

**COUNTY OF AMHERST, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2020**





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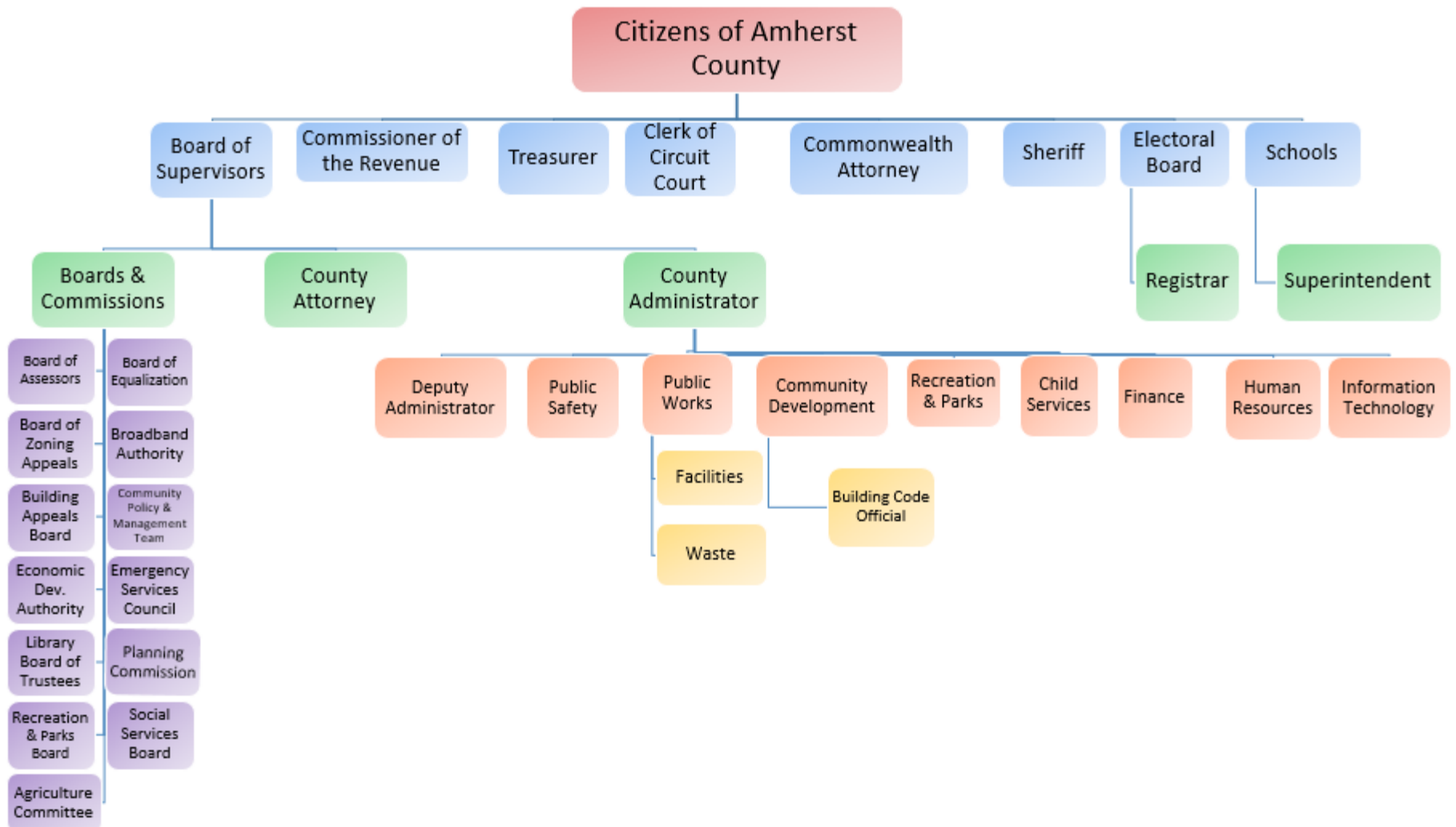
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# INTRODUCTORY SECTION

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**COUNTY OF AMHERST, VIRGINIA**  
**DIRECTORY OF PRINCIPAL OFFICIALS**  
**June 30, 2020**

**BOARD OF SUPERVISORS**

Claudia D. Tucker, Chair  
Jennifer Moore, Vice-Chair

David Pugh, Jr.

L. J. Ayers, III

Tom Martin

**SCHOOL BOARD**

Priscilla Liggon, Chair  
Abby Thompson, Vice-Chair

John Grieser  
Chris Terry

Amanda Wright  
David Cassise

Ginger Burg

**SOCIAL SERVICES BOARD**

Glenda Hash, Chair  
Elsie B. Smith, Vice-Chair

John A. Marks, Jr.

David Pugh, Jr.

Leon Parrish

**COUNTY LIBRARY BOARD**

Larry Langhans, President  
Edward Kryspin, Vice-President

Sandy Jennings-Neblett

Robert B. Simpkins

Stephen Witham

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**DIRECTORY OF PRINCIPAL OFFICIALS**  
**June 30, 2020**

**ECONOMIC DEVELOPMENT AUTHORITY BOARD**

Chad Eby, Chair  
David Wall, Vice-Chair  
Dan Sweeney, Treasurer

Michael Russell

Calvin Kennon, Jr.  
Patrick Dreher

Andrew Proctor

**OTHER OFFICIALS**

Judge of the Circuit Court .....	Michael Garrett
Clerk of the Circuit Court .....	Deborah C. Mozingo
Judge of the General District Court .....	Sam Daniel Eggleston
Judge of the Juvenile & Domestic Relations Court .....	Jeffrey P. Bennett
Commonwealth's Attorney .....	W. Lyle Carver
Commissioner of the Revenue .....	Jane Irby
Treasurer .....	Joanne Carden
Sheriff .....	E. W. Viar, Jr.
Superintendent of Schools .....	Dr. Robert Arnold
Clerk of the School Board .....	Teresa Crouch
Director of Social Services .....	Susan B. Mays
County Administrator .....	Dean Rodgers
Library Director .....	Steve Preston
Finance Director .....	Stacey Wilkes

**INDEPENDENT AUDITOR**  
Brown, Edwards & Company, L.L.P.

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
County of Amherst, Virginia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Amherst, Virginia (the "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* and the *Specifications for Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## **Report on the Financial Statements (Continued)**

### *Auditor's Responsibility (Continued)*

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

### **Opinions**

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, 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.

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

#### *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 introductory section, other supplementary information, and other information section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

## **Other Matters (Continued)**

### *Other Information (Continued)*

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

The introductory and other information sections 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 April 1, 2021 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.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia  
April 1, 2021

## **BASIC FINANCIAL STATEMENTS**

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# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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## COUNTY OF AMHERST, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2020

(Except for Business-Type Activities which are as of December 31, 2019)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	School Board
<b>ASSETS</b>					
Cash and investments (Note 3)	\$ 24,936,804	\$ 3,497,467	\$ 28,434,271	\$ 647,413	\$ 2,401,593
Receivables, net (Note 4)	15,648,664	700,351	16,349,015	-	-
Due from primary government	-	-	-	-	2,082,835
Due from other governments (Note 6)	1,765,323	-	1,765,323	-	1,197,024
Inventories	-	170,265	170,265	-	-
Prepaid items	121,719	-	121,719	33	144,437
Loans receivable (Note 5)	93,230	-	93,230	-	-
Restricted assets (Note 3)					
Cash and investments	3,899,376	1,947,262	5,846,638	-	100,576
Net pension asset (Notes 12 and 18)	-	-	-	-	1,199,096
Capital assets: (Note 8)					
Nondepreciable	3,489,939	850,524	4,340,463	507,923	308,306
Depreciable, net	42,818,632	29,266,781	72,085,413	404,479	15,995,775
Total assets	92,773,687	36,432,650	129,206,337	1,559,848	23,429,642
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	-	9,191	9,191	-	-
Deferred outflows related to pensions (Notes 10, 11, 12, 13, and 18)	1,732,857	83,249	1,816,106	-	7,513,414
Deferred outflows related to other postemployment benefits (Notes 14, 15, 16, 17, and 19)	273,046	20,124	293,170	-	817,200
Total deferred outflows of resources	2,005,903	112,564	2,118,467	-	8,330,614
<b>LIABILITIES</b>					
Accounts payable	1,690,699	407,400	2,098,099	36,793	201,493
Retainage payable	37,379	-	37,379	-	-
Accrued liabilities	151,358	-	151,358	1,905	3,431,937
Unearned revenue	1,727,960	-	1,727,960	-	-
Customer deposits	-	286,699	286,699	3,250	-
Accrued interest	345,942	71,999	417,941	-	-
Due to component unit	2,082,835	-	2,082,835	-	-
Long-term liabilities:					
Net pension liability (Notes 10, 11, 12, 13, and 18)	3,787,239	333,404	4,120,643	-	37,408,916
Net other postemployment benefits liability (Notes 14, 15, 16, 17, and 19)	1,457,877	105,621	1,563,498	-	5,848,000
Due within one year (Note 9)	2,816,275	692,329	3,508,604	43,425	61,416
Due in more than one year (Note 9)	37,648,851	9,901,469	47,550,320	686,056	552,746
Total liabilities	51,746,415	11,798,921	63,545,336	771,429	47,504,508

(Continued)

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF AMHERST, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2020

(Except for Business-Type Activities which are as of December 31, 2019)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	School Board
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred gain on refunding	\$ -	\$ 56,908	\$ 56,908	\$ -	\$ -
Unearned revenue	14,634,443	-	14,634,443	-	-
Deferred inflows related to pensions (Notes 10, 11, 12, 13, and 18)	446,450	111,844	558,294	-	5,434,157
Deferred inflows related to other postemployment benefits (Notes 14, 15, 16, 17, and 19)	51,083	18,139	69,222	-	562,000
Total deferred inflows of resources	15,131,976	186,891	15,318,867	-	5,996,157
<b>NET POSITION</b>					
Net investment in capital assets	16,569,967	19,669,392	36,239,359	912,402	16,304,081
Restricted for:					
Pension	-	-	-	-	1,199,096
Debt service	-	1,947,262	1,947,262	-	-
Community development loans	93,230	-	93,230	-	-
Unrestricted net position (deficit)	11,238,002	2,942,748	14,180,750	(123,983)	(39,243,586)
Total net position	\$ 27,901,199	\$ 24,559,402	\$ 52,460,601	\$ 788,419	\$ (21,740,409)

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF AMHERST, VIRGINIA

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2020**  
**(Except for Business-Type Activities which are for the year ended December 31, 2019)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Units	
					Governmental Activities	Business-Type Activities	Total	Economic Development Authority	School Board
Primary Government:									
Governmental activities:									
General government	\$ 3,242,000	\$ 381,313	\$ 365,617	\$ -	\$ (2,495,070)	\$ -	\$ (2,495,070)	\$ -	\$ -
Judicial administration	1,729,315	350,492	847,743	-	(531,080)	-	(531,080)	-	-
Public safety	11,705,418	1,679,044	2,278,230	-	(7,748,144)	-	(7,748,144)	-	-
Public works	4,624,421	627,981	8,404	-	(3,988,036)	-	(3,988,036)	-	-
Health and welfare	6,563,281	56,326	4,072,803	-	(2,434,152)	-	(2,434,152)	-	-
Education	15,393,007	-	-	-	(15,393,007)	-	(15,393,007)	-	-
Parks, recreation, and cultural	1,432,705	76,252	147,923	-	(1,208,530)	-	(1,208,530)	-	-
Community development	2,350,505	-	-	28,263	(2,322,242)	-	(2,322,242)	-	-
Interest on long-term debt	849,921	-	-	-	(849,921)	-	(849,921)	-	-
Total governmental activities	47,890,573	3,171,408	7,720,720	28,263	(36,970,182)	-	(36,970,182)	-	-
Business-type activities:									
Water and sewer	3,966,483	4,208,922	-	-	-	242,439	242,439	-	-
Total primary government	\$ 51,857,056	\$ 7,380,330	\$ 7,720,720	\$ 28,263	(36,970,182)	242,439	(36,727,743)	-	-
Component Units:									
Economic Development Authority	\$ 1,335,136	\$ -	\$ -	\$ -	-	-	-	(1,335,136)	-
School Board	50,291,297	1,122,176	33,772,929	-	-	-	-	-	(15,396,192)
Total component units	\$ 51,626,433	\$ 1,122,176	\$ 33,772,929	\$ -	-	-	-	(1,335,136)	(15,396,192)
General revenues:									
General property taxes					24,680,553	-	24,680,553	-	-
Other local taxes:									
Local sales and use					3,227,313	-	3,227,313	-	-
Consumer's utility tax					1,873,785	-	1,873,785	-	-
Business license					383,749	-	383,749	-	-
Motor vehicle license taxes					793,662	-	793,662	-	-
Restaurant food taxes					1,028,064	-	1,028,064	-	-
Other taxes					391,693	-	391,693	-	-
Unrestricted revenues from use of money and property					293,603	1,270	294,873	423,494	32,292
Miscellaneous					390,229	248,090	638,319	3,018	105,376
County contribution					-	-	-	1,013,691	13,721,396
Capital contributions					-	236,150	236,150	-	-
Grants and contributions not restricted to specific programs					3,536,701	-	3,536,701	-	-
Transfers (Note 7)					31,658	-	31,658	-	-
Total general revenues					36,631,010	485,510	37,116,520	1,440,203	13,859,064
Change in net position					(339,172)	727,949	388,777	105,067	(1,537,128)
NET POSITION AT JULY 1, as restated (Notes 31 and 32)					28,240,371	23,831,453	52,071,824	683,352	(20,203,281)
NET POSITION AT JUNE 30					\$ 27,901,199	\$ 24,559,402	\$ 52,460,601	\$ 788,419	\$ (21,740,409)

The Notes to Financial Statements are an integral part of this statement.

**FUND**  
**FINANCIAL STATEMENTS**

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## COUNTY OF AMHERST, VIRGINIA

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

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 17,012,779	\$ 7,887,372	\$ 36,653	\$ 24,936,804
Receivables, net	15,645,716	2,948	-	15,648,664
Prepaid items	116,916	4,803	-	121,719
Due from other governments	1,672,990	92,333	-	1,765,323
Loans receivable	-	93,230	-	93,230
Cash and investments, restricted	-	-	3,899,376	3,899,376
	<u>-</u>	<u>-</u>	<u>3,899,376</u>	<u>3,899,376</u>
Total assets	<u>\$ 34,448,401</u>	<u>\$ 8,080,686</u>	<u>\$ 3,936,029</u>	<u>\$ 46,465,116</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 914,127	\$ 412,903	\$ 363,669	\$ 1,690,699
Retainage payable	-	-	37,379	37,379
Accrued liabilities	128,915	22,443	-	151,358
Unearned revenues	-	1,727,960	-	1,727,960
Due to component unit	2,082,835	-	-	2,082,835
	<u>3,125,877</u>	<u>2,163,306</u>	<u>401,048</u>	<u>5,690,231</u>
Total liabilities	<u>3,125,877</u>	<u>2,163,306</u>	<u>401,048</u>	<u>5,690,231</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>15,819,173</u>	<u>-</u>	<u>-</u>	<u>15,819,173</u>
<b>FUND BALANCES (Note 24)</b>				
Nonspendable	116,916	4,803	-	121,719
Restricted	-	93,230	3,534,981	3,628,211
Committed	1,383,403	-	-	1,383,403
Assigned	616,597	5,819,347	-	6,435,944
Unassigned	13,386,435	-	-	13,386,435
	<u>15,503,351</u>	<u>5,917,380</u>	<u>3,534,981</u>	<u>24,955,712</u>
Total fund balances	<u>15,503,351</u>	<u>5,917,380</u>	<u>3,534,981</u>	<u>24,955,712</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 34,448,401</u>	<u>\$ 8,080,686</u>	<u>\$ 3,936,029</u>	<u>\$ 46,465,116</u>

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF AMHERST, VIRGINIA

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

**Total fund balances per Exhibit 3 – Balance Sheet – Governmental Funds** \$ 24,955,712

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 46,308,571

Certain receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 1,184,730

Financial statement elements related to pension and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows related to:

Pensions 1,732,857

Other postemployment benefits 273,046

Deferred inflows related to:

Pensions (446,450)

Other postemployment benefits (51,083)

Net pension liability (3,787,239)

Net other postemployment benefits liability (1,457,877)

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

Bonds payable and lease revenue bonds, net of premiums and discounts (10,828,428)

Notes payable (1,232,921)

Capital leases payable (21,576,631)

Accrued interest (345,942)

Compensated absences (1,142,453)

Landfill closure and post-closure costs (5,684,693)

**Net position of governmental activities** \$ 27,901,199

## COUNTY OF AMHERST, VIRGINIA

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

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total</b>
<b>REVENUES</b>				
General property taxes	\$ 24,650,547	\$ -	\$ -	\$ 24,650,547
Other local taxes	7,698,266	-	-	7,698,266
Permits, privilege fees, and regulatory licenses	213,979	-	-	213,979
Fines and forfeitures	298,887	-	-	298,887
Revenue from the use of money and property	214,764	-	78,839	293,603
Charges for services	1,682,657	639,852	-	2,322,509
Miscellaneous	280,391	109,117	721	390,229
Recovered costs	216,283	8,520	-	224,803
Intergovernmental revenues:				
Commonwealth	7,695,296	327,675	-	8,022,971
Federal	1,886,159	1,350,922	-	3,237,081
Total revenues	<u>44,837,229</u>	<u>2,436,086</u>	<u>79,560</u>	<u>47,352,875</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,669,759	-	-	2,669,759
Judicial administration	1,573,487	-	-	1,573,487
Public safety	10,219,254	1,294,895	-	11,514,149
Public works	955,518	2,227,927	-	3,183,445
Health and welfare	6,453,401	-	-	6,453,401
Education	13,728,138	-	-	13,728,138
Parks, recreation, and cultural	1,264,143	49,486	-	1,313,629
Community development	2,280,336	44,092	-	2,324,428
Nondepartmental	271,500	-	-	271,500
Capital projects	-	-	2,052,813	2,052,813
Debt service				
Principal	2,550,714	45,096	-	2,595,810
Interest	906,314	4,891	-	911,205
Total expenditures	<u>42,872,564</u>	<u>3,666,387</u>	<u>2,052,813</u>	<u>48,591,764</u>
Excess (deficiency) of revenues over expenditures	<u>1,964,665</u>	<u>(1,230,301)</u>	<u>(1,973,253)</u>	<u>(1,238,889)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 7)	698,297	1,509,289	16,190	2,223,776
Transfers out (Note 7)	(2,173,181)	(18,937)	-	(2,192,118)
Total other financing sources (uses)	<u>(1,474,884)</u>	<u>1,490,352</u>	<u>16,190</u>	<u>31,658</u>
Net change in fund balances	489,781	260,051	(1,957,063)	(1,207,231)
FUND BALANCES AT JULY 1	<u>15,013,570</u>	<u>5,657,329</u>	<u>5,492,044</u>	<u>26,162,943</u>
FUND BALANCES AT JUNE 30	<u><u>\$ 15,503,351</u></u>	<u><u>\$ 5,917,380</u></u>	<u><u>\$ 3,534,981</u></u>	<u><u>\$ 24,955,712</u></u>

The Notes to Financial Statements are an integral part of this statement.



## COUNTY OF AMHERST, VIRGINIA

**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**

**Net change in fund balances per Exhibit 5 – total governmental funds** \$ (1,207,231)

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

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.

Capital outlay	\$ 2,947,869	
Depreciation expense	(3,401,934)	
Book value of capital assets disposed	(4,341)	
Allocation of debt-financed school assets based on current year repayments and drawdowns of bond proceeds	(552,730)	(1,011,136)

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

166,867

Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned, net of employee, contributions is reported as pension expense.

Employer pension contributions	882,743	
Pension expense	(1,229,505)	(346,762)

Governmental funds report employer other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost these benefits earned, net of employee contributions, is reported as other postemployment benefit expense.

Employer other postemployment benefit contributions	71,900	
Other postemployment benefits	(115,649)	(43,749)

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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal repayments:		
General obligation debt	793,916	
Lease revenue bonds	680,000	
Notes payable	31,798	
Capital leases	1,090,096	
Amortization of bond premium	26,521	2,622,331

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	(88,346)	
Landfill liability	(465,909)	
Accrued interest	34,763	(519,492)

**Change in net position of governmental activities** \$ (339,172)

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF AMHERST, VIRGINIA

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**December 31, 2019**

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 3,497,467
Receivables, net	700,351
Inventories	170,265
Total current assets	<u>4,368,083</u>
<b>NONCURRENT ASSETS</b>	
Restricted cash and investments	1,947,262
Capital assets:	
Nondepreciable	850,524
Depreciable, net	29,266,781
Total noncurrent assets	<u>32,064,567</u>
Total assets	<u>36,432,650</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	9,191
Deferred outflows related to pensions	83,249
Deferred outflows related to OPEB	20,124
Total deferred outflows of resources	<u>112,564</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	407,400
Customer deposits	286,699
Accrued interest	71,999
Long-term liabilities due within one year	692,329
Total current liabilities	<u>1,458,427</u>
<b>NONCURRENT LIABILITIES</b>	
Long-term liabilities due in more than one year	9,901,469
Net pension liability	333,404
Net OPEB liability	105,621
Total noncurrent liabilities	<u>10,340,494</u>
Total liabilities	<u>11,798,921</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred gain on refunding	56,908
Deferred inflows related to pensions	111,844
Deferred inflows related to OPEB	18,139
Total deferred inflows of resources	<u>186,891</u>
<b>NET POSITION</b>	
Net investment in capital assets	19,669,392
Restricted for debt service	1,947,262
Unrestricted net position	2,942,748
Total net position	<u>\$ 24,559,402</u>

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF AMHERST, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**Year Ended December 31, 2019**

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
OPERATING REVENUES	
Charges for services	\$ 3,931,199
Miscellaneous	277,723
Total operating revenues	<u>4,208,922</u>
OPERATING EXPENSES	
Water transmission and distribution	110,129
Water distribution maintenance	323,341
Wastewater maintenance	29,857
General plant operations and maintenance	525,515
Wastewater treatment	516,337
General and administrative	1,052,442
Depreciation	1,101,102
Total operating expenses	<u>3,658,723</u>
Operating income	<u>550,199</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	1,270
Connection and availability charges	220,701
Interest expense	(307,760)
Rental income	27,389
Total non-operating expenses, net	<u>(58,400)</u>
Income before capital contributions	491,799
CAPITAL CONTRIBUTIONS	<u>236,150</u>
Change in net position	727,949
NET POSITION AT JANUARY 1, as restated	<u>23,831,453</u>
NET POSITION AT DECEMBER 31	<u><u>\$ 24,559,402</u></u>

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF AMHERST, VIRGINIA

STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
Year Ended December 31, 2019

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
<b>OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 3,950,695
Payments to suppliers	(1,274,120)
Payments to employees	(1,026,563)
Other operating receipts	207,043
	<hr/>
Net cash provided by operating activities	1,857,055
	<hr/>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets and water rights	(1,202,760)
Connection and availability fees	220,701
Contribution from County	236,150
Principal paid on debt	(629,929)
Interest payments on long-term liabilities	(338,183)
	<hr/>
Net cash used in capital and related financing activities	(1,714,021)
	<hr/>
<b>INVESTING ACTIVITIES</b>	
Rent received	27,389
Interest received	1,270
	<hr/>
Net cash provided by investing activities	28,659
	<hr/>
Net increase in cash and cash equivalents	171,693
	<hr/>
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning at January 1	5,273,036
	<hr/>
Ending at December 31	\$ 5,444,729
	<hr/> <hr/>
<b>RECONCILIATION TO EXHIBIT 7</b>	
Cash and investments	\$ 3,497,467
Restricted cash and investments	1,947,262
	<hr/>
	\$ 5,444,729
	<hr/> <hr/>

(Continued)

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF AMHERST, VIRGINIA

STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
Year Ended December 31, 2019

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income	\$ 550,199
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,101,102
Pension expense net of employer contributions	(90,591)
Other postemployment expense net of employer contributions	(5,621)
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables, net	(61,649)
Inventories	36,110
(Decrease) increase in:	
Accounts payable and accrued expenses	312,520
Customer deposits	10,465
Compensated absences	4,520
Net cash provided by operating activities	<u>\$ 1,857,055</u>
<b>NONCASH CAPITAL AND RELATED FINANCING</b>	
Capital assets acquired through accounts payable	<u>\$ 323,107</u>

The Notes to Financial Statements are an integral part of this statement.

