

**COUNTY OF AMHERST, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2021**





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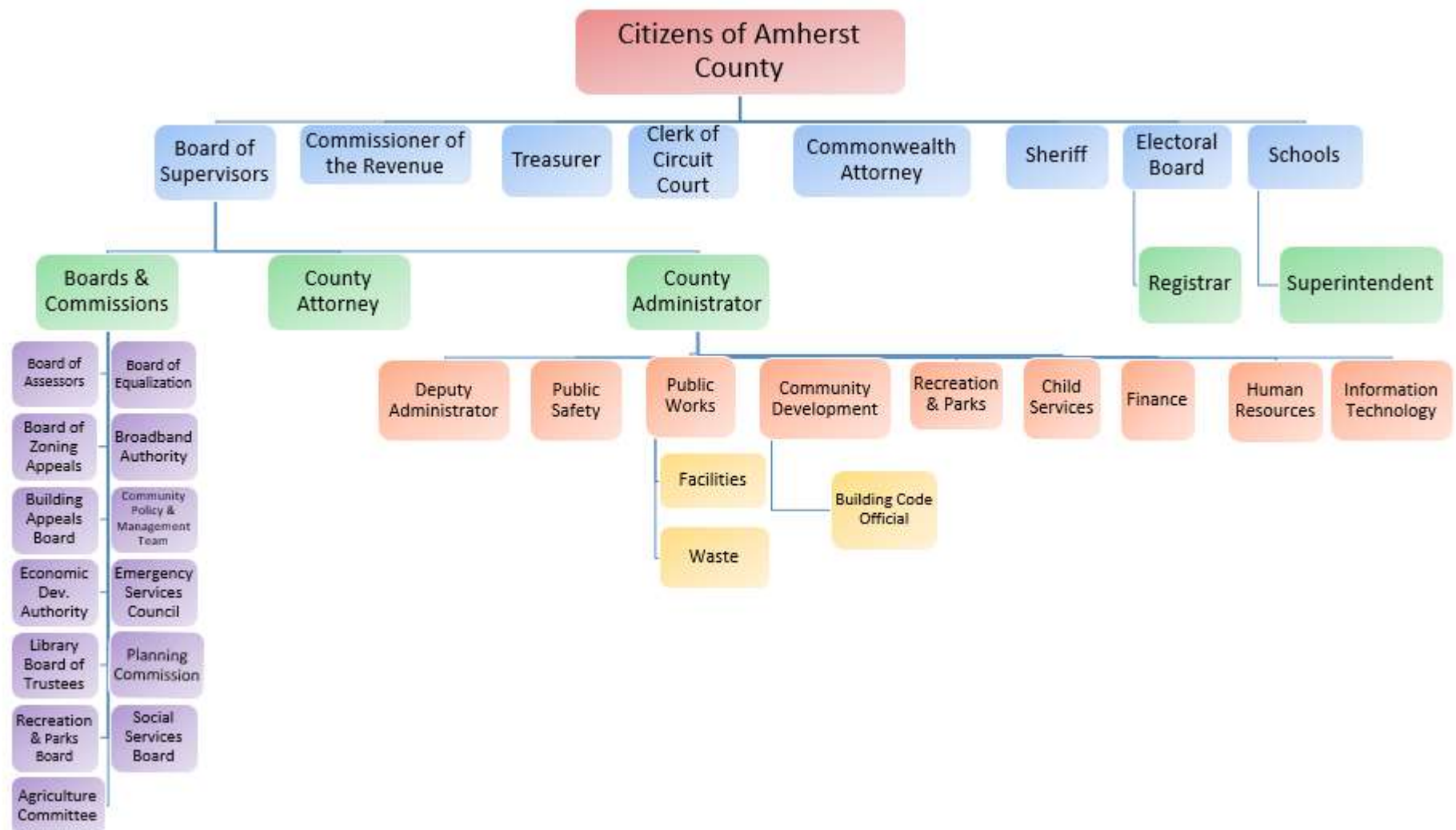
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## **INTRODUCTORY SECTION**

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**COUNTY OF AMHERST, VIRGINIA**  
**DIRECTORY OF PRINCIPAL OFFICIALS**  
**June 30, 2021**

**BOARD OF SUPERVISORS**

Jennifer Moore, Chair  
David Pugh, Jr., Vice-Chair

Claudia D. Tucker

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**

John A. Marks, Jr., Chair  
Leon Parrish, Vice-Chair

Toni Overstreet

David Pugh, Jr.

Glenda Hash

**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, 2021**

**ECONOMIC DEVELOPMENT AUTHORITY BOARD**

Chad Eby, 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 .....	Jacob Etter
Finance Director .....	Stacey McBride

**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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

#### *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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Adoption of New Accounting Standard**

As described in Note 31 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the 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 Matters (Continued)**

### *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.

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 February 17, 2022 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  
February 17, 2022

# **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, 2021

(Except for Business-Type Activities which are as of December 31, 2020)

	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)	\$ 39,369,122	\$ 3,987,718	\$ 43,356,840	\$ 834,847	\$ 4,354,897
Receivables, net (Note 4)	8,812,856	743,277	9,556,133	-	-
Due from primary government	-	-	-	-	2,037,637
Due from other governments (Note 6)	2,498,518	-	2,498,518	21,360	1,246,746
Inventories	-	194,145	194,145	-	-
Prepaid items	114,246	-	114,246	60	127,034
Loans receivable (Note 5)	57,793	-	57,793	-	-
Restricted assets (Note 3)					
Cash and investments	3,313,600	4,041,482	7,355,082	-	-
Net pension asset (Notes 12 and 18)	-	-	-	-	706,891
Capital assets: (Note 8)					
Nondepreciable	3,705,781	2,245,898	5,951,679	507,923	308,306
Depreciable, net	41,498,272	28,721,313	70,219,585	390,033	15,196,461
Total assets	99,370,188	39,933,833	139,304,021	1,754,223	23,977,972
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	262,271	2,925	265,196	-	-
Deferred outflows related to pensions (Notes 10, 11, 12, 13, and 18)	2,911,760	201,542	3,113,302	-	11,026,461
Deferred outflows related to other postemployment benefits (Notes 14, 15, 16, 17, and 19)	286,778	31,590	318,368	-	928,823
Total deferred outflows of resources	3,460,809	236,057	3,696,866	-	11,955,284
<b>LIABILITIES</b>					
Accounts payable	1,429,748	367,576	1,797,324	63,374	473,124
Retainage payable	67,094	-	67,094	-	-
Accrued liabilities	171,939	-	171,939	1,674	3,817,380
Unearned revenue	3,281,013	-	3,281,013	-	121,025
Customer deposits	-	289,769	289,769	3,250	-
Accrued interest	473,869	58,598	532,467	-	-
Due to component unit	2,037,637	-	2,037,637	-	-
Long-term liabilities:					
Net pension liability (Notes 10, 11, 12, 13, and 18)	6,092,432	488,863	6,581,295	-	42,013,432
Net other postemployment benefits liability (Notes 14, 15, 16, 17, and 19)	1,544,420	115,186	1,659,606	-	5,954,320
Due within one year (Note 9)	2,594,842	745,014	3,339,856	27,979	60,951
Due in more than one year (Note 9)	39,766,614	11,439,040	51,205,654	40,007	548,562
Total liabilities	57,459,608	13,504,046	70,963,654	136,284	52,988,794

