OPEB liability used to calculate the Net VRS Teacher Employee VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to the measurement date of June 30, 2019. The school division's proportion of the Net VRS Teacher Employee VLDP OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee VLDP OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion of the VRS Teacher Employee VLDP was 2.59688% as compared to 2.72976% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized VRS Teacher Employee VLDP OPEB expense of \$45,547. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 13. Other Postemployment Benefits – Virginia Local Disability Program (Continued)

**C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB (Continued)**

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,821)
Net difference between projected and actual earnings on VLDP OPEB investments	58	-
Changes of assumptions	2,577	-
Changes in proportionate share	-	(913)
Employer contributions subsequent to the measurement date	68,934	-
	<u>\$ 71,569</u>	<u>\$ (2,734)</u>

The \$68,934 reported as deferred outflows of resources related to the Teacher Employee VLDP OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee VLDP OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee VLDP OPEB will be recognized in the Teacher Employee VLDP OPEB expense in future reporting periods.

Year Ending June 30,	Amount
2021	\$ (27)
2022	(27)
2023	(65)
2024	(91)
2025	(67)
Thereafter	178
	<u>\$ (99)</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Other Postemployment Benefits – Virginia Local Disability Program (Continued)**

**D. Actuarial Assumptions**

**School Board Professional Plan**

The total Teacher Employee VLDP OPEB liability for the VRS Teacher Employee VLDP was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.5%
Salary increases, including inflation:	
Political subdivision employees	3.5% – 5.95%
Investment rate of return	6.75%, including inflation*

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

***Mortality Rates – Teachers***

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

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

Post-Retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Health 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 AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Other Postemployment Benefits – Virginia Local Disability Program (Continued)**

**D. Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year 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 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	Decrease rate from 7.00% to 6.75%

**E. Net Teacher Employee VLDP OPEB Liability**

The net OPEB liability (NOL) for the Teacher Employee VLDP represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2019, NOL amounts for the VRS Teacher Employee VLDP is as follows (amounts expressed in thousands):

	Teacher Employee VLDP OPEB Plan
Total Teacher Employee VLDP OPEB Liability	\$ 2,241
Plan fiduciary net position	(1,661)
<b>Teacher Employee net VLDP OPEB Liability (Asset)</b>	<b>\$ 580</b>

Plan fiduciary net position as a percentage of the total teacher employee VLDP OPEB liability	74.12%
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The total Teacher Employee VLDP 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 VLDP 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 AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 13. Other Postemployment Benefits – Virginia Local Disability Program (Continued)**

**F. Long-Term Expected Rate of Return**

**School Board Professional Plan**

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	34.00%	5.61%	1.91%
Fixed income	15.00%	88.00%	0.13%
Credit strategies	14.00%	5.13%	0.72%
Real assets	14.00%	5.27%	0.74%
Private equity	14.00%	8.77%	1.23%
MAPS-Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investment Partnership	3.00%	6.29%	0.19%
	100.00%		5.13%
	Inflation		2.50%
		*Expected arithmetic nominal return	7.63%

\* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

**G. Discount Rate**

**School Board Professional Plan**

The discount rate used to measure the total Teacher Employee VLDP 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 at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by the school division for the VRS Teacher Employee VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee VLDP 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 VLDP OPEB liability.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

**Note 13. Other Postemployment Benefits – Virginia Local Disability Program (Continued)**

**H. Sensitivity of the School Division’s proportionate Share of the Teacher Employee VLDP Net OPEB Liability to Changes in the Discount Rate**

The following presents the school division’s proportionate share of the VRS Teacher Employee VLDP net VLDP OPEB liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net VLDP 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School division’s proportionate share of the VRS Teacher Employee VLDP OPEB Plan Net VLDP OPEB Liability	\$ 22,177	\$ 15,097	\$ 8,981

**I. VLDP OPEB Fiduciary Net Position**

Detailed information about the VRS Teacher Employee Virginia Local Disability Program’s Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2019-annual-report.pdf](http://varetire.org/pdf/publications/2019-annual-report.pdf), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 14. Pension and Other Postemployment Benefits**

Pension and Other Postemployment Benefits (OPEB) are long term liabilities created by a commitment to provide benefits to employees postemployment. The net pension liability and net OPEB liability are determined by an actuarial assessment and presented on the face of the financial statements. Amounts for deferred inflows and deferred outflows are also presented on the face of the financial statements. Details about the actuarial assessment and inflows and outflows are presented in the Pension and OPEB note disclosures. Individual plan expenses are also presented in those notes. Aggregate amounts of the recognized pension expense and OPEB expense for the fiscal year ended June 30, 2020 are presented below.

Aggregate pension expense, liabilities, deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2020:

	Primary Government	Component Unit		
	Governmental Activities	School Board Professional	School Board Non- Professional	Totals
Pension Expense	\$ 2,267,405	\$ 9,099,436	\$ 75,206	\$ 9,174,642
Net Pension Liability	11,033,402	92,995,208	428,003	93,423,211
Deferred Inflows	1,038,522	11,261,468	148,145	11,409,613
Deferred Outflows	4,561,826	18,975,674	405,870	19,381,544

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Pension and Other Postemployment Benefits (Continued)

Aggregate OPEB expense, liabilities, deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2020:

	Primary Government		Component Unit		Totals
	Governmental Activities	School Board Professional	School Board Non-Professional		
<b>Medical</b>					
OPEB Expense	\$ 2,713,000	\$ 263,000	\$ -	\$ 263,000	
Total OPEB Liability	5,767,000	12,071,000	-	12,071,000	
Deferred Inflows	716,000	6,050,000	-	6,050,000	
Deferred Outflows	1,040,981	1,003,894	-	1,003,894	
<b>GLI</b>					
OPEB Expense	\$ 59,917	\$ 99,825	\$ 1,588	\$ 101,413	
Total OPEB Liability	1,829,861	4,920,202	218,379	5,138,581	
Deferred Inflows	116,501	449,497	27,911	477,408	
Deferred Outflows	425,145	1,045,570	43,781	1,089,351	
<b>HIC</b>					
OPEB Expense	\$ -	\$ 727,546	\$ -	\$ 727,546	
Total OPEB Liability	-	9,245,761	-	9,245,761	
Deferred Inflows	-	384,957	-	384,957	
Deferred Outflows	-	1,004,676	-	1,004,676	
<b>VLDP</b>					
OPEB Expense	\$ -	\$ 45,547	\$ -	\$ 45,547	
Total OPEB Liability	-	15,097	-	15,097	
Deferred Inflows	-	2,734	-	2,734	
Deferred Outflows	-	71,569	-	71,569	
<b>Totals</b>					
OPEB Expense	\$ 2,772,917	\$ 1,135,918	\$ 1,588	\$ 1,137,506	
Total OPEB Liability	7,596,861	26,252,060	218,379	26,470,439	
Deferred Inflows	832,501	6,887,188	27,911	6,915,099	
Deferred Outflows	1,466,126	3,125,709	43,781	3,169,490	



**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 15. Unearned Revenue**

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue totaling \$3,158,407 and \$105,829 is comprised of the following:

	Governmental Activities	School Board
CARES Act	\$ 2,571,508	\$ -
Federal payment in lieu of taxes	575,990	-
EMS transport fees	10,909	-
Donations	-	6,844
Prepaid meals - cafeteria	-	98,985
	<u>\$ 3,158,407</u>	<u>\$ 105,829</u>

**Note 16. Unavailable and Deferred Revenue**

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Property taxes collected in advance totaled \$979,055 and are deferred inflows of resources not included in this table. Unavailable revenue at June 30, 2020 totaled \$27,610,026 for the fund financial statements and deferred revenue totaled \$22,579,663 for government-wide financial statements. It is comprised of the following:

	<u>General Fund Unavailable Revenue</u>	
	Property Taxes	Other
Property taxes receivable, net of allowance (reported on Fund statements)	\$ 5,030,363	\$ -
Unbilled property taxes for second half of 2019	22,579,663	-
Land held for investment	-	1,122,748
Repayment of loans from fire departments	-	802,544
Other	-	2,135
	<u>\$ 27,610,026</u>	<u>\$ 1,927,427</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

**Note 17. Capital Assets**

**Primary Government**

Capital asset activity for the year ended June 30, 2020 was as follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 5,440,703	\$ 8,360	\$ -	\$ -	\$ 5,449,063
Construction in progress	2,346,531	666,705	(1,580,520)	(157,791)	1,274,925
<b>Total capital assets not being depreciated</b>	<b>7,787,234</b>	<b>675,065</b>	<b>(1,580,520)</b>	<b>(157,791)</b>	<b>6,723,988</b>
Capital assets being depreciated:					
Buildings	96,980,135	341,640	(5,311,804)	-	92,009,971
Machinery and equipment	23,633,448	2,294,376	(464,506)	5,940	25,469,258
Land improvements	6,115,744	574,396	-	151,851	6,841,991
<b>Total capital assets being depreciated</b>	<b>126,729,327</b>	<b>3,210,412</b>	<b>(5,776,310)</b>	<b>157,791</b>	<b>124,321,220</b>
Accumulated depreciation for:					
Buildings	(25,922,383)	(731,422)	(391,685)	-	(27,045,490)
Machinery and equipment	(12,216,893)	(1,814,067)	444,049	-	(13,586,911)
Land improvements	(2,338,959)	(303,834)	-	-	(2,642,793)
<b>Total accumulated depreciated</b>	<b>(40,478,235)</b>	<b>(2,849,323)</b>	<b>52,364</b>	<b>-</b>	<b>(43,275,194)</b>
<b>Total capital assets being depreciated, net</b>	<b>86,251,092</b>	<b>361,089</b>	<b>(5,723,946)</b>	<b>157,791</b>	<b>81,046,026</b>
Governmental activities capital assets, net	\$ 94,038,326	\$ 1,036,154	\$ (7,304,466)	\$ -	\$ 87,770,014

**Primary Government (Continued)**

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

Governmental Activities	Amount
General government	\$ 1,031,896
Judicial administration	11,842
Public safety	1,251,253
Public works	320,217
Health and welfare	75,935
Parks, recreation and cultural	134,353
Community development	23,827
<b>Total depreciation expenses - governmental activities</b>	<b>\$ 2,849,323</b>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

### Note 17. Capital Assets (Continued)

#### Discretely Presented Component Unit

Capital asset activity for the School Board for the year ended June 30, 2020 was as follows:

School Board	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,551,430	\$ -	\$ -	\$ -	\$ 1,551,430
Construction in progress	20,644	1,220,549	-	(20,644)	1,220,549
<b>Total capital assets not being depreciated</b>	<b>1,572,074</b>	<b>1,220,549</b>	<b>-</b>	<b>(20,644)</b>	<b>2,771,979</b>
Capital assets being depreciated:					
Buildings	155,227,484	6,037,407	-	20,644	161,285,535
Machinery and equipment	24,281,504	2,207,179	(793,853)	-	25,694,830
<b>Total capital assets being depreciated</b>	<b>179,508,988</b>	<b>8,244,586</b>	<b>(793,853)</b>	<b>20,644</b>	<b>186,980,365</b>
Accumulated depreciation for:					
Buildings	(80,799,923)	(5,641,776)	-	-	(86,441,699)
Machinery and equipment	(21,862,552)	(868,406)	793,853	-	(21,937,105)
<b>Total accumulated depreciated</b>	<b>(102,662,475)</b>	<b>(6,510,182)</b>	<b>793,853</b>	<b>-</b>	<b>(108,378,804)</b>
<b>Total capital assets being depreciated, net</b>	<b>76,846,513</b>	<b>1,734,404</b>	<b>-</b>	<b>20,644</b>	<b>78,601,561</b>
School Board capital assets, net	\$ 78,418,587	\$ 2,954,953	\$ -	\$ -	\$ 81,373,540

Depreciation expense charged to education was \$6,510,182

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the *Code of Virginia*, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments' on-behalf of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a tenancy in common with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the School Board of Augusta County, Virginia for the year ended June 30, 2020, is that school financed assets in the amount of \$64,344,898 are reported in the Primary Government for financial reporting purposes.

### Note 18. Risk Management

The County is a member of the Virginia Association of Counties Risk Pool (VACorp) for all risks of losses. This workers' compensation program is administered by a servicing contractor, which furnishes claims review and processing. The County administers the workers' compensation program in the General Fund by charging the various departments or funds a portion of the premium.

Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County pays VACorp contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of VACorp and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, VACorp 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.

## COUNTY OF AUGUSTA, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 18. Risk Management (Continued)**

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County also participates in the VaRisk2, a group liability self-insurance plan, administered by the Commonwealth of Virginia, Department of General Services, Division of Risk Management. The County pays an annual premium for its public officials general liability insurance to this public entity risk pool currently operating as a common risk management and insurance program for participating governments. Settled claims have not exceeded pool coverage in any of the past three fiscal years.

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

#### **Note 19. Joint Venture – Augusta Regional Landfill – Landfill Closure and Post-Closure Costs**

Augusta Regional Landfill is a joint venture of the County of Augusta and the Cities of Waynesboro and Staunton. These entities share the costs of landfill operations on a site operated by the Augusta Regional Landfill. State and federal laws and regulations require the regional landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County recognizes a portion of these closure and post-closure care costs as a component of its equity interest in the landfill joint venture.

At June 30, 2020, the Augusta Regional Landfill reported as its landfill closure liability \$5,947,035 which represents the cumulative amount reported to date based on the use of 93.1% of the estimated capacity of the Permit #585 (Phases 1-3) landfill, 40.5% of the estimated capacity of the Permit #585 Phase 4 landfill and the stockpile financial assurance liability. The Augusta Regional Landfill reported a post-closure monitoring liability of \$2,964,246 at June 30, 2020. This represents the cumulative amount reported to date based on the use of 100.00% of the estimated capacity of the Permit #21 landfill of which the County is 60.33% responsible and 93.1% of the estimated capacity of the Permit #585 (Phases 1-3) and 40.5% of the Permit #585 (Phase 4) landfill, of which the County is 52.51% responsible. Total closure and post-closure care costs and post-closure monitoring costs accrued at June 30, 2020 for both landfill permits are \$8,911,281. The Landfill will recognize the majority of the remaining estimated cost of closure and post-closure care and post-closure monitoring of \$454,842 for the Permit #585 (Phases 1-3) landfill as the remaining estimated capacity is filled within the next eighteen to twenty four months and \$1,956,632 for the newly opened Phase 4 cell as it is filled in the next six to eight years. The amount for the Permit #21 landfill is based on what it would have cost to perform all post-closure care in 2004 and has been inflated annually at the DEQ approved inflation rate. The amounts for the Permit #585 landfill were re-evaluated in March 2008 based on what it would have cost to perform all closure and post-closure care in 2008 and approved by the Virginia Department of Environmental Quality as part of a permit to expand the landfill beyond the first three phases. These costs have been inflated at the DEQ approved inflation rate since 2009. Actual costs for both permitted landfills may be different due to actual inflation or deflation, changes in technology, or changes in laws or regulations.

The County demonstrates financial assurance requirements for closure and post-closure care costs through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 20. Construction Contracts Outstanding**

The Primary Government had the following material contracts outstanding at June 30, 2020:

Project	Original Contract Amount	Amount Spent as of June 30, 2020	Amount of Contract Remaining at Year End
Courts Complex design	\$ 5,445,141	\$ 1,230,610	\$ 4,214,531
Verona Pedestrian Improvements-Timmons Group	193,054	153,611	39,443
Fire Pumper-Atlantic Emergency	597,148	-	597,148
2 Ambulances-Goodman Specialized	515,334	-	515,334
Volunteer Fire Co. SCBA's-Fire & Safety Equip.	432,925	-	432,925
Armored SWAT Vehicle-Lenco Armored Vehicles	409,533	-	409,533
Jennings Branch Stream Restoration-Construction	678,817	-	678,817
<b>Total</b>	<b>\$ 8,271,952</b>	<b>\$ 1,384,221</b>	<b>\$ 6,887,731</b>

**Note 21. Fund Balance**

Fund balance had the following classifications at June 30, 2020:

Fund Balances	General	County Capital Improvements	School Capital Improvements	Total
<b>Nonspendable:</b>				
Inventories	\$ 22,571	\$ -	\$ -	\$ 22,571
Prepaid items	58,024	-	-	58,024
Land held for sale	1,122,748	-	-	1,122,748
<b>Restricted for:</b>				
Fire revolving loan program	2,537,124	-	-	2,537,124
Drug enforcement	19,143	-	-	19,143
Capital projects	-	-	302,595	302,595
<b>Committed to:</b>				
Education	1,322,116	-	-	1,322,116
Emergency medical services	1,472,222	-	-	1,472,222
<b>Assigned to:</b>				
Fire revolving loan program	327,261	-	-	327,261
Drug enforcement	60,106	-	-	60,106
Capital projects	-	30,034,487	-	30,034,487
Unassigned	18,202,654	-	-	18,202,654
<b>Total</b>	<b>\$ 25,143,969</b>	<b>\$ 30,034,487</b>	<b>\$ 302,595</b>	<b>\$ 55,481,051</b>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 22. Notes Receivable

Notes receivable represents a loan agreement between the County of Augusta, the Economic Development Authority (EDA), and Crescent Development Group, LLC. The loan funds were used by the developer to satisfy debt owed for the purchase of property, a portion of which was used for the relocation of State Route 636. The loan is due in ten annual installments of \$60,000 plus accrued interest. Accrued interest is calculated at the rate of 6.51% per annum starting in 2019, an increase over the prior rate of 4.75% per the agreement. Loan installments are collected by the EDA and forwarded to the County upon receipt. The EDA shall retain 1% of the annual interest as a debt service fee.

Amounts due to the County at June 30, 2020 include:

Year	Principal	Interest
2021	\$ 60,000	\$ 9,918
2022	60,000	6,612
2023	60,000	3,306
	<u>\$ 180,000</u>	<u>\$ 19,836</u>

The Fire revolving loan is a loan agreement between the County and individual Volunteer Fire Companies that allow the companies to borrow up to \$500,000 for fire apparatus with 40% of the loan balance being forgiven by the County. One loan a year is allowed by the County and each volunteer agency must rotate their turn on a yearly basis. This loan is interest free until maturity. Loans are repaid over 15 years.

Amounts due to the County at June 30, 2020 from the Riverheads, Swoope, Middlebrook, and Churchville Fire Departments include:

Year	Principal	Interest
2021	\$ 65,636	\$ -
2022	65,636	-
2023	65,636	-
2024	65,636	-
2025	60,000	-
Thereafter	480,000	-
	<u>\$ 802,544</u>	<u>\$ -</u>

The Middle River Regional Jail Authority (MRRJA), which opened in April 2006, was established by the County of Augusta, City of Staunton and City of Waynesboro (the Original Member Jurisdictions) to house prisoners from their own jurisdictions as well as others. An agreement was executed as of July 1, 2015 among the Original Member Jurisdictions and the County of Rockingham and City of Harrisonburg to allow the County and City to become Member Jurisdictions of MRRJA, effectively allowing the County and City to no longer pay MRRJA's per diem rental fee.

The total paid to the County by the County of Rockingham and City of Harrisonburg in accordance with the July 1, 2015 agreement was \$743,918 in fiscal year 2020, which has been shown as a recovered cost in the Capital Improvements Fund, and as a reduction in the receivable on the Governmental Activities Statement of Net Position.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 22. Notes Receivable (Continued)**

Amounts due to the County at June 30, 2020 include:

Year	Principal	Interest
2021	\$ 760,062	\$ 86,124
2022	776,555	69,631
2023	793,406	52,780
2024	810,623	35,563
2025	828,213	17,972
	<u>\$ 3,968,859</u>	<u>\$ 262,070</u>

**Note 23. Risk Management**

**Health Insurance – County and School Board**

The County and School Board retain a portion of the risks through a self-insurance program and have also purchased insurance to transfer other risks to outside parties. There has been no significant reduction in insurance coverage during the past year.

County and School Board employees and employee dependents are eligible for medical benefits from a County and School Board, Insurance Trust Fund Agency (Agency Fund). Funding is provided by charges to County and School Board departments, employees, and retirees. The program is supplemented by stop loss protection, which limits the County’s annual liability.

Based on the requirements of GASB Statement No. 10, the County records an estimated liability for indemnity healthcare claims. The following represents the change in the fund’s claims liability for 2018 through 2020.

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2020	\$ 1,865,000	\$ 1,712,000	\$ (1,865,000)	\$ 1,712,000
June 30, 2019	1,850,000	1,865,000	(1,850,000)	1,865,000
June 30, 2018	1,878,000	1,850,000	(1,878,000)	1,850,000

**Note 24. Commitments, Contingencies, and Subsequent Events**

**Operating Leases**

The County and School Board have numerous operating leases for office equipment. However, total future minimum lease commitments are considered insignificant.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### **Note 24. Commitments, Contingencies, and Subsequent Events (Continued)**

#### **Federal and State-Assisted Programs**

The County has received proceeds from several federal and state grant programs. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. Based upon past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

#### **Contingent Liabilities**

The County of Augusta is named as a party in legal proceedings and investigations that occur in the normal course of governmental operations, some involving substantial amounts. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the Commonwealth in respect to the various proceedings; however, it is believed that any ultimate liability resulting from these suits or investigations will not have an adverse effect on the financial condition of the Commonwealth. However, one case, if realizing an unfavorable outcome, may be material to the financial statements at \$611,622.