**COUNTY OF AMHERST, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**June 30, 2020**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$      45,194
Total assets	<u>\$      45,194</u>
<b>LIABILITIES</b>	
Amounts held for others	\$      45,194
Total liabilities	<u>\$      45,194</u>

The Notes to Financial Statements are an integral part of this statement.

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The County of Amherst, Virginia (the “County”) is a political subdivision of the Commonwealth of Virginia governed by an elected five-member Board of Supervisors. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. The County has taxing powers subject to statewide restrictions and tax limits, and provides a full range of services to its citizens including law enforcement, fire, social services, public improvements, planning and zoning, education, and sanitation. The County is the primary government of the reporting entity.

**Discretely Presented Component Units** – The component unit columns in the financial statements include the financial data of the County’s discretely presented component units. They are reported in separate columns to emphasize that they are legally separate from the County.

The Amherst County School Board operates the elementary and secondary public schools in the County. The School Board is presented as a component unit because it is fiscally dependent upon the County. The County approves all debt issuances and provides significant funding for operations since the School Board does not have separate taxing powers. The Amherst County School Board does not prepare separate financial statements.

The Amherst County Economic Development Authority (the “EDA”) was created to promote industry and develop trade by encouraging enterprises to locate and remain in the County. The EDA is authorized to acquire, own, lease, and dispose of properties to the extent that such activities foster and stimulate economic development. The EDA is governed by a Board of Directors who are appointed by the County’s Board of Supervisors and the County is financially accountable for the EDA. The EDA does not prepare separate financial statements.

**Blended Component Unit** – A blended component unit is an entity, that while legally separate, is in substance part of the County’s operations, and so its financial information is combined with the financial statements of the County. The County can impose its will over the Amherst County Service Authority (the “Authority”) and is financially accountable for it.

The Authority serves the citizens of the County and provides water and sewer services. The County Board of Supervisors also serves as the Board of Directors for the Authority and approves all related user charges and debt issuances. The Authority operates on a December 31 year end, and the Authority’s December 31, 2019 financial report is presented as an enterprise fund in the County’s financial statements. Financial statements of the Authority may be obtained by contacting the County of Amherst, VA, County Administrator, P.O. Box 390, Amherst, VA 24521.

**Related Organization** – The Board of Supervisors is also responsible for nominating members of the board for the Amherst Industrial Development Authority, but the County’s accountability for this organization does not extend beyond making this nomination. Final appointment of members and accountability for fiscal affairs rests with the Town of Amherst.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**B. Financial Statements**

**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position presents both governmental and business-type activities on the accrual basis of accounting, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 not properly included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements**

These statements are organized based on funds, each of which is considered a separate accounting unit. The emphasis is on major governmental and enterprise funds. The County reports the following major governmental funds:

The *General Fund* is the primary operating fund of the County and accounts for all revenues and expenditures applicable to the general operations not accounted for in other funds. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants.

*Special Revenue fund* accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Special Revenue fund reports revenues and expenditures related to the Dare Program, Recreation Activities, E-911 operations, Community Development Block Grant, and Solid Waste.

*Capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The *capital projects fund* accounts for the renovations, construction, and improvements related to County capital assets. Financing is provided by debt issuances and General Fund transfers.

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**B. Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The County reports the following major proprietary fund:

The Amherst County Service Authority is presented in an *enterprise fund* that accounts for the Authority's water distribution system and sewage collection, pumping stations, and treatment plant. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the County reports the following fund type:

*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. Agency funds include the Special Welfare and Forfeited Assets Funds.

**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 when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. General Fund tax revenues are considered measurable when they have been levied and available if collected within 60 days of year end. Grant revenues are considered measurable and available when related grant expenditures are incurred. All other revenue items are considered measurable and available when cash is received. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, other post-employment benefits, as well as expenditures related to claims and judgments are recorded only when payment is due.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

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

As a result of the different measurement focus and basis of accounting used in preparing the government-wide statements versus the governmental fund financial statements, a reconciliation between the government-wide and fund financial statements are necessary. The reconciliations are presented as exhibits in the governmental fund financial statements. As part of the reconciliation process, non-departmental indirect expenditures are allocated to functional expenses based on a percent of functional expenditures.

**D. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Equity**

**Deposits and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Interfund Receivables and Payables**

Outstanding balances between funds are reported as due to/from other funds, if applicable. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statements as internal balances. Outstanding balances between the County and the component units are reported as due to/from component unit or due to/from primary government.

**Inventories**

Inventories are valued using the first-in, first-out method. Inventories in the enterprise fund consist of materials and supplies for water and sewer repairs and maintenance.

**Taxes Receivable**

Property is assessed at its estimated fair value and property taxes attach as an enforceable lien as of January 1. Real estate taxes are payable in two installments on June 5<sup>th</sup> and December 5<sup>th</sup>. Personal property taxes are payable on December 5<sup>th</sup>. The County bills and collects its own property taxes. Due to the COVID-19 pandemic, which is further discussed in Note 33, the County extended the deadline from June 5<sup>th</sup> to August 5<sup>th</sup>. The property taxes due and collected on the August 5, 2020 billing installment, as well as those due on December 5, 2020, are reflected in deferred inflows on the statement of net position as they are intended to fund operations in a future period.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**D. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Equity (Continued)**

**Capital Assets**

Capital assets, which include property, buildings, equipment, infrastructure, and intangibles are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 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 estimated fair market value at the date of donation.

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

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

Most capital assets are depreciated using the straight line method over the following estimated useful lives:

Buildings	40 years
Building improvements	20-40 years
Furniture, equipment and vehicles	5-15 years
Utility plant in service	15-50 years

Landfill development costs are depreciated based on the percentage of capacity used compared to the total estimated capacity.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements that present net position report a separate section for deferred outflows of resources. These items represent a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

- Deferred loss on refunding. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Due to the relationship with outstanding debt, these deferred outflows are included in the calculation of net position, net investment in capital assets.
- Contributions subsequent to the measurement date for pensions and other post-employment benefits (OPEB) are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**D. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Equity (Continued)**

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

- Differences between expected and actual experience for economic/demographic factors as well as changes in actuarial assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportion and differences between employer contributions and proportionate share of employer contributions in the Virginia Retirement System's teacher cost sharing pool or OPEB cost sharing pool plans. This difference is deferred and recognized in expense over the average remaining service life of the employees who are subject to the plan, and may be reported as a deferred outflow or inflow as appropriate.

In addition to liabilities, the statements that presents financial position report a separate section for deferred inflows of resources. These items represent an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in this category:

- The governmental funds report unavailable revenue from property taxes, grants, and other receivables not collected within 60 days of year end and those property taxes levied to fund future years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- On the statement of net position, property taxes levied, but not yet due are intended to fund future years.
- Differences between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over a closed five year period and may be reported as a deferred outflow or inflow as appropriate.

**Unearned/Unavailable Revenue**

In the statement of net position, unearned revenue arises when assets are received or recognized before revenue recognition criteria is satisfied and primarily consists of property taxes collected or recorded as a receivable, that are intended to finance the subsequent year's operations.

In the balance sheet of the governmental funds, unearned/unavailable revenue arises when assets are recognized but are not available to finance expenditures of the current fiscal period or when assets are recognized before revenue recognition criteria is satisfied as described. Unearned/unavailable revenue primarily consists of property taxes, EMS billings, grants, unused amounts received in coronavirus relief funds, and other items not collected within the availability period.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**D. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Equity (Continued)**

**Compensated Absences**

The County and School Board have policies to allow the accumulation and vesting of limited amounts of paid leave and sick leave until termination or retirement. Amounts of such absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds when the amounts are due for payment.

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. 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. Issuance costs associated with long-term obligations are expensed when incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the period incurred. 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.

**Pensions and Other Postemployment Benefits (OPEB)**

For purposes of measuring all financial statement elements related to pension and OPEB plans, information about the fiduciary net position of the County's and Schools' Plans' and the additions to/deductions from the County's and Schools' Plans' net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**D. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Equity (Continued)**

**Fund Balance (Continued)**

The classifications are as follows:

- **Nonspendable** – Amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, if applicable.
- **Restricted** – 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** – Amounts constrained to specific purposes by the County, under the formal action of Board of Supervisors’ resolution. Amounts cannot be used for any other purposes unless the Board of Supervisors takes action to remove or change the constraint.
- **Assigned** – Amounts are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by County management based on governing body direction through adoption or amendment of the budget or through ordinance or resolution.
- **Unassigned** – Amounts that are available for any purpose; positive amounts are reported only in the General Fund.

**Restricted Amounts**

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Minimum Fund Balance Policy**

Within its General Fund, the County’s policy is to maintain an adequate fund balance amount for cash liquidity purposes. That balance is expected by management to be sufficient to meet the County’s cyclical cash flow requirements and avoid the need for short-term tax anticipation borrowing. Unassigned fund balances shall be at least 15% of the total annual General Fund expenditures inclusive of the transfer to the Amherst County School Board. The Board of Supervisors may, in times of declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of the County, appropriate amounts that will reduce available unassigned fund balance below the 15% target. Should the reserve fall or be reduced below the 15% targeted level, the Board must approve and adopt a plan to restore this balance to the target level within 36 months, unless that timeframe would cause severe hardship to the County.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**D. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Equity (Continued)**

**Minimum Fund Balance Policy (Continued)**

Other governmental funds of the County do not have specified fund balance targets. Recommended levels of committed and/or assigned fund balance will be determined on a case by case basis, based on the needs of each fund and as recommended by officials and approved by the Board of Supervisors.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. There were no encumbrances outstanding at year end as all County purchase orders expire at year end and must be re-authorized in the subsequent year.

**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 any outstanding debt related to the acquisition, construction, or improvement of those assets. At June 30, 2020, restricted net position consists of amounts for community development loans, funds held for debt service as required by bond agreements, and the School Board net pension asset.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Note 2. Stewardship, Compliance, and Accountability**

**Budgetary Information**

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing 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, Capital Projects Fund, School Operating Fund, School Cafeteria Fund, and School Capital Projects Fund.
2. Public hearings are conducted to obtain citizen comments.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 2. Stewardship, Compliance, and Accountability (Continued)**

**Budgetary Information (Continued)**

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 can be revised by the Board of Supervisors only. However, the School Board is authorized to transfer budget amounts within the School System's categories. Amounts that do not fall under a department's control are categorized as non-departmental even though they may relate to a particular function.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The School Funds are integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with GAAP.
7. Appropriations lapse on June 30.
8. Budget data presented in the accompanying financial statements includes the original adopted budget and the revised budget as of June 30.

**Note 3. Deposits and Investments**

Deposits

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

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), and the Virginia State Non-Arbitrage Program (SNAP).

External investment pools

The Virginia SNAP fund is an open-end management investment company and is overseen by the Treasurer of Virginia and State Treasury Board.

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 3. Deposits and Investments (Continued)**

Deposit and investment balances consist of the following:

Deposits:	
Demand deposits	\$ 16,991,963
Money market funds	16,431,826
Cash on hand	<u>6,750</u>
	33,430,539
Investments:	
SNAP	<u>3,999,952</u>
Total deposits and investments	<u><u>\$ 37,430,491</u></u>

Deposits and investments are presented on the Statement of Net Position as follows:

Cash and investments – Primary Government	\$ 28,434,271
Cash and investments – School Board	2,401,593
Cash and investments – EDA	647,413
Restricted cash and investments – Primary Government	5,846,638
Restricted cash and investments – School Board	<u>100,576</u>
Total deposits and investments	<u><u>\$ 37,430,491</u></u>

Restricted cash and investments

Restricted cash and investments in the governmental activities consist of \$3,899,376 of unspent debt proceeds maintained in SNAP accounts to be used for capital projects. Restricted cash and investments in the business-type activities consists of \$1,281,000 required to be maintained for debt service in the event of rate fluctuations or revenue decreases for water and sewer services, as well as \$666,262 of other unspent funding restricted for future capital needs. Restricted cash and investments in the school board component unit consist of \$100,576 of unspent debt proceeds maintained in SNAP accounts to be used for capital projects.

Credit risk

Although the County does not have a formal policy addressing credit risk, the County adheres to the State guidelines. As required by the *Code of Virginia*, obligations of the Commonwealth of Virginia and its political subdivisions must have a debt rating of at least AA by Standard & Poor's (S&P) or Aa by Moody's Investors Service (Moody's). Commercial paper must be issued by an entity incorporated in the U.S. and rated at least A-1 by S&P or P-1 by Moody's. Corporate notes and bonds must have a rating of at least AA by S&P or As by Moody's. Money market mutual funds must trade on a constant net asset value and invest solely in securities otherwise eligible for investment under these guidelines. The County's money market funds were unrated at June 30, 2020. SNAP funds are rated by Moody's as AAAm.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 4. Receivables**

Receivables consist of the following:

	<u><b>Governmental Activities</b></u>	<u><b>Business-Type Activities</b></u>	<u><b>Total Primary Government</b></u>
Receivables			
Taxes	\$ 15,707,510	\$ -	\$ 15,707,510
Less: allowance for uncollectible accounts	<u>(649,698)</u>	<u>-</u>	<u>(649,698)</u>
Net taxes receivable	<u>15,057,812</u>	<u>-</u>	<u>15,057,812</u>
Accounts receivable	721,191	799,351	1,520,542
Less: allowance for uncollectible accounts	<u>(130,339)</u>	<u>(99,000)</u>	<u>(229,339)</u>
Net accounts receivable	<u>590,852</u>	<u>700,351</u>	<u>1,291,203</u>
Net total receivables	<u><u>\$ 15,648,664</u></u>	<u><u>\$ 700,351</u></u>	<u><u>\$ 16,349,015</u></u>

Taxes receivable represent the current and past four years of uncollected tax levies for personal property taxes and the current and past nineteen years of uncollected tax levies on real property. Governmental activities accounts receivable are comprised of amounts due for EMS billings and other local revenues. The allowances for uncollectible accounts are based on historical collection rates, aging of receivable balances, and specific account analysis. Accounts receivable for business-type activities primarily represent amounts due for water and sewer services.

**Note 5. Loans Receivable**

The County provided housing loans through the Community Development Block Grant Housing Loan Program to low income citizens within the County as part of a project in Old Town Madison Heights in 2012, 2013, and 2020. Several of those loans are still in repayment and in good standing at year end. All of the loans are secured by a deed of trust on the related real estate. These loans are forgivable loans under which no interest is charged and a portion of the principal balance is forgiven at the time of each monthly payment. At June 30, 2020, the six loans outstanding totaled \$93,230.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 6. Due From Other Governments**

Amounts due from other governments consist of the following:

	<b>Primary Government Governmental Activities</b>	<b>Component Unit School Board</b>
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 656,641
Local sales taxes	642,023	-
Communication taxes	172,141	-
Public assistance and welfare administration	51,890	-
Comprehensive youth service	441,476	-
Sheriff	152,617	-
Commonwealth's Attorney	35,868	-
Clerk of Circuit Court	25,799	-
Treasurer	9,965	-
Commissioner of Revenue	9,165	-
Other	31,319	-
Federal Government:		
Education grants	-	540,383
Public safety grants	23,142	-
Public assistance	100,727	-
Other	69,191	-
	<u>\$ 1,765,323</u>	<u>\$ 1,197,024</u>

**Note 7. Transfers**

Interfund transfers consist of the following:

	<b>Transfers In</b>	<b>Transfers Out</b>
Governmental Funds:		
General fund	\$ 698,297	\$ 2,173,181
Special revenue fund	1,509,289	18,937
Capital projects fund	16,190	-
	<u>2,223,776</u>	<u>2,192,118</u>
Fiduciary Funds:		
Forfeited assets	-	31,658
	<u>-</u>	<u>31,658</u>
	<u>\$ 2,223,776</u>	<u>\$ 2,223,776</u>

Transfers are used to (1) move revenues from the fund where statute or budget requires collection to the fund that statute or budget requires expenditure and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 8. Capital Assets**

Capital asset activity for the year consisted of the following:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital assets not depreciated:				
Land	\$ 2,536,933	\$ -	\$ -	\$ 2,536,933
Construction in progress	160,812	1,148,862	356,668	953,006
Total capital assets not depreciated	2,697,745	1,148,862	356,668	3,489,939
Capital assets depreciated:				
Buildings and improvements	51,669,751	467,150	-	52,136,901
Jointly owned school buildings and improvements	3,931,825	-	790,119	3,141,706
Furniture, equipment, and vehicles	12,021,644	1,688,525	126,653	13,583,516
Total capital assets depreciated	67,623,220	2,155,675	916,772	68,862,123
Less accumulated depreciation:				
Buildings and improvements	(13,770,308)	(1,972,843)	-	(15,743,151)
Jointly owned school buildings and improvements	(1,399,242)	-	237,389	(1,161,853)
Furniture, equipment, and vehicles	(7,831,708)	(1,429,091)	122,312	(9,138,487)
Total accumulated depreciation	(23,001,258)	(3,401,934)	359,701	(26,043,491)
Capital assets depreciated, net	44,621,962	(1,246,259)	557,071	42,818,632
Net capital assets	<u>\$ 47,319,707</u>	<u>\$ (97,397)</u>	<u>\$ 913,739</u>	<u>\$ 46,308,571</u>
<b>Business-Type Activities:</b>				
Capital assets not depreciated:				
Land	\$ 850,524	\$ -	\$ -	\$ 850,524
Construction in progress	2,536,309	-	2,536,309	-
Total capital assets not depreciated	3,386,833	-	2,536,309	850,524
Capital assets depreciated:				
Buildings and improvements	1,243,269	-	-	1,243,269
Utility plant in service	46,805,131	3,490,677	-	50,295,808
Furniture, equipment, and vehicles	1,136,475	102,970	-	1,239,445
Total capital assets depreciated	49,184,875	3,593,647	-	52,778,522
Less accumulated depreciation	(22,410,639)	(1,101,102)	-	23,511,741
Capital assets depreciated, net	26,774,236	2,492,545	-	29,266,781
Net capital assets	<u>\$ 30,161,069</u>	<u>\$ 2,492,545</u>	<u>\$ 2,536,309</u>	<u>\$ 30,117,305</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 8. Capital Assets (Continued)**

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

	<u><b>Governmental Activities</b></u>	<u><b>Business-Type Activities</b></u>	<u><b>Total Primary Government</b></u>
General government administration	\$ 309,095	\$ -	\$ 309,095
Judicial administration	102,644	-	102,644
Public safety	1,223,338	-	1,223,338
Public works	474,031	-	474,031
Health and welfare	16,701	-	16,701
Education	1,112,139	-	1,112,139
Parks, recreation, and cultural	147,166	-	147,166
Community development	16,820	-	16,820
Water and sewer	-	1,101,102	1,101,102
	<u>-</u>	<u>1,101,102</u>	<u>1,101,102</u>
Total depreciation expense – primary government	<u>\$ 3,401,934</u>	<u>\$ 1,101,102</u>	<u>\$ 4,503,036</u>

**Discretely Presented Component Unit – Economic Development Authority**

Capital asset activity for the EDA for the year consisted of the following:

	<u><b>Beginning Balance</b></u>	<u><b>Increases</b></u>	<u><b>Decreases</b></u>	<u><b>Ending Balance</b></u>
Capital assets not depreciated:				
Land	\$ 492,258	\$ 15,665	\$ -	\$ 507,923
Capital assets depreciated:				
Buildings and improvements	577,828	-	-	577,828
Less accumulated depreciation:				
Buildings and improvements	(158,903)	(14,446)	-	(173,349)
Capital assets depreciated, net	<u>418,925</u>	<u>(14,446)</u>	<u>-</u>	<u>404,479</u>
Net capital assets	<u>\$ 911,183</u>	<u>\$ 1,219</u>	<u>\$ -</u>	<u>\$ 912,402</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 8. Capital Assets (Continued)**

**Discretely Presented Component Unit – School Board**

Capital asset activity for the School Board for the year consisted of the following:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not depreciated:				
Land	\$ 308,306	\$ -	\$ -	\$ 308,306
Construction in progress	61,625	-	61,625	-
Total capital assets not depreciated	369,931	-	61,625	308,306
Capital assets depreciated:				
Buildings and improvements	38,039,720	327,047	567,490	37,799,277
Jointly owned school buildings and improvements	12,104,881	790,119	2,000,000	10,895,000
Furniture, equipment, and vehicles	9,594,966	901,406	101,833	10,394,539
Total capital assets depreciated	59,739,567	2,018,572	2,669,323	59,088,816
Less accumulated depreciation:				
Buildings and improvements	(30,737,577)	(1,034,494)	212,809	(31,559,262)
Jointly owned school buildings and improvements	(4,956,550)	(588,306)	1,000,000	(4,544,856)
Furniture, equipment, and vehicles	(6,634,910)	(455,846)	101,833	(6,988,923)
Total accumulated depreciation	(42,329,037)	(2,078,646)	1,314,642	43,093,041
Capital assets depreciated, net	17,410,530	(60,074)	1,354,681	15,995,775
Net capital assets	\$ 17,780,461	\$ (60,074)	\$ 1,416,306	\$ 16,304,081

Local governments in Virginia and their school boards hold a tenancy in common with respect to capital assets constructed with long-term debt. Accordingly, school capital assets for which debt is still outstanding are included in the capital assets of the County in an amount equal to the outstanding balance of the debt. As the debt is retired, a proportional amount of the assets are transferred to the Component Unit – School Board. These assets are now reported in the School Board's building and improvement line as they are no longer considered jointly owned. For the debt issued in fiscal year 2017 and future issuances, the assets will remain in the capital assets of the County until the related debt is paid in full.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 9. Long-Term Liabilities**

Changes in long-term liabilities consisted of the following:

**Primary Government:**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 3,931,825	\$ -	\$ 793,916	\$ 3,137,909	\$ 692,909
Premium on bonds	131,040	-	26,521	104,519	26,521
	<u>4,062,865</u>	<u>-</u>	<u>820,437</u>	<u>3,242,428</u>	<u>719,430</u>
Lease revenue bonds	8,266,000	-	680,000	7,586,000	698,000
Note payable	1,264,719	-	31,798	1,232,921	33,139
Capital leases	22,666,727	-	1,090,096	21,576,631	1,251,461
	<u>32,197,446</u>	<u>-</u>	<u>1,801,894</u>	<u>30,395,552</u>	<u>1,982,600</u>
Landfill closure/post-closure	5,218,784	465,909	-	5,684,693	-
Compensated absences	1,054,107	88,346	-	1,142,453	114,245
	<u>6,272,891</u>	<u>554,255</u>	<u>-</u>	<u>6,827,146</u>	<u>114,245</u>
	<u>\$ 42,533,202</u>	<u>\$ 554,255</u>	<u>\$ 2,622,331</u>	<u>\$ 40,465,126</u>	<u>\$ 2,816,275</u>
<b>Business-Type Activities:</b>					
Revenue bonds	\$ 8,884,000	\$ -	\$ 407,000	\$ 8,477,000	\$ 430,000
Premium on bond	461,639	-	20,984	440,655	20,984
Notes payable	1,765,540	-	226,091	1,539,449	227,676
Compensated absences	132,174	4,520	-	136,694	13,669
	<u>\$ 11,243,353</u>	<u>\$ 4,520</u>	<u>\$ 654,075</u>	<u>\$ 10,593,798</u>	<u>\$ 692,329</u>

Compensated absences and landfill closure/post-closure costs, pension, and other post-employment benefits liabilities for governmental activities are expected to be paid out of the General Fund.