(Continued)

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

## COUNTY OF AMHERST, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2021

(Except for Business-Type Activities which are as of December 31, 2020)

	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	\$ -	\$ 196,679	\$ 196,679	\$ -	\$ -
Unearned revenue	14,702,161	-	14,702,161	-	-
Deferred inflows related to pensions (Notes 10, 11, 12, 13, and 18)	12,124	79,088	91,212	-	3,743,529
Deferred inflows related to other postemployment benefits (Notes 14, 15, 16, 17, and 19)	30,869	15,073	45,942	-	433,483
Total deferred inflows of resources	14,745,154	290,840	15,035,994	-	4,177,012
<b>NET POSITION</b>					
Net investment in capital assets	14,227,067	20,493,133	34,720,200	897,956	15,504,767
Restricted for:					
Pension	-	-	-	-	706,891
Debt service	-	1,947,474	1,947,474	-	-
Community development loans	57,793	-	57,793	-	-
Unrestricted net position (deficit)	16,341,375	3,934,397	20,275,772	719,983	(37,444,208)
Total net position	\$ 30,626,235	\$ 26,375,004	\$ 57,001,239	\$ 1,617,939	\$ (21,232,550)

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

## COUNTY OF AMHERST, VIRGINIA

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

(Except for Business-Type Activities which are for the year ended December 31, 2020)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	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	\$ 3,180,105	\$ 286,656	\$ 430,089	\$ -	\$ (2,463,360)	\$ -	\$ (2,463,360)	\$ -	\$ -
Judicial administration	1,700,946	290,800	832,451	-	(577,695)	-	(577,695)	-	-
Public safety	15,496,706	1,796,739	2,019,167	-	(11,680,800)	-	(11,680,800)	-	-
Public works	6,174,788	575,330	9,624	-	(5,589,834)	-	(5,589,834)	-	-
Health and welfare	6,630,119	25,788	4,315,137	-	(2,289,194)	-	(2,289,194)	-	-
Education	14,594,918	-	-	-	(14,594,918)	-	(14,594,918)	-	-
Parks, recreation, and cultural	1,436,038	49,669	166,220	-	(1,220,149)	-	(1,220,149)	-	-
Community development	2,395,581	-	-	142,958	(2,252,623)	-	(2,252,623)	-	-
Interest on long-term debt	951,842	-	-	-	(951,842)	-	(951,842)	-	-
Total governmental activities	52,561,043	3,024,982	7,772,688	142,958	(41,620,415)	-	(41,620,415)	-	-
Business-type activities:									
Water and sewer	4,169,204	4,109,122	-	-	-	(60,082)	(60,082)	-	-
Total primary government	56,730,247	7,134,104	7,772,688	142,958	(41,620,415)	(60,082)	(41,680,497)	-	-
Component Units:									
Economic Development Authority	\$ 1,409,133	\$ -	\$ -	\$ -	-	-	-	(1,409,133)	-
School Board	50,903,952	1,522,582	36,189,845	-	-	-	-	-	(13,191,525)
Total component units	52,313,085	1,522,582	36,189,845	-	-	-	-	(1,409,133)	(13,191,525)
General revenues:									
General property taxes					26,172,789	-	26,172,789	-	-
Other local taxes:									
Local sales and use					3,739,679	-	3,739,679	-	-
Consumer's utility tax					1,776,366	-	1,776,366	-	-
Business license					953,427	-	953,427	-	-
Motor vehicle license taxes					765,204	-	765,204	-	-
Restaurant food taxes					1,035,568	-	1,035,568	-	-
Other taxes					563,175	-	563,175	-	-
Unrestricted revenues from use of money and property					126,443	976	127,419	54,096	23,085
Miscellaneous					591,790	656,488	1,248,278	974,024	137,405
County contribution					-	-	-	1,210,533	13,007,210
Capital contributions					-	1,218,220	1,218,220	-	-
Grants and contributions not restricted to specific programs					8,621,010	-	8,621,010	-	-
Total general revenues					44,345,451	1,875,684	46,221,135	2,238,653	13,167,700
Change in net position					2,725,036	1,815,602	4,540,638	829,520	(23,825)
NET POSITION AT JULY 1, as restated (Note 31)					27,901,199	24,559,402	52,460,601	788,419	(21,208,725)
NET POSITION AT JUNE 30					30,626,235	26,375,004	57,001,239	1,617,939	(21,232,550)

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, 2021**

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 28,092,686	\$ 11,276,436	\$ -	\$ 39,369,122
Receivables, net	8,808,853	4,003	-	8,812,856
Prepaid items	108,601	5,645	-	114,246
Due from other governments	2,255,701	242,817	-	2,498,518
Loans receivable	-	57,793	-	57,793
Cash and investments, restricted	6,564	-	3,307,036	3,313,600
	<u>39,272,405</u>	<u>11,586,694</u>	<u>3,307,036</u>	<u>54,166,135</u>
Total assets	<u>\$ 39,272,405</u>	<u>\$ 11,586,694</u>	<u>\$ 3,307,036</u>	<u>\$ 54,166,135</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 991,335	\$ 215,078	\$ 223,335	\$ 1,429,748
Retainage payable	-	-	67,094	67,094
Accrued liabilities	139,427	32,512	-	171,939
Unearned revenues	-	3,281,013	-	3,281,013
Due to component unit	2,037,637	-	-	2,037,637
	<u>3,168,399</u>	<u>3,528,603</u>	<u>290,429</u>	<u>6,987,431</u>
Total liabilities	<u>3,168,399</u>	<u>3,528,603</u>	<u>290,429</u>	<u>6,987,431</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	16,370,430	-	-	16,370,430
	<u>16,370,430</u>	<u>-</u>	<u>-</u>	<u>16,370,430</u>
<b>FUND BALANCES (Note 24)</b>				
Nonspendable	108,601	5,645	-	114,246
Restricted	-	57,793	3,016,607	3,074,400
Committed	2,955,494	-	-	2,955,494
Assigned	3,828,800	7,994,653	-	11,823,453
Unassigned	12,840,681	-	-	12,840,681
	<u>19,733,576</u>	<u>8,058,091</u>	<u>3,016,607</u>	<u>30,808,274</u>
Total fund balances	<u>19,733,576</u>	<u>8,058,091</u>	<u>3,016,607</u>	<u>30,808,274</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 39,272,405</u>	<u>\$ 11,586,694</u>	<u>\$ 3,307,036</u>	<u>\$ 54,166,135</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, 2021**

**Total fund balances per Exhibit 3 – Balance Sheet – Governmental Funds** **\$ 30,808,274**

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. 45,204,053

Certain receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 1,668,269

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 2,911,760

Other postemployment benefits 286,778

Deferred inflows related to:

Pensions (12,124)

Other postemployment benefits (30,869)

Net pension liability (6,092,432)

Net other postemployment benefits liability (1,544,420)

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 (21,684,180)

Capital leases payable (12,599,842)

Accrued interest (473,869)

Compensated absences (1,134,788)

Landfill closure and post-closure costs (6,680,375)