#### **Subsequent Events**

The Board of Supervisors approved a local match for the 2021 VATI grant application at their August 12, 2020 meeting. If successful in obtaining grant funding this project with help with broadband issues in the County. The approved match approved by the Board is \$343,000, which will come from the Economic Development Capital account if awarded.

The Board of Supervisors approved at its September 9, 2020 meeting, funding for the public counter upgrades and boardroom renovations for social distancing. Funding for this project totals \$309,000. Of this total, \$110,000 will utilize CARES funding and the remainder will come from capital accounts.

At the September 23, 2020 Board of Supervisors meeting, the Board approved amending the current courthouse contract with Moseley Architects to add an additional cost of \$445,843 to be funded from the courthouse capital account.

The Board of Supervisors approved funding for an ambulance replacement at its October 28, 2020 meeting. The total capital funding is \$282,746.



**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 25. Tax Abatements**

The County negotiates tax abatement agreements on an individual basis. The County is authorized pursuant to the *Code of Virginia* Section 15.2-953, 1950, as amended, to make gifts, donations and appropriations of money to economic development authorities for the purposes of promoting economic development. The Economic Development Authority of Augusta County receives contributions from the County for the purpose of promoting economic development. As stated in contribution and grant agreements for each tax increment financing, the County is committed to disburse funds to the Authority when appropriated by the County. The Authority is then required to disburse the funds to the respective developer or business.

The County acknowledges that the expansion, retention or relocation of a company or completion of an infrastructure project would foster and promote the economic development of the County. The Commonwealth of Virginia offers grant programs for economic development projects that make a significant capital investment, create new jobs or purchase Virginia products. The County can match grants awarded by the Commonwealth to Companies utilizing tax abatement agreements. Performance measures are tracked to ensure the Company meets the criteria outlined in the grant. Infrastructure projects funded by County debt are reimbursed to the County through growth in the area of the project, utilizing tax abatement, which shows as a reduction in revenue until the debt service is paid in full.

The County has tax abatement agreements for the following as of June 30, 2020:

Purpose	Type of Tax Abated During the Fiscal Year	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Industry expansion	Machinery & tools	50%	\$ 58,189
Industry relocation	Real, personal property & business license	100%	420,495
Industry expansion	Machinery & tools	100%	70,899
Industry expansion	Real, personal property	100%	8,786
Industry expansion	Real, personal property and machinery & tools	100%	1,880
Construct water tank in commerce park	Real, personal property & business license	100%	70,133
Construct transportation corridor (Rt 636)	Real, personal property & business license	100%	167,982
Construct transportation corridor (Rt 608)	Real, personal property & business license	100%	349,894

The County has not made any commitments as part of the agreements other than to abate taxes. The County is not subject to any tax abatement agreements entered into by other governmental entities. The County has chosen to disclose information about its tax abatement agreements individually.

## COUNTY OF AUGUSTA, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 26. Upcoming Pronouncements

At June 30, 2020, the GASB had issued several statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 84, *Fiduciary Activities*, will improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 will be effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 87, *Leases*, will increase the usefulness of the County's financial statements by requiring reporting of certain lease assets and liabilities and deferred inflows of resources for leases that previously were classified as operating leases. Statement No. 87 will be effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, is intended to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Statement No. 90 will be effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 91, *Conduit Debt Obligations*, will provide a single method of reporting conduit debt obligations by issuer and eliminate diversity in practice associated with (1) commitments extended by issuer, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement No. 91 will be effective for fiscal years beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*, will improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including intra-entity transfers, the effective date of No. 87, *Leases*, the applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits, the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, terminology used to refer to derivative instruments. Statement No. 92 will be effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will address accounting and financial reporting implications that result from the replacement of an interbank offered rate—most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Portions of Statement No. 93 will be effective for fiscal years beginning after June 15, 2020, June 15, 2021, and December 31, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. Statement No. 94 will be effective for fiscal years beginning after June 15, 2022.

## COUNTY OF AUGUSTA, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 26. Upcoming Pronouncements (Continued)**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 will be effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Statement No. 97 will be effective for fiscal years beginning after June 15, 2021.

The County has not determined the impact of these pronouncements on its financial statements.

#### **Note 27. Risks and Uncertainties**

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate its spread have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the County operates. The County has experienced reduced revenues due to the ongoing pandemic; revenues affected include sales, lodging and meals. The County has also experienced increased expenses to allow for safe access to government services for citizens, and to ensure the safety of employees as they continue to service the County’s citizens. Long-term effects on the County’s budget is not yet known.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2020**

	General Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues:</b>				
General property taxes	\$ 66,197,700	\$ 68,111,700	\$ 68,528,431	\$ 416,731
Other local taxes	15,832,942	15,815,842	17,461,921	1,646,079
Permits, privilege fees and regulatory licenses	675,650	627,900	602,235	(25,665)
Fines and forfeitures	330,500	320,500	272,161	(48,339)
Revenue from the use of money and property	1,193,000	1,055,200	1,213,542	158,342
Charges for services	3,908,900	4,592,823	4,166,579	(426,244)
Miscellaneous	261,000	909,400	655,177	(254,223)
Recovered costs	238,450	253,740	196,025	(57,715)
<b>Intergovernmental revenues:</b>				
Commonwealth	12,505,419	12,191,937	12,251,276	59,339
Federal	533,110	7,266,664	4,919,372	(2,347,292)
<b>Total revenues</b>	<b>101,676,671</b>	<b>111,145,706</b>	<b>110,266,719</b>	<b>(878,987)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government administration	5,926,673	5,928,205	5,673,355	(254,850)
Judicial administration	2,247,946	2,463,711	2,375,328	(88,383)
Public safety	23,800,720	24,932,980	24,190,420	(742,560)
Public works	4,500,958	4,834,085	4,710,949	(123,136)
Health and welfare	1,336,446	1,351,060	1,357,383	6,323
Education	45,282,758	44,202,758	42,768,948	(1,433,810)
Parks, recreation and cultural	2,641,227	2,643,359	2,377,415	(265,944)
Community development	1,866,251	2,487,326	2,030,070	(457,256)
Nondepartmental	259,332	259,332	240,340	(18,992)
<b>Total expenditures</b>	<b>87,862,311</b>	<b>89,102,816</b>	<b>85,724,208</b>	<b>(3,378,608)</b>
<b>Excess of revenues over expenditures</b>	<b>13,814,360</b>	<b>22,042,890</b>	<b>24,542,511</b>	<b>2,499,621</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	1,975,000	1,975,000
Transfers out	(14,482,287)	(20,513,443)	(20,543,854)	(30,411)
<b>Total other financing uses, net</b>	<b>(14,482,287)</b>	<b>(20,513,443)</b>	<b>(18,568,854)</b>	<b>1,944,589</b>
<b>Net change in fund balance</b>	<b>(667,927)</b>	<b>1,529,447</b>	<b>5,973,657</b>	<b>4,444,210</b>
Fund balance, beginning	667,927	(1,529,447)	19,170,312	20,699,759
Fund balance, ending	\$ -	\$ -	\$ 25,143,969	\$ 25,143,969

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL  
SPECIAL REVENUE FUND – VIRGINIA PUBLIC ASSISTANCE FUND  
Year Ended June 30, 2020**

	Special Revenue Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 208,912	\$ 209,760	\$ 195,510	\$ (14,250)
Recovered costs	1,517,043	1,517,043	1,517,043	-
Intergovernmental revenues:				
Commonwealth	6,597,457	7,094,255	6,318,332	(775,923)
Federal	7,173,747	7,202,880	6,788,344	(414,536)
<b>Total revenues</b>	<b>15,497,159</b>	<b>16,023,938</b>	<b>14,819,229</b>	<b>(1,204,709)</b>
Expenditures:				
Current:				
Health and welfare	18,542,210	19,333,936	17,466,922	(1,867,014)
<b>Total expenditures</b>	<b>18,542,210</b>	<b>19,333,936</b>	<b>17,466,922</b>	<b>(1,867,014)</b>
<b>Deficiency of revenues under expenditures</b>	<b>(3,045,051)</b>	<b>(3,309,998)</b>	<b>(2,647,693)</b>	<b>662,305</b>
Other financing sources:				
Transfers in	3,045,051	3,309,998	2,647,693	(662,305)
<b>Total other financing sources</b>	<b>3,045,051</b>	<b>3,309,998</b>	<b>2,647,693</b>	<b>(662,305)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF CHANGES IN THE COUNTY NET PENSION LIABILITY AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,					
	2014	2015	2016	2017	2018	2019
Total Pension Liability:						
Service cost	\$ 2,078,481	\$ 2,101,912	\$ 2,204,270	\$ 2,278,810	\$ 2,280,199	\$ 2,348,634
Interest	5,396,036	5,639,039	5,859,705	6,057,382	6,143,689	6,400,578
Differences between expected and actual experience	-	(82,018)	(603,214)	(2,238,406)	(3,104)	307,198
Changes of assumptions	-	-	-	(298,488)	-	2,983,642
Benefit payments, including refunds of employee contributions	(3,868,114)	(4,137,964)	(4,875,173)	(4,398,430)	(4,734,253)	(4,767,639)
<b>Net change in total pension liability</b>	<b>3,606,403</b>	<b>3,520,969</b>	<b>2,585,588</b>	<b>1,400,868</b>	<b>3,686,531</b>	<b>7,272,413</b>
Total pension liability - beginning	79,020,284	82,626,687	86,147,656	88,733,244	90,134,112	93,820,643
Total pension liability - ending (a)	\$ 82,626,687	\$ 86,147,656	\$ 88,733,244	\$ 90,134,112	\$ 93,820,643	\$ 101,093,056
Plan Fiduciary Net Position:						
Contributions - employer	\$ 2,210,642	\$ 2,313,950	\$ 2,361,901	\$ 2,022,988	\$ 2,107,494	\$ 2,003,652
Contributions - employee	909,646	921,678	947,593	1,063,805	1,023,897	1,054,711
Net investment income	9,910,591	3,285,690	1,268,675	8,979,601	6,008,267	5,705,114
Benefit payments, including refunds of employee contributions	(3,868,114)	(4,137,964)	(4,875,173)	(4,398,430)	(4,734,253)	(4,767,639)
Administrative expense	(53,478)	(45,225)	(46,683)	(52,053)	(52,142)	(56,801)
Other changes	523	(693)	(543)	(7,992)	(5,345)	(3,595)
<b>Net change in plan fiduciary net position</b>	<b>9,109,810</b>	<b>2,337,436</b>	<b>(344,230)</b>	<b>7,607,919</b>	<b>4,347,918</b>	<b>3,935,442</b>
Plan fiduciary net position - beginning	63,065,359	72,175,169	74,512,605	74,168,375	81,776,294	86,124,212
Plan fiduciary net position - ending (b)	\$ 72,175,169	\$ 74,512,605	\$ 74,168,375	\$ 81,776,294	\$ 86,124,212	\$ 90,059,654
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 10,451,518</b>	<b>\$ 11,635,051</b>	<b>\$ 14,564,869</b>	<b>\$ 8,357,818</b>	<b>\$ 7,696,431</b>	<b>\$ 11,033,402</b>
Plan fiduciary net position as a percentage of the total pension liability	87.35%	86.49%	83.59%	90.73%	91.80%	89.09%
Covered payroll	\$ 17,685,136	\$ 18,437,849	\$ 18,819,928	\$ 19,717,232	\$ 20,540,877	\$ 21,247,635
County's net pension liability as a percentage of covered payroll	59.10%	63.10%	77.39%	42.39%	37.47%	51.93%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

**SCHEDULE OF CHANGES IN THE SCHOOL BOARD NON-PROFESSIONAL NET PENSION LIABILITY AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,					
	2014	2015	2016	2017	2018	2019
<b>Total Pension Liability:</b>						
Service cost	\$ 257,529	\$ 250,850	\$ 245,933	\$ 230,020	\$ 211,874	\$ 213,677
Interest	739,629	770,891	782,063	808,631	798,893	815,037
Differences between expected and actual experience	-	(276,356)	(44,608)	(316,829)	(98,224)	132,192
Changes of assumptions	-	-	-	(240,745)	-	344,653
Benefit payments, including refunds of employee contributions	(529,213)	(571,921)	(599,653)	(608,033)	(632,344)	(731,495)
<b>Net change in total pension liability</b>	<b>467,945</b>	<b>173,464</b>	<b>383,735</b>	<b>(126,956)</b>	<b>280,199</b>	<b>774,064</b>
Total pension liability - beginning	10,830,741	11,298,686	11,472,150	11,855,885	11,728,929	12,009,128
Total pension liability - ending (a)	\$ 11,298,686	\$ 11,472,150	\$ 11,855,885	\$ 11,728,929	\$ 12,009,128	\$ 12,783,192
<b>Plan Fiduciary Net Position:</b>						
Contributions - employer	\$ 218,931	\$ 226,499	\$ 222,018	\$ 149,548	\$ 141,368	\$ 96,440
Contributions - employee	131,504	130,761	127,674	124,819	119,026	122,114
Net investment income	1,445,168	476,637	183,043	1,287,880	852,020	785,148
Benefit payments, including refunds of employee contributions	(529,213)	(571,921)	(599,653)	(608,033)	(632,344)	(731,495)
Administrative expense	(7,868)	(6,644)	(6,779)	(7,625)	(7,521)	(8,174)
Other changes	76	(102)	(78)	(1,136)	(751)	(493)
<b>Net change in plan fiduciary net position</b>	<b>1,258,598</b>	<b>255,230</b>	<b>(73,775)</b>	<b>945,453</b>	<b>471,798</b>	<b>263,540</b>
Plan fiduciary net position - beginning	9,234,345	10,492,943	10,748,173	10,674,398	11,619,851	12,091,649
Plan fiduciary net position - ending (b)	\$ 10,492,943	\$ 10,748,173	\$ 10,674,398	\$ 11,619,851	\$ 12,091,649	\$ 12,355,189
<b>School Board non-professional net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 805,743</b>	<b>\$ 723,977</b>	<b>\$ 1,181,487</b>	<b>\$ 109,078</b>	<b>\$ (82,521)</b>	<b>\$ 428,003</b>
Plan fiduciary net position as a percentage of the total pension liability	92.87%	93.69%	90.03%	99.07%	100.69%	96.65%
Employer's covered payroll	\$ 2,593,969	\$ 2,642,929	\$ 2,590,642	\$ 2,492,467	\$ 2,356,133	\$ 2,318,269
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	31.06%	27.39%	45.61%	4.38%	-3.50%	18.46%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.



**SCHEDULE OF SCHOOL BOARD SHARE OF NET PENSION LIABILITY  
VRS TEACHER RETIREMENT PLAN (COST-SHARING) –  
VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,					
	2014	2015	2016	2017	2018	2019
Employer's proportion of the net pension liability	0.73785%	0.74809%	0.72566%	0.73384%	0.71350%	<b>0.70662%</b>
Employer's proportionate share of the net pension liability	\$ 89,167,000	\$ 94,157,000	\$ 101,694,000	\$ 90,248,000	\$ 83,908,000	\$ <b>92,995,208</b>
Employer's covered payroll	\$ 53,959,194	\$ 55,620,152	\$ 55,328,691	\$ 55,212,149	\$ 52,894,571	\$ <b>52,358,565</b>
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	165.25%	169.29%	183.80%	163.46%	158.63%	<b>177.61%</b>
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.88%	68.28%	72.92%	74.81%	<b>73.51%</b>

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.

**SCHEDULE OF COUNTY CONTRIBUTIONS –  
VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,						
	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution (CRC)	\$ 2,210,642	\$ 2,313,950	\$ 2,361,901	\$ 2,022,988	\$ 2,107,494	\$ 2,003,652	\$ 2,274,291
Contributions in relation to the CRC	2,210,642	2,313,950	2,361,901	2,022,988	2,107,494	2,003,652	2,274,291
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 17,685,136	\$ 18,437,849	\$ 18,819,928	\$ 19,717,232	\$ 20,540,877	\$ 21,247,635	\$ 24,117,614
Contributions as a percentage of covered payroll	12.50%	12.55%	12.55%	10.26%	10.26%	9.43%	9.43%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

**SCHEDULE OF SCHOOL BOARD NON-PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,						
	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution (CRC)	\$ 218,931	\$ 226,499	\$ 222,018	\$ 149,548	\$ 141,368	\$ 96,440	\$ <b>89,040</b>
Contributions in relation to the CRC	218,931	226,499	222,018	149,548	141,368	96,440	<b>89,040</b>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 2,593,969	\$ 2,642,929	\$ 2,590,642	\$ 2,492,467	\$ 2,356,133	\$ 2,318,269	\$ <b>2,140,385</b>
Contributions as a percentage of covered payroll	8.44%	8.57%	8.57%	6.00%	6.00%	4.16%	<b>4.16%</b>

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years for which information is available.

**SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS –  
VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,						
	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution (CRC)	\$ 6,291,642	\$ 8,064,922	\$ 7,779,214	\$ 8,094,101	\$ 8,632,394	\$ 8,209,823	\$ 9,127,152
Contributions in relation to the CRC	6,291,642	8,064,922	7,779,214	8,094,101	8,632,394	8,209,823	9,127,152
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 53,959,194	\$ 55,620,152	\$ 55,328,691	\$ 55,212,149	\$ 52,894,571	\$ 52,358,565	\$ 58,208,878
Contributions as a percentage of covered payroll	11.66%	14.50%	14.06%	14.66%	16.32%	15.68%	15.68%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years for which information is available.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
VIRGINIA RETIREMENT SYSTEM  
Year Ended June 30, 2020**

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**Note 1. Change of Benefit Terms**

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

**Note 2. Changes of Assumptions**

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

**County and School Board Non-Professional Plans (Agent Plans)**

***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 rates to better fit experience each year, age and service through nine years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

***Public Safety Employees with Hazardous Duty Benefits***

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 each year, age and service through nine years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
VIRGINIA RETIREMENT SYSTEM  
Year Ended June 30, 2020**

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**Note 2. Changes of Assumptions (Continued)**

**School Board Professional Plan (Cost-Sharing)**

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 each year, age and service through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

**SCHEDULE OF CHANGES IN THE COUNTY’S TOTAL OPEB  
LIABILITY AND RELATED RATIOS –  
MEDICAL INSURANCE PROGRAM**

	Fiscal Year June 30,		
	2017	2018	2019
Total Medical Insurance OPEB liability:			
Service cost	\$ 134,000	\$ 137,000	\$ 93,000
Interest	101,000	108,000	79,000
Differences between expected and actual experience	-	(633,000)	2,532,000
Changes in assumptions	-	(363,000)	764,000
Benefit payments	-	91,000	311,000
Contributions - employer	(186,000)	-	(210,000)
<b>Net change in total OPEB liability</b>	<b>49,000</b>	<b>(660,000)</b>	<b>3,569,000</b>
Total Medical Insurance OPEB liability - beginning	2,809,000	2,858,000	2,198,000
County total Medical Insurance OPEB liability - ending	<u>\$ 2,858,000</u>	<u>\$ 2,198,000</u>	<u>\$ 5,767,000</u>
Plan fiduciary net position as a percentage of the total			
Medical Insurance OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 19,615,385	\$ 20,009,000	\$ 20,009,000
Total OPEB liability as a percentage of covered payroll	14.57%	10.99%	28.82%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

**SCHEDULE OF CHANGES IN THE SCHOOL BOARD’S TOTAL OPEB LIABILITY AND RELATED RATIOS – MEDICAL INSURANCE PROGRAM**

	Fiscal Year June 30,		
	2017	2018	2019
Total Medical Insurance OPEB liability:			
Service cost	\$ 626,000	\$ 642,000	\$ 602,000
Interest	570,000	604,000	554,000
Differences between expected and actual experience	-	(1,681,000)	(4,483,000)
Changes in assumptions	-	(1,257,000)	-
(Contributions)/refunds- employer	(514,000)	31,000	98,000
Other Changes	-	-	648,000
<b>Net change in total OPEB liability</b>	<b>682,000</b>	<b>(1,661,000)</b>	<b>(2,581,000)</b>
Total Medical Insurance OPEB liability - beginning	15,631,000	16,313,000	14,652,000
School Board total Medical Insurance OPEB liability - ending	<u>\$ 16,313,000</u>	<u>\$ 14,652,000</u>	<u>\$ 12,071,000</u>
<b>School Board net Medical Insurance OPEB liability - ending (a) - (b)</b>	<u><b>\$ 16,313,000</b></u>	<u><b>\$ 14,652,000</b></u>	<u><b>\$ 12,071,000</b></u>
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 59,230,769	\$ 59,686,000	\$ 59,686,000
Total OPEB liability as a percentage of covered payroll	27.54%	24.55%	20.22%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.