**Discretely Presented Component Unit – Economic Development Authority:**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Notes payable	\$ 770,684	\$ -	\$ 41,203	\$ 729,481	\$ 43,425

**Discretely Presented Component Unit – School Board:**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensated absences	\$ 595,136	\$ 19,026	\$ -	\$ 614,162	\$ 61,416

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 9. Long-Term Liabilities (Continued)**

Details of long-term indebtedness are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>
<b>PRIMARY GOVERNMENT</b>					
<b>Governmental Activities:</b>					
<b>General Obligation Bonds</b>					
Schools:					
VPSA Bonds	5.15%	2000	2020	\$ 3,351,287	\$ 197,909
VPSA Bonds	3.10-5.25	2001	2021	550,000	50,000
VPSA Bonds	2.35-7.85	2002	2022	965,000	135,000
VPSA Bonds	3.10-5.35	2003	2023	1,315,000	260,000
VPSA Bonds	4.10-5.60	2004	2024	1,120,000	275,000
VPSA Bonds	4.60-5.10	2005	2025	1,615,000	480,000
VPSA Bonds	4.225-5.10	2006	2026	1,265,000	420,000
VPSA Bonds	4.10-5.10	2007	2027	3,325,000	1,320,000
Total general obligation bonds					<u>\$ 3,137,909</u>
<b>Lease Revenue Bonds</b>					
Amherst County EDA Series 2017A	2.32%	2017	2032	\$ 4,000,000	\$ 3,551,000
Amherst County EDA Series 2017B	2.32	2017	2027	5,395,000	4,035,000
Total lease revenue bonds					<u>\$ 7,586,000</u>
<b>Capital Leases</b>					
Pinnacle – Energy Conservation	2.25%	2016	2030	\$ 15,000,000	\$ 13,375,000
U.S. Bancorp – Energy Conservation	2.19	2016	2030	8,850,000	8,070,000
Caterpillar – Equipment	3.20	2016	2021	292,937	131,631
Total capital leases					<u>\$ 21,576,631</u>
<b>Note Payable (Direct Placement)</b>					
USDA – Rural Development – Animal Shelter	4.125%	2007	2043	\$ 1,597,200	<u>\$ 1,232,921</u>
<b>Business-Type Activities:</b>					
Revenue refunding bond – Virginia Resources Authority					
BB&T bond	5.125%	2012	2039	\$ 9,915,000	\$ 2,475,000
	2.89%	2017	2037	6,177,000	6,002,000
Total revenue bonds					<u>\$ 8,477,000</u>
<b>Notes payable</b>					
Sewage facilities note	- %	1993	2023	\$ 421,819	\$ 38,943
Sewage facilities note	-	1998	2027	747,643	174,450
Sewage facilities note	3.00	2001	2020	1,996,292	93,078
Sewage facilities note	3.41	2002	2021	322,159	45,593

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 9. Long-Term Liabilities (Continued)**

<u>Purpose</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
<b>PRIMARY GOVERNMENT</b>					
<b>(Continued)</b>					
<b>Business-Type Activities: (Continued)</b>					
<b>Notes payable (Continued)</b>					
Sewage facilities note	4.14%	2010	2029	\$ 329,751	\$ 197,866
Sewage facilities note	3.25	2011	2041	129,890	93,052
Sewage facilities note	2.80	2011	2041	41,049	30,103
Sewage facilities note	-	2013	2033	1,062,266	743,586
Sewage facilities note	3.22	2013	2043	30,001	26,205
Sewage facilities note	3.08	2014	2034	64,890	51,989
Sewage facilities note	3.14	2016	2036	50,297	44,584
Total notes payable					<u>\$ 1,539,449</u>

**COMPONENT UNIT –  
ECONOMIC DEVELOPMENT  
AUTHORITY**

**Notes Payable (Direct Placement)**

USDA – Rural Development –					
Animal Shelter	4.125%	2007	2043	\$ 822,800	\$ 635,140
Carter Bank and Trust	6.00	2008	2023	309,067	94,341
Total notes payable					<u>\$ 729,481</u>

Annual debt payments

<u>Year Ending June 30,</u>	<u>Primary Government Governmental Activities</u>			
	<u>General Obligation and Lease Revenue Bonds</u>		<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,390,909	\$ 312,149	\$ 33,139	\$ 50,235
2022	1,209,000	266,196	34,531	48,843
2023	1,202,000	225,679	35,983	47,391
2024	1,175,000	186,591	37,496	45,878
2025	1,127,000	149,290	39,072	44,302
2026-2030	3,692,000	312,315	221,423	195,446
2031-2035	928,000	36,160	272,047	144,823
2036-2040	-	-	334,244	82,626
2041-2043	-	-	224,986	13,947
	<u>\$ 10,723,909</u>	<u>\$ 1,488,380</u>	<u>\$ 1,232,921</u>	<u>\$ 673,491</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 9. Long-Term Liabilities (Continued)**

Annual debt payments (Continued)

<b>Year Ending June 30,</b>	<b>Capital Leases</b>	
	<b>Principal</b>	<b>Interest</b>
2021	\$ 1,251,461	\$ 467,744
2022	1,550,170	435,037
2023	1,545,000	400,738
2024	1,650,000	365,004
2025	1,770,000	326,765
2026-2030	11,266,000	943,411
2031	2,544,000	28,203
	<u>\$ 21,576,631</u>	<u>\$ 2,966,902</u>

<b>Year Ending June 30,</b>	<b>Primary Government Business-Type Activities</b>			
	<b>Revenue Bonds</b>		<b>Notes Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 430,000	\$ 300,302	\$ 227,676	\$ 22,756
2022	453,000	261,399	136,243	15,593
2023	460,000	254,403	113,938	13,919
2024	483,000	238,021	114,860	12,821
2025	502,000	220,151	106,083	11,686
2026-2030	2,804,000	793,307	502,560	40,038
2031-2035	2,003,000	370,816	280,926	15,919
2036-2040	1,342,000	78,203	40,955	6,455
2041-2044	-	-	16,208	1,064
	<u>\$ 8,477,000</u>	<u>\$ 2,516,602</u>	<u>\$ 1,539,449</u>	<u>\$ 140,251</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 9. Long-Term Liabilities (Continued)**

Annual debt payments (Continued)

Year Ending June 30,	Component Unit	
	Economic Development Authority	
	Notes Payable	
	Principal	Interest
2021	\$ 43,425	\$ 30,823
2022	45,767	28,479
2023	48,241	26,005
2024	29,621	23,763
2025	20,128	22,822
2026-2030	114,067	100,684
2031-2035	140,146	74,605
2036-2040	172,186	42,564
2041-2045	115,900	7,185
	<u>\$ 729,481</u>	<u>\$ 356,930</u>

Bank notes payable are collateralized by real property.

Capital leases – energy conservation

During fiscal year 2018, the County entered into two capital leases totaling \$23,850,000 for energy conservation projects at various schools that include roofing, lighting, and HVAC. Funds are held in the County’s SNAP investment account and will be used as the projects progress. Unspent funds of \$1,058,156 are included in the SNAP account discussed in Note 3.

The assets acquired through capital leases are as follows:

Furniture, equipment, and vehicles	\$ 292,937
Buildings and improvements	22,405,598
Less: accumulated depreciation	<u>(2,735,562)</u>
	<u>\$ 19,962,973</u>

**Note 10. Defined Benefit Pension Plan**

**Plan Description**

All full-time, salaried permanent employees of the County of Amherst, Virginia, (the “Political Subdivision”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is 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.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 10. Defined Benefit Pension Plan (Continued)**

**Plan Description (Continued)**

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 available at

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

**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:

	<b><u>Members</u></b>
Inactive members or their beneficiaries currently receiving benefits	<u>155</u>
Inactive members:	
Vested inactive members	31
Non-vested inactive members	48
Inactive members active elsewhere in VRS	<u>103</u>
Total inactive members	<u>182</u>
Active members	<u>204</u>
Total covered employees	<u><u>541</u></u>

**Contributions**

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2020 was 9.90% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 10. Defined Benefit Pension Plan (Continued)**

**Contributions (Continued)**

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 political subdivision were \$882,743 and \$839,756 for the years ended June 30, 2020 and June 30, 2019, respectively.

**Net Pension Liability**

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2019. 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.

**Actuarial Assumptions**

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 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 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.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 10. Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions (Continued)**

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable RP-2014 Mortality Table Projected to 2020 with various set backs or set forwards for both 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:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rates at older ages, changed final retirement from 70 to 75; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; lowered disability rates, no change to salary scale, increased rate of line of duty disability from 14% to 20% (Largest 10) or 15% (All Others), and decreased discount rate from 7.00% to 6.75%.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rate at older ages; adjusted rates of withdrawal and disability to better fit experience; changes to line of duty rates, no changes to salary scale, and decreased discount rate from 7.00% to 6.75%.

**Long-Term Expected Rate of Return**

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

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 10. Defined Benefit Pension Plan (Continued)**

**Long-Term Expected Rate of Return (Continued)**

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
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
<b>Total</b>	<b>100.00 %</b>		<b>5.13</b>
	<b>Inflation</b>		<b>2.50</b>
	<b>*Expected arithmetic nominal return</b>		<b>7.63 %</b>

- \* The above allocation provides for 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 rate of 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 2.5%. 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 allocation.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, 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 the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever is 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.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 10. Defined Benefit Pension Plan (Continued)**

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2018	\$ 43,131,161	\$ 40,625,258	\$ 2,505,903
Changes for the year:			
Service cost	1,035,596	-	1,035,596
Interest	2,944,486	-	2,944,486
Differences between expected and actual experience	(24,423)	-	(24,423)
Assumption changes	1,266,837	-	1,266,837
Contributions – employer	-	839,756	(839,756)
Contributions – employee	-	439,624	(439,624)
Net investment income	-	2,690,349	(2,690,349)
Benefit payments, including refunds of employee contributions	(2,134,158)	(2,134,158)	-
Administrative expenses	-	(26,875)	26,875
Other changes	-	(1,694)	1,694
Net changes	3,088,338	1,807,002	1,281,336
Balances at June 30, 2019	\$ 46,219,499	\$ 42,432,260	\$ 3,787,239

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

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

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Political subdivision's net pension liability (asset)	\$ 9,541,837	\$ 3,787,239	\$ (807,614)

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 10. Defined Benefit Pension Plan (Continued)**

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

For the year ended June 30, 2020, the political subdivision recognized pension expense of \$1,229,505. At June 30, 2020, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 82,960
Change in assumptions	850,114	-
Net difference between projected and actual earnings on pension plan investments	-	363,490
Employer contributions subsequent to the measurement date	882,743	-
Total	<u>\$ 1,732,857</u>	<u>\$ 446,450</u>

The \$882,743 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended 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 as follows:

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to Pension Expense</b>
2021	\$ 341,749
2022	30,800
2023	6,613
2024	24,502
2025	-
Thereafter	-

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 10. Defined Benefit Pension Plan (Continued)**

**Pension Plan Data**

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

**Payables to the Pension Plan**

At June 30, 2020, approximately \$73,218 was payable to the Virginia Retirement System for the legally required contributions related to June 2020 payroll.

**Note 11. Defined Benefit Pension Plan – Amherst County Service Authority**

**Plan Description**

All full-time, salaried permanent employees of the Amherst County Service Authority (the "Political Subdivision") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is 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. Plan participants are covered under three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those described in Note 10.

**Employees Covered by Benefit Terms**

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b><u>Members</u></b>
Inactive members or their beneficiaries currently receiving benefits	14
Inactive members:	
Vested inactive members	1
Non-vested inactive members	5
Inactive members active elsewhere in VRS	5
Total inactive members	11
Active members	22
Total covered employees	47

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 11. Defined Benefit Pension Plan – Amherst County Service Authority (Continued)**

**Contributions**

The political subdivision's contractually required contribution rate for the year ended December 31, 2019 was 7.16% of covered employee compensation. This rate were based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

Contributions to the pension plan from the political subdivision were \$57,921 and \$63,622 for the years ended June 30, 2019 and 2018, respectively.

**Net Pension Liability**

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to the measurement date of June 30, 2018.

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2017	\$ 5,418,857	\$ 5,027,331	\$ 391,526
Changes for the year:			
Service cost	75,780	-	75,780
Interest	371,336	-	371,336
Differences between expected and actual experience	(31,625)	-	(31,625)
Contributions – employer	-	62,343	(62,343)
Contributions – employee	-	45,091	(45,091)
Net investment income	-	369,737	(369,737)
Benefit payments, including refunds of employee contributions	(228,128)	(228,128)	-
Administrative expenses	-	(3,231)	3,231
Other changes	-	(327)	327
Net changes	187,363	245,485	(58,122)
Balances at June 30, 2018	\$ 5,606,220	\$ 5,272,816	\$ 333,404

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 11. Defined Benefit Pension Plan – Amherst County Service Authority (Continued)**

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

The following presents the net pension liability of the political subdivision using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<b><u>1.00% Decrease (6.00%)</u></b>	<b><u>Current Discount Rate (7.00%)</u></b>	<b><u>1.00% Increase (8.00%)</u></b>
Political subdivision's net pension liability (asset)	\$ 1,015,775	\$ 333,404	\$ (239,806)

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

For the year ended December 31, 2019, the Authority recognized pension expense of \$(38,198). At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 4,201	\$ 32,779
Changes in assumption	-	33,150
Net difference between projected and actual earnings on pension plan investments	-	45,915
Employer contributions subsequent to the measurement date	79,048	-
	<b><u>\$ 83,249</u></b>	<b><u>\$ 111,844</u></b>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 11. Defined Benefit Pension Plan – Amherst County Service Authority (Continued)**

The \$79,048 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending December 31,</b>	<b>Increase (Reduction) to Pension Expense</b>
2020	\$ 29,837
2021	18,884
2022	54,489
2023	4,433
2024	-
Thereafter	-

**Payables to the Pension Plan**

At December 31, 2019, there were no amounts payable to the Virginia Retirement System.

**Note 12. Defined Benefit Pension Plan – School Nonprofessionals**

**Plan Description**

All full-time, salaried permanent non-professional employees (non-teachers) of the County of Amherst, Virginia, (the "School division") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is 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. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 10.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)**

**Employees Covered by Benefit Terms**

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

	<b><u>Members</u></b>
Inactive members or their beneficiaries currently receiving benefits	<u>66</u>
Inactive members:	
Vested inactive members	11
Non-vested inactive members	51
LTD	1
Inactive members active elsewhere in VRS	<u>15</u>
Total inactive members	<u>78</u>
Active members	<u>124</u>
Total covered employees	<u><u>268</u></u>

**Contributions**

The school division's contractually required contribution rate for the year ended June 30, 2020 was 3.34% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

Contributions to the pension plan from the school division were \$58,106 and \$57,942 for the years ended June 30, 2020 and 2019, respectively.

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)**

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

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) – (b)</b>
Balances at June 30, 2018	\$ 8,032,048	\$ 9,597,755	\$ (1,565,707)
Changes for the year:			
Service cost	253,332	-	253,332
Interest	549,881	-	549,881
Differences between expected and actual experience	140,073	-	140,073
Assumption changes	236,290	-	236,290
Contributions – employer	-	57,942	(57,942)
Contributions – employee	-	123,729	(123,729)
Net investment income	-	638,019	(638,019)
Benefit payments, including refunds of employee contributions	(353,214)	(353,214)	-
Administrative expenses	-	(6,324)	6,324
Other changes	-	(401)	401
Net changes	826,362	459,751	366,611
Balances at June 30, 2019	\$ 8,858,410	\$ 10,057,506	\$ (1,199,096)

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

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

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School division's net pension (asset)	\$ (181,543)	\$ (1,199,096)	\$ (2,020,009)

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)**

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

For the year ended June 30, 2020, the school division recognized pension expense of \$(20,821). At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 92,267	\$ 125,683
Change in assumptions	155,645	9,996
Net difference between projected and actual earnings on pension plan investments	-	86,517
Employer contributions subsequent to the measurement date	<u>58,106</u>	<u>-</u>
Total	<u>\$ 306,018</u>	<u>\$ 222,196</u>

The \$58,106 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended 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 as follows:

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to Pension Expense</b>
2021	\$ 892
2022	21,401
2023	(2,094)
2024	5,517
2025	-
Thereafter	-

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)**

**Pension Plan Data**

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

**Payables to the Pension Plan**

At June 30, 2020, approximately \$4,715 was payable to the Virginia Retirement System for the legally required contributions related to June 2020 payroll.

**Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan**

**General Information about the Teacher Cost Sharing Plan**

*Plan Description*

All full-time, salaried permanent (professional) employees of Virginia public school divisions, including County of Amherst, Virginia, (the “School Division”), are automatically covered by the VRS Teacher Retirement Plan upon employment. This multiple employer, cost sharing plan is 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 employers 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 in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 10.

*Contributions*

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division’s contractually required contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$3,503,036 and \$3,607,789 for the years ended June 30, 2020 and June 30, 2019, respectively.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)**

**General Information about the Teacher Cost Sharing Plan (Continued)**

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

At June 30, 2020, the school division reported a liability of \$37,408,916 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 as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion was 0.28425% as compared to 0.28577% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized pension expense of \$3,168,913. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 2,395,452
Change in assumptions	3,704,360	-
Net difference between projected and actual earnings on pension plan investments	-	821,411
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,995,098
Employer contributions subsequent to the measurement date	3,503,036	-
Total	<u>\$ 7,207,396</u>	<u>\$ 5,211,961</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)**

**General Information about the Teacher Cost Sharing Plan (Continued)**

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

The \$3,503,036 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended 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 as follows:

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to Pension Expense</b>
2021	\$ (733,041)
2022	(1,365,188)
2023	(152,378)
2024	460,454
2025	282,552
Thereafter	-

*Net Pension Liability*

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

	<b>Teacher Employee Retirement Plan</b>
Total pension liability	\$ 49,683,336
Plan fiduciary net position	<u>36,522,769</u>
Employers' net pension liability (asset)	<u>\$ 13,160,567</u>
Plan fiduciary net position as a percentage of the total pension liability	73.51%

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)**

**General Information about the Teacher Cost Sharing Plan (Continued)**

*Net Pension Liability (Continued)*

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

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

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

	<b><u>1.00% Decrease (5.75%)</u></b>	<b><u>Current Discount Rate (6.75%)</u></b>	<b><u>1.00% Increase (7.75%)</u></b>
School division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	\$ 56,316,669	\$ 37,408,916	\$ 21,775,705

*Pension Plan Fiduciary Net Position*

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

*Payables to the Pension Plan*

At June 30, 2020 approximately \$317,179 was payable to the Virginia Retirement System for the legally required contributions related to June 2020 payroll.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans**

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County of Amherst, Virginia also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

**Plan Descriptions**

Group Life Insurance Program

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

General Employee Health Insurance Credit Program

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan.

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<b><u>Members</u></b>
Inactive members or their beneficiaries currently receiving benefits	32
Active members	<u>89</u>
Total covered employees	<u><u>121</u></u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2017. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

**Group Life Insurance Program**

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.31% of covered employee compensation. Rate allocated 60/40; 0.79% employee and 0.52% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2020 Contribution	\$49,970
June 30, 2019 Contribution	\$46,654

**General Employee Health Insurance Credit Program**

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.23% of covered employee compensation.
June 30, 2020 Contribution	\$21,928
June 30, 2019 Contribution	\$21,502

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

The net OPEB liabilities were measured as of June 30, 2019 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of that date. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

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

Group Life Insurance Program

June 30, 2020 proportionate share of liability	\$ 745,000
June 30, 2019 proportion	0.04577%
June 30, 2018 proportion	0.04558%
June 30, 2020 expense	\$ 28,000

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) – (b)</b>
Balances at June 30, 2018	\$ 185,576	\$ 124,553	\$ 61,023
Changes for the year:			
Service cost	4,699	-	4,699
Interest	12,506	-	12,506
Differences between expected and actual experience	6	-	6
Assumption changes	4,365	-	4,365
Contributions – employer	-	9,311	(9,311)
Net investment income	-	7,802	(7,802)
Benefit payments	(13,832)	(13,832)	-
Administrative expenses	-	(168)	168
Other changes	-	(9)	9
Net changes	7,744	3,104	4,640
Balances at June 30, 2019	\$ 193,320	\$ 127,657	\$ 65,663

For the year ended June 30, 2020, the County reported OPEB expense of \$21,075 for the health insurance credit program.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

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

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

Group Life Insurance Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 50,000	\$ 10,000
Change in assumptions	47,000	22,000
Net difference between projected and actual earnings on OPEB plan investments	-	15,000
Changes in proportion	41,000	-
Employer contributions subsequent to the measurement date	49,970	-
	<hr/>	<hr/>
Total	\$ 187,970	\$ 47,000
	<hr/>	<hr/>

General Employee Health Insurance Credit Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,224	\$ -
Change in assumptions	3,634	2,557
Net difference between projected and actual earnings on OPEB plan investments	-	1,526
Employer contributions subsequent to the measurement date	21,928	-
	<hr/>	<hr/>
Total	\$ 29,786	\$ 4,083
	<hr/>	<hr/>

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

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

The deferred outflows of resources related to OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Group Life Insurance Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2021	\$ 13,000
2022	13,000
2023	20,000
2024	23,000
2025	18,000
Thereafter	4,000

General Employee Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2021	\$ 57
2022	57
2023	1,055
2024	1,744
2025	862
Thereafter	-

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

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

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2018, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.25 – 4.75%
• Ages 65 and older	5.50 – 4.75%
Investment rate of return, net of expenses, including inflation*	GLI & HIC: 6.75%

- \* 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 rate for GASB purposes of slightly more than the assumed percent above. However, since the difference was minimal, and a more conservative 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 the percent noted above to simplify preparation of OPEB liabilities.