**Net position of governmental activities** **\$ 30,626,235**

## COUNTY OF AMHERST, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2021**

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total</b>
<b>REVENUES</b>				
General property taxes	\$ 26,203,903	\$ -	\$ -	\$ 26,203,903
Other local taxes	8,833,419	-	-	8,833,419
Permits, privilege fees, and regulatory licenses	195,798	-	-	195,798
Fines and forfeitures	228,358	-	-	228,358
Revenue from the use of money and property	116,011	-	10,432	126,443
Charges for services	1,701,704	583,247	-	2,284,951
Miscellaneous	510,489	78,264	3,037	591,790
Recovered costs	239,534	-	-	239,534
Intergovernmental revenues:				
Commonwealth	7,772,702	191,899	-	7,964,601
Federal	1,924,894	6,208,849	-	8,133,743
Total revenues	<u>47,726,812</u>	<u>7,062,259</u>	<u>13,469</u>	<u>54,802,540</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,865,634	-	-	2,865,634
Judicial administration	1,548,936	-	-	1,548,936
Public safety	11,368,895	3,524,410	-	14,893,305
Public works	1,020,064	1,750,049	-	2,770,113
Health and welfare	6,515,534	-	-	6,515,534
Education	13,013,980	-	-	13,013,980
Parks, recreation, and cultural	1,248,739	364,144	-	1,612,883
Community development	1,985,497	396,065	-	2,381,562
Nondepartmental	217,966	-	-	217,966
Capital projects	-	-	2,952,192	2,952,192
Debt service				
Principal	18,441,830	46,789	-	18,488,619
Interest	1,061,679	3,615	-	1,065,294
Bond issuance costs	284,867	-	-	284,867
Total expenditures	<u>59,573,621</u>	<u>6,085,072</u>	<u>2,952,192</u>	<u>68,610,885</u>
Excess (deficiency) of revenues over expenditures	<u>(11,846,809)</u>	<u>977,187</u>	<u>(2,938,723)</u>	<u>(13,808,345)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	11,150,000	-	5,545,000	16,695,000
Premium on debt issuance	2,379,497	-	586,410	2,965,907
Transfers in (Note 7)	4,535,576	1,357,523	-	5,893,099
Transfers out (Note 7)	(1,988,039)	(193,999)	(3,711,061)	(5,893,099)
Total other financing sources (uses)	<u>16,077,034</u>	<u>1,163,524</u>	<u>2,420,349</u>	<u>19,660,907</u>
Net change in fund balances	4,230,225	2,140,711	(518,374)	5,852,562
FUND BALANCES AT JULY 1	<u>15,503,351</u>	<u>5,917,380</u>	<u>3,534,981</u>	<u>24,955,712</u>
FUND BALANCES AT JUNE 30	<u><u>\$ 19,733,576</u></u>	<u><u>\$ 8,058,091</u></u>	<u><u>\$ 3,016,607</u></u>	<u><u>\$ 30,808,274</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, 2021**

**Net change in fund balances per Exhibit 5 – total governmental funds** \$ 5,852,562

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	\$ 2,703,502	
Depreciation expense	(3,316,992)	
Book value of capital assets disposed	(22,229)	
Allocation of debt-financed school assets based on current year repayments and drawdowns of bond proceeds	(468,799)	(1,104,518)

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

483,539

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	1,056,478	
Pension expense	(1,748,442)	(691,964)

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	80,534	
Other postemployment benefits	(133,131)	(52,597)

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	692,909	
Lease revenue bonds	7,586,000	
Notes payable	1,232,921	
Capital leases	8,976,789	
Bond proceeds	(5,545,000)	
Bonds refunded	(11,150,000)	
Deferred loss on bonds refunded	262,271	
Premium on new bonds issued	(2,965,907)	
Amortization of bond premium	263,975	(646,042)

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	7,665	
Landfill liability	(995,682)	
Accrued interest	(127,927)	(1,115,944)

**Change in net position of governmental activities** \$ 2,725,036

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

## COUNTY OF AMHERST, VIRGINIA

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
December 31, 2020

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 3,987,718
Receivables, net	743,277
Inventories	194,145
Total current assets	<u>4,925,140</u>
<b>NONCURRENT ASSETS</b>	
Restricted cash and investments	4,041,482
Capital assets:	
Nondepreciable	2,245,898
Depreciable, net	28,721,313
Total noncurrent assets	<u>35,008,693</u>
Total assets	<u>39,933,833</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	2,925
Deferred outflows related to pensions	201,542
Deferred outflows related to OPEB	31,590
Total deferred outflows of resources	<u>236,057</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	367,576
Accrued interest	58,598
Customer deposits	289,769
Long-term liabilities due within one year	745,014
Total current liabilities	<u>1,460,957</u>
<b>NONCURRENT LIABILITIES</b>	
Long-term liabilities due in more than one year	11,439,040
Net pension liability	488,863
Net OPEB liability	115,186
Total noncurrent liabilities	<u>12,043,089</u>
Total liabilities	<u>13,504,046</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred gain on refunding	196,679
Deferred inflows related to pensions	79,088
Deferred inflows related to OPEB	15,073
Total deferred inflows of resources	<u>290,840</u>
<b>NET POSITION</b>	
Net investment in capital assets	20,493,133
Restricted for debt service	1,947,474
Unrestricted net position	3,934,397
Total net position	<u>\$ 26,375,004</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, 2020**

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
OPERATING REVENUES	
Charges for services	\$ 3,982,417
Miscellaneous	126,705
Total operating revenues	<u>4,109,122</u>
OPERATING EXPENSES	
Water transmission and distribution	62,807
Water distribution maintenance	294,081
Wastewater maintenance	15,841
General plant operations and maintenance	484,368
Wastewater treatment	539,077
General and administrative	1,198,774
Depreciation	<u>1,130,651</u>
Total operating expenses	<u>3,725,599</u>
Operating income	<u>383,523</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	976
Connection and availability charges	628,066
Interest expense	(443,605)
Rental income	<u>28,422</u>
Total non-operating expenses, net	<u>213,859</u>
Income before capital contributions	597,382
CAPITAL CONTRIBUTIONS	<u>1,218,220</u>
Change in net position	1,815,602
NET POSITION AT JANUARY 1, as restated	<u>24,559,402</u>
NET POSITION AT DECEMBER 31	<u><u>\$ 26,375,004</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, 2020

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
<b>OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 3,982,659
Payments to suppliers	(1,706,471)
Payments to employees	(917,059)
Other operating receipts	86,607
	<hr/>
Net cash provided by operating activities	1,445,736
	<hr/>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets and water rights	(1,521,088)
Connection and availability fees	628,066
Contribution from local, State, and Federal governments	1,218,220
Principal paid on debt	(2,047,566)
Proceeds from indebtedness	3,300,000
Interest payments on long-term liabilities	(468,295)
	<hr/>
Net cash provided by capital and related financing activities	1,109,337
	<hr/>
<b>INVESTING ACTIVITIES</b>	
Rent received	28,422
Interest received	976
	<hr/>
Net cash provided by investing activities	29,398
	<hr/>
Net increase in cash and cash equivalents	2,584,471
	<hr/>
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning at January 1	5,444,729
	<hr/>
Ending at December 31	\$ 8,029,200
	<hr/> <hr/>
<b>RECONCILIATION TO EXHIBIT 7</b>	
Cash and investments	\$ 3,987,718
Restricted cash and investments	4,041,482
	<hr/>
	\$ 8,029,200
	<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, 2020