**SCHEDULE OF COUNTY CONTRIBUTIONS –  
MEDICAL INSURANCE PROGRAM**

	Fiscal Year June 30,		
	2018	2019	2020
Contractually required contribution (CRC)	\$ 157,183	\$ 166,679	\$ <b>114,981</b>
Contributions in relation to the CRC	157,183	166,679	<b>114,981</b>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 20,009,000	\$ 20,009,000	\$ <b>23,959,000</b>
Contributions as a percentage of covered payroll	0.79%	0.83%	<b>0.48%</b>

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

**SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS –  
MEDICAL INSURANCE PROGRAM**

	Fiscal Year June 30,		
	2018	2019	2020
Contractually required contribution (CRC)	\$ 559,611	\$ 505,656	\$ <b>440,894</b>
Contributions in relation to the CRC	559,611	505,656	<b>440,894</b>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 59,686,000	\$ 59,686,000	\$ <b>60,842,000</b>
Contributions as a percentage of covered payroll	0.94%	0.85%	<b>0.72%</b>

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years for which information is available.

**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY –  
GROUP LIFE INSURANCE PROGRAM**

	Fiscal Year June 30,		
	2017	2018	2019
County:			
Employer's proportion of the net GLI OPEB liability	0.10938%	0.11123%	<b>0.11245%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 1,646,000	\$ 1,689,000	<b>\$ 1,829,861</b>
Employer's covered payroll	\$ 19,615,385	\$ 20,599,423	<b>\$ 21,205,192</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.39%	8.20%	<b>8.63%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	<b>52.00%</b>
School Board Non-Professional:			
Employer's proportion of the net GLI OPEB liability	0.01426%	0.01345%	<b>0.01342%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 215,000	\$ 205,000	<b>\$ 218,379</b>
Employer's covered payroll	\$ 2,500,000	\$ 602,308	<b>\$ 2,818,654</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.60%	34.04%	<b>7.75%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	<b>52.00%</b>
School Board Professional:			
Employer's proportion of the net GLI OPEB liability	0.31403%	0.30348%	<b>0.30236%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 4,719,795	\$ 4,609,000	<b>\$ 4,920,202</b>
Employer's covered payroll	\$ 56,730,769	\$ 63,832,500	<b>\$ 66,178,846</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.32%	7.22%	<b>7.43%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	<b>52.00%</b>

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County, the School Board non-professional, and the School Board professional will present information for those years for which information is available.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB –  
GROUP LIFE INSURANCE PROGRAM**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>County:</b>										
Contractually required contribution (CRC)	\$ 43,149	\$ 44,104	\$ 81,829	\$ 85,206	\$ 88,818	\$ 91,237	\$ 102,000	\$ 107,117	\$ 110,267	\$ 117,141
Contributions in relation to the CRC	43,149	44,104	81,829	85,206	88,818	91,237	102,000	107,117	110,267	117,141
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 15,410,186	\$ 15,751,566	\$ 17,047,647	\$ 17,751,154	\$ 18,503,682	\$ 19,007,633	\$ 19,615,385	\$ 20,599,423	\$ 21,205,192	\$ 22,527,115
Contributions as a percentage of covered payroll	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%
<b>School Board Non-Professional:</b>										
Contractually required contribution (CRC)	\$ 6,939	\$ 6,707	\$ 12,425	\$ 12,469	\$ 12,872	\$ 12,712	\$ 13,000	\$ 3,132	\$ 14,657	\$ 15,470
Contributions in relation to the CRC	6,939	6,707	12,425	12,469	12,872	12,712	13,000	3,132	14,657	15,470
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 2,478,304	\$ 2,395,533	\$ 2,588,633	\$ 2,597,712	\$ 2,681,766	\$ 2,648,274	\$ 2,500,000	\$ 602,308	\$ 2,818,654	\$ 2,975,000
Contributions as a percentage of covered payroll	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%
<b>School Board Professional:</b>										
Contractually required contribution (CRC)	\$ 145,189	\$ 142,786	\$ 254,292	\$ 259,004	\$ 266,977	\$ 265,599	\$ 295,000	\$ 331,929	\$ 344,130	\$ 351,118
Contributions in relation to the CRC	145,189	142,786	254,292	259,004	266,977	265,599	295,000	331,929	344,130	351,118
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 51,853,212	\$ 50,995,107	\$ 52,977,536	\$ 53,959,193	\$ 55,620,150	\$ 55,333,132	\$ 56,730,769	\$ 63,832,500	\$ 66,178,846	\$ 67,522,692
Contributions as a percentage of covered payroll	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%

**SCHEDULE OF CHANGES IN THE SCHOOL BOARD PROFESSIONAL PLAN'S NET OPEB LIABILITY AND RELATED RATIOS – HEALTH INSURANCE CREDIT PROGRAM**

	Fiscal Year June 30,		
	2017	2018	2019
Employer's proportion of the net HIC OPEB liability	0.73343%	0.71330%	<b>0.70627%</b>
Employer's proportionate share of the net HIC OPEB liability	\$ 9,304,506	\$ 9,057,000	<b>\$ 9,245,761</b>
Employer's covered payroll	\$ 57,882,342	\$ 63,889,099	<b>\$ 63,206,757</b>
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	16.07%	14.18%	<b>14.63%</b>
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	<b>8.97%</b>

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Professional Plan will present information for those years which information is available.

**SCHEDULE OF SCHOOL BOARD PROFESSIONAL PLAN CONTRIBUTIONS –  
HEALTH INSURANCE CREDIT PROGRAM**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution (CRC)	\$ 311,062	\$ 305,971	\$ 588,051	\$ 598,947	\$ 589,574	\$ 586,484	\$ 642,494	\$ 709,169	\$ 701,595	\$ 728,889
Contributions in relation to the CRC	311,062	305,971	588,051	598,947	589,574	586,484	642,494	709,169	701,595	728,889
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 51,843,673	\$ 50,995,107	\$ 52,977,536	\$ 53,959,193	\$ 55,620,150	\$ 55,328,691	\$ 57,882,342	\$ 63,889,099	\$ 63,206,757	\$ 60,740,750
Contributions as a percentage of covered payroll	0.60%	0.60%	1.11%	1.11%	1.06%	1.06%	1.11%	1.11%	1.11%	1.20%

**SCHEDULE OF SCHOOL BOARD NON-PROFESSIONAL PLAN'S  
SHARE OF NET OPEB LIABILITY –  
VIRGINIA LOCAL DISABILITY PROGRAM**

	Fiscal Year June 30,		
	2017	2018	2019
Employer's proportion of the net VLDP OPEB liability	2.86000%	2.72976%	<b>2.59688%</b>
Employer's proportionate share of the net VLDP OPEB liability	\$ 17,000	\$ 20,000	<b>\$ 15,097</b>
Employer's covered payroll	\$ 3,000,000	\$ 6,137,333	<b>\$ 7,883,194</b>
Employer's proportionate share of the net VLDP OPEB liability as a percentage of its covered payroll	0.57%	0.33%	<b>0.19%</b>
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	31.96%	46.18%	<b>74.12%</b>

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

**SCHEDULE OF SCHOOL BOARD NON-PROFESSIONAL PLAN'S  
CONTRIBUTIONS – OPEB –  
VIRGINIA LOCAL DISABILITY PROGRAM**

	Fiscal Year June 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Contractually required contribution (CRC)	\$ -	\$ -	\$ -	\$ 189	\$ 1,997	\$ 2,677	\$ 18,000	\$ 36,824	\$ 56,759	\$ 68,934	
Contributions in relation to the CRC	-	-	-	189	1,997	2,677	-	-	-	-	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ 36,824	\$ 56,759	\$ 68,934	
Employer's covered payroll	\$ -	\$ -	\$ -	\$ 31,630	\$ 332,787	\$ 446,202	\$ 3,000,000	\$ 6,137,333	\$ 7,883,194	\$ 16,813,171	
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.60%	0.60%	0.60%	0.60%	0.60%	0.72%	0.41%	



**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
OTHER POSTEMPLOYMENT BENEFITS  
Year Ended June 30, 2020**

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**Note 1. Medical Insurance Program**

**A. Changes of Benefit Terms**

Eligibility conditions were revised as of July 1, 2019 to be based upon a retiree’s attainment of age 50 as well as their eligibility to receive full or reduced retirement coverage under the Virginia Retirement System (VRS). Previously, eligibility was based on the attainment of age 55 with 10 years of service with the County, along with eligibility under VRS, or having worked 10 years of service with the County and obtaining immediate disability retirement benefits under VRS.

**B. Changes of Assumptions**

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used for the period presented:

2019	3.62%
2020	3.13%

**Note 2. Group Life Insurance Program**

**A. Changes of Benefit Terms**

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

**B. Changes of Assumptions**

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

**School Board Professional Plan**

***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 retirement rates at older ages and changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
OTHER POSTEMPLOYMENT BENEFITS  
Year Ended June 30, 2020**

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**Note 2. Group Life Insurance Program (Continued)**

**B. Changes of Assumptions (Continued)**

**County and School Board Non-Professional Plans**

***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% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

***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% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
OTHER POSTEMPLOYMENT BENEFITS  
Year Ended June 30, 2020**

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**Note 3. Health Insurance Credit Program**

**A. Changes of Benefit Terms**

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

**B. Changes of Assumptions**

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

**School Board Professional Plan (Cost-Sharing)**

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 changed final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year through nine years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

## **OTHER SUPPLEMENTARY INFORMATION**

*Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual*

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL –  
DEBT SERVICE FUND  
Year Ended June 30, 2020**

	Debt Service Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Miscellaneous	\$ 48,000	\$ 38,600	\$ 30,180	\$ (8,420)
<b>Total revenues</b>	<b>48,000</b>	<b>38,600</b>	<b>30,180</b>	<b>(8,420)</b>
Expenditures:				
Principal retirement	5,849,481	5,849,481	5,849,481	-
Interest and other fiscal charges	2,692,025	2,688,662	2,687,063	(1,599)
<b>Total expenditures</b>	<b>8,541,506</b>	<b>8,538,143</b>	<b>8,536,544</b>	<b>(1,599)</b>
Deficiency of revenues under expenditures	(8,493,506)	(8,499,543)	(8,506,364)	(6,821)
Other financing sources:				
Transfers in	8,493,506	8,499,543	8,506,364	6,821
<b>Total other financing sources</b>	<b>8,493,506</b>	<b>8,499,543</b>	<b>8,506,364</b>	<b>6,821</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL –  
COUNTY CAPITAL IMPROVEMENTS FUND  
Year Ended June 30, 2020**

	County Capital Improvements Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Revenues from the use of money and property	\$ 18,530	\$ 33,224	\$ 42,866	\$ 9,642
Miscellaneous	30,000	80,100	90,069	9,969
Recovered costs	1,010,701	973,186	947,686	(25,500)
Intergovernmental revenues:				
Commonwealth	442,747	358,000	124,066	(233,934)
Federal	1,264,632	3,454,882	1,504,111	(1,950,771)
<b>Total revenues</b>	<b>2,766,610</b>	<b>4,899,392</b>	<b>2,708,798</b>	<b>(2,190,594)</b>
<b>Expenditures:</b>				
Capital projects	8,981,196	12,743,510	10,261,997	(2,481,513)
<b>Total expenditures</b>	<b>8,981,196</b>	<b>12,743,510</b>	<b>10,261,997</b>	<b>(2,481,513)</b>
Deficiency of revenues under expenditures	(6,214,586)	(7,844,118)	(7,553,199)	290,919
<b>Other financing sources (uses):</b>				
Transfers in	4,379,309	8,807,118	9,492,542	685,424
Transfers out	(1,260,579)	(3,158,216)	(3,276,447)	(118,231)
<b>Total other financing sources, net</b>	<b>3,118,730</b>	<b>5,648,902</b>	<b>6,216,095</b>	<b>567,193</b>
<b>Net change in fund balance</b>	<b>(3,095,856)</b>	<b>(2,195,216)</b>	<b>(1,337,104)</b>	<b>858,112</b>
Fund balances, beginning	3,095,856	2,195,216	31,371,591	29,176,375
Fund balances, ending	\$ -	\$ -	\$ 30,034,487	\$ 30,034,487

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL –  
SCHOOL CAPITAL IMPROVEMENTS FUND  
Year Ended June 30, 2020**

	School Capital Improvements Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Revenues from the use of money and property	\$ 15,657	\$ 15,696	\$ 15,671	\$ (25)
Miscellaneous	858,041	1,168,155	831,094	(337,061)
<b>Total revenues</b>	<b>873,698</b>	<b>1,183,851</b>	<b>846,765</b>	<b>(337,086)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Capital projects	1,442,468	2,050,061	3,304,404	1,254,343
<b>Debt service:</b>				
Principal retirement	-	-	454,524	454,524
Interest and other fiscal charges	-	-	8,647	8,647
<b>Total expenditures</b>	<b>1,442,468</b>	<b>2,050,061</b>	<b>3,767,575</b>	<b>1,717,514</b>
Deficiency of revenues under expenditures	(568,770)	(866,210)	(2,920,810)	(2,054,600)
<b>Other financing sources:</b>				
Issuance of capital lease	-	-	1,830,396	1,830,396
Transfers in	1,080,000	1,193,683	1,198,702	5,019
<b>Total other financing sources</b>	<b>1,080,000</b>	<b>1,193,683</b>	<b>3,029,098</b>	<b>1,835,415</b>
<b>Net change in fund balance</b>	<b>511,230</b>	<b>327,473</b>	<b>108,288</b>	<b>(219,185)</b>
Fund balances, beginning	(511,230)	(327,473)	194,307	521,780
Fund balances, ending	\$ -	\$ -	\$ 302,595	\$ 302,595



*Combining and Individual Fund Statements and Schedules*

**COMBINING STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
June 30, 2020**

	Agency Funds							Totals
	Special Welfare	Shenandoah Valley Regional Program for Special Education	Valley Alcohol Safety Action Program	Valley Career and Technical Education Center	Valley Children's Advocacy Center	Insurance Trust		
<b>ASSETS</b>								
Cash and cash equivalents	\$ 151,389	\$ 2,230,643	\$ 55,991	\$ 461,941	\$ 234,485	\$ 12,251,524	\$ 15,385,973	
Other receivables	-	-	-	52,048	-	-	52,048	
<b>Total assets</b>	<b>\$ 151,389</b>	<b>\$ 2,230,643</b>	<b>\$ 55,991</b>	<b>\$ 513,989</b>	<b>\$ 234,485</b>	<b>\$ 12,251,524</b>	<b>\$ 15,438,021</b>	
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 114,679	\$ 6,317	\$ 226,256	\$ -	\$ 1,227,200	\$ 1,574,452	
Accrued liabilities	-	142,273	-	80,477	-	-	222,750	
Other liabilities	-	1,248,071	-	-	41,072	1,712,000	3,001,143	
Amounts held for social services clients Regional Program for Special Education	151,389	-	-	-	-	-	151,389	
Amounts held for Valley Alcohol Safety Action Program	-	725,620	-	-	-	-	725,620	
Amounts held for Valley Career and Technical Education Center	-	-	49,674	-	-	-	49,674	
Amounts held for Valley Children's Advocacy Center	-	-	-	207,256	-	-	207,256	
Amounts held for Insurance Trust	-	-	-	-	193,413	-	193,413	
	-	-	-	-	-	9,312,324	9,312,324	
<b>Total liabilities</b>	<b>\$ 151,389</b>	<b>\$ 2,230,643</b>	<b>\$ 55,991</b>	<b>\$ 513,989</b>	<b>\$ 234,485</b>	<b>\$ 12,251,524</b>	<b>\$ 15,438,021</b>	

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>SPECIAL WELFARE FUND</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 206,108	\$ 395,577	\$ 450,296	\$ 151,389
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 206,108	\$ 395,577	\$ 450,296	\$ 151,389
<u>SHENANDOAH VALLEY REGIONAL PROGRAM FOR SPECIAL EDUCATION FUND</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,356,651	\$ 12,015,129	\$ 12,141,137	\$ 2,230,643
Other receivables	219,758	-	219,758	-
<b>Total assets</b>	<b>\$ 2,576,409</b>	<b>\$ 12,015,129</b>	<b>\$ 12,360,895</b>	<b>\$ 2,230,643</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 62,394	\$ 114,679	\$ 62,394	\$ 114,679
Accrued liabilities	194,246	142,273	194,246	142,273
Other liabilities	2,071,249	1,248,071	2,071,249	1,248,071
Amounts held for Shenandoah Valley Regional Program for Special Education	248,520	12,015,129	11,538,029	725,620
<b>Total liabilities</b>	<b>\$ 2,576,409</b>	<b>\$ 13,520,152</b>	<b>\$ 13,865,918</b>	<b>\$ 2,230,643</b>
<u>VALLEY ALCOHOL SAFETY ACTION PROGRAM FUND</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,140	\$ 386,855	\$ 348,004	\$ 55,991
<b>Total assets</b>	<b>\$ 17,140</b>	<b>\$ 386,855</b>	<b>\$ 348,004</b>	<b>\$ 55,991</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,099	\$ 6,317	\$ 5,099	\$ 6,317
Amounts held for Valley Alcohol Safety Action Program	12,041	380,538	342,905	49,674
<b>Total liabilities</b>	<b>\$ 17,140</b>	<b>\$ 386,855</b>	<b>\$ 348,004</b>	<b>\$ 55,991</b>

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITES  
FIDUCIARY FUNDS  
Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>VALLEY CAREER AND TECHNICAL EDUCATION CENTER FUND</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 406,954	\$ 4,667,653	\$ 4,612,666	\$ 461,941
Other receivables	89,947	52,048	89,947	52,048
<b>Total assets</b>	<b>\$ 496,901</b>	<b>\$ 4,719,701</b>	<b>\$ 4,702,613</b>	<b>\$ 513,989</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 264,323	\$ 226,256	\$ 264,323	\$ 226,256
Accrued liabilities	78,613	80,477	78,613	80,477
Amounts held for Valley Career and Technical Education Center	153,965	4,576,464	4,523,173	207,256
<b>Total liabilities</b>	<b>\$ 496,901</b>	<b>\$ 4,883,197</b>	<b>\$ 4,866,109</b>	<b>\$ 513,989</b>
<u>VALLEY CHILDREN'S ADVOCACY CENTER FUND</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 213,741	\$ 442,951	\$ 422,207	\$ 234,485
Other receivables	22,057	-	22,057	-
<b>Total assets</b>	<b>\$ 235,798</b>	<b>\$ 442,951</b>	<b>\$ 444,264</b>	<b>\$ 234,485</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,999	\$ -	\$ 2,999	\$ -
Other liability	-	41,072	-	41,072
Amounts held for Valley Children's Advocacy Center	232,799	401,879	441,265	193,413
<b>Total liabilities</b>	<b>\$ 235,798</b>	<b>\$ 442,951</b>	<b>\$ 444,264</b>	<b>\$ 234,485</b>
<u>INSURANCE TRUST FUND</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,300,408	\$ 25,246,125	\$ 23,295,009	\$ 12,251,524
<b>LIABILITIES</b>				
Accounts payable	\$ 2,641,823	\$ 1,227,200	\$ 2,641,823	\$ 1,227,200
Incurred but not reported (IBNR) payable	1,865,000	1,712,000	1,865,000	1,712,000
Amounts held for Insurance Trust	5,793,585	25,246,125	21,727,386	9,312,324
<b>Total liabilities</b>	<b>\$ 10,300,408</b>	<b>\$ 28,185,325</b>	<b>\$ 26,234,209</b>	<b>\$ 12,251,524</b>

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,501,002	\$ 43,154,290	\$ 41,269,319	\$ 15,385,973
Other receivables	331,762	52,048	331,762	52,048
<b>Total assets</b>	<b>\$ 13,832,764</b>	<b>\$ 43,206,338</b>	<b>\$ 41,601,081</b>	<b>\$ 15,438,021</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,976,638	\$ 1,574,452	\$ 2,976,638	\$ 1,574,452
Accrued liabilities	272,859	222,750	272,859	222,750
Other liabilities	3,936,249	3,001,143	3,936,249	3,001,143
Amounts held for social services clients	206,108	395,577	450,296	151,389
Amounts held for Shenandoah Valley Regional Program for Special Education	248,520	12,015,129	11,538,029	725,620
Amounts held for Valley Alcohol Safety Action Program	12,041	380,538	342,905	49,674
Amounts held for Valley Career and Technical Education Center	153,965	4,576,464	4,523,173	207,256
Amounts held for Valley Children's Advocacy Center	232,799	401,879	441,265	193,413
Amounts held for Insurance Trust	5,793,585	25,246,125	21,727,386	9,312,324
<b>Total liabilities</b>	<b>\$ 13,832,764</b>	<b>\$ 47,814,057</b>	<b>\$ 46,208,800</b>	<b>\$ 15,438,021</b>