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 10.

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Net OPEB Liabilities**

The net OPEB liabilities represent each 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, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b><u>Group Life Insurance Program</u></b>
Total OPEB Liability	\$ 3,390,238
Plan fiduciary net position	1,762,972
Employers' net OPEB liability (asset)	1,627,266
Plan fiduciary net position as a percentage of total OPEB liability	52.00%

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

**Long-Term Expected Rate of Return**

**Group Life Insurance and Health Insurance Credit Programs**

The long-term expected rate of return on VRS 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 OPEB 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:

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Long-Term Expected Rate of Return (Continued)**

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

\*Expected arithmetic nominal return

- \* The above allocation provides for 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 rate of 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.

**Discount Rate**

The discount rate used to measure the GLI and HIC OPEB liabilities 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 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 employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

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

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

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
GLI Net OPEB liability	\$ 978,000	\$ 745,000	\$ 555,000
General Employee HIC Net OPEB liability	\$ 84,982	\$ 65,663	\$ 49,172

**OPEB Plan Fiduciary Net Position**

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Payables to the OPEB Plan**

At June 30, 2020, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2020 payroll.

- Group Life Insurance \$10,419
- General Employee Health Insurance Credit 1,829

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division**

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County of Amherst (the "school division") also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

**Plan Descriptions**

**Group Life Insurance Program**

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

**Plan Descriptions (Continued)**

Group Life Insurance Program (Continued)

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

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

Teacher Employee Health Insurance Credit Program

All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. 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.

Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple employer, cost sharing plans.

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2017. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

**Contributions (Continued)**

Group Life Insurance Program

Governed by: *Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.*

Total rate: 1.31% of covered employee compensation. Rate allocated 60/40; 0.79% employee and 0.52% employer. Employers may elect to pay all or part of the employee contribution.

June 30, 2020 Contribution – general employees	\$14,418
June 30, 2020 Contribution – teachers	\$129,479
June 30, 2019 Contribution – general employees	\$13,502
June 30, 2019 Contribution – teachers	\$122,497

Teacher Health Insurance Credit Program

Governed by: *Code of Virginia 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.*

Total rate: 1.20% of covered employee compensation.

June 30, 2020 Contribution	\$296,303
June 30, 2019 Contribution	\$282,685

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

The net OPEB liabilities were measured as of June 30, 2019 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of that date. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

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

Group Life Insurance Program

General Employees

June 30, 2020 proportionate share of liability	\$ 216,000
June 30, 2019 proportion	0.01325%
June 30, 2018 proportion	0.01407%
June 30, 2020 expense	\$ 4,000

Teachers

June 30, 2020 proportionate share of liability	\$ 1,955,000
June 30, 2019 proportion	0.12017%
June 30, 2018 proportion	0.12051%
June 30, 2020 expense	\$ 16,000

Teacher Health Insurance Credit Program

June 30, 2020 proportionate share of liability	\$ 3,677,000
June 30, 2019 proportion	0.28085%
June 30, 2018 proportion	0.28335%
June 30, 2020 expense	\$ 255,000

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program – General Employees

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 14,000	\$ 3,000
Change in assumptions	14,000	7,000
Net difference between projected and actual earnings on OPEB plan investments	-	4,000
Changes in proportion	10,000	16,000
Employer contributions subsequent to the measurement date	14,418	-
Total	<u>\$ 52,418</u>	<u>\$ 30,000</u>

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

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

Group Life Insurance Program – Teachers

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 130,000	\$ 25,000
Change in assumptions	123,000	59,000
Net difference between projected and actual earnings on OPEB plan investments	-	40,000
Changes in proportion	-	115,000
Employer contributions subsequent to the measurement date	129,479	-
	<hr/>	<hr/>
Total	\$ 382,479	\$ 239,000
	<hr/>	<hr/>

Teacher Health Insurance Credit Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 21,000
Change in assumptions	86,000	26,000
Net difference between projected and actual earnings on OPEB plan investments	-	246,000
Changes in proportion		
Employer contributions subsequent to the measurement date	296,303	-
	<hr/>	<hr/>
Total	\$ 382,303	\$ 293,000
	<hr/>	<hr/>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

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

The deferred outflows of resources related to OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending June 30,	Increase (Reduction) to OPEB Expense		
	Group Life Insurance Program – General Employees	Group Life Insurance Program – Teachers	Teacher Health Insurance Credit Program
2021	\$ (1,000)	\$ (22,000)	\$ (45,000)
2022	(1,000)	(22,000)	(45,000)
2023	2,000	(5,000)	(43,000)
2024	4,000	19,000	(44,000)
2025	3,000	34,000	(32,000)
Thereafter	1,000	10,000	2,000

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2018, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.25 – 4.75%
• Ages 65 and older	5.50 – 4.75%
Investment rate of return, net of expenses, including inflation*	GLI & HIC: 6.75%

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

**Actuarial Assumptions and Other Inputs (Continued)**

- \* 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 rate for GASB purposes of slightly more than the assumed percent above. However, since the difference was minimal, and a more conservative 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 the percent noted above to simplify preparation of OPEB liabilities.

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 10.

**Net OPEB Liabilities**

The net OPEB liabilities represent each 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, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>	<b>Teacher Employee HIC OPEB Plan</b>
Total OPEB liability	\$ 3,390,238	\$ 1,438,114
Plan fiduciary net position	1,762,972	129,016
Employers' net OPEB liability (asset)	1,627,266	1,309,098
Plan fiduciary net position as a percentage of total OPEB liability	52.00%	8.97%

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

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

**Long-Term Expected Rate of Return**

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS 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 OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

- \* The above allocation provides for 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 rate of 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.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

**Discount Rate**

The discount rate used to measure the GLI and HIC OPEB liabilities 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 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 employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

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

	<b><u>1.00% Decrease (5.75%)</u></b>	<b><u>Current Discount (6.75%)</u></b>	<b><u>1.00% Increase (7.75%)</u></b>
GLI Net OPEB liability – general employees	\$ 283,000	\$ 216,000	\$ 161,000
GLI Net OPEB liability – teachers	\$ 2,569,000	\$ 1,955,000	\$ 1,458,000
Teacher HIC Net OPEB liability	\$ 4,115,000	\$ 3,677,000	\$ 3,304,000

**OPEB Plan Fiduciary Net Position**

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)**

**Payables to the OPEB Plan**

At June 30, 2020, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2020 payroll.

• Group Life Insurance – general employees	\$3,064
• Group Life Insurance – teachers	30,326
• Teacher Employee Health Insurance Credit	27,779

**Note 16. Other Postemployment Benefits Liability – Local Plan**

**Plan Description and Benefits Provided**

The County provides post-employment medical, dental, and vision coverage for retired employees through a single-employer defined benefit plan. The County may change, add, or delete coverage as deemed appropriate and with the approval of the Board of Supervisors. The plan does not grant retirees vested health benefits.

Participants in the County's plan must retire directly from active employment and be eligible for an immediate pension benefit from the Virginia Retirement System (VRS) to be eligible for retiree health benefits, in accordance with the eligibility requirements of the VRS plan the retiree participates in.

Retirees are eligible for medical, dental, and vision coverage. Retirees may also elect to cover their spouse and other dependents. Benefits are offered to retirees until the earlier of Medicare eligibility or death. Benefits are offered to dependent spouses until the earlier of Medicare eligibility, death, or the retiree's death. If the retiree predeceases their spouse, the surviving spouse may continue coverage through COBRA only.

Retirees may elect from three different plan options for medical coverage. Retirees also have the choice of one dental plan and one vision plan. The retiree is responsible for 100% of their premium costs for any plan options selected.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 16. Other Postemployment Benefits Liability – Local Plan (Continued)**

**Employees Covered by Benefit Terms**

As of the July 1, 2019 actuarial valuation, the following employees were covered by the benefit terms of the plan:

	<b><u>Members</u></b>
Inactive employees or beneficiaries:	
Currently receiving benefits	4
Spouses of inactive employees or beneficiaries	<u>1</u>
Total inactive employees	5
Active plan members	<u>207</u>
	<u><u>212</u></u>

**Total OPEB Liability**

The County's total OPEB liability of \$647,214 was measured as of June 30, 2020 and was determined based on an actuarial valuation performed as of July 1, 2019.

**Actuarial Assumptions and Other Inputs**

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

Inflation	2.50%
Healthcare cost trend rates	4.80%

Mortality rates: Pre-Retirement Mortality – RP-2014 employee rates to age 80, healthy annuitant rates at ages 81 and older projected with scale BB to 2020; Post-Retirement Mortality Rates – RP-2014 employee rates to age 49, healthy annuitant rates at ages 50 and older projected with scale BB to 2020; Post-Disablement Mortality Rates – RP-2014 disabled mortality rates projected with scale BB to 2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period through July 1, 2018.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 16. Other Postemployment Benefits Liability – Local Plan (Continued)**

**Changes in the Total OPEB Liability**

Balance at June 30, 2019	\$ 525,365
Changes for the year:	
Service cost	63,512
Interest	20,119
Assumption or other input changes	66,573
Benefit payments	(28,355)
Net changes	121,849
Balance at June 30, 2020	\$ 647,214

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

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

	<b>1.00% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1.00% Increase (3.21%)</b>
Total OPEB liability	\$ 704,045	\$ 647,214	\$ 594,933

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.80%) or one percentage point higher (5.80%) than the current healthcare cost trend rates:

	<b>1.00% Decrease (3.80%)</b>	<b>Current Healthcare Cost Trend Rates (4.80%)</b>	<b>1.00% Increase (5.80%)</b>
Total OPEB liability	\$ 556,921	\$ 647,214	\$ 755,486

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 16. Other Postemployment Benefits Liability – Local Plan (Continued)**

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$94,915. At June 30, 2020, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>
Change in assumptions	55,290
Total	<u>\$ 55,290</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30,</b>	<b>Increase to OPEB Expense</b>
2021	\$ 11,284
2022	11,284
2023	11,284
2024	11,284
2025	10,154
Thereafter	-

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority**

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the Amherst County Service Authority also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

**Plan Descriptions**

**Group Life Insurance Program**

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)**

**Plan Descriptions (Continued)**

Group Life Insurance Program (Continued)

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

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

General Employee Health Insurance Credit Program

The General Employee Health Insurance Credit Program (HIC) is available for all full-time, salaried employees of local government entities other than Teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan.

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<b><u>Members</u></b>
Inactive members or their beneficiaries currently receiving benefits	9
Active members	<u>22</u>
Total covered employees	<u><u>31</u></u>

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2017. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)**

**Contributions (Continued)**

Group Life Insurance Program

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.31% of covered employee compensation. Rate allocated 60/40; 0.79% employee and 0.52% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2019 Contribution	\$8,347
June 30, 2018 Contribution	\$7,880

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.</i>
Total rate:	0.24% of covered employee compensation.
June 30, 2018 Contribution	\$3,777
June 30, 2018 Contribution	\$4,493

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

The net OPEB liabilities were measured as of June 30, 2018 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of that date. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2019 proportionate share of liability	\$	79,000
June 30, 2018 proportion		0.00516%
June 30, 2017 proportion		0.00551%
June 30, 2019 expense	\$	1,000

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)**

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

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) – (b)</b>
Balances at June 30, 2017	\$ 70,967	\$ 39,934	\$ 31,033
Changes for the year:			
Service cost	824	-	824
Interest	4,782	-	4,782
Differences between expected and actual experience	(4,265)	-	(4,265)
Contributions – employer	-	3,238	(3,238)
Net investment income	-	2,786	(2,786)
Benefit payments	(5,307)	(5,307)	-
Administrative expenses	-	(63)	63
Other changes	-	(208)	208
Net changes	(3,966)	446	(4,412)
Balances at June 30, 2018	\$ 67,001	\$ 40,380	\$ 26,621

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)**

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

At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,000	\$ 1,000
Change in assumptions	-	3,000
Net difference between projected and actual earnings on OPEB plan investments	-	3,000
Changes in proportion	4,000	5,000
Employer contributions subsequent to the measurement date	8,347	-
	<u>\$ 16,347</u>	<u>\$ 12,000</u>

General Employee Health Insurance Credit Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 3,400
Change in assumptions	-	1,701
Net difference between projected and actual earnings on OPEB plan investments	-	1,038
Employer contributions subsequent to the measurement date	3,777	-
	<u>\$ 3,777</u>	<u>\$ 6,139</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)**

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

The deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2020	\$ (1,000)
2021	(1,000)
2022	(1,000)
2023	-
2024	(1,000)
Thereafter	-

General Employee Health Insurance Credit Program

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2020	\$ (1,796)
2021	(1,796)
2022	(1,729)
2023	(818)
2024	-
Thereafter	-

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2017, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 7.00%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 14.

**Net OPEB Liabilities**

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>	<b>Employee HIC OPEB Plan</b>
Total OPEB Liability	\$ 3,113,508	\$ 67,001
Plan fiduciary net position	1,594,773	40,380
Employers' net OPEB liability (asset)	1,518,735	26,621
Plan fiduciary net position as a percentage of total OPEB liability	51.22%	60.27%

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

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)**

**Long-Term Expected Rate of Return**

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS investments was determined using the method described in Note 14.

**Discount Rate**

The discount rate used to measure the GLI and HIC OPEB liabilities was 7.00%. The projection of cash flows used to determine the discount rate assumed that System 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, 2018, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

The following presents the net OPEB liabilities of the Authority, as well as what the Authority's net OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>
GLI Net OPEB liability	\$ 103,000	\$ 79,000	\$ 59,000
General Employee HIC Net OPEB liability	\$ 32,890	\$ 26,621	\$ 21,182

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 17. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)**

**OPEB Plan Fiduciary Net Position**

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 18. Summary of Pension Elements**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total Primary Government</u></b>	<b><u>School Board</u></b>
Net pension asset				
VRS basic pension plan	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,199,096</u>
Deferred outflows of resources				
Differences between expected and actual experience	\$ -	\$ 4,201	\$ 4,201	\$ 92,267
Change in assumptions	850,114	-	850,114	3,860,005
Employer contributions subsequent to measurement date	<u>882,743</u>	<u>79,048</u>	<u>961,791</u>	<u>3,561,142</u>
Total deferred outflows of resources	<u>\$ 1,732,857</u>	<u>\$ 83,249</u>	<u>\$ 1,816,106</u>	<u>\$ 7,513,414</u>
Net pension liability				
VRS basic pension plan	<u>\$ 3,787,239</u>	<u>\$ 333,404</u>	<u>\$ 4,120,643</u>	<u>\$ 37,408,916</u>
Deferred inflows of resources				
Differences between expected and actual experience	\$ 82,960	\$ 32,779	\$ 115,739	\$ 2,521,135
Change in assumptions	-	33,150	33,150	9,996
Net difference between projected and actual earnings on plan investments	<u>363,490</u>	<u>45,915</u>	<u>409,405</u>	<u>907,928</u>
Change in proportion	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,995,098</u>
Total deferred inflows of resources	<u>\$ 446,450</u>	<u>\$ 111,844</u>	<u>\$ 558,294</u>	<u>\$ 5,434,157</u>
Net pension expense	<u>\$ 1,229,505</u>	<u>\$ (38,198)</u>	<u>\$ 1,191,307</u>	<u>\$ 3,148,092</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 19. Summary of Other Postemployment Benefit Elements**

A summary of the other postemployment benefits-related financial statement elements is as follows:

	<u><b>Governmental Activities</b></u>	<u><b>Business-Type Activities</b></u>	<u><b>Total Primary Government</b></u>	<u><b>School Board</b></u>
Deferred outflows of resources				
Difference between expected and actual experience:				
GLI – general employees	\$ 50,000	\$ 4,000	\$ 54,000	\$ 14,000
GLI – teachers	-	-	-	130,000
HIC – general employees	4,224	-	4,224	-
Change in actuarial assumptions:				
GLI – general employees	47,000	-	47,000	14,000
GLI – teachers	-	-	-	123,000
HIC – general employees	3,634	-	3,634	-
HIC – teachers	-	-	-	86,000
Local plan	55,290	-	55,290	-
Change in proportion:				
GLI – general employees	41,000	4,000	45,000	10,000
Contributions subsequent to measurement date:				
GLI – general employees	49,970	8,347	58,317	14,418
GLI – teachers	-	-	-	129,479
HIC – general employees	21,928	3,777	25,705	-
HIC – teachers	-	-	-	296,303
Total deferred outflows of resources	<u>\$ 273,046</u>	<u>\$ 20,124</u>	<u>\$ 293,170</u>	<u>\$ 817,200</u>
Net other postemployment benefits liability				
GLI – general employees	\$ 745,000	\$ 79,000	\$ 824,000	\$ 216,000
GLI – teachers	-	-	-	1,955,000
HIC – general employees	65,663	26,621	92,284	-
HIC – teachers	-	-	-	3,677,000
Local plan	<u>647,214</u>	<u>-</u>	<u>647,214</u>	<u>-</u>
Total net other postemployment benefits liability	<u>\$ 1,457,877</u>	<u>\$ 105,621</u>	<u>\$ 1,563,498</u>	<u>\$ 5,848,000</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 19. Summary of Other Postemployment Benefit Elements (Continued)**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>School Board</u>
Deferred inflows of resources				
Difference between expected and actual experience:				
GLI – general employees	\$ 10,000	\$ 1,000	\$ 11,000	\$ 3,000
GLI – teachers	-	-	-	25,000
HIC – general employees	-	3,400	3,400	-
HIC – teachers	-	-	-	21,000
Net difference between projected and actual investment earnings				
GLI – general employees	15,000	3,000	18,000	4,000
GLI – teachers	-	-	-	40,000
HIC – general employees	1,526	1,038	2,564	-
Change in actuarial assumptions:				
GLI – general employees	22,000	3,000	25,000	7,000
GLI – teachers	-	-	-	59,000
HIC – general employees	2,557	1,701	4,258	-
HIC – teachers	-	-	-	26,000
Change in proportion				
GLI – general employees	-	5,000	5,000	16,000
GLI – teachers	-	-	-	115,000
HIC – teachers	-	-	-	246,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,000</u>
Total deferred inflows of resources	<u>\$ 51,083</u>	<u>\$ 18,139</u>	<u>\$ 69,222</u>	<u>\$ 562,000</u>
Net OPEB expense	<u>\$ 143,990</u>	<u>\$ 2,368</u>	<u>\$ 146,358</u>	<u>\$ 275,000</u>

**Note 20. Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with *Internal Revenue Code* Section 457. The plan, available to all County employees, permits them to defer the payment of a portion of their salary until termination, retirement, death, or unforeseeable emergency. All amounts of deferred compensation, including the investments and earnings thereon, remain the property of the County until paid to the employee, subject to the claims of general creditors. Participating employees' rights under the plan are equal to those of general creditors. It is the opinion of legal counsel that the County has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The plan assets are held by a trustee and, therefore, are not reported in the financial statements.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 21. Landfill Closure and Post-Closure Care Cost**

**Permit 181 – Closed Landfill**

The County closed its former landfill site in 1997. State and federal laws and regulations require the County to place a final cover and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The cumulative amount of estimated closure, post-closure care, and corrective action costs for this site, less costs paid to date, totals \$589,735. Actual costs may be higher due to inflation, changes in technology, changes in regulations or other unforeseen circumstances. The County intends to fund these costs from funds accumulated for this purpose in the Special Revenue fund as well as transfers from the General Fund.

**Permit 563 – Open Landfill**

The County owns and operates a landfill site from which it collects tipping fees based upon the source of the waste. The landfill began accepting waste in 1997.

State and federal laws will require the County to place a final cover on this site when it stops accepting waste and to perform maintenance and monitoring functions for thirty years after closure. Although closure and post-closure care costs are paid only near or after the date the landfill stops accepting waste, the County will report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used. An accrual of \$5,094,958 for landfill closure and post-closure liability as of June 30 represents the cumulative amount reported to date based on estimated use of approximately 88% of the estimated capacity of the entire landfill site. The remaining estimated cost of closure and post-closure care of \$707,955 will be recognized as remaining capacity is filled. Actual future costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances.

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

**Note 22. Commitments and Contingencies**

**Federal Grants**

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

**Commitments**

The County has also entered into various construction contracts at year end. Future amounts due under these agreements are approximately \$1,400,000 at year end.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 22. Commitments and Contingencies (Continued)**

**Litigation**

The County and School Board are potential defendants in litigation involving claims for damages of various types. Officials estimate that any ultimate liability not covered by insurance will have an immaterial effect on financial position.