	<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	\$ 383,523
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,130,651
Pension expense net of employer contributions	4,410
Other postemployment expense net of employer contributions	(4,967)
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables, net	(42,926)
Inventories	(23,880)
(Decrease) increase in:	
Accounts payable and accrued expenses	(14,458)
Customer deposits	3,070
Compensated absences	10,313
Net cash provided by operating activities	<u>\$ 1,445,736</u>
<b>NONCASH CAPITAL AND RELATED FINANCING</b>	
Capital assets acquired through accounts payable	<u>\$ 297,741</u>
Debt issued through regional sewer agreement	<u>\$ 484,835</u>
Capital assets acquired through regional sewer agreement	<u>\$ 484,835</u>

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

## COUNTY OF AMHERST, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2021

	Custodial Funds		
	Special Welfare	Forfeited Assets	Total
ASSETS			
Cash and cash equivalents	\$ 19,833	\$ 23,769	\$ 43,602
Total assets	<u>\$ 19,833</u>	<u>\$ 23,769</u>	<u>\$ 43,602</u>
NET POSITION			
Restricted for individuals and organizations	\$ 19,833	\$ 23,769	\$ 43,602
Total net position	<u>\$ 19,833</u>	<u>\$ 23,769</u>	<u>\$ 43,602</u>

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

## COUNTY OF AMHERST, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
June 30, 2021

	Custodial Funds		
	Special Welfare	Forfeited Assets	Total
ADDITIONS			
Contributions for the benefit of individuals	\$ 43,966	\$ -	\$ 43,966
Confiscated sale proceeds	-	3,736	3,736
Total additions	43,966	3,736	47,702
DEDUCTIONS			
Payments to benefit individuals	36,394	-	36,394
Payments to locality	-	12,900	12,900
Total deductions	36,394	12,900	49,294
Net increase (decrease) in fiduciary net position	7,572	(9,164)	(1,592)
NET POSITION - AT JULY 1, as restated (Note 31)	12,261	32,933	45,194
NET POSITION - AT JUNE 30	\$ 19,833	\$ 23,769	\$ 43,602

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

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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. Several members of the County Board of Supervisors also serve as the Board of Directors for the Authority. The Authority operates on a December 31 year end, and the Authority’s December 31, 2020 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.



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2021**

**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. Custodial 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, 2021**

**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. The property taxes due and collected on the August 5, 2021 billing installment, as well as those due on December 5, 2021, 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, 2021**

**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, 2021**

**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, 2021**

**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, 2021**

**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, 2021**

**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, 2021, restricted net position consists of amounts for community development loans, funds held for debt service as required by bond agreements, and amounts associated with the School Board's 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, 2021**

**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, 2021**

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

Deposit and investment balances consist of the following:

Deposits:	
Demand deposits	\$ 32,051,509
Money market funds	18,778,518
Cash on hand	<u>1,000</u>
	50,831,027
Investments:	
SNAP	<u>5,070,639</u>
 Total deposits and investments	 <u><u>\$ 55,901,666</u></u>

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

Cash and investments – Primary Government	\$ 43,356,840
Cash and investments – School Board	4,354,897
Cash and investments – EDA	834,847
Restricted cash and investments – Primary Government	<u>7,355,082</u>
 Total deposits and investments	 <u><u>\$ 55,901,666</u></u>

Restricted cash and investments

Restricted cash and investments in the governmental activities consist of \$3,313,600 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 \$2,284,444 required to be maintained for debt service in the event of rate fluctuations or revenue decreases for water and sewer services, as well as \$1,757,038 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, 2021. SNAP funds are rated by Moody's as AAAM.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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	\$ 9,047,073	\$ -	\$ 9,047,073
Less: allowance for uncollectible accounts	<u>(860,354)</u>	<u>-</u>	<u>(860,354)</u>
Net taxes receivable	<u>8,186,719</u>	<u>-</u>	<u>8,186,719</u>
Accounts receivable	765,779	846,277	1,612,056
Less: allowance for uncollectible accounts	<u>(139,642)</u>	<u>(103,000)</u>	<u>(242,642)</u>
Net accounts receivable	<u>626,137</u>	<u>743,277</u>	<u>1,369,414</u>
Net total receivables	<u><u>\$ 8,812,856</u></u>	<u><u>\$ 743,277</u></u>	<u><u>\$ 9,556,133</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, 2021, the five loans outstanding totaled \$57,793.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 6. Due From Other Governments**

Amounts due from other governments consist of the following:

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>School Board</u>	<u>Economic Development Authority</u>
Commonwealth of Virginia:			
State sales taxes	\$ -	\$ 714,560	\$ -
Local sales taxes	697,683	-	-
Communication taxes	145,349	-	-
Utility taxes	68,410	-	-
Public assistance and welfare administration	85,967	-	-
Comprehensive youth service	745,035	-	-
Sheriff	140,088	-	-
Commonwealth's Attorney	44,636	-	-
Clerk of Circuit Court	25,200	-	-
Treasurer	10,099	-	-
Commissioner of Revenue	9,165	-	-
Community development block grant	212,807	-	21,360
Other	133,554	-	-
Federal Government:			
Education grants	-	532,186	-
Public safety grants	23,804	-	-
Public assistance	150,515	-	-
Other	6,206	-	-
	<u>\$ 2,498,518</u>	<u>\$ 1,246,746</u>	<u>\$ 21,360</u>

**Note 7. Transfers**

Interfund transfers consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General fund	\$ 4,535,576	\$ 1,988,039
Special revenue fund	1,357,523	193,999
Capital projects fund	-	3,711,061
	<u>\$ 5,893,099</u>	<u>\$ 5,893,099</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, 2021**

**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	953,006	215,842	-	1,168,848
Total capital assets not depreciated	3,489,939	215,842	-	3,705,781
Capital assets depreciated:				
Buildings and improvements	52,136,901	714,521	-	52,851,422
Jointly owned school buildings and improvements	3,141,706	-	692,909	2,448,797
Furniture, equipment, and vehicles	13,583,516	1,773,139	138,125	15,218,530
Total capital assets depreciated	68,862,123	2,487,660	831,034	70,518,749
Less accumulated depreciation:				
Buildings and improvements	15,743,151	1,928,511	-	17,671,662
Jointly owned school buildings and improvements	1,161,853	-	224,110	937,743
Furniture, equipment, and vehicles	9,138,487	1,388,481	115,896	10,411,072
Total accumulated depreciation	26,043,491	3,316,992	340,006	29,020,477
Capital assets depreciated, net	42,818,632	(829,332)	491,028	41,498,272
Net capital assets	<u>\$ 46,308,571</u>	<u>\$ (613,490)</u>	<u>\$ 491,028</u>	<u>\$ 45,204,053</u>
<b>Business-Type Activities:</b>				
Capital assets not depreciated:				
Land	\$ 850,524	\$ -	\$ -	\$ 850,524
Construction in progress	-	1,395,374	-	1,395,374
Total capital assets not depreciated	850,524	1,395,374	-	2,245,898
Capital assets depreciated:				
Buildings and improvements	1,243,269	-	-	1,243,269
Utility plant in service	50,295,808	528,083	-	50,823,891
Furniture, equipment, and vehicles	1,239,445	57,100	13,491	1,283,054
Total capital assets depreciated	52,778,522	585,183	13,491	53,350,214
Less accumulated depreciation	23,511,741	1,130,651	13,491	24,628,901
Capital assets depreciated, net	29,266,781	(545,468)	-	28,721,313
Net capital assets	<u>\$ 30,117,305</u>	<u>\$ 849,906</u>	<u>\$ -</u>	<u>\$ 30,967,211</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