*Capital Assets Used in the Operation of Governmental Funds*

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
June 30, 2020 and 2019**

	2020	2019
<b>Governmental capital assets:</b>		
Land	\$ 5,449,063	\$ 5,440,703
Buildings	92,009,971	96,980,135
Machinery and equipment	25,469,258	23,633,448
Land improvements	6,841,991	6,115,744
Construction in progress	1,274,925	2,346,531
	<u>131,045,208</u>	<u>134,516,561</u>
<b>Total governmental capital assets</b>	<b>\$ 131,045,208</b>	<b>\$ 134,516,561</b>
<b>Investments in governmental capital assets by source:</b>		
General fund	\$ 130,487,744	\$ 133,978,628
Special revenue funds	557,464	537,933
	<u>131,045,208</u>	<u>134,516,561</u>
<b>Total governmental capital assets by source</b>	<b>\$ 131,045,208</b>	<b>\$ 134,516,561</b>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
June 30, 2020**

	Land	Land Improvements	Buildings	Machinery and Equipment	Construction in Progress	Total
General governmental administration:						
Board of supervisors	\$ 3,921,963	\$ 5,839,498	\$ 26,523,197	\$ 3,577,301	\$ 1,230,610	\$ 41,092,569
County administrator	-	-	-	48,812	-	48,812
Human Resources	-	-	-	8,180	-	8,180
Commissioner of revenue	-	-	-	56,526	-	56,526
Central accounting	-	-	-	33,740	-	33,740
Management information systems	-	45,000	-	2,117,867	-	2,162,867
Board of elections	-	-	-	362,095	-	362,095
<b>Total general government administration</b>	<b>3,921,963</b>	<b>5,884,498</b>	<b>26,523,197</b>	<b>6,204,521</b>	<b>1,230,610</b>	<b>43,764,789</b>
Judicial administration:						
Clerk of Circuit Court	-	-	-	156,031	-	156,031
General District Court	-	-	-	19,252	-	19,252
Commonwealth's Attorney	-	-	-	109,609	-	109,609
<b>Total judicial administration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284,892</b>	<b>-</b>	<b>284,892</b>
Public safety:						
Sheriff	-	-	19,756	3,404,100	-	3,423,856
Emergency operations	-	-	-	4,586,390	38,960	4,625,350
Fire department	62,000	8,275	363,937	7,609,372	-	8,043,584
Emergency services	-	-	-	299,028	-	299,028
Juvenile detention and probation	-	-	5,913	44,635	-	50,548
Building inspections	-	-	-	111,037	-	111,037
Animal control	-	-	-	96,712	-	96,712
Drug enforcement	-	-	-	20,602	-	20,602
<b>Total public safety</b>	<b>62,000</b>	<b>8,275</b>	<b>389,606</b>	<b>16,171,876</b>	<b>38,960</b>	<b>16,670,717</b>
Public works:						
Sanitation and waste removal	-	-	60,446	261,413	-	321,859
Maintenance of buildings and grounds	-	203,371	359,328	934,548	-	1,497,247
<b>Total public works</b>	<b>-</b>	<b>203,371</b>	<b>419,774</b>	<b>1,195,961</b>	<b>-</b>	<b>1,819,106</b>
Education:						
Schools	-	-	64,344,899	-	-	64,344,899
<b>Total education</b>	<b>-</b>	<b>-</b>	<b>64,344,899</b>	<b>-</b>	<b>-</b>	<b>64,344,899</b>
Health and welfare:						
Social services	-	-	-	557,464	-	557,464
<b>Total health and welfare</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>557,464</b>	<b>-</b>	<b>557,464</b>
Parks, recreation, and cultural:						
Parks and recreation	1,465,100	745,847	332,495	474,824	-	3,018,266
Library	-	-	-	365,616	-	365,616
<b>Total parks, recreation, and cultural</b>	<b>1,465,100</b>	<b>745,847</b>	<b>332,495</b>	<b>840,440</b>	<b>-</b>	<b>3,383,882</b>
Community development:						
Community development	-	-	-	170,429	-	170,429
Economic development	-	-	-	43,675	5,355	49,030
<b>Total community development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,104</b>	<b>5,355</b>	<b>219,459</b>
<b>Total governmental capital assets</b>	<b>\$ 5,449,063</b>	<b>\$ 6,841,991</b>	<b>\$ 92,009,971</b>	<b>\$ 25,469,258</b>	<b>\$ 1,274,925</b>	<b>\$ 131,045,208</b>



**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Transfers	Balance June 30, 2020
General governmental administration:					
Board of supervisors	\$ 41,498,483	\$ 1,174,606	\$ 1,428,669	\$ -	\$ 41,244,420
County administrator	48,812	-	-	-	48,812
Personnel	-	8,180	-	-	8,180
Commissioner of revenue	56,526	-	-	-	56,526
Central accounting	33,740	-	-	-	33,740
Management information systems	1,871,989	319,943	55,515	-	2,136,417
Board of elections	362,095	-	-	-	362,095
<b>Total general government administration</b>	<b>43,871,645</b>	<b>1,502,729</b>	<b>1,484,184</b>	<b>-</b>	<b>43,890,190</b>
Judicial administration:					
Clerk of Circuit Court	156,030	-	-	-	156,030
General District Court	19,252	-	-	-	19,252
Commonwealth's Attorney	89,609	25,940	-	-	115,549
<b>Total judicial administration</b>	<b>264,891</b>	<b>25,940</b>	<b>-</b>	<b>-</b>	<b>290,831</b>
Public safety:					
Sheriff	3,379,633	271,391	227,169	-	3,423,855
Emergency operations	4,552,389	72,960	-	-	4,625,349
Fire department	6,918,645	1,201,784	76,842	-	8,043,587
Emergency services	259,622	39,406	-	-	299,028
Juvenile detention and probation	50,548	-	-	-	50,548
Building inspections	111,038	-	-	-	111,038
Animal control	96,712	-	-	-	96,712
Drug enforcement	20,602	-	-	-	20,602
<b>Total public safety</b>	<b>15,389,189</b>	<b>1,585,541</b>	<b>304,011</b>	<b>-</b>	<b>16,670,719</b>
Public works:					
Sanitation and waste removal	300,451	21,407	-	-	321,858
Maintenance of buildings and grounds	1,299,893	217,120	19,766	-	1,497,247
<b>Total public works</b>	<b>1,600,344</b>	<b>238,527</b>	<b>19,766</b>	<b>-</b>	<b>1,819,105</b>
Education:					
Schools	69,656,703	-	-	(5,311,804)	64,344,899
<b>Total education</b>	<b>69,656,703</b>	<b>-</b>	<b>-</b>	<b>(5,311,804)</b>	<b>64,344,899</b>
Health and welfare:					
Social services	537,933	40,557	21,026	-	557,464
<b>Total health and welfare</b>	<b>537,933</b>	<b>40,557</b>	<b>21,026</b>	<b>-</b>	<b>557,464</b>
Parks, recreation, and cultural:					
Parks and recreation	2,599,551	465,773	204,850	-	2,860,474
Library	365,617	-	-	-	365,617
<b>Total parks, recreation, and cultural</b>	<b>2,965,168</b>	<b>465,773</b>	<b>204,850</b>	<b>-</b>	<b>3,226,091</b>
Community development:					
Community development	181,658	26,410	11,189	-	196,879
Economic development	49,030	-	-	-	49,030
<b>Total community development</b>	<b>230,688</b>	<b>26,410</b>	<b>11,189</b>	<b>-</b>	<b>245,909</b>
<b>Total governmental capital assets</b>	<b>\$ 134,516,561</b>	<b>\$ 3,885,477</b>	<b>\$ 2,045,026</b>	<b>\$ (5,311,804)</b>	<b>\$ 131,045,208</b>

*Discretely Presented Component Unit – School Board*

**COMBINING BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
June 30, 2020**

	School Operating Fund	School Cafeteria Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 207	\$ 2,620,492	\$ 621,542	\$ 3,242,241
Cash in custody of others	5,000	-	-	5,000
Receivables (net of allowance for uncollectibles):				
Accounts receivable	158,398	-	12,500	170,898
Due from primary government	3,367,825	-	-	3,367,825
Due from other governmental units	2,219,339	372,068	348,411	2,939,818
<b>Total assets</b>	<b>\$ 5,750,769</b>	<b>\$ 2,992,560</b>	<b>\$ 982,453</b>	<b>\$ 9,725,782</b>
<b>LIABILITIES</b>				
Reconciled overdraft	\$ -	\$ -	\$ 208,165	\$ 208,165
Accounts payable	2,765,716	197,221	105,067	3,068,004
Accrued liabilities	2,978,209	71,565	113,426	3,163,200
Due to primary government	-	-	555,795	555,795
Unearned revenue	6,844	98,985	-	105,829
<b>Total liabilities</b>	<b>5,750,769</b>	<b>367,771</b>	<b>982,453</b>	<b>7,100,993</b>
<b>FUND BALANCES</b>				
Assigned	-	2,624,789	-	2,624,789
<b>Total fund balances</b>	<b>-</b>	<b>2,624,789</b>	<b>-</b>	<b>2,624,789</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,750,769</b>	<b>\$ 2,992,560</b>	<b>\$ 982,453</b>	<b>\$ 9,725,782</b>
Total fund balances				\$ 2,624,789
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.				81,373,540
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Compensated absences			\$ (2,114,406)	
Net pension liability			(93,423,211)	
Other postemployment benefits			(26,470,439)	(122,008,056)
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.				
Pension plan			19,381,544	
Other postemployment benefits			3,169,490	22,551,034
Deferred inflows of resources represents an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.				
Pension plan			(11,409,613)	
Other postemployment benefits			(6,915,099)	(18,324,712)
Long-term due from other government - pension plan & other postemployment benefits				3,287,792
<b>Net position of governmental activities</b>				<b>\$ (30,495,613)</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
Year Ended June 30, 2020**

	School Operating Fund	School Cafeteria Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Revenue from the use of money and property	\$ 17,550	\$ 34,590	\$ 53,012	\$ 105,152
Charges for services	1,673,837	1,197,737	857,594	3,729,168
Miscellaneous	221,147	-	24,559	245,706
<b>Intergovernmental revenues:</b>				
Local government	42,848,431	-	209	42,848,640
Commonwealth	60,299,362	208,357	690,379	61,198,098
Federal	4,110,030	4,147,433	3,338,068	11,595,531
<b>Total revenues</b>	<b>109,170,357</b>	<b>5,588,117</b>	<b>4,963,821</b>	<b>119,722,295</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Education	109,170,357	5,216,925	4,963,821	119,351,103
<b>Total expenditures</b>	<b>109,170,357</b>	<b>5,216,925</b>	<b>4,963,821</b>	<b>119,351,103</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>371,192</b>	<b>-</b>	<b>371,192</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>371,192</b>	<b>-</b>	<b>371,192</b>
Fund balances, beginning	-	2,253,597	-	2,253,597
Fund balances, ending	\$ -	\$ 2,624,789	\$ -	\$ 2,624,789
Net change in fund balances				\$ 371,192
<b>Reconciliation of amounts reported for governmental activities in the Statement of Activities:</b>				
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 and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlay in the current period.				
Expenditure for capital assets			\$ 4,173,975	
Less depreciation and amortization expense			(6,510,182)	
Excess of depreciation and amortization over capital outlays				(2,336,207)
The net effect of various miscellaneous transactions involving capital assets (i.e.) sales, trade-ins and donations) is to increase net position.				5,291,160
Long-term due from other government - other postemployment benefits			(311,663)	
Long-term due from other government - pension plan			414,869	
				103,206
<b>Deferred outflows of resources - subsequent to measurement date:</b>				
Pension plan			9,216,192	
Other postemployment benefits			1,605,305	
				10,821,497
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.				
Compensated absences			(166,918)	
Other postemployment benefits expense			(1,772,150)	
Pension expense			(8,341,890)	
				(10,280,958)
<b>Change in net position of governmental activities</b>				<b>\$ 3,969,890</b>

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
Year Ended June 30, 2020**

	School Operating Fund				School Cafeteria Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final			Original	Final		
Revenues:								
Revenue from the use of money and property	\$ 20,000	\$ 21,000	\$ 17,550	\$ (3,450)	\$ 22,000	\$ 44,000	\$ 34,590	\$ (9,410)
Charges for services	1,831,787	1,745,701	1,673,837	(71,864)	1,410,300	1,565,500	1,197,737	(367,763)
Miscellaneous	253,707	255,932	221,147	(34,785)	-	-	-	-
Intergovernmental revenues:								
Local government	44,197,758	44,197,758	42,848,431	(1,349,327)	-	-	-	-
Commonwealth	59,470,225	60,299,086	60,299,362	276	145,000	172,729	208,357	35,628
Federal	4,446,730	4,230,426	4,110,030	(120,396)	2,714,277	2,727,243	4,147,433	1,420,190
<b>Total revenues</b>	<b>110,220,207</b>	<b>110,749,903</b>	<b>109,170,357</b>	<b>(1,579,546)</b>	<b>4,291,577</b>	<b>4,509,472</b>	<b>5,588,117</b>	<b>1,078,645</b>
Expenditures:								
Current:								
Education	110,220,207	110,749,903	109,170,357	(1,579,546)	4,457,897	4,783,694	5,216,925	433,231
<b>Total expenditures</b>	<b>110,220,207</b>	<b>110,749,903</b>	<b>109,170,357</b>	<b>(1,579,546)</b>	<b>4,457,897</b>	<b>4,783,694</b>	<b>5,216,925</b>	<b>433,231</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(166,320)</b>	<b>(274,222)</b>	<b>371,192</b>	<b>645,414</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(166,320)</b>	<b>(274,222)</b>	<b>371,192</b>	<b>645,414</b>
Fund balances, beginning	-	-	-	-	-	-	2,253,597	2,253,597
Fund balances (deficit), ending	\$ -	\$ -	\$ -	\$ -	\$ (166,320)	\$ (274,222)	\$ 2,624,789	\$ 2,899,011

*Fiduciary Fund*

**STATEMENT OF NET POSITION  
 FIDUCIARY FUND –  
 DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
 June 30, 2020**

	School Endowments
<hr/>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 180,692
	<hr/>
<b>Total assets</b>	<b>180,692</b>
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	1,000
	<hr/>
<b>Total liabilities</b>	<b>1,000</b>
	<hr/>
<b>NET POSITION</b>	
Restricted for:	
JW Riley Endowment Fund	83,067
Unrestricted	96,625
	<hr/>
<b>Total net position</b>	<b>\$ 179,692</b>
	<hr/> <hr/>

**STATEMENT OF CHANGES IN NET POSITION  
 FIDUCIARY FUND –  
 DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
 Year Ended June 30, 2020**

	School Endowments
<hr/>	
Additions:	
Contributions:	
Private donations	\$ 2,481
	<hr/>
<b>Total contributions</b>	2,481
Investment earnings:	
Interest	2,028
	<hr/>
<b>Total additions</b>	4,509
	<hr/>
Scholarships	1,000
	<hr/>
<b>Total deductions</b>	1,000
	<hr/>
<b>Change in net position</b>	3,509
Net position, beginning	176,183
	<hr/>
Net position, ending	\$ 179,692
	<hr/> <hr/>



*Nonmajor Special Revenue Funds*

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS –  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
June 30, 2020**

	Head Start Fund	Governor's School Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 621,542	\$ 621,542
Accounts receivable	12,500	-	12,500
Due from other governmental units	348,411	-	348,411
<b>Total assets</b>	<b>\$ 360,911</b>	<b>\$ 621,542</b>	<b>\$ 982,453</b>
<b>LIABILITIES</b>			
Reconciled overdraft	\$ 208,165	\$ -	\$ 208,165
Accounts payable	70,552	34,515	105,067
Accrued liabilities	69,571	43,855	113,426
Due to primary government	12,623	543,172	555,795
<b>Total liabilities</b>	<b>\$ 360,911</b>	<b>\$ 621,542</b>	<b>\$ 982,453</b>

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS –  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
Year Ended June 30, 2020**

	Head Start Fund	Governor's School Fund	Total
<b>Revenues:</b>			
Revenue from the use of money and property	\$ 53,012	\$ -	\$ 53,012
Charges for services	-	857,594	857,594
Miscellaneous	-	24,559	24,559
<b>Intergovernmental revenues:</b>			
Local	209	-	209
Commonwealth	-	690,379	690,379
Federal	3,338,068	-	3,338,068
<b>Total revenues</b>	<b>3,391,289</b>	<b>1,572,532</b>	<b>4,963,821</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Education	3,391,289	1,572,532	4,963,821
<b>Total expenditures</b>	<b>3,391,289</b>	<b>1,572,532</b>	<b>4,963,821</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance, beginning	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUNDS –  
 DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
 Year Ended June 30, 2020**

	Head Start Fund				Governor's School Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final			Original	Final		
Revenues:								
Revenue from the use of money and property	\$ -	\$ 50,000	\$ 53,012	\$ 3,012	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	994,772	1,003,642	857,594	(146,048)
Miscellaneous	-	-	-	-	2,800	2,800	24,559	21,759
Intergovernmental revenues:								
Local	-	-	209	209	-	-	-	-
Commonwealth	-	-	-	-	708,086	685,376	690,379	5,003
Federal	2,980,756	3,522,525	3,338,068	(184,457)	-	-	-	-
<b>Total revenues</b>	<b>2,980,756</b>	<b>3,572,525</b>	<b>3,391,289</b>	<b>(181,236)</b>	<b>1,705,658</b>	<b>1,691,818</b>	<b>1,572,532</b>	<b>(119,286)</b>
Expenditures:								
Current:								
Education	2,980,756	3,572,525	3,391,289	(181,236)	1,705,658	1,691,818	1,572,532	(119,286)
<b>Total expenditures</b>	<b>2,980,756</b>	<b>3,572,525</b>	<b>3,391,289</b>	<b>(181,236)</b>	<b>1,705,658</b>	<b>1,691,818</b>	<b>1,572,532</b>	<b>(119,286)</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance, beginning	-	-	-	-	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Capital Assets Used in the Operation of Governmental Funds*

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS –  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
COMPARATIVE SCHEDULES BY SOURCE  
June 30, 2020 and 2019**

	June 30,	
	2020	2019
Governmental funds capital assets:		
Land	\$ 1,551,430	\$ 1,551,430
Buildings	161,285,535	155,227,484
Machinery and equipment	25,694,830	24,281,504
Construction in progress	1,220,549	20,644
	<u>189,752,344</u>	<u>181,081,062</u>
<b>Total governmental funds capital assets</b>	<b>\$ 189,752,344</b>	<b>\$ 181,081,062</b>
Investments in governmental funds capital assets by source:		
Special revenue funds	\$ 189,752,344	\$ 181,081,062
	<u>189,752,344</u>	<u>181,081,062</u>
<b>Total governmental funds capital assets</b>	<b>\$ 189,752,344</b>	<b>\$ 181,081,062</b>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS –  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
SCHEDULE BY FUNCTION AND ACTIVITY  
June 30, 2020**

	Land	Building	Machinery and Equipment	Construction in Progress	Total
Education:					
Schools	\$ 1,551,430	\$161,285,535	\$ 25,694,830	\$ 1,220,549	\$189,752,344
<b>Total governmental funds capital assets</b>	<b>\$ 1,551,430</b>	<b>\$161,285,535</b>	<b>\$ 25,694,830</b>	<b>\$ 1,220,549</b>	<b>\$189,752,344</b>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS –  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
Year Ended June 30, 2020**

	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2019	Additions	Deductions	June 30, 2020
Education:				
Schools	\$181,081,062	\$ 9,465,135	\$ (793,853)	\$189,752,344
<b>Total governmental funds capital assets</b>	<b>\$181,081,062</b>	<b>\$ 9,465,135</b>	<b>\$ (793,853)</b>	<b>\$189,752,344</b>



*Agency Fund*

**STATEMENT OF CHANGES IN NET POSITION –  
 AGENCY FUND –  
 DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
 Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>SCHOOL ACTIVITY FUNDS</u>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 1,681,103	\$ 3,482,124	\$ 3,402,146	\$ 1,761,081
<b>Total assets</b>	<u>\$ 1,681,103</u>	<u>\$ 3,482,124</u>	<u>\$ 3,402,146</u>	<u>\$ 1,761,081</u>
<b>LIABILITIES</b>				
Collections held in trust	\$ 1,681,103	\$ 3,482,124	\$ 3,402,146	\$ 1,761,081
<b>Total liabilities</b>	<u>\$ 1,681,103</u>	<u>\$ 3,482,124</u>	<u>\$ 3,402,146</u>	<u>\$ 1,761,081</u>