**Note 23. Risk Management**

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

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

The County and School Board carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

**Note 24. Fund Balances**

Fund balances is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County and School Board are bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints are presented below:

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>	<b>Component Unit – School Board</b>
<b>Nonspendable:</b>					
Prepaid expenditures	\$ 116,916	\$ 4,803	\$ -	\$ 121,719	\$ 144,437
<b>Restricted:</b>					
Community development	-	93,230	-	93,230	-
Other capital projects	-	-	3,534,981	3,534,981	-
<b>Total restricted</b>	-	93,230	3,534,981	3,628,211	-

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 24. Fund Balances (Continued)**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>	<u>Component Unit – School Board</u>
<b>Committed to:</b>					
General government administration	\$ 808,953	\$ -	\$ -	\$ 808,953	\$ -
Community development	6,412	-	-	6,412	-
Parks, recreation, and cultural	271,564	-	-	271,564	-
Other capital projects	296,474	-	-	296,474	-
<b>Total committed</b>	1,383,403	-	-	1,383,403	-
<b>Assigned to:</b>					
Public safety	-	745,090	-	745,090	-
Public works	91,524	5,058,606	-	5,150,130	-
Parks, recreation, and cultural	35,503	15,651	-	51,154	-
Education	-	-	-	-	2,293,035
Other capital projects	489,570	-	-	489,570	-
<b>Total assigned</b>	616,597	5,819,347	-	6,435,944	2,293,035
<b>Unassigned</b>	13,386,435	-	-	13,386,435	(144,437)
<b>Total fund balances</b>	<u>\$ 15,503,351</u>	<u>\$ 5,917,380</u>	<u>\$ 3,534,981</u>	<u>\$ 24,955,712</u>	<u>\$ 2,293,035</u>

**Note 25. Jointly Governed Organizations and Joint Venture**

The following organizations are excluded from the accompanying financial statements:

**Jointly Governed Organizations:**

*Horizon Behavioral Health (HBH)*

The County, in conjunction with the Counties of Appomattox, Bedford, and Campbell, and the City of Lynchburg, participates in HBH, whose board is composed of two members from each of the participating localities. The County contributed \$139,230 for operations to HBH for 2020.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 25. Jointly Governed Organizations and Joint Venture (Continued)**

**Jointly Governed Organizations: (Continued)**

*Blue Ridge Regional Jail Authority (BRRJA)*

The County, in conjunction with the Counties of Appomattox, Bedford, Campbell, and Halifax, and the City of Lynchburg, participates in the BRRJA. Each member jurisdiction pays a per diem charge for each day that one of its prisoners is at any regional jail facility. In accordance with the service agreement, the Authority has divided the per diem charge into operating and debt service components. The per diem charge is based upon an assumed number of prisoner days, and is subject to adjustment at the end of each fiscal year. The County contributed \$1,741,298 for operations to BRRJA for 2020.

**Joint Venture:**

*Region 2000 Radio Communications Board*

The County, along with the County of Bedford and City of Lynchburg, is a participant in the operation of a regional radio communication system, the Region 2000 Radio Communications Board (the "Board"). As part of the agreement, each member locality is required to contribute its pro rata share for annual capital and operational costs, as well as any annual deficit. The Board issued debt of \$13,100,000 in May 2012 for the upgrade and replacement of the prior system. At June 30, 2020, \$7,951,094 of this debt was still outstanding. Each participant agreed to contribute its pro rata share towards debt service payments of the Board. The County's share is 28%, and annual contributions for debt service will approximate \$310,625 through May 2027. Should the Communications Board fail to make debt service payments, the member jurisdictions have a moral non-binding obligation to pay the debt service. During fiscal year 2020, the County paid \$389,266 to the Board for debt service and other operating costs.

**Note 26. Performance Incentives**

The County and EDA are parties to incentive agreements with existing companies for expansion in the County and with new companies for locating within the County. Incentives under these agreements range from tax rebates based on the real and tangible business property added to the County's tax rolls to small payroll incentives. Amounts under these incentives are not due until taxes are paid by the company and refunds are requested. Accordingly, there are no amounts accrued in the financial statements at year end for outstanding incentive agreements.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 27. Significant Transactions of the County and Component Unit – School Board**

Certain transactions between the County and School Board component unit are explained here in detail to provide a more informed understanding of the operational relationship of the two entities and how such transactions are presented in the financial statements.

1. The School Board can neither levy taxes nor incur debt under Virginia law. Therefore, the County issues debt “on behalf” of the School Board. The debt obligation is recorded as a liability of the County’s governmental activities. The proceeds from the debt issued “on behalf” of the School Board are recorded in the County’s General Fund. Funds are then transferred to the School’s Capital Projects Fund for approved projects. This fund then accounts for capital expenditures relating to major school construction projects.
2. Debt service payments for school bonded debt are reported as part of the primary government in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.
3. Local governments in Virginia have a “tenancy in common” with the School Board whenever the locality incurs a financial obligation for school property which is payable over more than one year. In order to match the capital assets with the related debt, the legislation permits the primary government to report the portion of the school property related to the financial obligation as “jointly owned” assets. As the debt related to a particular capital asset is retired, the related capital asset, net of accumulated depreciation, is removed from the primary government’s financial statements and reported in the School Board’s financial statements. The School Board retains authority and responsibility over the operation and control of this property.
4. If all economic resources associated with school activities were reported with the School Board, its total expenditures would be as follows:

Expenditures of School Board – Component Unit (Exhibit 32)	\$ 49,405,449
Expenditures for School HVAC, roofs, and electrical upgrades	710,200
School-related principal and other debt service expenditures included in primary government (Exhibit 5)	<u>793,916</u>
Total expenditures for school activities	<u>\$ 50,909,565</u>

**Note 28. Significant Transactions of the County and Component Unit – EDA**

The EDA was created to encourage economic development in the County. To that end, the County appropriates periodic contributions to the EDA. In addition, the County provides certain economic incentive grants to encourage development in the County. These grants pass through the EDA but ultimately are long-term obligations reported in the County’s government-wide statement of net assets. When the underlying requirements have been substantially met, these amounts are recorded by the EDA as payable to the grant recipient and as receivable from the County. At year end, there were no amounts to report for economic incentives payable.

The County also provides personnel assistance for some functions to the EDA at no charge.

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 29. Conduit Debt Outstanding – EDA**

The EDA has issued revenue bonds to provide financial assistance to private-sector entities for the acquisition and/or construction of industrial, commercial, or educational facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from the entities involved in the underlying loans. Ownership of the acquired facilities rests with the entities served by the bond issuance. Neither the EDA, the County, nor any other political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At June 30, 2020, outstanding conduit debt was as follows:

Lynchburg College, Series 2003	\$ 8,585,000
Total conduit debt outstanding	<u>\$ 8,585,000</u>

**Note 30. Tax Abatements**

According to the County's Code of Ordinances, Section 7-308, the County provides tax incentives to qualifying entities that make new taxable investments in taxable real property and improvements, taxable machinery and equipment, or taxable business personal property totaling \$250,000 for existing businesses and \$500,000 for new businesses.

The County has agreements with six local businesses regarding the abatement of property taxes. Only one company had met all requirements to receive their abatement for the year ended June 30, 2020. The Company received a tax abatement during fiscal year 2020 totaling \$245,494, and there are two years remaining on that agreement.

**Note 31. Net Position Restatement**

The following is a summary of the restatement of net position of governmental activities as of July 1, 2019, resulting from the first actuarial report on the County's local OPEB plan for health benefits for retirees:

Net position July 1, 2019, as previously reported	\$ 28,765,736
Net ending OPEB liability as of June 30, 2019	<u>(525,365)</u>
Net position July 1, 2019, as restated	<u>\$ 28,240,371</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 32. Prior Period Restatement – Amherst County Service Authority**

In the year ended December 31, 2019, the Amherst County Service Authority, a blended component unit which represents the County's business-type activities as reported in Note 1, recorded a prior period adjustment. During the Authority's fiscal year 2019, the James River Bank Stabilization project was completed. The project had been ongoing since 2015 and the work with completed by the Army Corps and the Authority. There was an understanding that at the end of this project, the Army Corps would be responsible for maintaining and monitoring the project. However, the final agreement between the Army Corp and the Authority provides that, once the project is completed, the Authority shall operate, maintain, repair, and rehabilitate the river bank. The Authority has recorded a prior period adjustment for the amounts the Authority and the Army Corps contributed in the past that were expensed rather than capitalized. This reflects the cost of the project as a capital asset of the Authority.

	<u>Beginning Net Position</u>	<u>Capital Assets, Net</u>	<u>Accounts Payable</u>	<u>Ending Net Position</u>
December 31, 2018, as previously reported	\$ 21,269,530	\$ 27,714,791	\$ 269,140	\$ 21,353,175
Correction for capital contributions and prior payments related to riverbank stabilization by the Authority not properly recorded prior to January 1, 2018.	814,289	814,289	-	814,289
Capital contribution for sewer line work not recorded for the year ended December 31, 2018.	-	1,060,793	-	1,060,793
Riverbank stabilization payment in 2018 previously expensed.	-	571,196	-	571,196
Decrease accounts payable for amounts that should have been treated as a capital contribution to the Authority. The Authority only had to pay part of the cost involved.	-	-	(32,000)	32,000
December 31, 2018, as restated	<u>\$ 22,083,819</u>	<u>\$ 30,161,069</u>	<u>\$ 237,140</u>	<u>\$ 23,831,453</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 33. Subsequent Events**

In November 2020, the County issued \$6,170,000 of VPSA refunding bonds. The County also issued \$10,525,000 of VRA bonds, which refunded existing debt and also provided funds for current capital projects.

**Note 34. COVID-19 Impact**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The County’s operations are heavily dependent on the ability to raise taxes, assess fees, and access the capital markets. Additionally, access to grants and contracts from federal and state governments may decrease or may not be available depending on appropriations. The outbreak will have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation has depressed the tax bases and other areas in which the County received revenue during fiscal year 2020. As such, the County’s financial condition and liquidity may be negatively impacted for fiscal year 2021.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude the pandemic will have on the County’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the County is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**Note 35. New Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective. The effective dates below are updated based on **Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance** due to the COVID-19 pandemic.

In January 2017, the GASB issued **Statement No. 84, Fiduciary Activities**. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, The GASB issued **Statement No. 87, Leases**. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 35. New Accounting Standards (Continued)**

In August 2018, the GASB issued **Statement No. 90, *Majority Equity Interests***, an amendment of *GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued **Statement No. 91, *Conduit Debt Obligations***. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued **Statement No. 92, *Omnibus***. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**Note 35. New Accounting Standards (Continued)**

In March 2020, the GASB issued **Statement No. 93**, *Replacement of Interbank Offered Rates*. This Statement addresses accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued **Statement No. 94**, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued **Statement No. 96**, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In June 2020, the GASB issued **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*. This Statement provides a more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

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## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2020**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 24,415,350	\$ 24,693,845	\$ 24,650,547	\$ (43,298)
Other local taxes	7,349,075	7,349,075	7,698,266	349,191
Permits, fees, license	222,000	222,000	213,979	(8,021)
Fines and forfeitures	-	250,518	298,887	48,369
Use of money and property	213,440	213,440	214,764	1,324
Charges for services	1,375,600	1,397,130	1,682,657	285,527
Miscellaneous	152,700	150,564	280,391	129,827
Recovered costs	162,350	195,580	216,283	20,703
Intergovernmental revenues:				
Commonwealth	6,243,386	6,553,048	7,695,296	1,142,248
Federal	1,400,000	1,400,000	1,886,159	486,159
Total revenues	41,533,901	42,425,200	44,837,229	2,412,029
EXPENDITURES				
Current:				
General government administration	2,593,644	2,751,176	2,669,759	81,417
Judicial administration	1,477,218	1,649,246	1,573,487	75,759
Public safety	10,739,094	11,925,286	10,219,254	1,706,032
Public works	895,829	968,341	955,518	12,823
Health and welfare	3,822,887	4,386,756	6,453,401	(2,066,645)
Education	13,964,077	14,673,216	13,728,138	945,078
Parks, recreation, and cultural	1,220,247	1,300,820	1,264,143	36,677
Community development	1,155,167	2,221,196	2,280,336	(59,140)
Nondepartmental	1,621,955	595,405	271,500	323,905
Debt service:				
Principal	2,513,916	2,518,916	2,550,714	(31,798)
Interest	938,114	938,114	906,314	31,800
Bond issuance costs	2,000	-	-	-
Total expenditures	40,944,148	43,928,472	42,872,564	1,055,908
Excess of revenues (under) expenditures	589,753	(1,503,272)	1,964,665	3,467,937
OTHER FINANCING SOURCES (USES)				
Transfers in	1,048,831	5,182,225	698,297	(4,483,928)
Transfers out	(1,638,584)	(2,170,586)	(2,173,181)	(2,595)
Total other financing sources (uses)	(589,753)	3,011,639	(1,474,884)	(4,486,523)
Net change in fund balance	\$ -	\$ 1,508,367	\$ 489,781	\$ (1,018,586)

Note 2 to the Financial Statements is an integral part of this schedule.



## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –**  
**PRIMARY GOVERNMENT**  
**June 30, 2020**

	Plan Year					
	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ 1,035,596	\$ 987,060	\$ 906,378	\$ 914,633	\$ 874,938	\$ 950,553
Interest on total pension liability	2,944,486	2,836,683	2,727,579	2,649,097	2,567,290	2,439,990
Difference between expected and actual experience	(24,423)	(192,175)	59,368	(411,642)	(442,541)	-
Changes in assumptions	1,266,837	-	(77,099)	-	-	-
Benefit payments, including refunds of employee contributions	(2,134,158)	(2,048,909)	(2,066,268)	(1,995,574)	(1,666,446)	(1,477,503)
Net change in total pension liability	3,088,338	1,582,659	1,549,958	1,156,514	1,333,241	1,913,040
<b>Total pension liability – beginning</b>	<b>43,131,161</b>	<b>41,548,502</b>	<b>39,998,544</b>	<b>38,842,030</b>	<b>37,508,789</b>	<b>35,595,749</b>
<b>Total pension liability – ending</b>	<b>46,219,499</b>	<b>43,131,161</b>	<b>41,548,502</b>	<b>39,998,544</b>	<b>38,842,030</b>	<b>37,508,789</b>
<b>Plan Fiduciary Net Position</b>						
Contributions – employer	839,756	831,426	778,770	953,295	942,715	884,349
Contributions – employee	439,624	422,882	449,906	369,207	369,385	368,536
Net investment income	2,690,349	2,844,587	4,256,473	597,465	1,554,214	4,678,377
Benefit payments, including refunds of employee contributions	(2,134,158)	(2,048,909)	(2,066,268)	(1,995,574)	(1,666,446)	(1,477,503)
Administrative expenses	(26,875)	(24,748)	(24,889)	(22,083)	(21,323)	(25,170)
Other	(1,694)	(2,522)	(3,773)	(258)	(331)	247
Net change in plan fiduciary net position	1,807,002	2,022,716	3,390,219	(97,948)	1,178,214	4,428,836
<b>Plan fiduciary net position – beginning</b>	<b>40,625,258</b>	<b>38,602,542</b>	<b>35,212,323</b>	<b>35,310,271</b>	<b>34,132,057</b>	<b>29,703,221</b>
<b>Plan fiduciary net position – ending</b>	<b>42,432,260</b>	<b>40,625,258</b>	<b>38,602,542</b>	<b>35,212,323</b>	<b>35,310,271</b>	<b>34,132,057</b>
<b>Net pension liability – ending</b>	<b>\$ 3,787,239</b>	<b>\$ 2,505,903</b>	<b>\$ 2,945,960</b>	<b>\$ 4,786,221</b>	<b>\$ 3,531,759</b>	<b>\$ 3,376,732</b>
Plan fiduciary net position as a percentage of total pension liability	92%	94%	93%	88%	91%	91%
Covered payroll	\$ 8,956,710	\$ 8,631,987	\$ 8,026,035	\$ 6,665,766	\$ 7,085,697	\$ 7,232,732
Net pension liability as a percentage of covered payroll	42%	29%	37%	72%	50%	47%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –**  
**SCHOOLS – NONPROFESSIONAL EMPLOYEES**  
**June 30, 2020**

	Plan Year					
	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ 253,332	\$ 255,979	\$ 253,898	\$ 247,311	\$ 241,309	\$ 248,646
Interest on total pension liability	549,881	541,082	519,493	504,728	469,365	443,148
Difference between expected and actual experience	140,073	(341,762)	(50,064)	(232,007)	115,149	-
Changes in assumptions	236,290	-	(113,391)	-	-	-
Benefit payments, including refunds of employee contributions	(353,214)	(305,975)	(297,090)	(321,116)	(320,157)	(314,377)
Net change in total pension liability	826,362	149,324	312,846	198,916	505,666	377,417
<b>Total pension liability – beginning</b>	<b>8,032,048</b>	<b>7,882,724</b>	<b>7,569,878</b>	<b>7,370,962</b>	<b>6,865,296</b>	<b>6,487,879</b>
<b>Total pension liability – ending</b>	<b>8,858,410</b>	<b>8,032,048</b>	<b>7,882,724</b>	<b>7,569,878</b>	<b>7,370,962</b>	<b>6,865,296</b>
<b>Plan Fiduciary Net Position</b>						
Contributions – employer	57,942	85,287	78,384	143,860	138,428	159,871
Contributions – employee	123,729	128,696	119,548	122,555	118,082	113,591
Net investment income	638,019	666,675	991,087	141,606	355,124	1,062,244
Benefit payments, including refunds of employee contributions	(353,214)	(305,975)	(297,090)	(321,116)	(320,157)	(314,377)
Administrative expenses	(6,324)	(5,723)	(5,704)	(4,981)	(4,860)	(5,711)
Other	(401)	(596)	(882)	(60)	(75)	56
Net change in plan fiduciary net position	459,751	568,364	885,343	81,864	286,542	1,015,674
<b>Plan fiduciary net position – beginning</b>	<b>9,597,755</b>	<b>9,029,391</b>	<b>8,144,048</b>	<b>8,062,184</b>	<b>7,775,642</b>	<b>6,759,968</b>
<b>Plan fiduciary net position – ending</b>	<b>10,057,506</b>	<b>9,597,755</b>	<b>9,029,391</b>	<b>8,144,048</b>	<b>8,062,184</b>	<b>7,775,642</b>
<b>Net pension asset – ending</b>	<b>\$ (1,199,096)</b>	<b>\$ (1,565,707)</b>	<b>\$ (1,146,667)</b>	<b>\$ (574,170)</b>	<b>\$ (691,222)</b>	<b>\$ (910,346)</b>
Plan fiduciary net position as a percentage of total pension liability	114%	119%	115%	108%	109%	113%
Covered payroll	\$ 2,595,173	\$ 2,904,472	\$ 2,652,660	\$ 2,431,341	\$ 2,353,184	\$ 2,232,203
Net pension asset as a percentage of covered payroll	-46%	-54%	-43%	-24%	-29%	-41%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**June 30, 2020**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Primary Government</b>					
2020	\$ 882,743	\$ 882,743	\$ -	\$ 9,524,622	9.27 %
2019	839,756	839,756	-	8,956,710	9.38
2018	807,947	807,947	-	8,631,987	9.36
2017	778,770	778,770	-	8,026,035	9.70
2016	946,476	946,476	-	6,665,766	14.20
2015	936,908	936,908	-	7,085,697	13.22
<b>Schools – Nonprofessional Employees</b>					
2020	\$ 58,106	\$ 58,106	\$ -	\$ 2,771,515	2.10 %
2019	57,942	57,942	-	2,595,173	2.23
2018	83,743	83,743	-	2,904,472	2.88
2017	78,384	78,384	-	2,652,660	2.95
2016	132,090	132,090	-	2,431,341	5.43
2015	139,666	139,666	-	2,353,184	5.94

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**SERVICE AUTHORITY**  
**December 31, 2019**

	<b>Plan Year</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>					
Service cost	\$ 75,780	\$ 86,869	\$ 86,773	\$ 92,629	\$ 90,808
Interest on total pension liability	371,336	360,637	346,205	326,042	304,802
Difference between expected and actual experience	(31,625)	11,383	(47,040)	(1,265)	-
Changes in assumptions	-	(89,816)	-	-	-
Benefit payments, including refunds of employee contributions	(228,128)	(204,339)	(155,194)	(103,535)	(80,845)
Net change in total pension liability	187,363	164,734	230,744	313,871	314,765
<b>Total pension liability – beginning</b>	<b>5,418,857</b>	<b>5,254,123</b>	<b>5,023,379</b>	<b>4,709,508</b>	<b>4,394,743</b>
<b>Total pension liability – ending</b>	<b>5,606,220</b>	<b>5,418,857</b>	<b>5,254,123</b>	<b>5,023,379</b>	<b>4,709,508</b>
<b>Plan Fiduciary Net Position</b>					
Contributions – employer	62,343	67,280	85,259	89,044	87,241
Contributions – employee	45,091	47,702	45,108	47,414	48,578
Net investment income	369,737	554,892	78,869	198,567	582,084
Benefit payments, including refunds of employee contributions	(228,128)	(204,339)	(155,194)	(103,535)	(80,845)
Administrative expenses	(3,231)	(3,231)	(2,794)	(2,647)	(3,060)
Other	(327)	(491)	(33)	(41)	31
Net change in plan fiduciary net position	245,485	461,813	51,215	228,802	634,029
<b>Plan fiduciary net position – beginning</b>	<b>5,027,331</b>	<b>4,565,518</b>	<b>4,514,303</b>	<b>4,285,501</b>	<b>3,651,472</b>
<b>Plan fiduciary net position – ending</b>	<b>5,272,816</b>	<b>5,027,331</b>	<b>4,565,518</b>	<b>4,514,303</b>	<b>4,285,501</b>
<b>Net pension liability – ending</b>	<b>\$ 333,404</b>	<b>\$ 391,526</b>	<b>\$ 688,605</b>	<b>\$ 509,076</b>	<b>\$ 424,007</b>
Plan fiduciary net position as a percentage of total pension liability	94%	93%	87%	90%	91%
Covered payroll	\$ 1,571,713	\$ 1,501,733	\$ 1,515,122	\$ 1,454,691	\$ 1,403,408
Net pension liability as a percentage of covered payroll	21%	26%	45%	35%	30%

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The above information is derived from the plan year, which is then reported in the subsequent fiscal year of the Authority, (i.e., plan year ended June 30, 2016 is reported in the Authority's fiscal year ended December 31, 2017).