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

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
General government administration	\$ 331,097	\$ -	\$ 331,097
Judicial administration	102,644	-	102,644
Public safety	1,123,046	-	1,123,046
Public works	451,489	-	451,489
Health and welfare	12,714	-	12,714
Education	1,112,139	-	1,112,139
Parks, recreation, and cultural	164,615	-	164,615
Community development	19,248	-	19,248
Water and sewer	-	1,130,651	1,130,651
	<u>-</u>	<u>1,130,651</u>	<u>1,130,651</u>
Total depreciation expense – primary government	<u>\$ 3,316,992</u>	<u>\$ 1,130,651</u>	<u>\$ 4,447,643</u>

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

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not depreciated:				
Land	\$ 507,923	\$ -	\$ -	\$ 507,923
Capital assets depreciated:				
Buildings and improvements	577,828	-	-	577,828
Less accumulated depreciation:				
Buildings and improvements	173,349	14,446	-	187,795
Capital assets depreciated, net	<u>404,479</u>	<u>14,446</u>	<u>-</u>	<u>390,033</u>
Net capital assets	<u>\$ 912,402</u>	<u>\$ (14,446)</u>	<u>\$ -</u>	<u>\$ 897,956</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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
Total capital assets not depreciated	308,306	-	-	308,306
Capital assets depreciated:				
Buildings and improvements	37,799,277	19,587	-	37,818,864
Jointly owned school buildings and improvements	10,895,000	692,909	-	11,587,909
Furniture, equipment, and vehicles	10,394,539	601,564	204,775	10,791,328
Total capital assets depreciated	59,088,816	1,314,060	204,775	60,198,101
Less accumulated depreciation:				
Buildings and improvements	31,559,262	1,032,233	-	32,591,495
Jointly owned school buildings and improvements	4,544,856	575,028	-	5,119,884
Furniture, equipment, and vehicles	6,988,923	486,186	184,848	7,290,261
Total accumulated depreciation	43,093,041	2,093,447	184,848	45,001,640
Capital assets depreciated, net	15,995,775	(779,387)	19,927	15,196,461
Net capital assets	<u>\$ 16,304,081</u>	<u>\$ (779,387)</u>	<u>\$ 19,927</u>	<u>\$ 15,504,767</u>

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, 2021**

**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	\$ 3,137,909	\$ 6,170,000	\$ 692,909	\$ 8,615,000	\$ 595,000
Premium on bonds	104,519	2,965,907	263,975	2,806,451	26,521
	<u>3,242,428</u>	<u>9,135,907</u>	<u>956,884</u>	<u>11,421,451</u>	<u>621,521</u>
Lease revenue bonds	7,586,000	10,525,000	7,586,000	10,525,000	660,000
Note payable	1,232,921	-	1,232,921	-	-
Capital leases	21,576,631	-	8,976,789	12,599,842	1,199,842
	<u>30,395,552</u>	<u>10,525,000</u>	<u>17,795,710</u>	<u>23,124,842</u>	<u>1,859,842</u>
Landfill closure/post-closure	5,684,693	995,682	-	6,680,375	-
Compensated absences	1,142,453	-	7,665	1,134,788	113,479
	<u>6,827,146</u>	<u>995,682</u>	<u>7,665</u>	<u>7,815,163</u>	<u>113,479</u>
	<u>\$ 40,465,126</u>	<u>\$ 20,656,589</u>	<u>\$ 18,760,259</u>	<u>\$ 42,361,456</u>	<u>\$ 2,594,842</u>
<b>Business-Type Activities:</b>					
Revenue bonds	\$ 8,477,000	\$ 3,300,000	\$ 1,855,000	\$ 9,922,000	\$ 493,000
Premium on bond	440,655	178,222	300,438	318,439	79,020
Notes payable	1,539,449	484,835	227,676	1,796,608	158,293
Compensated absences	136,694	10,313	-	147,007	14,701
	<u>\$ 10,593,798</u>	<u>\$ 3,973,370</u>	<u>\$ 2,383,114</u>	<u>\$ 12,184,054</u>	<u>\$ 745,014</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	\$ 729,481	\$ -	\$ 661,495	\$ 67,986	\$ 27,979

**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	\$ 614,162	\$ -	\$ 4,649	\$ 609,513	\$ 60,951

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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	3.10-5.25%	2001	2021	\$ 550,000	\$ 25,000
VPSA Bonds	2.35-7.85	2002	2022	965,000	90,000
VPSA Bonds	3.10-5.35	2003	2023	1,315,000	195,000
VPSA Bonds	4.10-5.60	2004	2024	1,120,000	220,000
VPSA Bonds	4.60-5.10	2005	2025	1,615,000	400,000
VPSA Bonds	4.225-5.10	2006	2026	1,265,000	360,000
VPSA Bonds	4.10-5.10	2007	2027	3,325,000	1,155,000
VPSA Bonds	5.05	2020	2030	6,170,000	6,170,000
Total general obligation bonds					<u>\$ 8,615,000</u>
<b>Lease Revenue Bonds</b>					
Virginia Resource Authority	5.125%	2020	2027	\$ 3,120,000	\$ 3,120,000
Virginia Resource Authority - Landfill	1.948-5.125	2020	2040	5,545,000	5,545,000
Virginia Resource Authority – Animal Shelter	0.404-2.525	2020	2037	1,860,000	1,860,000
Total lease revenue bonds					<u>\$ 10,525,000</u>
<b>Capital Leases</b>					
Pinnacle – Energy Conservation	2.25%	2016	2030	\$ 15,000,000	\$ 12,515,000
Caterpillar – Equipment	3.20	2016	2021	292,937	84,842
Total capital leases					<u>\$ 12,599,842</u>
<b>Business-Type Activities:</b>					
Revenue refunding bond – Virginia Resources Authority					
BB&T bond	4.238%	2012	2022	\$ 9,915,000	\$ 715,000
Virginia Resource Authority	2.890	2017	2037	6,177,000	5,907,000
Virginia Resource Authority	0.412	2020	2029	1,640,000	1,640,000
Virginia Resource Authority	5.125	2020	2040	1,660,000	1,660,000
Total revenue bonds					<u>\$ 9,922,000</u>
<b>Notes payable</b>					
Sewage facilities note	- %	1993	2023	\$ 421,819	\$ 29,207
Sewage facilities note	-	1998	2027	747,643	152,644
Sewage facilities note	3.41	2002	2021	322,159	23,192