## **SUPPORTING SCHEDULES**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 45,637,300	\$ 47,060,000	\$ 46,695,402	\$ (364,598)
Real and personal public service corporation property taxes	2,871,400	2,864,200	2,894,070	29,870
Personal property taxes	12,553,000	12,905,000	13,231,141	326,141
Mobile home tax	208,600	180,000	196,096	16,096
Machinery and tools taxes	4,127,400	4,369,000	4,617,605	248,605
Penalties	400,000	350,000	438,184	88,184
Interest	400,000	383,500	455,933	72,433
<b>Total general property taxes</b>	<b>66,197,700</b>	<b>68,111,700</b>	<b>68,528,431</b>	<b>416,731</b>
Other local taxes:				
Local sales and use taxes	5,800,000	6,140,000	6,822,265	682,265
Consumers' utility taxes	1,785,000	1,767,000	1,812,435	45,435
Business license tax	3,650,000	3,800,000	4,313,711	513,711
Utility license tax	276,000	271,000	267,038	(3,962)
Bank stock taxes	295,000	314,000	355,258	41,258
Taxes on recordation and wills	780,000	832,900	950,812	117,912
Hotel and motel room taxes	660,000	499,000	451,493	(47,507)
Restaurant food tax	2,526,942	2,126,942	2,418,593	291,651
Interest on local tax	60,000	65,000	70,316	5,316
<b>Total other local taxes</b>	<b>15,832,942</b>	<b>15,815,842</b>	<b>17,461,921</b>	<b>1,646,079</b>
Permits, privilege fees and regulatory licenses:				
Animal licenses	55,000	41,000	39,248	(1,752)
Land use application fees	46,000	30,000	27,821	(2,179)
Transfer fees	2,000	2,000	2,231	231
Cellular tower fees	8,650	8,650	9,000	350
Permits and other licenses	564,000	546,250	523,935	(22,315)
<b>Total permits, privilege fees and regulatory licenses</b>	<b>675,650</b>	<b>627,900</b>	<b>602,235</b>	<b>(25,665)</b>
Fines and forfeitures:				
Court fines and forfeitures	310,500	300,500	254,008	(46,492)
Dog violation fines	20,000	20,000	18,153	(1,847)
<b>Total fines and forfeitures</b>	<b>330,500</b>	<b>320,500</b>	<b>272,161</b>	<b>(48,339)</b>
Revenue from use of money and property:				
Revenue from use of money	824,500	682,200	852,819	170,619
Revenue from use of property	368,500	373,000	360,723	(12,277)
<b>Total revenue from use of money and property</b>	<b>1,193,000</b>	<b>1,055,200</b>	<b>1,213,542</b>	<b>158,342</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
Charges for services:				
Excess fees of clerk	\$ 28,300	\$ 22,823	\$ 28,558	\$ 5,735
Charges for law enforcement and traffic control	7,100	5,900	5,169	(731)
Charges for courthouse maintenance	65,000	65,000	56,376	(8,624)
Treasurer's collection fees	87,000	107,000	128,420	21,420
Concealed weapons permits	40,000	50,000	50,968	968
Courthouse fees	154,000	150,000	117,822	(32,178)
Charges for Commonwealth's Attorney	7,000	7,000	7,414	414
Miscellaneous jail and inmate fees	10,000	25,000	34,071	9,071
Charges for sanitation and waste removal	1,400,000	1,600,000	1,731,827	131,827
Charges for parks and recreation	460,500	516,000	256,533	(259,467)
Charges for after school programs	290,000	259,100	221,714	(37,386)
Charges for day care	148,000	148,000	(36,887)	(184,887)
Charges for library	12,000	12,000	5,553	(6,447)
EMS transport services	1,200,000	1,625,000	1,559,041	(65,959)
<b>Total charges for services</b>	<b>3,908,900</b>	<b>4,592,823</b>	<b>4,166,579</b>	<b>(426,244)</b>
Miscellaneous revenue:				
Miscellaneous	5,000	10,000	10,267	267
Repayment of loans from fire companies	60,000	79,300	164,638	85,338
Seized funds	800	100	1,289	1,189
Contributions	195,200	820,000	478,983	(341,017)
<b>Total miscellaneous revenue</b>	<b>261,000</b>	<b>909,400</b>	<b>655,177</b>	<b>(254,223)</b>
Recovered costs:				
Fiscal agent fees - MRRJA	114,200	124,273	124,273	-
Juvenile and domestic relations court costs	9,050	8,467	8,467	-
Other	115,200	121,000	63,285	(57,715)
<b>Total recovered costs</b>	<b>238,450</b>	<b>253,740</b>	<b>196,025</b>	<b>(57,715)</b>
<b>Total revenue from local sources</b>	<b>88,638,142</b>	<b>91,687,105</b>	<b>93,096,071</b>	<b>1,408,966</b>
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Motor vehicle carriers' tax	89,000	89,000	77,968	(11,032)
Mobile home titling tax	110,000	130,000	131,814	1,814
Communications sales and use tax	2,320,000	2,100,000	2,071,958	(28,042)
Timber sales	1,800	10,304	1,258	(9,046)
Motor vehicle rental tax	75,000	100,000	80,282	(19,718)
State recordation tax	200,000	205,000	146,162	(58,838)
Personal property tax relief funds	4,296,000	4,296,000	4,295,993	(7)
Moped sales tax	5,000	12,000	20,529	8,529
<b>Total non-categorical aid</b>	<b>7,096,800</b>	<b>6,942,304</b>	<b>6,825,964</b>	<b>(116,340)</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 608,730	\$ 596,133	\$ 606,787	\$ 10,654
Sheriff	2,953,730	2,833,675	2,952,832	119,157
Commissioner of revenue	226,411	225,355	225,901	546
Treasurer	173,416	172,932	172,351	(581)
Registrar/electoral board	49,800	49,566	49,772	47,206
Clerk of the circuit court	477,432	458,052	496,841	38,789
<b>Total shared expenses</b>	<b>4,489,519</b>	<b>4,335,713</b>	<b>4,551,484</b>	<b>215,771</b>
Other categorical aid:				
Emergency medical services	80,000	80,000	-	(80,000)
Department of behavioral health-transfer detention order	-	43,300	56,833	13,533
Litter control grant	18,000	18,000	16,768	(1,232)
Library grant	164,800	169,900	171,400	1,500
Grant for restoration of records	15,000	10,000	6,328	(3,672)
Victim-witness grant	108,500	27,673	27,673	-
Performing arts grant	4,500	4,500	4,500	-
Firemans' insurance fund	243,000	265,247	265,247	-
Technology trust fund	40,000	40,000	30,972	(9,028)
Seized funds	10,000	20,000	41,478	21,478
E-911 wireless funding	233,300	233,300	250,728	17,428
Spay and neuter funds	2,000	2,000	1,901	(99)
<b>Total other categorical aid</b>	<b>919,100</b>	<b>913,920</b>	<b>873,828</b>	<b>(40,092)</b>
<b>Total categorical aid</b>	<b>5,408,619</b>	<b>5,249,633</b>	<b>5,425,312</b>	<b>175,679</b>
<b>Total revenue from the Commonwealth</b>	<b>12,505,419</b>	<b>12,191,937</b>	<b>12,251,276</b>	<b>59,339</b>
Revenue from the federal government:				
Non-categorical aid:				
Payments in lieu of taxes	353,000	500,000	573,613	73,613
<b>Total non-categorical aid</b>	<b>353,000</b>	<b>500,000</b>	<b>573,613</b>	<b>73,613</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
DMV ground transportation safety grant	\$ 44,700	\$ 44,700	\$ 51,398	\$ 6,698
Domestic violence grant	31,020	31,020	31,020	-
Sane grant	15,200	15,200	11,617	(3,583)
Justice assistance grant	5,000	-	-	-
Bulletproof vest partnership grant	1,170	580	7,569	6,989
Victim-witness grant	83,020	83,020	83,020	-
CARES Act	-	6,592,144	4,161,135	(2,431,009)
<b>Total categorical aid</b>	<b>180,110</b>	<b>6,766,664</b>	<b>4,345,759</b>	<b>(2,420,905)</b>
<b>Total revenue from the federal government</b>	<b>533,110</b>	<b>7,266,664</b>	<b>4,919,372</b>	<b>(2,347,292)</b>
<b>Total intergovernmental revenues</b>	<b>13,038,529</b>	<b>19,458,601</b>	<b>17,170,648</b>	<b>(2,287,953)</b>
<b>Total General Fund</b>	<b>\$ 101,676,671</b>	<b>\$ 111,145,706</b>	<b>\$ 110,266,719</b>	<b>\$ (878,987)</b>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	\$ 208,912	\$ 209,760	\$ 195,510	\$ (14,250)
<b>Total charges for services</b>	<b>208,912</b>	<b>209,760</b>	<b>195,510</b>	<b>(14,250)</b>
Recovered costs:				
City of Staunton, Virginia	770,586	770,586	770,586	-
City of Waynesboro, Virginia	746,457	746,457	746,457	-
<b>Total recovered costs</b>	<b>1,517,043</b>	<b>1,517,043</b>	<b>1,517,043</b>	<b>-</b>
<b>Total revenue from local sources</b>	<b>1,725,955</b>	<b>1,726,803</b>	<b>1,712,553</b>	<b>(14,250)</b>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	3,397,457	3,411,255	3,325,238	(86,017)
Children's Services Act program	3,200,000	3,683,000	2,993,094	(689,906)
<b>Total categorical aid</b>	<b>6,597,457</b>	<b>7,094,255</b>	<b>6,318,332</b>	<b>(775,923)</b>
<b>Total revenue from the Commonwealth</b>	<b>6,597,457</b>	<b>7,094,255</b>	<b>6,318,332</b>	<b>(775,923)</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 7,173,747	\$ 7,202,880	\$ 6,713,538	\$ (489,342)
Children's Services Act program	-	-	74,806	74,806
<b>Total categorical aid</b>	<b>7,173,747</b>	<b>7,202,880</b>	<b>6,788,344</b>	<b>(414,536)</b>
<b>Total revenue from the federal government</b>	<b>7,173,747</b>	<b>7,202,880</b>	<b>6,788,344</b>	<b>(414,536)</b>
<b>Total intergovernmental revenues</b>	<b>13,771,204</b>	<b>14,297,135</b>	<b>13,106,676</b>	<b>(1,190,459)</b>
<b>Total Virginia Public Assistance Fund</b>	<b>\$ 15,497,159</b>	<b>\$ 16,023,938</b>	<b>\$ 14,819,229</b>	<b>\$ (1,204,709)</b>
Debt Service Fund:				
County Debt Service Fund:				
Revenue from local sources:				
Charges for services:				
Other charges for services	\$ 48,000	\$ 38,600	\$ 30,180	\$ (8,420)
<b>Total charges for services</b>	<b>48,000</b>	<b>38,600</b>	<b>30,180</b>	<b>(8,420)</b>
<b>Total revenue from local sources</b>	<b>48,000</b>	<b>38,600</b>	<b>30,180</b>	<b>(8,420)</b>
<b>Total County Debt Service Fund</b>	<b>\$ 48,000</b>	<b>\$ 38,600</b>	<b>\$ 30,180</b>	<b>\$ (8,420)</b>
Capital Projects Funds:				
County Capital Improvement Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 16,530	\$ 13,224	\$ 13,224	\$ -
Revenue from the use of property	2,000	20,000	29,642	9,642
<b>Total revenue from use of money and property</b>	<b>18,530</b>	<b>33,224</b>	<b>42,866</b>	<b>9,642</b>
Miscellaneous revenue:				
Other miscellaneous	30,000	80,100	90,069	9,969
<b>Total miscellaneous revenue</b>	<b>30,000</b>	<b>80,100</b>	<b>90,069</b>	<b>9,969</b>
Recovered costs:				
Other recovered costs	1,010,701	973,186	947,686	(25,500)
<b>Total recovered costs</b>	<b>1,010,701</b>	<b>973,186</b>	<b>947,686</b>	<b>(25,500)</b>
<b>Total revenue from local sources</b>	<b>1,059,231</b>	<b>1,086,510</b>	<b>1,080,621</b>	<b>(5,889)</b>