The Notes to Required Supplementary Information are an integral part of this schedule.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS  
SERVICE AUTHORITY  
December 31, 2019**

<b>Entity Year Ended December 31,</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2019	\$ 52,397	\$ 52,397	\$ -	\$ 1,051,239	4.98 %
2018	57,921	57,921	-	1,014,014	5.71
2017	63,622	63,622	-	985,556	6.46
2016	78,020	78,020	-	989,800	7.88
2015	87,597	87,597	-	962,500	9.10

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's calendar year - i.e. the covered payroll on which required contributions were based for the same year.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY**  
**VRS TEACHER RETIREMENT PLAN**  
**June 30, 2020**

<b>School Division Fiscal Year Ended June 30,</b>	<b>Employer's Proportion of the Net Pension Liability</b>	<b>Employer's Proportionate Share of the Net Pension Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2020	0.28 %	\$ 37,409,000	\$ 23,542,395	158.90 %	73.51 %
2019	0.29	33,606,000	26,583,619	126.42	74.81
2018	0.30	36,284,000	26,278,262	138.08	72.92
2017	0.31	43,362,000	23,505,345	184.48	68.28
2016	0.31	39,132,000	23,106,966	169.35	70.68
2015	0.32	38,334,000	24,876,103	154.10	70.88

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the school division's fiscal year.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS  
VRS TEACHER RETIREMENT PLAN  
June 30, 2020**

<b>Year Ended June 30,</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employee Payroll</b>	<b>Contributions as a Percentage of Covered Employee Payroll</b>
2020	\$ 3,503,036	\$ 3,503,036	\$ -	\$ 24,525,948	14.28 %
2019	3,607,789	3,607,789	-	23,542,395	15.32
2018	3,604,742	3,604,742	-	26,583,619	13.56
2017	3,304,277	3,304,277	-	26,278,262	12.57
2016	3,311,310	3,311,310	-	23,505,345	14.09
2015	3,233,120	3,233,120	-	23,106,966	13.99

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the school division's fiscal year – i.e. the covered payroll on which required contributions were based for the same year.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – AGENT PLAN**  
**June 30, 2020**

	<b>Primary Government</b> <b>VRS Health Insurance Credit</b> <b>General Employees</b> <b>Plan Year</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>			
Service cost	\$ 4,699	\$ 4,565	\$ 4,050
Interest on total OPEB liability	12,506	11,939	12,056
Difference between expected and actual experience	6	6,253	-
Changes in assumptions	4,365	-	(4,960)
Benefit payments	(13,832)	(15,483)	(10,148)
Net change in total OPEB liability	7,744	7,274	998
<b>Total OPEB liability – beginning</b>	<b>185,576</b>	<b>178,302</b>	<b>177,304</b>
<b>Total OPEB liability – ending</b>	<b>193,320</b>	<b>185,576</b>	<b>178,302</b>
<b>Plan Fiduciary Net Position</b>			
Contributions – employer	9,311	9,237	8,839
Net investment income	7,802	8,582	12,748
Benefit payments	(13,832)	(15,483)	(10,148)
Administrative expenses	(168)	(197)	(204)
Other	(9)	(650)	650
Net change in plan fiduciary net position	3,104	1,489	11,885
<b>Plan fiduciary net position – beginning</b>	<b>124,553</b>	<b>123,064</b>	<b>111,179</b>
<b>Plan fiduciary net position – ending</b>	<b>127,657</b>	<b>124,553</b>	<b>123,064</b>
<b>Net OPEB liability – ending</b>	<b>\$ 65,663</b>	<b>\$ 61,023</b>	<b>\$ 55,238</b>
Plan fiduciary net position as a percentage of total OPEB liability	66%	67%	69%
Covered payroll	\$ 8,956,710	\$ 8,631,987	\$ 8,026,035
Net OPEB liability as a percentage of covered payroll	1%	1%	1%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.



## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS – AGENT PLAN**  
**June 30, 2020**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Actuarially Determined Employer Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>VRS Health Insurance Credit – General Employees</b>					
2020	\$ 21,928	\$ 21,928	\$ -	\$ 9,524,622	0.23 %
2019	21,502	21,502	-	8,956,710	0.24
2018	20,686	20,686	-	8,631,987	0.24

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year – i.e. the covered payroll on which required contributions were based for the same year.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY – COST SHARING PLANS**  
**June 30, 2020**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Employer's Proportion of the Net OPEB Liability</b>	<b>Employer's Proportionate Share of the Net OPEB Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
<b>Virginia Retirement System – Health Insurance Credit – Teachers</b>					
2020	0.2809 %	\$ 3,677,000	\$ 23,542,395	15.62 %	8.97 %
2019	0.2834	3,598,000	26,583,619	13.53	8.08
2018	0.2934	3,722,000	26,278,262	14.16	7.04
<b>Virginia Retirement System – Group Life Insurance – General Employees</b>					
2020	0.0458	745,000	8,956,710	8.32	52.00
2019	0.0456	692,000	8,631,987	8.02	51.22
2018	0.0438	659,000	8,026,035	8.21	48.86
<b>Virginia Retirement System – Group Life Insurance – General School Employees</b>					
2020	0.0133	216,000	2,595,173	8.32	52.00
2019	0.0141	214,000	2,904,472	7.37	51.22
2018	0.0132	198,000	2,652,660	7.46	48.86
<b>Virginia Retirement System – Group Life Insurance – Teachers</b>					
2020	0.1202	1,955,000	23,542,395	8.30	52.00
2019	0.1205	1,830,000	26,583,619	6.88	51.22
2018	0.1256	1,889,000	26,278,262	7.19	48.86

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS – COST SHARING PLANS**  
**June 30, 2020**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Virginia Retirement System – Health Insurance Credit – Teachers</b>					
2020	\$ 296,303	\$ 296,303	\$ -	\$ 24,525,948	1.21 %
2019	282,685	282,685	-	23,542,395	1.20
2018	278,378	278,378	-	26,583,619	1.05
<b>Virginia Retirement System – Group Life Insurance – General Employees</b>					
2020	49,970	49,970	-	9,524,622	0.52
2019	46,654	46,654	-	8,956,710	0.52
2018	45,416	45,416	-	8,631,987	0.53
<b>Virginia Retirement System – Group Life Insurance – General School Employees</b>					
2020	14,418	14,418	-	2,771,515	0.52
2019	13,502	13,502	-	2,595,173	0.52
2018	13,960	13,960	-	2,904,472	0.48
<b>Virginia Retirement System – Group Life Insurance – Teachers</b>					
2020	129,479	129,479	-	24,525,948	0.53
2019	122,497	122,497	-	23,542,395	0.52
2018	120,045	120,045	-	26,583,619	0.45

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year – i.e. the covered payroll on which required contributions were based for the same year.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS –**  
**SERVICE AUTHORITY**  
**December 31, 2019**

	<b>VRS Health Insurance Credit</b>	
	<b>General Employees</b>	
	<b>Plan Year</b>	
	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 824	\$ 1,024
Interest on total OPEB liability	4,782	4,867
Difference between expected and actual experience	(4,265)	-
Changes in assumptions	-	(2,881)
Benefit payments	(5,307)	(3,145)
Net change in total OPEB liability	(3,966)	(135)
<b>Total OPEB liability – beginning</b>	<b>70,967</b>	<b>71,102</b>
<b>Total OPEB liability – ending</b>	<b>67,001</b>	<b>70,967</b>
<b>Plan Fiduciary Net Position</b>		
Contributions – employer	3,238	3,355
Net investment income	2,786	4,126
Benefit payments	(5,307)	(3,145)
Administrative expenses	(63)	(67)
Other	(208)	208
Net change in plan fiduciary net position	446	4,477
<b>Plan fiduciary net position – beginning</b>	<b>39,934</b>	<b>35,457</b>
<b>Plan fiduciary net position – ending</b>	<b>40,380</b>	<b>39,934</b>
<b>Net OPEB liability – ending</b>	<b>\$ 26,621</b>	<b>\$ 31,033</b>
Plan fiduciary net position as a percentage of total OPEB liability	60%	56%
Covered payroll	\$ 1,571,713	\$ 1,501,733
Net OPEB liability as a percentage of covered payroll	2%	2%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY –**  
**SERVICE AUTHORITY**  
**December 31, 2019**

<b>Entity Fiscal Year Ended December 31,</b>	<b>Employer's Proportion of the Net OPEB Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net OPEB Liability (Asset)</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
<b>Virginia Retirement System – Group Life Insurance – General Employees</b>					
2019	0.00516 %	\$ 79,000	\$ 1,051,239	7.51 %	51.22 %
2018	0.00551	83,000	1,014,014	8.19	48.86

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS – AGENT PLAN – SERVICE AUTHORITY**  
**June 30, 2020**

<b>Entity Year Ended December 31,</b>	<b>Actuarially/ Contractually Determined Employer Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>VRS Health Insurance Credit – General Employees</b>					
2019	\$ 3,777	\$ 3,777	\$ -	\$ 1,051,239	0.36 %
2018	4,493	4,493	-	1,014,014	0.44

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS – COST SHARING PLAN – SERVICE AUTHORITY**  
**June 30, 2020**

<b>Entity Year Ended December 31,</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Virginia Retirement System – Group Life Insurance – General Employees</b>					
2019	\$ 7,876	\$ 7,876	\$ -	\$ 1,051,239	0.75 %
2018	7,880	7,880	-	1,014,014	0.78

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – LOCAL PLAN**

**June 30, 2020**

	<b>Plan Year</b> <b>2020</b> <b>Primary</b> <b>Government</b>
<b>Total OPEB Liability</b>	
Service cost	\$ 63,512
Interest on total OPEB liability	20,119
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	66,573
Benefit payments	(28,355)
	<hr/>
Net change in total OPEB liability	121,849
<b>Total OPEB liability – beginning</b>	<hr/> 525,365
<b>Total OPEB liability – ending</b>	<hr/> 647,214
<b>Plan Fiduciary Net Position</b>	
Contributions – employer	-
Contributions – employee	-
Net investment income	-
Benefit payments	-
Administrator charges	-
Other	-
	<hr/>
Net change in plan fiduciary net position	-
<b>Plan fiduciary net position – beginning</b>	<hr/> -
<b>Plan fiduciary net position – ending</b>	<hr/> -
<b>Net OPEB liability – ending</b>	<hr/> \$ 647,214
Plan fiduciary net position as a percentage of total OPEB liability	<hr/> 0.00%
Covered payroll	<hr/> \$ 9,349,610
Net OPEB liability as a percentage of covered payroll	<hr/> 6.92%

This schedule is intended to show information for 10 years. Since fiscal year 2020 is the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.



## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS – LOCAL PLAN**  
**June 30, 2020**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Actuarially/ Contractually Determined Employer Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Local Plan</b>					
2020	\$ -	\$ -	\$ -	\$ 9,349,610	0.00 %

Schedule is intended to show information for 10 years. Since 2020 is the first year for this presentation, only one year of data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

## COUNTY OF AMHERST, VIRGINIA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2020

#### **Note 1. Changes of Benefit Terms**

##### Pension

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

##### Other Postemployment Benefits (OPEB)

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:

##### **Largest 10 – Non-Hazardous Duty:**

- Update mortality table to RP-2014 projected to 2020
- Lowered rates at older ages and extended final retirement age from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered rates of disability retirement
- No changes to salary rates
- Increase Line of Duty Disability rates from 14% to 20%
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

##### **Largest 10 – Hazardous Duty/Public Safety Employees:**

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages
- Update withdrawal rates to better fit experience at each age and service year
- Increased disability rates
- No changes to salary rates
- Increased Line of Duty Disability rates from 60% to 70%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension and GLI OPEB

(Continued)

**COUNTY OF AMHERST, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**

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

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

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered disability rates
- No changes to salary rates
- Increased Line of Duty Disability rate from 14% to 15%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to RP-2014 projected to 2020
- Increased retirement rate at age 50 and lowered rates at older ages
- Update withdrawal rates to better fit experience at each age and service year
- Update disability rates to better fit experience
- No changes to salary rates
- Lowered Line of Duty Disability rate from 60% to 45%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension and GLI OPEB

Teacher cost-sharing pool

- Update mortality table to RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each year age and service through 9 years of service
- Update disability rates to better fit experience
- No changes to salary rates
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

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## **OTHER SUPPLEMENTARY INFORMATION**

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## **AGENCY FUNDS**

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## COUNTY OF AMHERST, VIRGINIA

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

	<u>Special Welfare</u>	<u>Forfeited Assets</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 12,261	\$ 32,933	\$ 45,194
Total assets	<u>\$ 12,261</u>	<u>\$ 32,933</u>	<u>\$ 45,194</u>
LIABILITIES			
Amounts held for others	\$ 12,261	\$ 32,933	\$ 45,194
Total liabilities	<u>\$ 12,261</u>	<u>\$ 32,933</u>	<u>\$ 45,194</u>



## COUNTY OF AMHERST, VIRGINIA

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Special Welfare Fund				
ASSETS				
Cash and investments	\$ 12,668	\$ 53,397	\$ 53,804	\$ 12,261
Total assets	<u>\$ 12,668</u>	<u>\$ 53,397</u>	<u>\$ 53,804</u>	<u>\$ 12,261</u>
LIABILITIES				
Amounts held for others	\$ 12,668	\$ 53,397	\$ 53,804	\$ 12,261
Total liabilities	<u>\$ 12,668</u>	<u>\$ 53,397</u>	<u>\$ 53,804</u>	<u>\$ 12,261</u>
Forfeited Assets				
ASSETS				
Cash and investments	\$ 49,809	\$ 14,782	\$ 31,658	\$ 32,933
Total assets	<u>\$ 49,809</u>	<u>\$ 14,782</u>	<u>\$ 31,658</u>	<u>\$ 32,933</u>
LIABILITIES				
Amounts held for others	\$ 49,809	\$ 14,782	\$ 31,658	\$ 32,933
Total liabilities	<u>\$ 49,809</u>	<u>\$ 14,782</u>	<u>\$ 31,658</u>	<u>\$ 32,933</u>
Totals – All Agency Funds				
ASSETS				
Cash and investments	\$ 62,477	\$ 68,179	\$ 85,462	\$ 45,194
Total assets	<u>\$ 62,477</u>	<u>\$ 68,179</u>	<u>\$ 85,462</u>	<u>\$ 45,194</u>
LIABILITIES				
Amounts held for others	\$ 62,477	\$ 68,179	\$ 85,462	\$ 45,194
Total liabilities	<u>\$ 62,477</u>	<u>\$ 68,179</u>	<u>\$ 85,462</u>	<u>\$ 45,194</u>

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## **DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD**

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### **School Operating Fund**

The School Operating Fund is a Special Revenue fund that accounts for the operations of the County's school system. Financing is provided by the State and Federal Governments as well as contributions from the General Fund.

### **School Cafeteria Fund**

The Cafeteria Fund is a Special Revenue fund that accounts for the County's school lunch program. Financing is provided from lunch sales and state and federal reimbursements.

### **School Textbook Fund**

The School Textbook Fund is a Special Revenue fund that accounts for transactions related to the adoption of textbooks to be utilized in the County's school system.

### **School Construction Fund**

The School Construction Fund accounts for the construction and renovation activities for the County's school system.

## COUNTY OF AMHERST, VIRGINIA

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

	<b>School Operating</b>	<b>School Cafeteria</b>	<b>School Textbook</b>	<b>School Construction</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 1,107,823	\$ 970,446	\$ 323,324	\$ 2,401,593
Cash and investments, restricted	-	-	-	100,576	100,576
Due from primary government	2,082,835	-	-	-	2,082,835
Due from other governmental units	1,093,367	103,657	-	-	1,197,024
Prepaid items	144,437	-	-	-	144,437
Total assets	<u>\$ 3,320,639</u>	<u>\$ 1,211,480</u>	<u>\$ 970,446</u>	<u>\$ 423,900</u>	<u>\$ 5,926,465</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 178,921	\$ 22,572	\$ -	\$ -	\$ 201,493
Accrued liabilities	3,141,718	290,219	-	-	3,431,937
Total liabilities	<u>3,320,639</u>	<u>312,791</u>	<u>-</u>	<u>-</u>	<u>3,633,430</u>
<b>FUND BALANCES</b>					
Nonspendable	144,437	-	-	-	144,437
Assigned	-	898,689	970,446	423,900	2,293,035
Unassigned	(144,437)	-	-	-	(144,437)
Total fund balances	<u>-</u>	<u>898,689</u>	<u>970,446</u>	<u>423,900</u>	<u>2,293,035</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,320,639</u>	<u>\$ 1,211,480</u>	<u>\$ 970,446</u>	<u>\$ 423,900</u>	<u>\$ 5,926,465</u>

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

Total fund balances – governmental funds	\$ 2,293,035
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,304,081
Financial statement elements related to pension and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows related to:	
Pensions	7,513,414
Other postemployment benefits	817,200
Deferred inflows related to:	
Pensions	(5,434,157)
Other postemployment benefits	(562,000)
Net pension asset	1,199,096
Net pension liability	(37,408,916)
Net other postemployment benefit liability	(5,848,000)
	(39,723,363)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	(614,162)
<b>Net position of governmental activities</b>	<u><u>\$ (21,740,409)</u></u>

## COUNTY OF AMHERST, VIRGINIA

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

	<b>School Operating</b>	<b>School Cafeteria</b>	<b>School Textbook</b>	<b>School Construction</b>	<b>Total</b>
<b>REVENUES</b>					
Revenue from the use of money and property	\$ 7,691	\$ -	\$ 275	\$ 24,326	\$ 32,292
Charges for services	183,426	518,051	-	-	701,477
Miscellaneous	105,376	-	-	-	105,376
Recovered costs	420,699	-	-	-	420,699
Intergovernmental revenues:					
County contribution	12,957,011	-	-	764,385	13,721,396
Commonwealth	29,499,339	35,722	-	-	29,535,061
Federal	2,549,578	1,688,290	-	-	4,237,868
Total revenues	<u>45,723,120</u>	<u>2,242,063</u>	<u>275</u>	<u>788,711</u>	<u>48,754,169</u>
<b>EXPENDITURES</b>					
Education	<u>45,723,120</u>	<u>2,109,647</u>	<u>-</u>	<u>1,572,683</u>	<u>49,405,450</u>
Total expenditures	<u>45,723,120</u>	<u>2,109,647</u>	<u>-</u>	<u>1,572,683</u>	<u>49,405,450</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>132,416</u>	<u>275</u>	<u>(783,972)</u>	<u>(651,281)</u>
Net change in fund balances	<u>-</u>	<u>132,416</u>	<u>275</u>	<u>(783,972)</u>	<u>(651,281)</u>
FUND BALANCES AT JULY 1	<u>-</u>	<u>766,273</u>	<u>970,171</u>	<u>1,207,872</u>	<u>2,944,316</u>
FUND BALANCES AT JUNE 30	<u>\$ -</u>	<u>\$ 898,689</u>	<u>\$ 970,446</u>	<u>\$ 423,900</u>	<u>\$ 2,293,035</u>

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

Net change in fund balances – total governmental funds \$ (651,281)

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.

Capital outlay	\$ (833,170)	
Depreciation expense	(841,257)	
Disposition of capital assets	(354,681)	
Allocation of debt financed school assets based on current year repayments	<u>552,730</u>	(1,476,378)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned, net of employee contributions, is reported as pension expense.

Employer pension contributions	3,561,142	
Pension expense	<u>(3,117,791)</u>	443,351

Governmental funds report employer other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost of these benefits earned, net of employee contributions, is reported as other postemployment benefit expense.

Employer other postemployment benefit contributions	440,200	
Other postemployment benefit expense	<u>(273,994)</u>	166,206

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		<u>(19,026)</u>
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**Change in net position of governmental activities** \$ (1,537,128)

**COUNTY OF AMHERST, VIRGINIA**

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

	School Operating				School Cafeteria			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ 1,483	\$ 7,691	\$ 6,208	\$ -	\$ -	\$ -	\$ -
Charges for services	349,500	440,954	183,426	(257,528)	748,257	748,257	518,051	(230,206)
Miscellaneous	117,927	130,381	105,376	(25,005)	-	-	-	-
Recovered costs	425,539	429,789	420,699	(9,090)	-	-	-	-
Intergovernmental revenues:								
County contribution	13,902,089	13,902,089	12,957,011	(945,078)	-	-	-	-
Commonwealth	29,141,182	29,450,260	29,499,339	49,079	92,000	92,000	35,722	(56,278)
Federal	2,828,845	2,902,397	2,549,578	(352,819)	1,480,050	1,480,050	1,688,290	208,240
Total revenues	46,765,082	47,257,353	45,723,120	(1,534,233)	2,320,307	2,320,307	2,242,063	(78,244)
EXPENDITURES								
Education	46,765,082	47,257,353	45,723,120	1,534,233	2,320,307	2,320,307	2,109,647	210,660
Total expenditures	46,765,082	47,257,353	45,723,120	1,534,233	2,320,307	2,320,307	2,109,647	210,660
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	132,416	132,416
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,416	\$ 132,416

# EXHIBIT 33

School Textbook				School Construction			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ 275	\$ 275	\$ -	\$ -	\$ 24,326	\$ 20,663
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,595,707	764,385	(831,322)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	275	275	-	1,595,707	788,711	(810,659)
-	-	-	-	-	1,595,707	1,572,683	23,024
-	-	-	-	-	1,595,707	1,572,683	23,024
-	-	275	275	-	-	(783,972)	(787,635)
\$ -	\$ -	\$ 275	\$ 275	\$ -	\$ -	\$ (783,972)	\$ (787,635)

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**DISCRETELY PRESENTED COMPONENT UNIT –  
ECONOMIC DEVELOPMENT AUTHORITY**

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## COUNTY OF AMHERST, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT –  
AMHERST ECONOMIC DEVELOPMENT AUTHORITY  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
June 30, 2020**

	<b>Enterprise Fund</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 647,413
Prepaid items	33
	<hr/>
Total current assets	647,446
	<hr/>
<b>NONCURRENT ASSETS</b>	
Capital assets:	
Nondepreciable	507,923
Depreciable, net	404,479
	<hr/>
Total noncurrent assets	912,402
	<hr/>
Total assets	1,559,848
	<hr/>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	36,793
Accrued wages	1,905
Security deposits	3,250
Current portion of notes payable	43,425
	<hr/>
Total current liabilities	85,373
	<hr/>
<b>NONCURRENT LIABILITIES</b>	
Notes payable, net of current portion	686,056
	<hr/>
Total liabilities	771,429
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	912,402
Unrestricted	(123,983)
	<hr/>
Total net position	\$ 788,419
	<hr/>

## COUNTY OF AMHERST, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT –  
AMHERST ECONOMIC DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION – PROPRIETARY FUND  
Year Ended June 30, 2020**

	<b>Enterprise Fund</b>
	<hr/>
OPERATING REVENUES	
Rents	\$ 423,494
	<hr/>
OPERATING EXPENSES	
Salaries and benefits	484,721
Contractual services	47,428
Depreciation expense	14,446
Facilities costs	55,024
Other operating costs	703,081
	<hr/>
Total operating expenses	1,304,700
	<hr/>
Operating loss	(881,206)
	<hr/>
NONOPERATING REVENUES (EXPENSES)	
Contributions from Amherst County	1,013,691
Other income	3,018
Interest expense	(30,436)
	<hr/>
Net nonoperating expenses	986,273
	<hr/>
Change in net position	105,067
	<hr/>
NET POSITION JULY 1	683,352
	<hr/>
NET POSITION JUNE 30	\$ 788,419
	<hr/> <hr/>

## COUNTY OF AMHERST, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT –  
AMHERST ECONOMIC DEVELOPMENT AUTHORITY  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
Year Ended June 30, 2020**

	<b>Enterprise Fund</b>
<b>OPERATING ACTIVITIES</b>	
Receipts from grantors and customers	\$ 423,494
Payments to employees	(484,068)
Payments to grantees and suppliers	(787,877)
	<u>(848,451)</u>
Net cash used in operating activities	<u>(848,451)</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>	
Contributions from Amherst County	1,013,691
Other receipts	3,018
	<u>1,016,709</u>
Net cash provided by noncapital financing activities	<u>1,016,709</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Payments on long-term debt	(41,203)
Purchase of capital assets	(15,665)
Interest paid on long-term debt	(30,436)
	<u>(87,304)</u>
Net cash used in capital and related financing activities	<u>(87,304)</u>
Net increase in cash and cash equivalents	80,954
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning at July 1	<u>566,459</u>
Ending at June 30	<u><u>\$ 647,413</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating loss	\$ (881,206)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	14,446
Change in assets and liabilities:	
Increase in prepaids	(5)
Increase in accounts payable	17,661
Increase in accrued wages	653
	<u>653</u>
Net cash used in operating activities	<u><u>\$ (848,451)</u></u>