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 (Continued)</b>					
<b>Business-Type Activities: (Continued)</b>					
<b>Notes payable (Continued)</b>					
Sewage facilities note	4.14%	2010	2029	\$ 329,751	\$ 181,492
Sewage facilities note	3.25	2011	2041	129,890	88,823
Sewage facilities note	2.80	2011	2041	41,049	28,734
Sewage facilities note	-	2013	2033	1,062,266	690,473
Sewage facilities note	3.22	2013	2043	30,001	25,492
Sewage facilities note	3.08	2014	2034	64,890	49,157
Sewage facilities note	3.14	2016	2036	50,297	42,559
Sewage facilities note	1.18	2020	2040	484,835	484,835
Total notes payable					<u>\$ 1,796,608</u>

**COMPONENT UNIT – ECONOMIC  
DEVELOPMENT AUTHORITY**

**Notes Payable (Direct Placement)**

Carter Bank and Trust	6.00%	2008	2023	\$ 309,067	<u>\$ 67,986</u>
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Annual debt payments

<u>Year Ending June 30,</u>	<u>Primary Government Governmental Activities</u>			
	<u>General Obligation and Lease Revenue Bonds</u>		<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,255,000	\$ 851,261	\$ 1,199,842	\$ 269,692
2023	1,335,000	721,161	1,190,000	243,113
2024	1,310,000	659,765	1,305,000	215,044
2025	1,375,000	596,607	1,330,000	185,400
2026	1,430,000	530,085	1,365,000	155,081
2027-2031	8,340,000	1,479,146	6,210,000	331,875
2032-2034	2,125,000	339,556	-	-
2037-2041	1,970,000	107,548	-	-
	<u>\$ 19,140,000</u>	<u>\$ 5,285,129</u>	<u>\$ 12,599,842</u>	<u>\$ 1,400,205</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

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

Annual debt payments (Continued)

Year Ending June 30,	Primary Government Business-Type Activities			
	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$ 493,000	\$ 274,033	\$ 158,293	\$ 20,368
2023	560,000	259,503	136,206	18,477
2024	583,000	235,896	137,348	17,160
2025	602,000	222,672	128,792	15,804
2026	615,000	208,431	130,012	14,408
2027-2031	3,094,000	797,654	579,890	49,591
2032-2036	2,540,000	403,723	348,658	23,865
2037-2041	1,435,000	76,670	168,221	9,019
2042-2044	-	-	9,188	501
	<u>\$ 9,922,000</u>	<u>\$ 2,478,582</u>	<u>\$ 1,796,608</u>	<u>\$ 169,193</u>

Year Ending June 30,	Component Unit Economic Development Authority	
	Notes Payable	
	Principal	Interest
2022	\$ 27,979	\$ 3,318
2023	29,704	1,592
2024	10,303	129
	<u>\$ 67,986</u>	<u>\$ 5,039</u>

Bank notes payable are collateralized by real property.

Capital leases – energy conservation

During fiscal year 2017, 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 \$595,399 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	22,251,464
Construction in progress	710,200
Less: accumulated depreciation	(3,765,859)
	<u>\$ 19,488,742</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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.

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, 2019 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>156</u>
Inactive members:	
Vested inactive members	36
Non-vested inactive members	61
Inactive members active elsewhere in VRS	<u>112</u>
Total inactive members	<u>209</u>
Active members	<u>209</u>
Total covered employees	<u><u>574</u></u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

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

**Contributions**

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2021 was 10.84% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$1,056,478 and \$882,857 for the years ended June 30, 2021 and 2020, 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to the measurement date of June 30, 2020.

**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, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
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*

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

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

**Actuarial Assumptions (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 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates: 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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study 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, 2021**

**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 %	4.65 %	1.58 %
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00 %		4.64
	Inflation		2.50
	*Expected arithmetic nominal return		7.14 %

- \* The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the fiscal year 2020 actuarial valuations, provide a median return of 6.81%.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever is greater. From July 1, 2020 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, 2021**

**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, 2019	\$ 46,219,499	\$ 42,432,260	\$ 3,787,239
Changes for the year:			
Service cost	1,126,761	-	1,126,761
Interest	3,043,058	-	3,043,058
Differences between expected and actual experience	238,967	-	238,967
Contributions – employer	-	882,857	(882,857)
Contributions – employee	-	449,563	(449,563)
Net investment income	-	799,857	(799,857)
Benefit payments, including refunds of employee contributions	(2,274,326)	(2,274,326)	-
Administrative expenses	-	(27,731)	27,731
Other changes	-	(953)	953
Net changes	2,134,460	(170,733)	2,305,193
Balances at June 30, 2020	\$ 48,353,959	\$ 42,261,527	\$ 6,092,432

**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	\$ 11,875,111	\$ 6,092,432	\$ 1,264,448

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2021, the political subdivision recognized pension expense of \$1,748,556. At June 30, 2021, 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	\$ 155,992	\$ 12,124
Change in assumptions	433,391	-
Net difference between projected and actual earnings on pension plan investments	1,265,899	-
Employer contributions subsequent to the measurement date	<u>1,056,478</u>	<u>-</u>
Total	<u><u>\$ 2,911,760</u></u>	<u><u>\$ 12,124</u></u>

The \$1,056,478 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 ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Increase to Pension Expense</b>
2022	\$ 520,088
2023	485,943
2024	430,815
2025	406,312
2026	-
Thereafter	-

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Payables to the Pension Plan**

At June 30, 2021, approximately \$86,611 was payable to the Virginia Retirement System for the legally required contributions related to June 2021 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, 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	14
Inactive members:	
Vested inactive members	2
Non-vested inactive members	6
Inactive members active elsewhere in VRS	4
Total inactive members	12
Active members	21
Total covered employees	47

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2020 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 \$52,397 and \$57,921 for the years ended December 31, 2020 and 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.

**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	\$ 5,606,220	\$ 5,272,816	\$ 333,404
Changes for the year:			
Service cost	69,885	-	69,885
Interest	384,494	-	384,494
Differences between expected and actual experience	(19,227)	-	(19,227)
Assumption changes	166,628	-	166,628
Contributions – employer	-	53,162	(53,162)
Contributions – employee	-	48,087	(48,087)
Net investment income	-	348,793	(348,793)
Benefit payments, including refunds of employee contributions	(226,908)	(226,908)	-
Administrative expenses	-	(3,502)	3,502
Other changes	-	(219)	219
Net changes	374,872	219,413	155,459
Balances at June 30, 2019	\$ 5,981,092	\$ 5,492,229	\$ 488,863

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 6.75%, as well as what 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>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)	\$ 1,248,473	\$ 488,863	\$ (120,969)

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

For the year ended December 31, 2020, the Authority recognized pension expense of \$64,256. At December 31, 2020, the Authority 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	\$ 610	\$ 25,396
Changes in assumption	115,200	4,817
Net difference between projected and actual earnings on pension plan investments	-	48,875
Employer contributions subsequent to the measurement date	85,732	-
	<u>\$ 201,542</u>	<u>\$ 79,088</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

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

The \$85,732 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 Ended December 31,</b>	<b>Increase (Reduction) to Pension Expense</b>
2021	\$ 29,765
2022	(5,840)
2023	9,641
2024	3,156
2025	-
Thereafter	-

**Payables to the Pension Plan**

At December 31, 2020, 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, 2021**

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

**Employees Covered by Benefit Terms**

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

	<b><u>Members</u></b>
Inactive members or their beneficiaries currently receiving benefits	<u>71</u>
Inactive members:	
Vested inactive members	12
Non-vested inactive members	54
Inactive members active elsewhere in VRS	<u>17</u>
Total inactive members	<u>83</u>
Active members	<u>124</u>
Total covered employees	<u><u>278</u></u>

**Contributions**

The School Division's contractually required contribution rate for the year ended June 30, 2021 was 2.85% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

Contributions to the pension plan from the School Division were \$63,997 and \$58,456 for the years ended June 30, 2021 and 2020, respectively.