**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Capital Improvement Funds:				
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Hazardous Material Grant	\$ 12,000	\$ 10,000	\$ 14,971	\$ 4,971
Rescue squad assistance fund grant	66,210	-	-	-
Reimbursement Department of Transportation	321,256	348,000	109,095	(238,905)
Dept of Housing and Community Development (Broadband)	41,200	-	-	-
Bldg collaborative communities grant	2,081	-	-	-
<b>Total categorical aid</b>	<b>442,747</b>	<b>358,000</b>	<b>124,066</b>	<b>(233,934)</b>
<b>Total revenue from the Commonwealth</b>	<b>442,747</b>	<b>358,000</b>	<b>124,066</b>	<b>(233,934)</b>
Revenue from the federal government:				
Categorical aid:				
Emergency planning grant	14,882	14,882	79,833	64,951
Watershed grant	820,000	2,410,000	1,240,084	(1,169,916)
Transportation enhancement	219,350	210,000	164,098	(45,902)
Smoke alarm grant	34,000	-	-	-
DuPont settlement grant	176,400	820,000	20,096	(799,904)
<b>Total categorical aid</b>	<b>1,264,632</b>	<b>3,454,882</b>	<b>1,504,111</b>	<b>(1,950,771)</b>
<b>Total revenue from the federal government</b>	<b>1,264,632</b>	<b>3,454,882</b>	<b>1,504,111</b>	<b>(1,950,771)</b>
<b>Total intergovernmental revenues</b>	<b>1,707,379</b>	<b>3,812,882</b>	<b>1,628,177</b>	<b>(2,184,705)</b>
<b>Total County Capital Improvements Fund</b>	<b>\$ 2,766,610</b>	<b>\$ 4,899,392</b>	<b>\$ 2,708,798</b>	<b>\$ (2,190,594)</b>
School Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 15,657	\$ 15,696	\$ 15,671	\$ (25)
<b>Total revenue from use of money and property</b>	<b>15,657</b>	<b>15,696</b>	<b>15,671</b>	<b>(25)</b>
Miscellaneous revenue:				
Other miscellaneous	858,041	1,168,155	831,094	(337,061)
<b>Total miscellaneous revenue</b>	<b>858,041</b>	<b>1,168,155</b>	<b>831,094</b>	<b>(337,061)</b>
<b>Total revenue from local sources</b>	<b>873,698</b>	<b>1,183,851</b>	<b>846,765</b>	<b>(337,086)</b>
<b>Total School Capital Improvements Fund</b>	<b>\$ 873,698</b>	<b>\$ 1,183,851</b>	<b>\$ 846,765</b>	<b>\$ (337,086)</b>
<b>Total Primary Government</b>	<b>\$ 120,862,138</b>	<b>\$ 133,291,487</b>	<b>\$ 128,671,691</b>	<b>\$ (4,619,796)</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from the use of money and property:				
Revenue from the use of property	\$ 20,000	\$ 21,000	\$ 17,550	\$ (3,450)
<b>Total revenue from the use of money and property</b>	<b>20,000</b>	<b>21,000</b>	<b>17,550</b>	<b>(3,450)</b>
Charges for services:				
Charges for education	467,662	476,380	382,470	(93,910)
Tuition and payments from other divisions	1,364,125	1,269,321	1,291,367	22,046
<b>Total charges for services</b>	<b>1,831,787</b>	<b>1,745,701</b>	<b>1,673,837</b>	<b>(71,864)</b>
Miscellaneous revenue:				
Other miscellaneous	253,707	255,932	221,147	(34,785)
<b>Total miscellaneous revenue</b>	<b>253,707</b>	<b>255,932</b>	<b>221,147</b>	<b>(34,785)</b>
<b>Total revenue from local sources</b>	<b>2,105,494</b>	<b>2,022,633</b>	<b>1,912,534</b>	<b>(110,099)</b>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Augusta, Virginia	44,197,758	44,197,758	42,848,431	(1,349,327)
<b>Total revenues from local governments</b>	<b>44,197,758</b>	<b>44,197,758</b>	<b>42,848,431</b>	<b>(1,349,327)</b>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	12,012,516	12,438,006	12,300,281	(137,725)
Basic school aid	28,501,746	28,557,789	28,604,352	46,563
Regular foster children	120,079	111,087	120,163	9,076
Adult secondary education	90,132	100,004	104,203	4,199
Gifted and talented	313,854	316,701	316,587	(114)
Remedial education	828,574	836,091	835,790	(301)
Special education	1,267,970	1,279,472	1,279,012	(460)
Textbook payment	632,039	637,772	637,543	(229)
Standards of learning-project graduation	9,913	9,913	9,913	-
Vocational standards of quality payments	1,211,476	1,222,466	1,222,026	(440)
Vocational adult education	20,852	20,914	16,773	(4,141)
Social security instructional	1,657,149	1,672,181	1,671,580	(601)
Retirement instructional	3,653,259	3,686,400	3,685,074	(1,326)
Group life insurance instructional	112,987	114,012	113,971	(41)
Compensation supplement	1,664,018	1,674,353	1,674,353	-
Early reading intervention	186,058	271,602	271,602	-
Supplemental lottery	2,320,813	2,313,643	2,317,481	3,838
Homebound education	16,184	14,710	14,648	(62)
Regional tuition program	1,127,555	1,023,222	970,876	(52,346)
Vocational education - equipment	22,421	42,769	48,861	6,092
Vocational occupational preparedness	154,269	166,221	210,189	43,968
Mentor teacher program	5,778	5,056	5,056	-
Special education - foster children	72,167	66,764	57,688	(9,076)
At risk payments	703,658	710,088	714,807	4,719
Primary class size	967,476	977,384	977,384	-
Technology	518,000	518,000	518,000	-
Standards of learning algebra readiness	108,417	112,236	112,236	-
At risk four-year olds	914,707	914,707	914,707	-
English as a second language	104,595	119,230	119,230	-
Other state funds	151,563	366,293	454,976	88,683
<b>Total categorical aid</b>	<b>59,470,225</b>	<b>60,299,086</b>	<b>60,299,362</b>	<b>276</b>
<b>Total revenue from the Commonwealth</b>	<b>59,470,225</b>	<b>60,299,086</b>	<b>60,299,362</b>	<b>276</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Discretely Presented Component Unit - School Board:</b>				
School Operating Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ 37,423	\$ 135,736	\$ 129,102	\$ (6,634)
Title I	1,309,764	1,462,495	1,340,980	(121,515)
Title VI-B, special education flow-through	2,435,315	1,894,004	2,020,455	126,451
Vocational education	139,638	212,454	146,513	(65,941)
Title VI-B, special education pre-school	62,027	65,083	63,285	(1,798)
VBPD grant special education flow-through	-	-	-	-
Title IV Part A	127,490	129,600	85,200	(44,400)
Title III Part A	15,822	14,053	2,963	(11,090)
Title II Part A	250,165	248,979	244,059	(4,920)
Advanced placement	1,064	-	-	-
ITCV grant	68,022	68,022	77,473	9,451
<b>Total categorical aid</b>	<b>4,446,730</b>	<b>4,230,426</b>	<b>4,110,030</b>	<b>(120,396)</b>
<b>Total revenue from the federal government</b>	<b>4,446,730</b>	<b>4,230,426</b>	<b>4,110,030</b>	<b>(120,396)</b>
<b>Total intergovernmental revenues</b>	<b>108,114,713</b>	<b>108,727,270</b>	<b>107,257,823</b>	<b>(1,469,447)</b>
<b>Total School Operating Fund</b>	<b>\$ 110,220,207</b>	<b>\$ 110,749,903</b>	<b>\$ 109,170,357</b>	<b>\$ (1,579,546)</b>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from the use of money and property:				
Revenue from the use of money	\$ 22,000	\$ 44,000	\$ 34,590	\$ (9,410)
<b>Total revenue from use of money and property</b>	<b>22,000</b>	<b>44,000</b>	<b>34,590</b>	<b>(9,410)</b>
Charges for services:				
Cafeteria sales	1,410,300	1,565,500	1,197,737	(367,763)
<b>Total charges for services</b>	<b>1,410,300</b>	<b>1,565,500</b>	<b>1,197,737</b>	<b>(367,763)</b>
<b>Total revenue from local sources</b>	<b>1,432,300</b>	<b>1,609,500</b>	<b>1,232,327</b>	<b>(377,173)</b>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	145,000	172,729	208,357	35,628
<b>Total categorical aid</b>	<b>145,000</b>	<b>172,729</b>	<b>208,357</b>	<b>35,628</b>
<b>Total revenue from the Commonwealth</b>	<b>145,000</b>	<b>172,729</b>	<b>208,357</b>	<b>35,628</b>
Revenue from the federal government:				
Categorical aid:				
School food program grant	2,714,277	2,727,000	3,754,452	1,027,452
USDA donated food	-	243	392,981	392,738
<b>Total categorical aid</b>	<b>2,714,277</b>	<b>2,727,243</b>	<b>4,147,433</b>	<b>1,420,190</b>
<b>Total revenue from the federal government</b>	<b>2,714,277</b>	<b>2,727,243</b>	<b>4,147,433</b>	<b>1,420,190</b>
<b>Total intergovernmental revenues</b>	<b>2,859,277</b>	<b>2,899,972</b>	<b>4,355,790</b>	<b>1,455,818</b>
<b>Total School Cafeteria Fund</b>	<b>\$ 4,291,577</b>	<b>\$ 4,509,472</b>	<b>\$ 5,588,117</b>	<b>\$ 1,078,645</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Discretely Presented Component Unit - School Board:</b>				
Head Start Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ -	\$ 50,000	\$ 53,012	\$ 3,012
<b>Total revenue from use of money and property</b>	<b>-</b>	<b>50,000</b>	<b>53,012</b>	<b>3,012</b>
<b>Total revenue from local sources</b>	<b>-</b>	<b>50,000</b>	<b>53,012</b>	<b>3,012</b>
Intergovernmental revenue:				
Revenue from local governments:				
Contributions from County of Augusta, Virginia	-	-	209	209
<b>Total revenue from local governments</b>	<b>-</b>	<b>-</b>	<b>209</b>	<b>209</b>
Revenue from the federal government:				
Categorical aid:				
Head start grant	2,980,756	3,522,525	3,338,068	(184,457)
<b>Total categorical aid</b>	<b>2,980,756</b>	<b>3,522,525</b>	<b>3,338,068</b>	<b>(184,457)</b>
<b>Total revenue from the federal government</b>	<b>2,980,756</b>	<b>3,522,525</b>	<b>3,338,068</b>	<b>(184,457)</b>
<b>Total intergovernmental revenues</b>	<b>2,980,756</b>	<b>3,522,525</b>	<b>3,338,277</b>	<b>(184,248)</b>
<b>Total Head Start Fund</b>	<b>\$ 2,980,756</b>	<b>\$ 3,572,525</b>	<b>\$ 3,391,289</b>	<b>\$ (181,236)</b>
Governor's School Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	\$ 994,772	\$ 1,003,642	\$ 857,594	\$ (146,048)
<b>Total charges for services</b>	<b>994,772</b>	<b>1,003,642</b>	<b>857,594</b>	<b>(146,048)</b>
Miscellaneous revenue:				
Other miscellaneous	2,800	2,800	24,559	21,759
<b>Total miscellaneous revenue</b>	<b>2,800</b>	<b>2,800</b>	<b>24,559</b>	<b>21,759</b>
<b>Total revenue from local sources</b>	<b>997,572</b>	<b>1,006,442</b>	<b>882,153</b>	<b>(124,289)</b>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Governor's school grant	682,086	659,376	659,379	3
Technology funds	26,000	26,000	26,000	-
Stem Competition Team Grant	-	-	5,000	5,000
<b>Total categorical aid</b>	<b>708,086</b>	<b>685,376</b>	<b>690,379</b>	<b>5,003</b>
<b>Total revenue from the Commonwealth</b>	<b>708,086</b>	<b>685,376</b>	<b>690,379</b>	<b>5,003</b>
<b>Total intergovernmental revenues</b>	<b>708,086</b>	<b>685,376</b>	<b>690,379</b>	<b>5,003</b>
<b>Total Governor's School Fund</b>	<b>\$ 1,705,658</b>	<b>\$ 1,691,818</b>	<b>\$ 1,572,532</b>	<b>\$ (119,286)</b>
<b>Total Discretely Presented Component Unit- School Board</b>	<b>\$ 119,198,198</b>	<b>\$ 120,523,718</b>	<b>\$ 119,722,295</b>	<b>\$ (801,423)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 143,481	\$ 159,155	\$ 147,707	\$ (11,448)
<b>Total legislative</b>	<b>143,481</b>	<b>159,155</b>	<b>147,707</b>	<b>(11,448)</b>
General and financial administration:				
County administrator	844,318	861,260	836,704	(24,556)
Human resources	281,553	285,939	275,486	(10,453)
Legal services	465,098	456,259	416,206	(40,053)
Commissioner of revenue	954,683	977,734	925,792	(51,942)
Reassessment	-	18,486	2,984	(15,502)
Board of Equalization	3,500	1,310	1,349	39
Treasurer	563,610	557,721	554,542	(3,179)
Finance	415,382	416,857	412,913	(3,944)
Information technology	782,338	806,570	766,920	(39,650)
Other general and financial administration	1,106,000	988,948	990,185	1,237
<b>Total general and financial administration</b>	<b>5,416,482</b>	<b>5,371,084</b>	<b>5,183,081</b>	<b>(188,003)</b>
Board of elections:				
Electoral board and officials	366,710	397,966	342,567	(55,399)
<b>Total board of elections</b>	<b>366,710</b>	<b>397,966</b>	<b>342,567</b>	<b>(55,399)</b>
<b>Total general government administration</b>	<b>5,926,673</b>	<b>5,928,205</b>	<b>5,673,355</b>	<b>(254,850)</b>
Judicial administration:				
Courts:				
Circuit court	172,942	164,321	163,639	(682)
General district court	7,500	7,500	8,467	967
Special magistrates	3,596	3,596	2,487	(1,109)
Clerk of the circuit court	941,259	981,074	888,439	(92,635)
<b>Total courts</b>	<b>1,125,297</b>	<b>1,156,491</b>	<b>1,063,032</b>	<b>(93,459)</b>
Commonwealth's attorney:				
Commonwealth's attorney	1,122,649	1,307,220	1,312,296	5,076
<b>Total commonwealth's attorney</b>	<b>1,122,649</b>	<b>1,307,220</b>	<b>1,312,296</b>	<b>5,076</b>
<b>Total judicial administration</b>	<b>2,247,946</b>	<b>2,463,711</b>	<b>2,375,328</b>	<b>(88,383)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 7,294,085	\$ 7,466,463	\$ 7,268,250	\$ (198,213)
Emergency operations center	2,027,943	1,986,201	1,887,537	(98,664)
<b>Total law enforcement and traffic control</b>	<b>9,322,028</b>	<b>9,452,664</b>	<b>9,155,787</b>	<b>(296,877)</b>
Fire and rescue services:				
Fire department	7,749,498	7,960,774	7,797,648	(163,126)
Volunteer emergency operations	2,081,836	2,073,336	1,834,332	(239,004)
Fire training center	435,576	375,946	329,690	(46,256)
Fire revolving fund disbursements	605,000	605,000	563,943	(41,057)
EMS transport service	618,227	644,323	604,942	(39,381)
<b>Total fire and rescue services</b>	<b>11,490,137</b>	<b>11,659,379</b>	<b>11,130,555</b>	<b>(528,824)</b>
Correction and detention:				
Probation and detention	2,093,997	2,908,709	3,016,899	108,190
<b>Total correction and detention</b>	<b>2,093,997</b>	<b>2,908,709</b>	<b>3,016,899</b>	<b>108,190</b>
Inspections:				
Building	404,672	406,074	402,287	(3,787)
<b>Total inspections</b>	<b>404,672</b>	<b>406,074</b>	<b>402,287</b>	<b>(3,787)</b>
Other protection:				
Animal control	441,886	457,054	442,695	(14,359)
Drug enforcement funds	48,000	49,100	42,197	(6,903)
<b>Total other protection</b>	<b>489,886</b>	<b>506,154</b>	<b>484,892</b>	<b>(21,262)</b>
<b>Total public safety</b>	<b>23,800,720</b>	<b>24,932,980</b>	<b>24,190,420</b>	<b>(742,560)</b>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	16,000	16,000	15,125	(875)
Streetlights	120,500	120,500	122,321	1,821
<b>Total maintenance of highways, streets, bridges and sidewalks</b>	<b>136,500</b>	<b>136,500</b>	<b>137,446</b>	<b>946</b>
Sanitation and waste removal:				
Refuse collection and disposal	2,204,029	2,219,307	2,433,745	214,438
Recycling program	161,500	190,532	159,686	(30,846)
Other	-	-	13,058	13,058
<b>Total sanitation and waste removal</b>	<b>2,365,529</b>	<b>2,409,839</b>	<b>2,606,489</b>	<b>196,650</b>
Maintenance of general buildings and grounds:				
General properties	1,998,929	2,287,746	1,967,014	(320,732)
<b>Total maintenance of general buildings and grounds</b>	<b>1,998,929</b>	<b>2,287,746</b>	<b>1,967,014</b>	<b>(320,732)</b>
<b>Total public works</b>	<b>4,500,958</b>	<b>4,834,085</b>	<b>4,710,949</b>	<b>(123,136)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Health and welfare:				
Health:				
Supplement to local health department	\$ 571,337	\$ 571,337	\$ 571,337	\$ -
<b>Total health</b>	571,337	571,337	571,337	-
Mental health and mental retardation:				
Community services board	197,000	197,000	197,000	-
<b>Total mental health and mental retardation</b>	197,000	197,000	197,000	-
Welfare:				
Valley Education Alliance	1,000	1,000	1,000	-
Valley Program for the Aging	31,250	31,250	31,250	-
BRITE Transit Services	41,000	41,000	41,000	-
Community Centers	10,000	8,750	8,750	-
Verona Food Pantry	39,540	39,540	39,540	-
Lions Sight and Hearing/Oak Grove Theatre	3,446	3,446	3,446	-
CAPSAW	52,100	52,100	52,100	-
Craigsville personal property	34,573	37,337	37,337	-
Miscellaneous	5,000	5,000	5,000	-
Tax relief for the elderly	350,200	363,300	369,623	6,323
<b>Total welfare</b>	568,109	582,723	589,046	6,323
<b>Total health and welfare</b>	1,336,446	1,351,060	1,357,383	6,323
Education:				
Other instructional costs:				
Contributions to Blue Ridge Community College	5,000	5,000	5,000	-
Contribution to County School Board	45,277,758	44,197,758	42,763,948	(1,433,810)
<b>Total education</b>	45,282,758	44,202,758	42,768,948	(1,433,810)
Parks, recreation and cultural:				
Parks and recreation:				
Supervision of parks and recreation	1,196,791	1,162,447	917,861	(244,586)
<b>Total parks and recreation</b>	1,196,791	1,162,447	917,861	(244,586)
Cultural enrichment:				
Fine Arts Grant	10,000	9,500	9,500	-
<b>Total cultural enrichment</b>	10,000	9,500	9,500	-
Library:				
Contribution to county library	1,434,436	1,471,412	1,450,054	(21,358)
<b>Total library</b>	1,434,436	1,471,412	1,450,054	(21,358)
<b>Total parks, recreation and cultural</b>	2,641,227	2,643,359	2,377,415	(265,944)

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Primary Government:</b>				
General Fund:				
Community development:				
Planning and community development:				
Community development	\$ 1,001,881	\$ 1,020,523	\$ 984,199	\$ (36,324)
Tourism development	129,490	108,739	106,961	(1,778)
Economic development	311,280	309,664	245,954	(63,710)
Contribution to Economic Development Authority	195,200	820,000	480,982	(339,018)
<b>Total planning and community development</b>	<b>1,637,851</b>	<b>2,258,926</b>	<b>1,818,096</b>	<b>(440,830)</b>
Environmental management:				
Contribution to soil and water district	95,928	95,928	101,895	5,967
<b>Total environmental management</b>	<b>95,928</b>	<b>95,928</b>	<b>101,895</b>	<b>5,967</b>
Cooperative extension program:				
Extension office	130,972	130,972	110,079	(20,893)
Agricultural development	1,500	1,500	-	(1,500)
<b>Total cooperative extension program</b>	<b>132,472</b>	<b>132,472</b>	<b>110,079</b>	<b>(22,393)</b>
<b>Total community development</b>	<b>1,866,251</b>	<b>2,487,326</b>	<b>2,030,070</b>	<b>(457,256)</b>
Nondepartmental:				
Shenandoah Valley Regional Airport	134,080	134,080	134,080	-
Contingencies	125,252	125,252	106,260	(18,992)
<b>Total nondepartmental</b>	<b>259,332</b>	<b>259,332</b>	<b>240,340</b>	<b>(18,992)</b>
<b>Total General Fund</b>	<b>\$ 87,862,311</b>	<b>\$ 89,102,816</b>	<b>\$ 85,724,208</b>	<b>\$ (3,378,608)</b>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 9,989,210	\$ 10,252,836	\$ 9,746,784	\$ (506,052)
Public assistance	3,553,000	3,331,100	2,918,928	(412,172)
Children's services	5,000,000	5,750,000	4,801,210	(948,790)
<b>Total welfare and social services</b>	<b>18,542,210</b>	<b>19,333,936</b>	<b>17,466,922</b>	<b>(1,867,014)</b>
<b>Total health and welfare</b>	<b>18,542,210</b>	<b>19,333,936</b>	<b>17,466,922</b>	<b>(1,867,014)</b>
<b>Total Virginia Public Assistance Fund</b>	<b>\$ 18,542,210</b>	<b>\$ 19,333,936</b>	<b>\$ 17,466,922</b>	<b>\$ (1,867,014)</b>
Debt Service Fund:				
County Debt Service:				
Debt Service:				
Principal retirement	\$ 537,677	\$ 537,677	\$ 537,677	\$ -
Interest and other fiscal charges	193,759	193,759	193,759	-
<b>Total County Debt Service</b>	<b>731,436</b>	<b>731,436</b>	<b>731,436</b>	<b>-</b>



**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Primary Government:</b>				
Debt Service Fund:				
School Debt Service:				
Debt Service:				
Principal retirement	\$ 5,311,804	\$ 5,311,804	\$ 5,311,804	\$ -
Interest and other fiscal charges	2,498,266	2,494,903	2,493,304	(1,599)
<b>Total School Debt Service</b>	<b>7,810,070</b>	<b>7,806,707</b>	<b>7,805,108</b>	<b>(1,599)</b>
<b>Total Debt Service Fund</b>	<b>\$ 8,541,506</b>	<b>\$ 8,538,143</b>	<b>\$ 8,536,544</b>	<b>\$ (1,599)</b>
<b>Capital Projects Funds:</b>				
County Capital Improvements Fund:				
Capital projects expenditures:				
County Schools	\$ -	\$ 576,019	\$ -	\$ (576,019)
Landfill	200,000	200,364	394,114	193,750
Road construction	389,720	705,000	150,768	(554,232)
Programs	4,364,813	5,416,038	5,603,898	187,860
Equipment replacement	1,791,979	3,299,979	3,146,840	(153,139)
Building renovations and construction	1,406,460	1,467,886	1,346,794	(121,092)
Economic development	273,224	523,224	(568,291)	(1,091,515)
Community contributions	555,000	555,000	187,874	(367,126)
<b>Total capital projects expenditures</b>	<b>8,981,196</b>	<b>12,743,510</b>	<b>10,261,997</b>	<b>(2,481,513)</b>
<b>Total County Capital Improvements Fund</b>	<b>\$ 8,981,196</b>	<b>\$ 12,743,510</b>	<b>\$ 10,261,997</b>	<b>\$ (2,481,513)</b>
School Capital Improvements Fund:				
Capital projects expenditures:				
Transportation	\$ 1,080,000	\$ 1,010,016	\$ 1,010,016	\$ -
Equipment/technology	362,468	463,172	1,830,396	1,367,224
Other School projects	-	330,009	283,326	(46,683)
Building renovations	-	246,864	180,666	(66,198)
<b>Total capital projects expenditures</b>	<b>1,442,468</b>	<b>2,050,061</b>	<b>3,304,404</b>	<b>1,254,343</b>
Debt Service:				
Principal retirement	-	-	454,524	454,524
Interest and other fiscal charges	-	-	8,647	8,647
	-	-	463,171	463,171
<b>Total School Capital Improvements Fund</b>	<b>\$ 1,442,468</b>	<b>\$ 2,050,061</b>	<b>\$ 3,767,575</b>	<b>\$ 1,717,514</b>
<b>Total Primary Government</b>	<b>\$ 125,369,691</b>	<b>\$ 131,768,466</b>	<b>\$ 125,757,246</b>	<b>\$ (6,011,220)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Discretely Presented Component Unit - School Board:</b>				
School Operating Fund:				
Education:				
Administration of schools:				
School board	\$ 263,563	\$ 262,580	\$ 238,270	\$ (24,310)
Executive administration services	647,203	659,630	729,724	70,094
Personnel	783,600	714,182	721,571	7,389
Fiscal services	714,758	732,461	738,649	6,188
Data processing services	539,655	536,284	536,876	592
<b>Total administration of schools</b>	<b>2,948,779</b>	<b>2,905,137</b>	<b>2,965,090</b>	<b>59,953</b>
Instruction costs:				
Elementary and secondary schools	71,064,929	71,422,667	70,672,291	(750,376)
Guidance services	3,109,463	3,160,389	3,107,512	(52,877)
Social worker services	584,905	579,174	570,001	(9,173)
Other instructional costs	2,665,577	2,802,863	2,937,783	134,920
Media services	1,888,802	1,898,705	1,866,235	(32,470)
Technology services	3,288,229	3,290,166	3,203,504	(86,662)
Office of the principal	6,946,445	6,944,200	6,900,315	(43,885)
<b>Total instruction costs</b>	<b>89,548,350</b>	<b>90,098,164</b>	<b>89,257,641</b>	<b>(840,523)</b>
Operating costs:				
Attendance and health services	1,680,036	1,725,368	1,667,358	(58,010)
Pupil transportation	6,817,952	6,801,518	6,586,303	(215,215)
Operation and maintenance of school plant	9,225,090	9,219,716	8,693,965	(525,751)
<b>Total operating costs</b>	<b>17,723,078</b>	<b>17,746,602</b>	<b>16,947,626</b>	<b>(798,976)</b>
<b>Total education</b>	<b>110,220,207</b>	<b>110,749,903</b>	<b>109,170,357</b>	<b>(1,579,546)</b>
<b>Total School Operating Fund</b>	<b>\$ 110,220,207</b>	<b>\$ 110,749,903</b>	<b>\$ 109,170,357</b>	<b>\$ (1,579,546)</b>
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 4,457,897	\$ 4,783,694	\$ 5,216,925	\$ 433,231
<b>Total school food services</b>	<b>4,457,897</b>	<b>4,783,694</b>	<b>5,216,925</b>	<b>433,231</b>
<b>Total education</b>	<b>4,457,897</b>	<b>4,783,694</b>	<b>5,216,925</b>	<b>433,231</b>
<b>Total Cafeteria Fund</b>	<b>\$ 4,457,897</b>	<b>\$ 4,783,694</b>	<b>\$ 5,216,925</b>	<b>\$ 433,231</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Discretely Presented Component Unit - School Board:</b>				
Head Start Fund:				
Education:				
Instruction	\$ 2,503,770	\$ 2,612,645	\$ 2,435,815	\$ (176,830)
Administration, attendance and health	401,802	434,141	430,587	(3,554)
Transportation services	71,934	97,788	96,573	(1,215)
Operations and maintenance services	3,250	427,951	428,314	363
<b>Total education</b>	<b>2,980,756</b>	<b>3,572,525</b>	<b>3,391,289</b>	<b>(181,236)</b>
<b>Total Head Start Fund</b>	<b>\$ 2,980,756</b>	<b>\$ 3,572,525</b>	<b>\$ 3,391,289</b>	<b>\$ (181,236)</b>
Governor's School Fund:				
Education:				
Instruction	\$ 1,594,458	\$ 1,580,618	\$ 1,545,404	\$ (35,214)
Operations and maintenance services	111,200	111,200	27,128	(84,072)
<b>Total education</b>	<b>1,705,658</b>	<b>1,691,818</b>	<b>1,572,532</b>	<b>(119,286)</b>
<b>Total Governor's School Fund</b>	<b>\$ 1,705,658</b>	<b>\$ 1,691,818</b>	<b>\$ 1,572,532</b>	<b>\$ (119,286)</b>
<b>Total Discretely Presented Component Unit -       School Board</b>	<b>\$ 119,364,518</b>	<b>\$ 120,797,940</b>	<b>\$ 119,351,103</b>	<b>\$ (1,446,837)</b>

## **STATISTICAL SECTION**

# COUNTY OF AUGUSTA, VIRGINIA

## STATISTICAL SECTION TABLE OF CONTENTS

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The statistical section of the County’s comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County’s overall financial health. This information has not been audited by the independent auditor.

Contents	Tables
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	1 – 6
<b>Revenue Capacity</b> These tables contain information to help the reader assess the factors affecting the County’s ability to generate its property and sales taxes.	7 – 10
<b>Debt Capacity</b> These tables present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue debt in the future	11 – 12
<b>Demographic and Economic Information</b> These tables offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments	13 – 14
<b>Operating Information</b> These tables contain information about the County’s operations and resources to help the reader understand how the County’s financial information relate to the services the County provides and the activities it performs.	15 – 17

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the relevant year.