## **SUPPORTING SCHEDULES**

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**SCHEDULE 1**

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL**

**Year Ended June 30, 2020**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance From Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 14,320,000	\$ 14,555,745	\$ 14,149,150	\$ (406,595)
Real and personal public service corporation property taxes	775,000	775,000	699,405	(75,595)
Personal property taxes	6,405,000	6,405,000	6,870,903	465,903
Mobile home taxes	62,000	62,000	68,934	6,934
Machinery and tools taxes	2,240,000	2,240,000	2,142,228	(97,772)
Merchant's capital	285,000	285,000	328,111	43,111
Penalties	200,000	242,750	241,052	(1,698)
Interest	128,350	128,350	150,764	22,414
Total general property taxes	24,415,350	24,693,845	24,650,547	(43,298)
Other local taxes:				
Local sales and use taxes	2,754,000	2,754,000	3,227,313	473,313
Consumers' utility taxes	2,038,000	2,038,000	1,873,785	(164,215)
Business license taxes	371,850	371,850	383,749	11,899
Bank stock taxes	100,000	100,000	66,237	(33,763)
Motor vehicle licenses	790,000	790,000	793,662	3,662
Taxes on recordation and wills	218,225	218,225	270,883	52,658
Lodging taxes	62,000	62,000	54,573	(7,427)
Meals tax	1,015,000	1,015,000	1,028,064	13,064
Total other local taxes	7,349,075	7,349,075	7,698,266	349,191
Permits, privilege fees, and regulatory licenses:				
Animal licenses	12,000	12,000	6,477	(5,523)
Building and related permits	170,000	170,000	149,383	(20,617)
Permits and other licenses	40,000	40,000	58,119	18,119
Total permits, privilege fees, and regulatory licenses	222,000	222,000	213,979	(8,021)
Fines and forfeitures:				
Court fines and forfeitures	-	250,518	298,887	48,369
Total fines and forfeitures	-	250,518	298,887	48,369
Revenue from use of money and property:				
Revenue from use of money	105,000	105,000	102,150	(2,850)
Revenue from use of property	108,440	108,440	112,614	4,174
Total revenue from use of money and property	213,440	213,440	214,764	1,324
Charges for services:				
Sheriff's fees	2,199	2,199	-	(2,199)
Collection fees – taxes and liens	175,000	175,000	129,863	(45,137)
Commonwealth attorney fees	3,500	3,500	2,611	(889)
Courthouse security fees	91,000	91,000	48,994	(42,006)
Jail processing fees	3,000	3,000	1,541	(1,459)
Charges for parks and recreation	37,000	37,000	38,162	1,162
Library	24,500	24,500	15,012	(9,488)
Emergency medical service fees	1,033,751	1,033,751	1,210,283	176,532

(Continued)

## SCHEDULE 1

## COUNTY OF AMHERST, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD

## SCHEDULE OF REVENUES – BUDGET AND ACTUAL

Year Ended June 30, 2020

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Telecommunication charges	\$ -	\$ 4,900	\$ 86,241	\$ 81,341
Warehouse charges	-	-	11,216	11,216
Other charges for services	5,650	22,280	138,734	116,454
Total charges for services	1,375,600	1,397,130	1,682,657	285,527
Miscellaneous revenue:				
Miscellaneous	152,700	150,564	280,391	129,827
Total miscellaneous revenue	152,700	150,564	280,391	129,827
Recovered costs:				
Social services	25,000	36,550	6,958	(29,592)
CSA recoveries	-	-	49,368	49,368
Public safety	123,000	144,680	142,011	(2,669)
Miscellaneous recoveries	14,350	14,350	17,946	3,596
Total recovered costs	162,350	195,580	216,283	20,703
Total revenue from local sources	33,890,515	34,472,152	35,255,774	783,622
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicles carriers' tax	77,000	77,000	76,144	(856)
Mobile home titling taxes	30,000	30,000	14,926	(15,074)
Auto rental tax	23,000	23,000	22,263	(737)
PPTRA	2,199,018	2,199,018	2,089,067	(109,951)
Recordation tax	50,413	50,413	43,526	(6,887)
Total noncategorical aid	2,379,431	2,379,431	2,245,926	(133,505)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	393,411	404,070	435,392	31,322
Sheriff	1,637,380	1,637,380	1,632,332	(5,048)
Commissioner of the Revenue	109,692	109,692	109,305	(387)
Treasurer	118,501	118,501	117,732	(769)
Registrar/electoral board	41,500	41,500	68,101	26,601
Clerk of the Circuit Court	297,165	297,165	306,723	9,558
Total shared expenses	2,597,649	2,608,308	2,669,585	61,277
Other categorical aid:				
Public assistance and welfare administration	804,556	1,083,538	742,785	(340,753)
Health department	10,000	10,000	11,395	1,395
Library grant	150,000	150,000	147,923	(2,077)
Fire program	97,750	97,750	109,709	11,959
EMS – 4 for life	32,000	32,000	-	(32,000)
Juvenile justice – crime control	35,000	35,000	37,022	2,022
Victim witness	102,000	102,000	100,018	(1,982)

(Continued)

**SCHEDULE 1**

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD  
SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
Year Ended June 30, 2020**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance From Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental revenue: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid: (Continued)				
Juror reimbursement	\$ 4,000	\$ 4,000	\$ 5,610	\$ 1,610
Comprehensive services	11,000	11,000	1,555,130	1,544,130
Miscellaneous	20,000	40,021	70,193	30,172
Total other categorical aid	1,266,306	1,565,309	2,779,785	1,214,476
Total categorical aid	3,863,955	4,173,617	5,449,370	1,275,753
Total revenue from the Commonwealth	6,243,386	6,553,048	7,695,296	1,142,248
Revenue from the Federal Government:				
Non-categorical aid:				
Payment in lieu of taxes	-	-	136,903	136,903
Categorical aid:				
Public assistance and welfare	1,400,000	1,400,000	1,749,256	349,256
Total categorical aid	1,400,000	1,400,000	1,749,256	349,256
Total revenue from the Federal Government	1,400,000	1,400,000	1,886,159	486,159
Other Financing Sources (Uses)				
Transfers in	1,048,831	5,182,225	698,297	(4,483,928)
Total other financing sources (uses)	1,048,831	5,182,225	698,297	(4,483,928)
Total General Fund	42,582,732	47,607,425	45,535,526	(2,071,899)
Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Recreation trips	-	-	23,078	23,078
Landfill operations	460,000	623,902	616,765	(7,137)
Other charges for services	-	-	9	9
Total charges for services	460,000	623,902	639,852	15,950
Miscellaneous revenue:				
Dare donations	-	28,024	28,024	-
Miscellaneous	-	27,990	81,093	53,103
Total miscellaneous revenue	-	56,014	109,117	53,103
Recovered costs:				
Recovered costs	-	8,250	8,520	270
Total revenue from local sources	460,000	688,166	757,489	69,323
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Other categorical aid:				
E-911 wireless grant	-	-	136,453	136,453
Litter control	11,000	11,000	8,404	(2,596)

(Continued)



**SCHEDULE 1**

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL**

**Year Ended June 30, 2020**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance From Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Primary Government: (Continued)				
Special Revenue Fund: (Continued)				
Intergovernmental revenue: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid: (Continued)				
DEQ and RSAF grants	\$ -	\$ 188,934	\$ 182,532	\$ (6,402)
Other state revenues	-	287	286	(1)
Total revenue from the Commonwealth	11,000	200,221	327,675	127,454
Revenue from the Federal Government:				
Categorical aid:				
Community development block grant	-	-	28,263	28,263
DMV grants	-	193,020	177,374	(15,646)
Sheriff grants	-	-	2,808	2,808
Coronavirus aid, relief, and economic security act	-	2,810,640	1,142,477	(1,668,163)
Total revenue from the Federal Government	-	3,003,660	1,350,922	(1,652,738)
Other Financing Sources (Uses)				
Transfers in	1,213,584	1,668,866	1,509,289	(159,577)
Total other financing sources (uses)	1,213,584	1,668,866	1,509,289	(159,577)
Total Special Revenue Fund	1,684,584	5,560,913	3,945,375	(1,615,538)
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	78,839	78,839
Miscellaneous revenue:				
Miscellaneous	-	4,284,606	721	(4,283,885)
Other Financing Sources (Uses)				
Transfers in	-	16,190	16,190	-
Total other financing sources (uses)	-	16,190	16,190	-
Total Capital Projects Fund	-	4,300,796	95,750	(4,205,046)
Total Revenues – Primary Government	\$ 44,267,316	\$ 57,469,134	\$ 49,576,651	\$ (7,892,483)
Component Unit – School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ -	\$ 1,483	\$ 7,691	\$ 6,208
Charges for services:				
Tuition	11,500	51,589	104,901	53,312
Textbook sales	336,000	336,000	-	(336,000)
Transportation	-	25,000	29,646	4,646
Other	2,000	28,365	48,879	20,514
Total charges for services	349,500	440,954	183,426	(257,528)

(Continued)

**SCHEDULE 1**

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL**

**Year Ended June 30, 2020**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance From Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Component Unit – School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 117,927	\$ 130,381	\$ 105,376	\$ (25,005)
Recovered costs:				
Recovered costs	425,539	429,789	420,699	(9,090)
Total revenue from local sources	892,966	1,002,607	717,192	(285,415)
Intergovernmental revenue:				
County contribution to School Board	13,902,089	13,902,089	12,957,011	(945,078)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	5,173,479	5,173,479	5,292,615	119,136
Basic school aid	12,990,993	12,990,993	12,854,522	(136,471)
Special ed SOQ	1,984,156	1,984,156	1,976,073	(8,083)
Remedial education	521,284	521,284	519,161	(2,123)
Technology	310,000	525,906	517,607	(8,299)
Lottery	981,362	981,362	994,859	13,497
Primary class size	567,385	567,385	566,120	(1,265)
Fringe benefits	2,753,801	2,753,801	2,742,584	(11,217)
Textbooks	274,807	274,807	273,688	(1,119)
Preschool	346,180	346,180	346,180	-
Gifted and talented	136,462	136,462	135,906	(556)
At-risk	565,959	565,959	563,765	(2,194)
Regional program	590,074	590,074	733,180	143,106
Vocational education SOQ	368,447	368,447	366,946	(1,501)
Salary Supplement	834,364	834,364	816,521	(17,843)
Adult Basic Education Regionalization	110,000	110,000	115,828	5,828
Other state funds	632,429	725,601	683,784	(41,817)
Total categorical aid	29,141,182	29,450,260	29,499,339	49,079
Total revenue from the Commonwealth	29,141,182	29,450,260	29,499,339	49,079
Revenue from the Federal Government:				
Non-categorical				
Federal land use	69,982	69,982	63,962	(6,020)
Categorical aid:				
Preschool handicap	19,916	19,916	19,257	(659)
Adult basic aid	374,277	374,277	311,694	(62,583)
Title I	997,048	997,048	1,011,749	14,701
Title II	184,089	257,641	148,861	(108,780)
Title VI-B special education	1,104,933	1,104,933	825,667	(279,266)
Vocational education	78,600	78,600	85,377	6,777
Other education	-	-	83,011	83,011
Total categorical aid	2,758,863	2,832,415	2,485,616	(346,799)
Total revenue from the Federal Government	2,828,845	2,902,397	2,549,578	(352,819)
Total School Operating Fund	46,765,082	47,257,353	45,723,120	(1,534,233)

(Continued)

**SCHEDULE 1**

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD  
SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
Year Ended June 30, 2020**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance From Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Component Unit – School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 748,257	\$ 748,257	\$ 518,051	\$ (230,206)
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Categorical aid:				
School food	92,000	92,000	35,722	(56,278)
Revenue from the Federal Government:				
Categorical aid:				
School food	1,480,050	1,480,050	1,688,290	208,240
Total School Cafeteria Fund	2,320,307	2,320,307	2,242,063	(78,244)
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	275	275
Total School Textbook Fund	-	-	275	275
School Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	3,663	3,663
Revenue from use of property	-	-	20,663	20,663
Total revenue from use of money and property	-	-	24,326	24,326
Intergovernmental revenue:				
County contribution to School Board	-	1,595,707	764,385	(831,322)
Total School Construction Fund	-	1,595,707	788,711	(806,996)
Total Revenues – Component Unit – School Board	\$ 49,085,389	\$ 51,173,367	\$ 48,754,169	\$ (2,419,198)

**SCHEDULE 2**

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL**

**Year Ended June 30, 2020**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance From Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 182,813	\$ 139,813	\$ 125,437	\$ 14,376
General and financial administration:				
County administrator	276,530	306,307	303,171	3,136
Commissioner of the revenue	339,480	348,644	337,385	11,259
Assessor	-	8,612	8,612	-
Treasurer	418,583	452,748	445,460	7,288
Central accounting	282,118	275,970	270,848	5,122
Purchasing	185,110	189,934	189,228	706
County attorney	170,508	172,051	169,315	2,736
Information technology	390,403	450,349	431,525	18,824
Human resources	126,881	157,993	150,647	7,346
Total general and financial administration	2,189,613	2,362,608	2,306,191	56,417
Board of Elections/Registrar:				
Electoral board and officials and registrar	221,218	248,755	238,131	10,624
Total general government administration	2,593,644	2,751,176	2,669,759	81,417
Judicial administration:				
Courts:				
Circuit court	113,739	116,584	111,860	4,724
General district court	13,070	13,070	7,433	5,637
Magistrate	1,000	1,000	685	315
Juvenile and domestic relations court	14,900	16,102	14,981	1,121
Clerk of the circuit court	509,037	612,563	562,555	50,008
Jurors	10,000	10,000	5,580	4,420
VJCCCA	91,755	38,522	33,197	5,325
Total courts	753,501	807,841	736,291	71,550
Commonwealth's attorney:				
Commonwealth's attorney	605,516	719,978	716,878	3,100
Victim advocate grant	118,201	121,427	120,318	1,109
Total commonwealth's attorney	723,717	841,405	837,196	4,209
Total judicial administration	1,477,218	1,649,246	1,573,487	75,759
Public safety:				
Law enforcement and traffic control:				
Sheriff	3,926,370	4,303,580	3,707,921	595,659
Total law enforcement and traffic control	3,926,370	4,303,580	3,707,921	595,659
Fire and rescue services:				
Volunteer emergency services	351,712	776,712	695,507	81,205
Volunteer rescue services	204,172	204,172	120,150	84,022
Emergency medical services	1,921,159	1,893,978	1,181,891	712,087
Emergency service council	272,442	272,442	145,164	127,278
Total fire and rescue services	2,749,485	3,147,304	2,142,712	1,004,592

(Continued)

**SCHEDULE 2**

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD  
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
Year Ended June 30, 2020**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance From Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Primary Government: (Continued)				
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Contribution to regional jail operations	\$ 1,600,000	\$ 1,760,933	\$ 1,760,933	\$ -
Inspections:				
Building	287,450	302,946	284,448	18,498
Other protection:				
Animal control	131,959	132,791	93,064	39,727
Animal Shelter	165,077	184,152	177,929	6,223
Emergency services	920,056	1,002,746	996,837	5,909
Communications dispatch	867,197	1,063,491	1,028,159	35,332
Other public safety	91,500	27,343	27,251	92
Total other protection	2,175,789	2,410,523	2,323,240	87,283
Total public safety	10,739,094	11,925,286	10,219,254	1,706,032
Public works:				
Maintenance of general buildings and grounds:				
General properties	895,829	968,341	955,518	12,823
Health and welfare:				
Health:				
Supplement of local health department	239,493	239,493	239,493	-
Mental health and mental retardation:				
Community services board	139,230	139,230	139,230	-
Welfare:				
Welfare administration	2,575,684	2,593,821	2,436,035	157,786
Public assistance	514,328	786,723	718,203	68,520
County contributions	265,587	300,587	271,505	29,082
Comprehensive services	88,565	91,157	2,413,190	(2,322,033)
Tax relief for the elderly	-	235,745	235,745	-
Total welfare	3,444,164	4,008,033	6,074,678	(2,066,645)
Total health and welfare	3,822,887	4,386,756	6,453,401	(2,066,645)
Education:				
Contributions to community colleges	6,742	6,742	6,742	-
County contribution to School Board	13,957,335	14,666,474	13,721,396	945,078
Total education	13,964,077	14,673,216	13,728,138	945,078
Parks, recreation and cultural:				
Parks and recreation				
Parks and recreation	364,900	421,970	393,305	28,665

(Continued)

**SCHEDULE 2**

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL**

**Year Ended June 30, 2020**

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government: (Continued)				
General Fund: (Continued)				
Library:				
Library	\$ 799,538	\$ 819,471	\$ 812,489	\$ 6,982
Museum	55,809	59,379	58,349	1,030
Total library	855,347	878,850	870,838	8,012
Total parks, recreation, and cultural	1,220,247	1,300,820	1,264,143	36,677
Community development:				
Planning and community development:				
Planning	292,560	325,497	303,418	22,079
Planning commission	24,189	33,250	31,756	1,494
Zoning board	3,160	3,160	818	2,342
Central Virginia planning	18,390	18,390	18,390	-
EDA board	4,522	4,522	3,768	754
Contribution to EDA	393,691	1,013,691	1,013,691	-
Tourism	41,200	50,095	44,149	5,946
County fair	1,000	150,024	265,319	(115,295)
Community development projects	281,460	527,572	514,934	12,638
Total planning and community development	1,060,172	2,126,201	2,196,243	(70,042)
Environmental management:				
Soil and water conservation district	8,500	8,500	8,500	-
Cooperative extension program:				
VPI extension	86,495	86,495	75,593	10,902
Total community development	1,155,167	2,221,196	2,280,336	(59,140)
Non-Departmental:				
Non-departmental:				
Insurance	70,000	55,000	52,465	2,535
Line of duty	70,000	70,000	76,653	(6,653)
Other	1,481,955	470,405	142,382	328,023
Total non-departmental	1,621,955	595,405	271,500	323,905
Debt service:				
Principal retirement	2,513,916	2,518,916	2,550,714	(31,798)
Interest and fiscal charges	938,114	938,114	906,314	31,800
Bond issuance costs	2,000	-	-	-
Total debt service	3,454,030	3,457,030	3,457,028	2
Other Financing Uses				
Transfers out	1,638,584	2,170,586	2,173,181	(2,595)
Total other financing sources (uses)	1,638,584	2,170,586	2,173,181	(2,595)
Total General Fund	42,582,732	46,099,058	45,045,745	1,053,313

(Continued)

## SCHEDULE 2

## COUNTY OF AMHERST, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD

## SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

Year Ended June 30, 2020

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Special Revenue Fund:				
Public safety:				
Other protection:				
Miscellaneous public safety grants	\$ -	\$ 3,226,266	\$ 1,260,318	\$ 1,965,948
DARE program	-	34,577	34,577	-
Total public safety	-	3,260,843	1,294,895	1,965,948
Public works:				
Maintenance of highways, streets, bridges, and sidewalks:				
Street lights	-	-	5,247	(5,247)
Sanitation and waste removal:				
Solid waste	1,684,584	2,276,633	2,222,680	53,953
Total public works	1,684,584	2,276,633	2,227,927	48,706
Parks, recreation and cultural:				
Parks and recreation	-	-	32,278	(32,278)
Farmer's market				
Welfare administration	-	5,016	2,057	2,959
Cultural				
Miscellaneous grants	-	4,500	15,151	(10,651)
Total parks, recreation, and cultural	-	9,516	49,486	(39,970)
Community development:				
Planning and community development:				
CDBG project – stump hill	-	-	44,092	(44,092)
Total community development	-	-	44,092	(44,092)
Debt service:				
Principal retirement	-	-	45,096	(45,096)
Interest and fiscal charges	-	-	4,891	(4,891)
Total debt service	-	-	49,987	(49,987)
Other financing uses:				
Transfer to general fund	-	18,937	18,937	-
Total Special Revenue Funds	1,684,584	5,565,929	3,685,324	1,880,605
Capital Projects Fund:				
Public works:				
General construction projects	-	5,804,145	2,052,813	3,751,332
Total Capital Projects Fund	-	5,804,145	2,052,813	3,751,332
Total Expenditures – Primary Government	\$ 44,267,316	\$ 57,469,132	\$ 50,783,882	\$ 6,685,250

(Continued)

## COUNTY OF AMHERST, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD

## SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

Year Ended June 30, 2020

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Component Unit – School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 36,278,318	\$ 36,442,926	\$ 35,211,823	\$ 1,231,103
Administration, attendance, and health	2,213,878	2,270,376	2,246,212	24,164
Pupil transportation services	3,092,238	3,146,015	2,990,049	155,966
Operation and maintenance services	3,748,827	3,750,309	3,645,376	104,933
Technology	1,431,821	1,647,727	1,629,660	18,067
Total Education:	46,765,082	47,257,353	45,723,120	1,534,233
Total School Operating Fund	46,765,082	47,257,353	45,723,120	1,534,233
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services	2,320,307	2,320,307	2,109,647	210,660
School Construction Fund:				
Education:				
Capital projects	-	1,595,707	1,572,683	23,024
Total Expenditures – Component Unit – School Board	\$ 49,085,389	\$ 51,173,367	\$ 49,405,450	\$ 1,767,917



## **OTHER INFORMATION SECTION**

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TABLE 1

**COUNTY OF AMHERST, VIRGINIA**

**GOVERNMENT-WIDE EXPENSES BY FUNCTION**

**LAST TEN FISCAL YEARS**

**(UNAUDITED)**

<b>Fiscal Year</b>	<b>General Government Administration</b>	<b>Judicial Administration</b>	<b>Public Safety</b>	<b>Public Works</b>	<b>Health and Welfare</b>	<b>Education</b>	<b>Recreation and Cultural</b>	<b>Community Development</b>	<b>Interest on Debt</b>	<b>Water and Sewer</b>	<b>Total</b>
2011	\$ 1,690,623	\$ 1,356,685	\$ 8,756,354	\$ 2,141,153	\$ 4,147,244	\$ 13,208,833	\$ 1,072,529	\$ 667,805	\$ 1,387,309	\$ 3,409,473	\$ 37,838,008
2012	1,767,430	1,287,304	10,077,086	1,861,116	4,081,753	13,701,208	1,105,089	168,682	1,141,516	3,341,373	38,532,557
2013	2,267,593	1,260,079	10,699,839	4,801,185	4,564,438	13,412,266	420,238	597,117	1,064,766	3,718,640	42,806,161
2014	2,310,834	1,252,945	12,337,529	3,292,690	3,813,066	15,473,905	1,655,635	1,872,726	684,512	3,770,700	46,464,542
2015	2,297,022	1,269,372	10,575,623	3,326,923	3,818,367	14,418,116	1,555,006	1,375,216	688,554	3,819,278	43,143,477
2016	2,252,063	1,279,439	10,108,631	3,380,591	4,133,175	15,663,137	1,221,157	655,103	600,798	3,792,350	43,086,444
2017	2,769,062	1,295,433	10,908,850	3,074,740	4,572,841	15,813,456	1,232,390	1,247,749	1,458,621	3,810,554	46,183,696
2018	2,715,342	1,349,155	11,362,549	3,471,751	4,676,817	15,378,025	1,091,043	1,427,839	1,040,351	4,066,492	46,579,364
2019	3,332,172	1,492,417	11,645,637	3,870,102	5,694,210	15,744,408	1,342,938	1,408,928	931,975	4,438,476	49,901,263
2020	3,242,000	1,729,315	11,705,418	4,624,421	6,563,281	15,393,007	1,432,705	2,350,505	849,921	3,966,483	51,857,056

<sup>(1)</sup> Water and sewer information is presented as of December 31, 2019.