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2019	\$ 8,858,410	\$ 10,057,506	\$ (1,199,096)
Changes for the year:			
Service cost	253,852	-	253,852
Interest	584,511	-	584,511
Differences between expected and actual experience	27,045	-	27,045
Contributions – employer	-	58,456	(58,456)
Contributions – employee	-	130,426	(130,426)
Net investment income	-	191,101	(191,101)
Benefit payments, including refunds of employee contributions	(397,967)	(397,967)	-
Administrative expenses	-	(6,554)	6,554
Other changes	-	(226)	226
Net changes	467,441	(24,764)	492,205
Balances at June 30, 2020	\$ 9,325,851	\$ 10,032,742	\$ (706,891)

**Sensitivity of the Net Pension Liability (Asset) 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 liability (asset)	\$ 319,903	\$ (706,891)	\$ (1,575,251)

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2021, the School Division recognized pension expense of \$149,736. At June 30, 2021, 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	\$ 61,881	\$ 11,024
Change in assumptions	75,000	-
Net difference between projected and actual earnings on pension plan investments	300,784	-
Employer contributions subsequent to the measurement date	<u>63,997</u>	<u>-</u>
Total	<u><u>\$ 501,662</u></u>	<u><u>\$ 11,024</u></u>

The \$63,997 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 ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Increase to Pension Expense</b>
2022	\$ 127,125
2023	101,800
2024	101,616
2025	96,100
2026	-
Thereafter	-

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Payables to the Pension Plan**

At June 30, 2021, approximately \$5,282 was payable to the Virginia Retirement System for the legally required contributions related to June 2021 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 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 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, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Division were \$3,993,985 and \$3,836,338 for the years ended June 30, 2021 and 2020, respectively.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2021, the School Division reported a liability of \$42,013,432 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The School Division's proportion of the Net Pension Liability was based on the School Division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the School Division's proportion was 0.28870% as compared to 0.28425% at June 30, 2019.

For the year ended June 30, 2021, the School Division recognized pension expense of \$4,131,885. 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, 2021, the School Division 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	\$ -	\$ 2,462,635
Change in assumptions	2,867,944	-
Net difference between projected and actual earnings on pension plan investments	3,195,587	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	467,283	1,269,870
Employer contributions subsequent to the measurement date	<u>3,993,985</u>	<u>-</u>
Total	<u><u>\$ 10,524,799</u></u>	<u><u>\$ 3,732,505</u></u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 \$3,993,985 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 ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Increase (Reduction) to Pension Expense</b>
2022	\$ (479,217)
2023	750,074
2024	1,367,633
2025	1,184,731
2026	(24,912)
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, 2020, 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	\$ 51,001,855
Plan fiduciary net position	<u>36,449,229</u>
Employers' net pension liability (asset)	<u>\$ 14,552,626</u>
Plan fiduciary net position as a percentage of the total pension liability	71.47%

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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	\$ 61,643,140	\$ 42,013,432	\$ 25,777,182

*Pension Plan Fiduciary Net Position*

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

*Payables to the Pension Plan*

At June 30, 2021 approximately \$317,179 was payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2019 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	30
Active members	<u>102</u>
Total covered employees	<u><u>132</u></u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2019. 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:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2021 Contribution	\$55,734
June 30, 2020 Contribution	\$49,970

**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:	1.21% of covered employee compensation.
June 30, 2021 Contribution	\$24,800
June 30, 2020 Contribution	\$21,928

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

The net OPEB liabilities were measured as of June 30, 2020 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2020 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, 2021**

**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, 2021 proportionate share of liability	\$ 773,172
June 30, 2020 proportion	0.04633%
June 30, 2019 proportion	0.04577%
June 30, 2021 expense	\$ 42,174

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, 2019	\$ 193,320	\$ 127,657	\$ 65,663
Changes for the year:			
Service cost	6,129	-	6,129
Interest	12,475	-	12,475
Differences between expected and actual experience	(7,213)	-	(7,213)
Contributions – employer	-	10,216	(10,216)
Net investment income	-	2,459	(2,459)
Benefit payments	(17,003)	(17,003)	-
Administrative expenses	-	(233)	233
Other changes	-	(1)	1
Net changes	(5,612)	(4,562)	(1,050)
Balances at June 30, 2020	\$ 187,708	\$ 123,095	\$ 64,613

For the year ended June 30, 2021, the County reported OPEB expense of \$10,511 for the health insurance credit program.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2021, 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	\$ 49,592	\$ 6,944
Change in assumptions	38,667	16,144
Net difference between projected and actual earnings on OPEB plan investments	23,225	-
Changes in proportion	38,125	-
Employer contributions subsequent to the measurement date	55,734	-
	<hr/>	<hr/>
Total	\$ 205,343	\$ 23,088
	<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	\$ 3,206	\$ 6,025
Change in assumptions	2,903	1,756
Net difference between projected and actual earnings on OPEB plan investments	4,102	-
Employer contributions subsequent to the measurement date	24,800	-
	<hr/>	<hr/>
Total	\$ 35,011	\$ 7,781
	<hr/>	<hr/>

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**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 ending June 30, 2022. 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 Ended June 30,	Increase to OPEB Expense
2022	\$ 24,335
2023	30,894
2024	33,915
2025	28,871
2026	7,750
Thereafter	756

General Employee Health Insurance Credit Program

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2022	\$ 53
2023	1,051
2024	1,740
2025	859
2026	(1,188)
Thereafter	(85)

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2019, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.375 – 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 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 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.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2020, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>
Total OPEB Liability	\$ 3,523,937
Plan fiduciary net position	1,855,102
Employers' net OPEB liability (asset)	1,668,835
Plan fiduciary net position as a percentage of total OPEB liability	52.64%

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, 2021**

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

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

<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 %	4.65 %	1.58 %
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00 %		4.64
	Inflation		2.50
	*Expected arithmetic nominal return		7.14 %

\* The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the fiscal year 2020 actuarial valuations provide a median return of 6.81%.

**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, 2020, 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, 2020 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, 2021**

**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	\$ 1,016,394	\$ 773,172	\$ 575,653
General Employee HIC Net OPEB liability	\$ 83,899	\$ 64,613	\$ 48,135

**OPEB Plan Fiduciary Net Position**

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

**Payables to the OPEB Plan**

At June 30, 2021, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll.