**NET POSITION/ASSETS<sup>(1)</sup> BY COMPONENT**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary Government										
Governmental activities:										
Net investment in capital assets	\$ 6,505,638	\$ 14,050,950	\$ 6,243,063	\$ 14,785,963	\$ 16,731,529	\$ 14,697,452	\$ (28,355,363)	\$ 14,587,191	\$ 16,861,519	\$ <b>16,560,315</b>
Restricted	1,442,518	1,700,541	1,803,491	4,534,029	3,933,728	26,675,632	8,456,531	3,800,220	2,950,318	<b>2,858,862</b>
Unrestricted	58,132,662	46,866,214	43,862,461	41,015,719	25,271,482	4,559,615	39,611,252	36,958,335	43,746,456	<b>44,584,619</b>
<b>Total primary government, governmental activities net assets</b>	<b>\$ 66,080,818</b>	<b>\$ 62,617,705</b>								
<b>Total primary government, governmental activities net position</b>			<b>\$ 51,909,015</b>	<b>\$ 60,335,711</b>	<b>\$ 45,936,739</b>	<b>\$ 45,932,699</b>	<b>\$ 19,712,420</b>	<b>\$ 55,345,746</b>	<b>\$ 63,558,293</b>	<b>\$ 64,003,796</b>
Component Unit <sup>(2)</sup>										
Component unit - school board:										
Net investment in capital assets	\$ 70,147,502	\$ 73,689,709	\$ 79,495,252	\$ 73,843,782	\$ 75,857,589	\$ 88,522,897	\$ 118,060,129	\$ 78,473,778	\$ 78,418,587	\$ <b>81,373,540</b>
Unrestricted (deficit)	(1,930,375)	(1,771,091)	(2,760,786)	(3,294,961)	(98,567,183)	(96,659,726)	(96,428,666)	(115,961,481)	(112,884,090)	<b>(111,869,153)</b>
<b>Total component unit net assets</b>	<b>\$ 68,217,127</b>	<b>\$ 71,918,618</b>								
<b>Total component unit net position</b>			<b>\$ 76,734,466</b>	<b>\$ 70,548,821</b>	<b>\$ (22,709,594)</b>	<b>\$ (8,136,829)</b>	<b>\$ 21,631,463</b>	<b>\$ (37,487,703)</b>	<b>\$ (34,465,503)</b>	<b>\$ (30,495,613)</b>
Total Reporting Entity										
Net investment in capital assets	\$ 76,653,140	\$ 87,740,659	\$ 85,738,315	\$ 88,629,745	\$ 92,589,118	\$ 103,220,349	\$ 89,704,766	\$ 93,060,969	\$ 95,280,106	\$ <b>97,933,855</b>
Restricted	1,442,518	1,700,541	1,803,491	4,534,029	3,933,728	26,675,632	8,456,531	3,800,220	2,950,318	<b>2,858,862</b>
Unrestricted	56,202,287	45,095,123	41,101,675	37,720,758	(73,295,701)	(92,100,111)	(56,817,414)	(79,003,146)	(69,137,634)	<b>(67,284,534)</b>
<b>Total reporting entity net assets</b>	<b>\$ 134,297,945</b>	<b>\$ 134,536,323</b>								
<b>Total reporting entity net position</b>			<b>\$ 128,643,481</b>	<b>\$ 130,884,532</b>	<b>\$ 23,227,145</b>	<b>\$ 37,795,870</b>	<b>\$ 41,343,883</b>	<b>\$ 17,858,043</b>	<b>\$ 29,092,790</b>	<b>\$ 33,508,183</b>

Notes:

- (1) This table reports financial information based on the accrual basis of accounting. The County implemented GASB Statement No. 63 in fiscal year 2013. This standard eliminated the use of the term "net assets" and now refers to this measurement as "net position."
- (2) Component unit net position/assets are included in the table due to public schools being significant portions of the County operations. In Virginia, the County issues debt to finance the construction of facilities for the component unit because the component unit does not have borrowing or taxing authority.
- (3) At June 30, 2014, net position was restated for the implementation of GASB Statement No. 68, which reduced net position by \$13,744,283 for the primary government and \$96,743,465 for the component unit - school board.
- (4) At June 30, 2017, net position was restated for the implementation of GASB Statement No. 75, which reduced net position by \$2,777,000 for the primary government and \$21,048,441 for the component unit - School Board.

**CHANGES IN NET POSITION/ASSETS<sup>(2)</sup>**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary Government										
Expenses:										
Governmental activities:										
General government	\$ 4,692,239	\$ 5,596,300	\$ 6,214,685	\$ 5,826,866	\$ 5,872,140	\$ 5,499,180	\$ 6,377,127	\$ 6,503,063	\$ 8,988,980	\$ 7,547,543
Judicial administration	1,708,402	1,679,718	1,763,311	1,772,021	1,716,540	1,865,010	1,995,424	2,017,262	2,108,041	2,103,246
Public safety	15,980,626	16,383,625	20,223,736	19,778,068	18,716,024	12,567,986	21,392,046	23,846,222	24,101,613	30,057,120
Public works	3,612,340	4,913,232	9,779,172	11,849,900	6,880,503	7,230,620	5,305,146	7,281,618	4,543,783	8,891,842
Health and welfare	12,853,535	13,531,460	13,600,850	14,576,794	14,725,715	14,668,197	16,469,416	16,186,578	18,370,628	19,625,147
Education	39,017,924	39,414,225	44,657,620	36,151,010	45,818,355	57,310,966	75,383,817	10,657,884	48,304,659	53,373,007
Parks, recreation and cultural	3,488,980	3,686,421	2,908,027	2,613,593	2,771,476	2,821,846	2,858,721	3,316,542	2,449,762	2,870,905
Community development	1,575,691	1,987,718	3,607,318	2,703,540	2,878,735	1,750,061	1,797,866	2,184,255	1,905,013	2,051,382
Interest on long-term debt	2,771,393	2,506,373	2,575,695	2,314,911	2,137,087	1,869,342	3,246,063	2,710,519	2,403,885	2,167,209
<b>Total primary government expenses</b>	<b>85,701,130</b>	<b>89,699,072</b>	<b>105,330,414</b>	<b>97,586,703</b>	<b>101,516,575</b>	<b>105,583,208</b>	<b>134,825,626</b>	<b>74,703,943</b>	<b>113,176,364</b>	<b>128,687,401</b>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	666,334	566,517	612,266	621,178	854,701	647,440	740,688	738,561	696,917	730,655
Judicial administration	298,686	238,266	238,047	218,470	222,118	207,767	232,593	267,257	281,445	210,170
Public safety	879,276	831,899	1,180,338	1,497,982	1,502,939	1,430,692	1,631,946	1,914,075	3,155,549	2,963,621
Public works	987,779	947,668	947,251	1,092,513	1,065,703	1,093,681	1,281,673	1,528,230	2,221,686	1,822,007
Health and welfare	352,321	388,108	329,763	153,074	142,772	181,556	158,177	190,817	1,342,228	1,712,553
Parks, recreation and cultural	722,413	791,546	816,405	752,909	772,613	843,530	824,567	817,258	996,007	488,413
Operating grants and contributions	15,042,625	15,109,815	16,026,250	17,285,378	16,701,623	16,661,521	18,706,733	19,057,643	18,868,004	22,870,708
Capital grants and contributions	432,880	1,319,142	5,723,148	7,429,523	3,084,267	3,994,031	2,296,245	3,423,147	1,204,916	1,635,216
<b>Total primary government program revenues</b>	<b>19,382,314</b>	<b>20,192,961</b>	<b>25,873,468</b>	<b>29,051,027</b>	<b>24,346,736</b>	<b>25,060,218</b>	<b>25,872,622</b>	<b>27,936,988</b>	<b>28,766,752</b>	<b>32,433,343</b>
<b>Total primary government net expenses<sup>(1)</sup></b>	<b>(66,318,816)</b>	<b>(69,506,111)</b>	<b>(79,456,946)</b>	<b>(68,535,676)</b>	<b>(77,169,839)</b>	<b>(80,522,990)</b>	<b>(108,953,004)</b>	<b>(46,766,955)</b>	<b>(84,409,612)</b>	<b>(96,254,058)</b>
General revenues and other changes in net assets/position:										
Governmental activities:										
Taxes:										
Property taxes	44,520,421	44,920,894	46,893,968	51,900,224	53,585,755	56,937,887	58,296,837	60,545,183	66,259,967	68,989,644
Local sales and use taxes	4,493,294	4,532,643	4,823,327	4,803,575	4,984,203	5,422,965	5,542,113	5,673,129	6,240,415	6,822,265
Consumer utility taxes	1,693,984	1,684,948	1,714,242	1,724,037	1,749,332	1,781,431	1,786,347	1,791,413	1,804,213	1,812,435
Business licenses taxes	3,034,935	3,241,549	3,183,170	3,488,169	3,734,050	3,526,206	3,625,435	3,813,142	4,065,916	4,313,711
Restaurant food taxes	2,169,324	2,193,920	2,246,096	2,081,118	2,320,903	2,419,683	2,544,440	2,504,972	2,558,254	2,418,593
Other local taxes	1,594,562	1,557,871	1,629,127	1,853,526	1,856,653	1,964,970	2,106,591	2,107,785	2,171,699	2,094,917
Unrestricted grants and contributions	7,218,860	7,152,277	7,373,603	7,578,602	7,446,327	7,510,753	7,497,164	7,382,817	7,540,903	7,399,577
Unrestricted revenues from use of money and property	773,458	594,536	509,635	537,628	567,927	634,230	592,384	795,317	1,510,344	1,272,079
Gain (loss) on disposal of capital assets	-	-	375,088	-	-	-	285,000	-	-	-
Miscellaneous	31,706	164,360	-	818,655	270,000	320,825	456,414	563,523	470,448	1,576,340
<b>Total primary government general revenues and other changes in net assets/position</b>	<b>65,530,544</b>	<b>66,042,998</b>	<b>68,748,256</b>	<b>74,785,534</b>	<b>76,515,150</b>	<b>80,518,950</b>	<b>82,732,725</b>	<b>85,177,281</b>	<b>92,622,159</b>	<b>96,699,561</b>
Change in net assets:										
<b>Total primary government</b>	<b>\$ (788,272)</b>	<b>\$ (3,463,113)</b>								
Change in net position:										
<b>Total primary government</b>	<b>\$ (10,708,690)</b>	<b>\$ 6,249,858</b>	<b>\$ (654,689)</b>	<b>\$ (4,040)</b>	<b>\$ (26,220,279)</b>	<b>\$ 38,410,326</b>	<b>\$ 8,212,547</b>	<b>\$ 445,503</b>		

**CHANGES IN NET POSITION/ASSETS<sup>(2)</sup>**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Component Unit <sup>(2)</sup>										
Expenses:										
School Board	\$ 101,812,342	\$ 99,494,039	\$ 101,705,922	\$ 110,663,364	\$ 106,500,888	\$ 96,031,665	\$ 83,895,486	\$ 156,045,549	\$ 113,102,026	\$ 115,752,405
<b>Total component unit expenses</b>	<b>101,812,342</b>	<b>99,494,039</b>	<b>101,705,922</b>	<b>110,663,364</b>	<b>106,500,888</b>	<b>96,031,665</b>	<b>83,895,486</b>	<b>156,045,549</b>	<b>113,102,026</b>	<b>115,752,405</b>
Program revenues:										
Charges for services	3,903,726	3,625,413	4,216,248	3,272,742	3,257,108	3,367,635	3,116,679	3,027,439	4,147,506	3,729,168
Operating grants and contributions	62,292,979	62,352,796	63,796,761	60,559,006	63,399,705	64,139,916	66,074,497	67,255,166	69,424,386	72,793,629
Capital grants and contributions	-	-	-	-	449,479	46,509	-	-	-	-
<b>Total component unit program revenues</b>	<b>66,196,705</b>	<b>65,978,209</b>	<b>68,013,009</b>	<b>63,831,748</b>	<b>67,106,292</b>	<b>67,554,060</b>	<b>69,191,176</b>	<b>70,282,605</b>	<b>73,571,892</b>	<b>76,522,797</b>
<b>Total component unit net expense<sup>(1)</sup></b>	<b>(35,615,637)</b>	<b>(33,515,830)</b>	<b>(33,692,913)</b>	<b>(46,831,616)</b>	<b>(39,394,596)</b>	<b>(28,477,605)</b>	<b>(14,704,310)</b>	<b>(85,762,944)</b>	<b>(39,530,134)</b>	<b>(39,229,608)</b>
General revenues and other changes in net assets/position:										
Unrestricted grants and contributions	36,461,858	36,339,862	38,164,900	40,795,739	41,844,914	42,430,723	43,347,751	46,156,655	42,124,975	42,848,640
Unrestricted revenues from use of money and property	52,957	45,453	43,931	35,294	34,841	54,183	55,715	143,819	116,756	105,152
Miscellaneous	710,643	832,006	299,927	607,376	999,891	565,464	1,069,136	1,391,745	310,603	245,706
<b>Total component unit general revenues and other changes in net assets/position</b>	<b>37,225,458</b>	<b>37,217,321</b>	<b>38,508,758</b>	<b>41,438,409</b>	<b>42,879,646</b>	<b>43,050,370</b>	<b>44,472,602</b>	<b>47,692,219</b>	<b>42,552,334</b>	<b>43,199,498</b>
Change in net assets:										
<b>Total component unit</b>	<b>\$ 1,609,821</b>	<b>\$ 3,701,491</b>								
Change in net position:										
<b>Total component unit</b>			<b>\$ 4,815,845</b>	<b>\$ (5,393,207)</b>	<b>\$ 3,485,050</b>	<b>\$ 14,572,765</b>	<b>\$ 29,768,292</b>	<b>\$ (38,070,725)</b>	<b>\$ 3,022,200</b>	<b>\$ 3,969,890</b>
Total Reporting Entity Change in Net Assets	\$ 821,549	\$ 238,378								
Total Reporting Entity Change in Net Position			\$ (5,892,845)	\$ 856,651	\$ 2,830,361	\$ 14,568,725	\$ 3,548,013	\$ 339,601	\$ 11,234,747	\$ 4,415,393

Notes:

- (1) Net (expense) revenues is the difference between the expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in a parentheses are net expenses indicating that expenses were greater than program revenues and, therefore, general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, demonstrating that program revenues were more than sufficient to cover expenses.
- (2) This table reports financial information based on the accrual basis of accounting. The County implemented GASB Statement No. 63 in fiscal year 2013. This standard eliminated the use of the term "net assets" and now refers to this measurement as "net position."
- (3) The component unit, School Board, was included in this table due to their significance to the County.



**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumer Utility Tax	Business License Tax	Restaurant Food Tax	Other Local Taxes	Total
2020	\$ 68,989,644	\$ 6,822,265	\$ 1,812,435	\$ 4,313,711	\$ 2,418,593	\$ 2,094,917	\$ 86,451,565
2019	66,259,967	6,240,415	1,804,213	4,065,916	2,558,254	2,171,699	83,100,464
2018	60,545,183	5,673,129	1,791,413	3,813,142	2,504,972	2,107,785	76,435,624
2017	58,296,837	5,542,113	1,786,347	3,625,435	2,544,440	2,106,591	73,901,763
2016	56,937,887	5,422,965	1,781,431	3,526,206	2,419,683	1,964,970	72,053,142
2015	53,585,755	4,984,203	1,749,332	3,734,050	2,320,903	1,856,653	68,230,896
2014	51,900,224	4,803,575	1,724,037	3,488,169	2,081,118	1,853,526	65,850,649
2013	46,893,968	4,823,327	1,714,242	3,183,170	2,246,096	1,629,127	60,489,930
2012	44,920,894	4,532,643	1,684,948	3,241,549	2,193,920	1,557,871	58,131,825
2011	44,520,421	4,493,294	1,693,984	3,034,935	2,169,324	1,594,562	57,506,520

**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 5,000	\$ 143,157	\$ 91,255	\$ 41,721	\$ 154,477	\$ 106,493	\$ 93,961	\$ 1,203,806	\$ 1,209,984	\$ 1,203,343
Restricted	1,442,518	1,700,541	1,803,492	2,006,339	2,352,414	2,659,784	2,966,538	2,932,086	2,756,012	2,556,267
Committed	645,660	407,722	747,920	691,504	1,116,221	1,249,070	1,171,649	1,498,042	1,714,591	2,794,338
Assigned	631,426	199,905	203,579	206,303	221,784	234,072	253,977	257,332	317,243	387,367
Unassigned	13,416,628	11,940,495	12,319,579	11,986,399	12,001,256	12,439,272	13,658,436	11,798,202	13,172,482	18,202,654
<b>Total general fund</b>	<b>16,141,232</b>	<b>14,391,820</b>	<b>15,165,825</b>	<b>14,932,266</b>	<b>15,846,152</b>	<b>16,688,691</b>	<b>18,144,561</b>	<b>17,689,468</b>	<b>19,170,312</b>	<b>25,143,969</b>
All Other Governmental Funds										
Restricted	6,572,262	5,374,308	4,929,034	2,244,271	455,329	19,457,305	5,489,993	868,135	194,307	302,595
Committed	10,250,894	8,134,044	5,294,761	3,304,648	1,148,900	2,645,897	-	-	-	-
Assigned	20,820,221	22,294,342	21,750,133	24,831,423	25,357,733	25,219,223	27,326,844	27,607,372	31,371,591	30,034,487
Unassigned	-	-	-	-	(318,771)	(757,966)	(397,747)	-	-	-
<b>Total all other governmental funds</b>	<b>37,643,377</b>	<b>35,802,694</b>	<b>31,973,928</b>	<b>30,380,342</b>	<b>26,643,191</b>	<b>46,564,459</b>	<b>32,419,090</b>	<b>28,475,507</b>	<b>31,565,898</b>	<b>30,337,082</b>
<b>Total fund balances</b>	<b>\$ 53,784,609</b>	<b>\$ 50,194,514</b>	<b>\$ 47,139,753</b>	<b>\$ 45,312,608</b>	<b>\$ 42,489,343</b>	<b>\$ 63,253,150</b>	<b>\$ 50,563,651</b>	<b>\$ 46,164,975</b>	<b>\$ 50,736,210</b>	<b>\$ 55,481,051</b>

**CHANGES FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
General property taxes	\$ 43,846,031	\$ 44,460,692	\$ 47,584,001	\$ 51,399,020	\$ 52,963,125	\$ 56,207,747	\$ 58,114,396	\$ 61,109,229	\$ 66,330,173	\$ 68,528,431
Other local taxes	15,590,286	15,787,363	16,174,522	13,976,359	14,671,097	15,140,297	15,613,974	15,890,441	16,840,497	17,461,921
Permits, privilege fees and regulatory licenses	570,514	487,988	526,622	524,896	764,794	568,023	645,578	637,374	608,943	602,235
Fines and forfeitures	268,311	209,963	239,453	208,086	206,125	149,052	214,784	311,426	347,877	272,161
Revenue from use of money and property	771,283	609,792	544,808	549,465	594,562	677,776	719,415	843,096	1,510,344	1,272,079
Charges for services	3,067,984	3,066,053	3,357,995	3,603,144	3,589,927	3,644,104	4,009,282	4,507,398	5,340,430	4,392,269
Miscellaneous	418,728	322,129	542,617	756,329	432,789	813,309	1,624,932	616,839	470,448	1,576,340
Recovered costs	1,138,069	1,267,077	1,476,825	1,489,783	2,430,905	2,493,669	2,433,649	2,712,874	2,396,582	2,660,754
Intergovernmental:										
Commonwealth	14,269,074	15,076,076	18,182,170	23,726,548	19,888,254	18,484,319	19,110,574	20,881,834	18,972,342	18,693,674
Federal	5,665,700	5,870,864	8,265,021	8,035,610	7,128,583	9,164,401	8,084,971	8,880,678	8,641,481	13,211,827
<b>Total revenues</b>	<b>85,605,980</b>	<b>87,157,997</b>	<b>96,894,034</b>	<b>104,269,240</b>	<b>102,670,161</b>	<b>107,342,697</b>	<b>110,571,555</b>	<b>116,391,189</b>	<b>121,459,117</b>	<b>128,671,691</b>
<b>Expenditures</b>										
General government administration	3,616,106	4,075,387	4,625,805	4,342,595	4,673,312	4,638,398	5,075,701	5,856,944	5,466,486	5,673,355
Judicial administration	1,684,155	1,685,862	1,782,776	1,762,176	1,839,987	1,910,072	2,030,508	2,137,419	2,178,024	2,375,328
Public safety	14,505,659	15,098,509	17,314,645	18,043,770	18,173,128	19,178,655	20,393,454	21,739,801	23,021,684	24,190,420
Public works	3,172,573	3,159,713	3,301,565	3,356,040	3,465,517	3,467,975	3,686,463	3,810,788	4,415,893	4,710,949
Health and welfare	13,822,278	14,531,194	14,728,109	15,703,648	16,389,266	16,378,953	17,863,715	18,103,067	18,819,407	18,824,305
Education	32,297,967	31,821,633	33,822,914	36,443,632	37,852,654	38,511,372	40,078,627	41,566,439	42,051,057	42,768,948
Parks, recreation and cultural	2,527,128	2,684,847	2,637,783	2,585,384	2,685,441	2,798,340	2,834,341	2,838,479	2,489,020	2,377,415
Community development	1,371,828	1,374,221	1,428,431	1,446,741	1,447,545	1,555,969	1,808,146	1,838,995	1,859,303	2,030,070
Nondepartmental	164,005	222,620	204,272	137,489	144,535	169,899	209,231	143,194	213,767	240,340
Capital projects	7,853,227	15,232,499	18,408,583	14,236,573	13,012,823	19,974,595	37,433,314	13,166,593	6,947,042	13,566,401
Debt service:										
Principal	5,327,893	5,802,775	5,739,880	5,874,929	5,554,182	5,766,351	4,909,556	6,208,384	6,464,345	6,304,005
Interest and other fiscal charges	3,019,293	2,740,438	2,573,576	2,671,273	2,440,691	2,232,757	2,755,287	3,379,762	2,961,858	2,695,710
<b>Total expenditures</b>	<b>89,362,112</b>	<b>98,429,698</b>	<b>106,568,339</b>	<b>106,604,250</b>	<b>107,679,081</b>	<b>116,583,336</b>	<b>139,078,343</b>	<b>120,789,865</b>	<b>116,887,886</b>	<b>125,757,246</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,756,132)</b>	<b>(11,271,701)</b>	<b>(9,674,305)</b>	<b>(2,335,010)</b>	<b>(5,008,920)</b>	<b>(9,240,639)</b>	<b>(28,506,788)</b>	<b>(4,398,676)</b>	<b>4,571,231</b>	<b>2,914,445</b>
<b>Other Financing Sources (Uses)</b>										
Sale of land	-	-	-	-	-	-	285,000	-	-	-
Transfers in	13,694,038	16,250,701	13,458,170	16,621,651	17,538,558	20,160,743	15,898,012	19,450,584	22,495,848	23,820,301
Transfers out	(13,608,485)	(16,250,701)	(13,458,170)	(16,621,651)	(17,538,558)	(20,160,743)	(15,898,012)	(19,450,584)	(22,495,848)	(23,820,301)
Proceeds from issuance of capital lease	-	-	-	-	-	-	-	-	-	1,830,396
Bonds issued	7,500,000	6,600,000	5,526,185	691,882	2,185,655	27,622,785	14,285,000	-	-	-
Premium on bonds issued	-	966,694	718,271	-	-	2,381,661	1,247,289	-	-	-
Sale of capital assets	-	-	375,088	-	-	-	-	-	-	-
<b>Total other financing sources, net</b>	<b>7,585,553</b>	<b>7,566,694</b>	<b>6,619,544</b>	<b>691,882</b>	<b>2,185,655</b>	<b>30,004,446</b>	<b>15,817,289</b>	<b>-</b>	<b>-</b>	<b>1,830,396</b>
<b>Net change in fund balances</b>	<b>\$ 3,829,421</b>	<b>\$ (3,705,007)</b>	<b>\$ (3,054,761)</b>	<b>\$ (1,643,128)</b>	<b>\$ (2,823,265)</b>	<b>\$ 20,763,807</b>	<b>\$ (12,689,499)</b>	<b>\$ (4,398,676)</b>	<b>\$ 4,571,231</b>	<b>\$ 4,744,841</b>
Debt Service as a Percentage of Noncapital Expenditures	9.73%	9.70%	8.00%	8.24%	7.68%	6.99%	5.60%	8.10%	8.06%	7.38%