TABLE 2

## COUNTY OF AMHERST, VIRGINIA

GOVERNMENT-WIDE REVENUES  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Grants and Contributions Not Restricted to Specific Programs	Revenues from the Use of Money and Property	Miscellaneous	Total
2011	\$ 5,406,509	\$ 6,632,662	\$ 1,373,108	\$ 19,578,113	\$ 5,165,046	\$ 3,765,269	\$ 465,955	\$ 312,852	\$ 42,699,514
2012	5,404,275	6,682,107	146,894	20,436,547	5,171,164	3,625,924	330,555	143,760	41,941,226
2013	5,786,955	5,103,339	1,007,534	20,047,980	5,490,027	3,854,695	336,447	353,607	41,980,584
2014	5,703,356	6,301,493	1,986,253	21,099,556	6,847,214	2,451,644	103,384	179,001	44,671,901
2015	6,338,102	5,487,075	417,869	21,721,228	6,848,592	2,435,205	177,154	189,654	43,614,879
2016	6,820,048	5,603,239	398,248	21,990,825	7,021,941	2,467,038	124,223	141,268	44,566,830
2017	6,906,027	6,114,114	527,439	23,786,506	7,107,816	2,413,980	234,641	328,698	47,419,221
2018	7,031,180	6,328,886	-	24,038,201	7,168,048	2,561,106	341,432	576,546	48,045,399
2019	7,411,429	6,708,976	-	24,229,683	7,285,683	2,530,141	401,287	899,353	49,466,552
2020	7,380,330	7,720,720	28,263	24,680,553	7,698,266	3,536,701	294,873	638,319	51,978,025

<sup>(1)</sup> Amounts included for water and sewer activity are presented as of December 31, 2019.

TABLE 3

## COUNTY OF AMHERST, VIRGINIA

**GENERAL GOVERNMENT REVENUES BY SOURCE <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Fiscal Year</b>	<b>General Property Taxes</b>	<b>Other Local Taxes</b>	<b>Permit Privilege Fees and Regulatory Licenses</b>	<b>Fines and Forfeitures</b>	<b>Revenues from the Use of Money and Property</b>	<b>Charges for Services</b>	<b>Miscellaneous</b>	<b>Recovered Costs</b>	<b>Inter-Governmental <sup>(2)</sup></b>	<b>Total</b>
2011	\$ 19,609,216	\$ 5,165,046	\$ 147,832	\$ 467,564	\$ 664,694	\$ 2,616,552	\$ 764,380	\$ 451,593	\$ 41,025,200	\$ 70,912,077
2012	20,325,759	5,171,164	167,088	554,292	337,609	2,430,066	962,279	230,478	42,229,309	72,408,044
2013	20,192,306	5,490,027	178,669	626,244	356,574	3,272,242	1,099,117	197,554	38,819,135	70,231,868
2014	21,519,385	6,847,214	183,707	510,928	345,948	3,135,838	321,053	1,062,477	37,986,613	71,913,163
2015	21,700,594	6,848,592	153,827	443,406	374,454	2,920,001	292,097	1,166,486	39,340,868	73,240,325
2016	21,919,213	7,021,941	166,321	278,583	301,536	2,973,236	321,780	1,107,912	38,383,212	72,473,734
2017	23,735,333	7,107,816	239,820	469,572	461,042	2,761,065	802,394	980,145	39,009,863	75,567,050
2018	24,052,792	7,168,048	222,071	530,585	756,878	2,858,668	824,943	822,514	39,865,328	77,101,827
2019	24,281,191	7,285,683	178,315	430,626	921,330	3,350,349	1,069,298	1,021,700	41,835,972	80,374,464
2020	24,650,547	7,698,266	213,979	298,887	749,389	3,023,986	497,902	645,502	45,032,981	82,811,439

<sup>(1)</sup> Includes General, Special Revenue, and Capital Project Funds of the Primary Government and its Discretely Presented Component Units.

<sup>(2)</sup> Excludes contribution from Primary Government to Discretely Presented Component Units.

TABLE 4

## COUNTY OF AMHERST, VIRGINIA

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Fiscal Year</b>	<b>General Government Administration</b>	<b>Judicial Administration</b>	<b>Public Safety</b>	<b>Public Works</b>	<b>Health and Welfare</b>	<b>Education <sup>(2)</sup></b>	<b>Recreation and Cultural</b>	<b>Community Development <sup>(2)</sup></b>	<b>Non-developmental</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Total</b>
2011	\$ 1,731,847	\$ 1,301,807	\$ 8,648,572	\$ 2,209,356	\$ 4,479,160	\$ 43,786,226	\$ 1,048,365	\$ 636,539	\$ -	\$ -	\$ 4,663,468	\$ 68,505,340
2012	1,832,094	1,210,565	9,858,074	2,338,924	4,170,975	45,135,290	1,078,219	705,600	-	-	3,528,109	69,857,850
2013	2,243,747	1,191,970	10,249,829	2,683,550	4,602,056	44,630,715	1,232,773	565,851	-	-	3,257,314	70,657,805
2014	2,180,893	1,161,835	12,139,969	3,248,502	3,826,389	45,901,389	1,538,316	1,746,524	89,924	2,609,326	2,476,387	76,919,454
2015	2,220,308	1,234,131	10,753,707	2,887,296	3,876,099	45,490,573	1,491,094	1,116,624	99,190	472,615	2,478,022	72,119,659
2016	2,470,122	1,234,688	10,994,314	2,786,914	4,253,852	46,113,110	1,313,819	1,022,438	136,625	2,747,028	2,407,984	75,480,894
2017	2,591,426	1,239,942	11,928,485	2,646,505	4,615,919	46,961,515	1,593,137	1,228,419	114,247	12,425,601	2,961,192	88,306,388
2018	2,489,389	1,336,579	11,361,700	2,990,098	4,725,330	46,597,341	1,302,676	1,380,561	193,501	8,872,209	2,912,923	84,162,307
2019	2,692,756	1,455,479	11,540,020	2,962,085	5,827,377	47,333,256	1,351,168	1,701,167	400,658	2,407,251	3,508,338	81,179,555
2020	2,669,759	1,573,487	10,371,672	3,183,445	6,453,401	49,412,192	2,456,106	2,645,873	271,500	2,052,813	3,507,015	84,597,263

<sup>(1)</sup> Includes General, Special Revenue, and Capital Project funds of the Primary Government and its Discretely Presented Component Units.

<sup>(2)</sup> Excludes contribution from Primary Government to Discretely Presented Component Units.

TABLE 5

**COUNTY OF AMHERST, VIRGINIA**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Fiscal Year</b>	<b>Real Estate</b>	<b>Personal Property</b>	<b>Mobile Homes</b>	<b>Machinery and Tools</b>	<b>Merchants' Capital</b>	<b>Public Service</b>	<b>Total</b>
2011	\$ 2,621,264,200	\$ 205,608,421	\$ 12,311,200	\$ 84,420,400	\$ 7,085,055	\$ 98,586,596	\$ 3,029,275,872
2012	2,638,619,100	210,902,741	12,320,000	83,786,106	6,379,989	99,488,417	3,051,496,353
2013	2,380,975,900	220,204,158	12,576,500	84,984,166	6,473,300	107,140,300	2,812,354,324
2014	2,399,856,100	222,483,401	12,573,000	88,407,275	6,943,910	108,863,554	2,839,127,240
2015	2,322,802,000	221,807,920	12,478,000	91,682,335	7,195,285	110,708,512	2,766,674,052
2016	2,328,617,800	228,367,429	10,230,500	102,058,311	7,959,415	118,573,643	2,795,807,098
2017	2,336,518,000	238,821,725	10,392,150	109,064,626	6,792,875	126,915,081	2,828,504,457
2018	2,351,114,100	248,466,285	10,571,150	113,111,841	8,116,970	126,915,081	2,858,295,427
2019	2,361,100,400	258,157,030	11,163,000	103,614,690	7,458,340	127,246,052	2,868,739,512
2020	2,443,055,800	268,543,433	12,072,500	106,547,800	8,391,240	114,633,907	2,953,244,680

TABLE 6

## COUNTY OF AMHERST, VIRGINIA

**PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Real Estate</b>	<b>Personal Property</b>	<b>Mobile Homes</b>	<b>Machinery and Tools</b>	<b>Merchants' Capital</b>
2011	\$ 0.52	\$ 3.25	\$ 0.52	\$ 2.00	\$ 3.95
2012	0.52	3.25	0.52	2.00	3.95
2013	0.54	3.25	0.52	2.00	3.95
2014	0.54	3.45	0.54	2.00	3.95
2015	0.56	3.45	0.56	2.00	3.95
2016	0.61	3.45	0.61	2.00	3.95
2017	0.61	3.45	0.61	2.00	3.95
2018	0.61	3.45	0.61	2.00	3.95
2019	0.61	3.45	0.61	2.00	3.95
2020	0.61	3.45	0.61	2.00	3.95

TABLE 7

**COUNTY OF AMHERST, VIRGINIA**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

**(UNAUDITED)**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections <sup>(1)</sup></b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes <sup>(1, 2)</sup></b>	<b>Percent of Delinquent Taxes to Tax Levy</b>
2011	\$ 21,458,839	\$ 20,679,986	96.37 %	\$ 730,120	\$ 21,410,106	99.77 %	\$ 1,541,182	7.18 %
2012	22,076,519	20,921,553	94.77	1,098,860	22,020,413	99.75	1,468,593	6.65
2013	22,856,724	21,564,459	94.35	505,693	22,070,152	96.56	1,136,956	4.97
2014	22,796,962	22,150,167	97.16	1,568,236	23,718,403	104.04	1,171,922	5.14
2015	23,299,349	22,195,862	95.26	1,703,750	23,899,612	102.58	991,033	4.25
2016	24,957,139	23,599,590	94.56	518,641	24,118,231	96.64	1,117,498	4.48
2017	25,005,330	24,166,916	96.65	1,631,312	25,798,228	103.17	1,200,017	4.80
2018	25,561,439	24,588,889	96.20	1,296,055	25,884,944	101.27	1,315,787	5.15
2019	25,744,343	24,840,449	96.49	1,255,376	26,095,825	101.37	1,450,481	5.63
2020	26,593,717	25,728,884	96.75	618,915	26,347,799	99.08	1,005,103	3.78

<sup>(1)</sup> Exclusive of penalties and interest.

<sup>(2)</sup> Includes three years taxes.



TABLE 8

## COUNTY OF AMHERST, VIRGINIA

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND  
NET GENERAL BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Assessed Value <sup>(2)</sup></b>	<b>Gross Bonded Debt <sup>(3)</sup></b>	<b>Less: Debt Payable from Enterprise Revenue</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Gross Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2011	31,894	\$ 3,029,275,872	\$ 33,097,273	\$ 11,566,000	\$ 21,531,273	1.09 %	\$ 675
2012	32,353	3,051,496,353	34,412,922	11,340,000	23,072,922	1.13	713
2013	32,353	2,812,354,324	30,690,078	9,730,000	20,960,078	1.09	648
2014	32,353	2,839,127,240	25,277,120	9,490,000	15,787,120	0.89	488
2015	32,353	2,766,674,052	23,329,381	9,240,000	14,089,381	0.84	435
2016	31,914	2,795,807,098	21,350,548	8,975,000	12,375,548	0.76	388
2017	31,914	2,828,504,457	23,798,456	8,695,000	15,103,456	0.84	473
2018	31,594	2,858,295,427	23,024,941	9,272,000	13,752,941	0.81	435
2019	31,666	2,868,739,512	21,081,822	8,884,000	12,197,822	0.73	385
2020	31,605	2,953,244,680	19,200,909	8,477,000	10,723,909	0.65	339

<sup>(1)</sup> Bureau of the Census.

<sup>(2)</sup> From Table 5.

<sup>(3)</sup> Includes all long-term general obligation debt.

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## **COMPLIANCE SECTION**

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**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**

Honorable Members of Board of Supervisors  
County of Amherst, 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* and the *Specifications for Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Amherst, Virginia (the "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 April 1, 2021.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. **We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Item 2020-001 that we consider to be a significant deficiency.**

## 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 2020-002.**

## County of Amherst, Virginia's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## 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.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia  
April 1, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

Honorable Members of Board of Supervisors  
County of Amherst, Virginia

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

We have audited the County of Amherst, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the County of Amherst, Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control over Compliance

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

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

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

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

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia  
April 1, 2021

**COUNTY OF AMHERST, VIRGINIA**  
**SUMMARY OF COMPLIANCE MATTERS**  
**June 30, 2020**

As more fully described in the 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*, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants shown below:

**STATE COMPLIANCE MATTERS**

*Code of Virginia*

- Budget and Appropriation Laws
- Cash and Investment Laws
- Conflicts of Interest Act
- Debt Provisions
- Local Retirement Systems
- Procurement Laws
- Uniform Disposition of Unclaimed Property Act
- Comprehensive Services Act
- Sheriff Internal Controls
- Fire Program Aid to Localities

State Agency Requirements

- Education
- Social Services

**FEDERAL COMPLIANCE MATTERS**

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal programs selected for testing.



**COUNTY OF AMHERST, VIRGINIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020**

<b>Federal Grantor/Pass – Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Cluster Amounts</b>	<b>Federal Expenditures</b>
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556		\$ 14,508
Temporary Assistance to Needy Families (TANF)	93.558		210,201
Refugee and Entrant Assistance – Discretionary Grants	93.566		324
Low Income Home Energy Assistance	93.568		40,233
Child Care Mandatory and Matching funds of the Child Care and Development Fund	93.596		40,974
Child Welfare Services – State Grants	93.645		463
Foster Care – Title IV-E	93.658		285,694
Adoption Assistance	93.659		139,318
Social Services Block Grant	93.667		179,873
Chafee Foster Care Independence Program	93.674		3,761
Children’s Health Insurance Program	93.767		6,258
Medical Assistance Program	93.778		392,199
Total Department of Health and Human Services			<u>1,313,806</u>
Department of Homeland Security:			
Pass through Payments:			
Virginia Department of Emergency Management Emergency Management Performance Grants	97.042		<u>13,298</u>
Total Department of Homeland Security			<u>13,298</u>
Department of Housing and Urban Development:			
Pass through Payments:			
Virginia Department of Housing and Community Development Community Development Block Grants/State’s Program and Non-entitlement Grants	14.228		<u>528,263</u>
Department of Justice:			
Pass through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575		100,018
Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>1,473</u>
Total Department of Justice			<u>101,491</u>
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Agriculture and Consumer Services:			
Child and Adult Care Food Program (CACFP)	10.558		38,610
Schools and Roads – Grants to States	10.665		63,962
Child Nutrition Cluster – Summer Food Service Program	10.559	\$ 97,411	
Child Nutrition Cluster – Summer Food Service Program – CARES	10.559	263,019	
Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	306,435	
School Breakfast Program – CARES	10.553	24,245	
National School Lunch Program	10.555	851,416	
National School Lunch Program – CARES	10.555	<u>61,559</u>	
Total Child Nutrition Cluster			1,604,085

(Continued)

**COUNTY OF AMHERST, VIRGINIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020**

<b>Federal Grantor/Pass – Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Cluster Amounts</b>	<b>Federal Expenditures</b>
Department of Social Services:			
State Administration:			
Matching Grants for Supplemental Nutrition Assistance Program	10.561		\$ 379,508
Total Department of Agriculture			<u>2,086,165</u>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles	20.600		12,501
State Community and Highway Safety	20.607		<u>12,855</u>
Alcohol Open Container Requirements			
Total Department of Transportation			<u>25,356</u>
Department of Education			
Pass Through Payments:			
Adult Education – Basic Grants to States	84.002		311,695
Title I Grants to Local Educational Agencies	84.010		1,011,749
Special Education – Grants to States (Special Education Cluster)	84.027	\$ 908,678	
Special Education – Preschool Grants (Special Education Cluster)	84.173	<u>19,257</u>	
Total Special Education Cluster			927,935
Career and Technical Education: Basic grants to states	84.048		85,377
Supporting Effective Instruction State Grants	84.367		<u>148,861</u>
Total Department of Education			<u>2,485,617</u>
Department of Treasury			
Pass Through Payments:			
Coronavirus Relief Fund – Registrar	21.019		57,797
Coronavirus Relief Fund – Local Funding	21.019		<u>1,089,251</u>
Total Department of Treasury			<u>1,147,048</u>
Total Expenditures of Federal Awards			<u>\$ 7,701,044</u>

**NOTE 1 – BASIS OF PRESENTATION:**

The accompanying schedule of federal expenditures includes the activity of all federally assisted programs of the County of Amherst, Virginia and is presented on the modified accrual basis of accounting, as described in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

**NOTE 2 – FOOD DISTRIBUTION:**

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

**NOTE 3 – DE MINIMIS INDIRECT COST RATE:**

The County has not elected to use the de minimis 10% indirect cost rate.

**NOTE 4 – OUTSTANDING LOAN BALANCES:**

At June 30, 2020, the County had no outstanding loan balances requiring continuing disclosure.

COUNTY OF AMHERST, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2020

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiency** relating to the audit of the financial statements is reported in the 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*.
3. **No instances of noncompliance** material to the financial statements were disclosed during the audit.
4. **No significant deficiencies** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance with Requirements for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings** relating to major programs.
7. The programs tested as major programs include:

<u>Name of Program:</u>	<u>CFDA #</u>
Community Development Block Grant/State's Program	14.228
Title I Grants to Local Educational Agencies	84.010
Coronavirus Relief Fund	21.019

8. The **threshold for** distinguishing Type A and B programs was **\$750,000**.
9. The County was **not** determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

**2020-001: Segregation of Duties (Significant Deficiency)**

*Condition:*

A fundamental concept of internal controls is the separation of duties. No one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction. A proper segregation of duties has not been established in functions related to payroll, accounts receivable, cash disbursements, and journal entries for the Schools. A proper segregation of duties has not been established in functions related to accounts receivable and journal entries for the County. We noted the finance department started reviewing bank reconciliations prepared by the Treasurer's office as a compensating control.

*Recommendation:*

Steps should be taken to eliminate performance of conflicting duties where possible or to implement effective compensating controls.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2020**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)**

**2020-001: Segregation of Duties (Significant Deficiency) (Continued)**

*Management's Response:*

We agree that duties need to be further segregated and are making efforts to do so within our current staffing constraints.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**D. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2020-002: Budget Appropriations**

*Condition:*

Expenditures exceeded budgeted appropriations in the health and welfare and community development functions in the General Fund for the year ended June 30, 2020.

*Recommendation:*

Steps should be taken to ensure that excess expenditures over budgeted appropriations are approved by the Board of Supervisors and the budget amended accordingly.

*Management's Response:*

Management continues to address budget issues and practices to ensure all amendments needed are completely timely.

**COUNTY OF AMHERST, VIRGINIA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**June 30, 2020**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2019-001: Segregation of Duties (Significant Deficiency)**

*Condition:*

A fundamental concept of internal controls is the separation of duties. No one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction. A proper segregation of duties has not been established in functions related to payroll, accounts receivable, cash disbursements, and journal entries for the Schools. A proper segregation of duties has not been established in functions related to accounts receivable and journal entries for the County. We noted the finance department started reviewing bank reconciliations prepared by the Treasurer's office as a compensating control.

*Recommendation:*

Steps should be taken to eliminate performance of conflicting duties where possible or to implement effective compensating controls.

*Current Status:*

Condition still exists for the current year. See finding 2020-001.

**2019-002: Segregation of Duties – Information Technology (Significant Deficiency)**

*Condition:*

A fundamental concept of internal controls is the separation of duties. No one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction. In addition to having normal IT system administrator rights to grant and change access to the network and financial systems, the process of processing, printing, and signing checks is able to be fully performed by only one IT employee. However, we noted that IT personnel cannot enter payroll records or update the Payroll Interoffice communication program and process records. IT also is responsible for creating positive pay files remitted to the bank and uploading direct deposit information for paychecks. We also noted there are system logs IT cannot modify that log changes made in the system and who made those changes.

*Recommendation:*

Steps should be taken to eliminate performance of conflicting duties where possible or to implement effective compensating controls.

*Current Status:*

Condition not noted during the current year.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2020**

**B. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2019-003: Budget Appropriations**

*Condition:*

Expenditures exceeded budgeted appropriations in the health and welfare, education, and planning and community development functions in the General Fund for the year ended June 30, 2019.

*Recommendation:*

Steps should be taken to ensure that excess expenditures over budgeted appropriations are approved by the Board of Supervisors and the budget amended accordingly.

*Current Status:*

Condition still exists partially in the current year. See finding 2020-002.

**2019-004: Annual Review of Access – Social Services**

*Condition:*

The Virginia Department of Social Services requires review of local employees with access to OASIS, VaCMS, ADAPT, and EAS to determine if they have a current access request form on file and that the form agrees to the system access. We noted in our testing that this review did not occur on one of the five employees selected and these employees had access to systems not on their access request form.

*Recommendation:*

The Local Security Officer and supervisors should perform and document annual reviews, ensuring that each employee's access request form matches the employee's actual access in the system and is appropriate given the employee's assigned job responsibilities.

*Current Status:*

Condition not noted during the current year.

**2019-005: Social Services VDSS Acceptable Use Policy**

*Condition:*

The Virginia Department of Social Services requires all local departments of social services to update and review the Acceptable Use Policy every five years. We noted in our testing that this policy was last updated in 2012.

**COUNTY OF AMHERST, VIRGINIA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2020**

**B. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)**

**2019-005: Social Services VDSS Acceptable Use Policy (Continued)**

*Recommendation:*

Steps should be taken to ensure that the Acceptable Use Policy is updated and reviewed every five years.

*Current Status:*

Condition not noted during the current year.

**2019-006: Unclaimed Property**

*Condition:*

Localities are required to file an annual report for unclaimed property with the state Treasurer by November 1st. The County did not complete the annual report during fiscal year 2019.

*Recommendation:*

Steps should be taken to ensure that the report is completed annually and timely.

*Current Status:*

Condition not noted during the current year.

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