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumer Utility Tax	Business License Tax	Restaurant Food Tax	Other Local Tax	Total
2020	\$ 68,528,431	\$ 6,822,265	\$ 1,812,435	\$ 4,313,711	\$ 2,418,593	\$ 2,094,917	\$ 85,990,352
2019	66,330,173	6,240,415	1,804,213	4,065,916	2,558,254	2,171,699	83,170,670
2018	61,109,229	5,673,129	1,791,413	3,813,142	2,504,972	2,107,785	76,999,670
2017	58,114,396	5,542,113	1,786,347	3,625,435	2,544,440	2,106,591	73,719,322
2016	56,207,747	5,422,965	1,781,431	3,526,206	2,444,725	1,964,970	71,348,044
2015	52,963,125	4,984,203	1,749,332	3,734,050	2,320,903	1,856,653	67,608,266
2014	51,399,030	4,803,575	1,724,037	3,488,169	2,081,118	1,853,526	65,349,455
2013	47,584,001	4,823,327	1,714,242	3,183,170	2,246,096	1,629,127	61,179,963
2012	44,460,692	4,532,643	1,684,948	3,241,549	2,193,920	1,557,871	57,671,623
2011	43,846,031	4,493,294	1,693,984	3,034,935	2,169,324	1,594,562	56,832,130

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years**

Fiscal Year	Real Estate <sup>(1)</sup>	Personal Property <sup>(2)</sup>	Machinery and Tools	Public Service <sup>(3)</sup>	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	State Sales Assessment Ratio <sup>(4)</sup>
2020	\$7,471,356,719	\$ 757,708,190	\$ 233,718,440	\$ 471,627,175	\$8,934,410,524	\$ 0.81	\$ 10,095,379,123	88.50%
2019	7,179,876,646	726,168,020	216,125,380	458,514,898	8,580,684,944	0.81	9,157,614,668	93.70%
2018	6,596,809,781	694,028,820	210,101,090	452,830,444	7,953,770,135	0.81	8,654,809,723	91.90%
2017	6,809,979,950	685,423,223	199,672,770	459,153,026	8,154,228,969	0.76	8,647,114,495	94.30% <sup>(5)</sup>
2016	6,749,732,645	664,734,844	190,814,950	394,852,593	8,000,135,032	0.76	8,483,706,291	94.30%
2015	6,664,333,605	634,007,910	182,405,510	304,068,097	7,784,815,122	0.74	7,792,607,730	99.90%
2014	6,720,763,659	630,856,230	174,573,180	302,295,345	7,828,488,414	0.70	7,955,780,909	98.40%
2013	6,627,699,412	610,670,920	169,345,780	306,388,610	7,714,104,722	0.67	7,714,104,722	100.00%
2012	6,605,841,389	587,378,990	163,603,880	270,112,744	7,626,937,003	0.63	7,626,937,003	100.00%
2011	6,574,353,920	571,552,370	160,112,380	271,260,646	7,577,279,316	0.63	7,860,248,253	96.40%

Source: Commissioner of Revenue

Notes:

- (1) Real estate is assessed at 100% of fair market value.
- (2) Includes PPTRA.
- (3) Assessed values are established by the State Corporation Commission.
- (4) Source: Virginia Department of Taxation.
- (5) 2017 Information is unavailable; used 2016 ratio.

**PROPERTY TAX RATES<sup>(1)</sup>**  
**Last Ten Fiscal Years**

Calendar Year	Property Tax Rates						
	Real Estate	Personal Property <sup>(2)</sup>		Mobile Homes	Machinery and Tools	Total Direct Rate	
		Vehicle	Other				
2020	\$ 0.63	\$ 2.50	\$ 2.00	\$ 0.63	\$ 2.00	\$ 0.81	
2019	0.63	2.50	2.00	0.63	2.00	0.81	
2018	0.63	2.50	2.00	0.63	2.00	0.81	
2017	0.58	2.50	2.00	0.58	2.00	0.76	
2016	0.58	2.50	2.00	0.58	2.00	0.76	
2015	0.58	2.50	2.00	0.58	2.00	0.74	
2014	0.56	2.50	1.90	0.56	1.90	0.70	
2013	0.51	2.50	1.90	0.51	1.90	0.67	
2012	0.48	2.25	1.90	0.48	1.90	0.63	
2011	0.48	2.25	1.90	0.48	1.90	0.63	

Notes:

<sup>(1)</sup> Per \$100 of assessed value.

<sup>(2)</sup> Personal Property includes:

Vehicle – auto, motorcycle, campers, boats, airplanes, trailers

Other – business personal property, large trucks and trailers

**PRINCIPAL PROPERTY TAXPAYERS  
Current Year and the Period Nine Years Prior**

Taxpayer	Business Type	Fiscal Year 2020			Fiscal Year 2011		
		2019 Assessed Valuation	Rank	% of Total Assessed Valuation	2010 Assessed Valuation	Rank	% of Total Assessed Valuation
Virginia Power	Public Utility	\$ 313,362,361	1	3.65%	\$ 130,612,220	1	1.75%
Hershey Foods Corporation	Food Manufacturer	126,972,980	2	1.48%	92,773,700	2	1.25%
McKee Baking Company	Food Manufacturer	71,594,590	3	0.83%	62,887,191	3	0.84%
Shenandoah Valley Electric	Public Utility	56,890,070	4	0.66%	46,296,039	4	0.62%
Target Corporation	Distribution Center	49,923,770	5	0.58%	41,614,780	5	0.56%
Shamrock Foods Company	Food Manufacturer	36,139,510	6	0.42%	-	-	-
Hollister, Inc.	Medical Supplies Mfg.	30,857,219	7	0.36%	15,202,369	10	0.20%
MeadWestvaco	Paper Mfg. Warehouse	27,090,200	8	0.32%	20,540,400	7	0.28%
Daikin (formerly McQuay International)	Industrial Air Cond. Equip.	25,539,250	9	0.30%	-	-	-
Nibco, Inc.	Copper Pipe Fittings	24,615,760	10	0.29%	-	-	-
Pactiv (formerly Reynolds Metals)	Flexible Packaging	-	-	-	15,465,260	9	0.21%
First Republic Group Realty/Colonial Realty		-	-	-	17,066,800	8	0.23%
Verizon/Bell Atlantic	Public Utility	-	-	-	22,878,671	6	0.31%
		<u>\$ 762,985,710</u>		<u>8.89%</u>	<u>\$ 465,337,430</u>		<u>6.25%</u>

Source: Commissioner of Revenue

**PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Calendar Years**

Calendar Year	Total Tax Levy for the Calendar Year	Collected within the Calendar Year of the Levy <sup>(1)</sup>		Collections in Subsequent Calendar Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020 <sup>(2)</sup>	\$ 47,105,028	\$ 22,682,435	48.15%	\$ -	\$ 22,682,435	48.15%
2019	64,933,964	63,630,951	97.99%	-	63,630,951	97.99%
2018	63,202,225	59,184,706	93.64%	848,076	60,032,782	94.99%
2017	56,348,173	54,566,805	96.84%	625,496 <sup>(3)</sup>	55,192,301	97.95%
2016	55,511,225	53,258,040	95.94%	1,523,466	54,781,506	98.69%
2015	54,957,577	52,062,743	94.73%	1,606,062	53,668,805	97.65%
2014	50,824,584	49,510,805	97.42%	1,295,679	50,806,484	99.96%
2013	47,830,373	46,083,456	96.35%	1,219,772	47,303,228	98.90%
2012	44,774,638	43,464,667	97.07%	1,159,993	44,624,660	99.67%
2011	43,112,259	41,527,999	96.33%	1,188,549	42,716,548	99.08%

Source: Commissioner of Revenue, County Treasurer’s Office

Notes:

- <sup>(1)</sup> Includes PPTRA collections from the Commonwealth of Virginia.
- <sup>(2)</sup> Taxes levied for the current calendar year include real estate taxes only; which are levied in May and due 50% in June and 50% in December. Personal property taxes are levied by September.
- <sup>(3)</sup> The calendar year levy is not considered delinquent and a subsequent year collection until July 1 of the following fiscal year.



**RATIO OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**

Fiscal Years	Governmental Activities		Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Other Notes/Bonds			
2020	\$ 68,813,173	\$ 5,807,487	\$ 74,620,660	2.23%	\$ 988
2019	74,473,645	6,424,009	80,897,654	2.53%	1,072
2018	80,768,982	7,020,530	87,789,512	2.75%	1,168
2017	86,828,357	7,597,052	94,425,409	2.97%	1,259
2016	75,885,169	8,163,572	84,048,741	2.84%	1,131
2015	51,139,403	8,715,094	59,854,497	2.04%	805
2014	56,548,128	6,890,001	63,438,129	2.25%	859
2013	62,543,941	6,244,457	68,788,398	2.53%	931
2012	68,402,704	-	68,402,704	2.51%	929
2011	66,757,671	-	66,757,671	2.59%	908

Notes:

- <sup>(1)</sup> See the Schedule of Demographic and Economic Statistics – Table 13
- <sup>(2)</sup> Details regarding the County’s outstanding debt can be found in the Notes to Financial Statements.

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
Last Ten Fiscal Years**

Fiscal Year	Net Bonded Debt <sup>(3)</sup>	Ratio of Net General Obligation Debt to Assessed Value <sup>(2)</sup>	Net Bonded Debt per Capita <sup>(1)</sup>
2020	\$ 68,813,173	0.77%	\$ 911
2019	74,473,645	0.87%	987
2018	80,768,982	1.02%	1,075
2017	86,828,357	1.06%	1,158
2016	75,885,169	0.95%	1,021
2015	51,139,403	0.66%	688
2014	56,548,128	0.72%	766
2013	62,543,941	0.81%	846
2012	68,402,704	0.90%	929
2011	66,757,671	0.88%	908

Notes:

- (1) Population data can be found in the Schedule of Demographic and Economic Statistics – Table 13.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property – Table 7.
- (3) Includes all long-term general obligation bonded debt, excludes revenue bonds, capital leases, and compensated absences.

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2020 <sup>(2)</sup>	75,558	\$ 44,316	58.65%	45-49	9,896	5.80%
2019	75,457	42,436	56.24%	45-49	9,925	2.60%
2018	75,144	42,436	56.47%	45-49	9,939	3.00%
2017	74,997	42,436	56.58%	45-49	9,968	3.60%
2016	74,314	39,856	53.63%	50-54	10,106	3.50%
2015	74,314	39,479	53.12%	50-54	10,162	4.70%
2014	73,862	38,255	51.79%	50-54	10,325	4.70%
2013	73,912	36,764	49.74%	50-54	10,415	5.30%
2012	73,658	37,053	50.30%	50-54	10,405	5.90%
2011	73,549	35,021	47.62%	50-54	10,457	6.20%

Source: Weldon Cooper Center, Virginia Employment Commission, Labor Market Information, and Annual School Report – prepared by the County

Note:

- (1) Data that is unavailable for a more recent year is noted as the prior year’s amount.
- (2) Fiscal year 2020 unemployment rate was affected by the Worldwide COVID 19 pandemic.

**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

Employer	Fiscal Year 2020			Fiscal Year 2011		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Augusta County School Board	1000+	1	4.08%	1000+	1	4.22%
Augusta Medical Center	1000+	2	4.08%	1000+	2	4.22%
Hershey Chocolate of Virginia	1000+	3	4.08%	500-999	4	2.11%
McKee Foods Corporation	1000+	4	4.08%	500-999	3	2.11%
Target Corp.	500-999	5	2.04%	500-999	5	2.11%
AAF McQuay, Inc.	500-999	6	2.04%	500-999	6	2.11%
Hollister, Inc.	500-999	7	2.04%	250-499	7	1.06%
County of Augusta	500-999	8	2.04%	-		
NIBCO of Virginia	250-499	9	1.02%	-		
Blue Ridge Community College	250-499	10	1.02%	250-499	8	1.06%
Augusta Correctional Center	-		-	250-499	9	1.06%
Alcoa Building Products	-		-	250-499	10	1.06%
<b>Totals, average</b>	<b>9,750</b>		<b>26.52%</b>	<b>7,500</b>		<b>21.12%</b>
<b>Total County employment</b>	<b>36,806</b>			<b>35,542</b>		

Source: Virginia Employment Commission, Labor Market Information (LMI)

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
Last Ten Fiscal Years**

Function	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	46	46	47	46	47	50	50	50	50	53
Judicial administration	26	26	23	23	23	26	27	27	27	30
Public safety:										
Sheriffs department	74	74	74	76	80	76	78	80	85	88
Emergency communication center	19	19	18	18	18	18	18	18	18	18
Fire & rescue	51	59	80	80	86	105	105	105	105	106
Building inspections	6	6	6	6	6	6	6	6	6	6
Animal control	3	3	3	3	3	3	3	3	3	3
Public works										
Facilities management:	17	17	17	17	19	27	31	31	35	35
Health and welfare:										
Department of social services	129	129	121	123	132	134	144	145	145	153
Culture and recreation:										
Parks and recreation	11	10	10	10	11	10	10	10	6	6
Library	15	15	15	15	15	16	16	16	16	17
Community development	12	12	10	10	10	11	11	11	11	11
Economic development	1	1	1	2	2	2	2	2	2	2
<b>Totals</b>	<b>410</b>	<b>417</b>	<b>425</b>	<b>429</b>	<b>452</b>	<b>484</b>	<b>501</b>	<b>504</b>	<b>509</b>	<b>528</b>

Source: Human Resources

**OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years**

Function	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Sheriffs Department:										
Number of police personnel and officers	74	74	74	76	80	73	80	80	88	<b>88</b>
Physical arrests	1,935	1,608	1,642	1,865	1,876	1,907	2,383	2,469	2,328	<b>2,549</b>
Traffic violations	5,608	4,079	3,367	3,928	3,444	2,419	5,045	5,695	5,273	<b>5,631</b>
Parking violations	-	-	-	28	9	6	6	-	4	<b>5</b>
Fire and rescue:										
Number of calls answered	17,800	18,093	18,884	17,949	17,645	17,866	18,338	18,811	20,055	<b>15,845</b>
Number of volunteers <sup>(1)</sup>	802	884	890	964	921	858	813	785	607	<b>605</b>
Number of paid fire personnel and officers	51	59	80	81	86	86	105	105	105	<b>106</b>
Building inspections:										
Permits issued	763	780	728	801	812	826	907	779	825	N/A
Animal control:										
Number of calls answered	2,858	2,884	3,272	2,940	2,961	2,781	2,510	2,737	2,854	N/A
Public Works										
Facilities Management										
Trucks/vehicles <sup>(3)</sup>	7	7	7	7	7	7	7	15	15	<b>16</b>
Health and Welfare										
Department of Social Services:										
Caseload	12,148	12,153	12,389	12,050	11,555	11,420	11,514	11,708	12,299	<b>13,809</b>
Culture and Recreation										
Parks and recreation:										
After-school program participants <sup>(4)</sup>	300	291	304	289	284	285	279	272	226	<b>159</b>
Community Development										
Planning:										
Zoning permits issued	565	525	487	471	509	521	517	475	492	N/A
Component Unit - School Board										
Education:										
Instruction	1,136	1,111	1,105	1,088	1,079	1,071	1,079	1,056	1,064	<b>1,077</b>
Other	481	467	474	478	476	485	513	502	511	<b>510</b>
Total	1,617	1,578	1,579	1,566	1,555	1,555	1,592	1,558	1,575	<b>1,587</b>
Average daily membership	10,457	10,405	10,415	10,325	10,162	10,106	9,968	9,939	9,925	<b>9,896</b>
Local expenditures per pupil <sup>(2)</sup>	3,887	3,879	4,046	4,357.37	4,459.09	4,530	4,640	5,090	5,113	<b>5,109</b>

Source: Individual County departments

Notes:

- (1) All County funded stations
- (2) Includes debt service
- (3) In fiscal year 2018, Maintenance and Parks and Recreation grounds was merged to create Facilities Management. Vehicles were moved from Parks and Recreation.
- (4) In fiscal year 2020, the Parks and Recreation departments' after-school program was significantly impacted by the COVID 19 pandemic. The program ceased operating in March of 2020 due to shelter at home orders.

**CAPITAL ASSET STATISTICS BY FUNCTION  
Last Ten Fiscal Years**

Function	Fiscal Year June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administration buildings	17	17	17	17	17	17	17	17	17	17
Vehicles	5	5	5	5	5	5	5	5	5	5
Public Safety										
Sheriff's Department:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	71	71	72	75	75	74	75	81	81	87
Other vehicles	11	11	17	14	13	15	10	19	19	21
Fire and rescue:										
Number of fire & rescue stations	17	17	17	17	17	17	17	17	17	17
Number of apparatus	166	155	159	169	169	170	176	179	179	190
Building inspections:										
Vehicles	5	4	3	4	4	4	4	4	4	4
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	3	3
Mobile Command Units	1	1	1	1	1	1	1	1	1	1
Public Works										
General maintenance:										
Trucks/vehicles <sup>(2)</sup>	7	7	7	7	7	7	7	15	15	16
Compactor sites	10	10	10	10	10	10	10	10	10	10
Health and Welfare										
Department of Social Services:										
Vehicles	27	27	28	28	28	29	28	29	29	30
Culture and Recreation										
Parks and recreation:										
Community centers	6	6	6	6	6	6	6	6	6	6
Vehicles	13	14	15	15	14	12	12	12	7	6
Parks	5	5	5	5	5	5	5	5	5	5
Parks acreage	210	210	210	210	210	210	210	210	217	217
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts <sup>(1)</sup>	18	18	18	18	18	18	18	18	18	18
Library:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Community Development										
Planning:										
Vehicles	4	4	4	4	4	4	4	4	4	4
Economic Development:										
Vehicles	-	-	-	1	1	1	1	1	1	1
Component Unit - School Board										
Education:										
Number of schools:										
Elementary	12	12	12	11	11	11	11	11	11	11
Middle	4	4	4	4	4	4	4	4	4	4
High	5	5	5	5	5	5	5	5	5	5

Source: Individual County departments

Notes:

- (1) At high and middle schools.
- (2) Maintenance and Parks and Recreation grounds were combined to create facilities management that moved vehicles between departments.

## **COMPLIANCE SECTION**





**INDEPENDENT AUDITOR'S 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 Augusta, Virginia

We have audited, 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, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Augusta, Virginia (County), as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 14, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 determination of financial statement amounts. 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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*P. B. Mares, CPA*

Harrisonburg, Virginia  
December 14, 2020