- Group Life Insurance \$11,490
- General Employee Health Insurance Credit 2,033

**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, 2021**

**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, 2019. 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, 2021**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (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:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2021 Contribution – general employees	\$14,883
June 30, 2021 Contribution – teachers	\$134,850
June 30, 2020 Contribution – general employees	\$14,418
June 30, 2020 Contribution – teachers	\$129,479

Teacher Health Insurance Credit Program

Governed by:	<i>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.</i>
Total rate:	1.21% of covered employee compensation.
June 30, 2021 Contribution	\$304,807
June 30, 2020 Contribution	\$296,303

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

The net OPEB liabilities were measured as of June 30, 2020 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2020 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, 2021**

**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, 2021 proportionate share of liability	\$ 224,792
June 30, 2020 proportion	0.01347%
June 30, 2019 proportion	0.01325%
June 30, 2021 expense	\$ 7,949

Teachers

June 30, 2021 proportionate share of liability	\$ 2,021,962
June 30, 2020 proportion	0.12116%
June 30, 2019 proportion	0.12017%
June 30, 2021 expense	\$ 52,303

Teacher Health Insurance Credit Program

June 30, 2021 proportionate share of liability	\$ 3,707,566
June 30, 2020 proportion	0.28421%
June 30, 2019 proportion	0.28085%
June 30, 2021 expense	\$ 263,814

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, 2021, 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	\$ 14,418	\$ 2,019
Change in assumptions	11,242	4,694
Net difference between projected and actual earnings on OPEB plan investments	6,753	-
Changes in proportion	10,347	12,742
Employer contributions subsequent to the measurement date	14,883	-
Total	<u>\$ 57,643</u>	<u>\$ 19,455</u>

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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	\$ 129,690	\$ 18,160
Change in assumptions	101,121	42,220
Net difference between projected and actual earnings on OPEB plan investments	60,738	-
Changes in proportion	12,633	85,730
Employer contributions subsequent to the measurement date	<u>134,850</u>	<u>-</u>
Total	<u><u>\$ 439,032</u></u>	<u><u>\$ 146,110</u></u>

Teacher Health Insurance Credit Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 49,513
Change in assumptions	73,293	20,257
Net difference between projected and actual earnings on OPEB plan investments	16,430	-
Changes in proportion	37,618	198,148
Employer contributions subsequent to the measurement date	<u>304,807</u>	<u>-</u>
Total	<u><u>\$ 432,148</u></u>	<u><u>\$ 267,918</u></u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 ending June 30, 2022. 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 Ended June 30,	Increase (Reduction) to OPEB Expense		
	Group Life Insurance Program – General Employees	Group Life Insurance Program – Teachers	Teacher Health Insurance Credit Program
2022	\$ 2,763	\$ 5,652	\$ (39,811)
2023	4,670	22,805	(38,183)
2024	7,275	46,865	(38,729)
2025	6,680	62,619	(26,994)
2026	1,668	18,423	(2,197)
Thereafter	249	1,708	5,337

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2019, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.375 – 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, 2021**

**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 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 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, 2020, 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	\$ 3,523,937	\$ 1,448,676
Plan fiduciary net position	1,855,102	144,160
Employers' net OPEB liability (asset)	1,668,835	1,304,516
Plan fiduciary net position as a percentage of total OPEB liability	52.64%	9.95%

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, 2021**

**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 %	4.65 %	1.58 %
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00 %		4.64
	Inflation		2.50
			<u>7.14 %</u>

\*Expected arithmetic nominal return

- \* The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent market assumptions compiled for the fiscal year 2020 actuarial valuations provide a median return of 6.81%.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2020, 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, 2020 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	\$ 295,507	\$ 224,792	\$ 167,366
GLI Net OPEB liability – teachers	\$ 2,658,024	\$ 2,021,962	\$ 1,505,420
Teacher HIC Net OPEB liability	\$ 4,150,234	\$ 3,707,566	\$ 3,331,331

**OPEB Plan Fiduciary Net Position**

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

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

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

**Payables to the OPEB Plan**

At June 30, 2021, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll.

- |  |         |
|--|---------|
| • Group Life Insurance – general employees | \$3,148 |
| • 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, 2021**

**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 \$706,635 was measured as of June 30, 2021 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**  
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**Note 16. Other Postemployment Benefits Liability – Local Plan (Continued)**

**Changes in the Total OPEB Liability**

Balance at June 30, 2020	\$ 647,214
Changes for the year:	
Service cost	78,963
Interest	15,629
Assumption or other input changes	3,039
Benefit payments	(38,210)
Net changes	59,421
Balance at June 30, 2021	\$ 706,635

**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 (1.16%) or one percentage point higher (3.16%) than the current discount rate:

	<b>1.00% Decrease (1.16%)</b>	<b>Current Discount Rate (2.16%)</b>	<b>1.00% Increase (3.16%)</b>
Total OPEB liability	\$ 770,253	\$ 706,635	\$ 648,381

**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	\$ 603,566	\$ 706,635	\$ 831,060

(Continued)



**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2021, the County recognized OPEB expense of \$106,496. At June 30, 2021, 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	\$ 46,424
Total	\$ 46,424

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

<b>Year Ended June 30,</b>	<b>Increase to OPEB Expense</b>
2022	\$ 11,904
2023	11,904
2024	11,904
2025	10,712
2026	-
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, 2021**

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

	<u><b>Members</b></u>
Inactive members or their beneficiaries currently receiving benefits	9
Active members	<u>21</u>
Total covered employees	<u><u>30</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**  
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**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, 2020 Contribution	\$8,590
June 30, 2019 Contribution	\$8,347

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, 2020 Contribution	\$3,843
June 30, 2019 Contribution	\$3,777

**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.

Group Life Insurance Program

June 30, 2020 proportionate share of liability	\$	88,000
June 30, 2019 proportion		0.00538%
June 30, 2018 proportion		0.00516%
June 30, 2020 expense	\$	3,000

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 2018	\$ 67,001	\$ 40,380	\$ 26,621
Changes for the year:			
Service cost	725	-	725
Interest	4,532	-	4,532
Differences between expected and actual experience	(1,161)	-	(1,161)
Assumption changes	1,440	-	1,440
Contributions – employer	-	2,525	(2,525)
Net investment income	-	2,503	(2,503)
Benefit payments	(4,530)	(4,530)	-
Administrative expenses	-	(54)	54
Other changes	-	(3)	3
Net changes	1,006	441	565
Balances at June 30, 2019	\$ 68,007	\$ 40,821	\$ 27,186

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 December 31, 2020, 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	\$ 6,000	\$ 1,000
Change in assumptions	6,000	3,000
Net difference between projected and actual earnings on OPEB plan investments	-	2,000
Changes in proportion	6,000	4,000
Employer contributions subsequent to the measurement date	8,590	-
	<u>\$ 26,590</u>	<u>\$ 10,000</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	\$ -	\$ 3,467
Change in assumptions	1,157	1,111
Net difference between projected and actual earnings on OPEB plan investments	-	495
Employer contributions subsequent to the measurement date	3,843	-
	<u>\$ 5,000</u>	<u>\$ 5,073</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 ending 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 as follows:

Group Life Insurance Program

<b>Year Ended June 30,</b>	<b>Increase to OPEB Expense</b>
2021	\$ 1,000
2022	1,000
2023	1,000
2024	2,000
2025	2,000
Thereafter	1,000

General Employee Health Insurance Credit Program

<b>Year Ended June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2021	\$ (1,692)
2022	(1,625)
2023	(714)
2024	106
2025	9
Thereafter	-

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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, 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%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

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, 2019, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</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.

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 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 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 (5.75%) or one percentage point higher (7.75%) than the current discount rate:

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
GLI Net OPEB liability	\$ 115,000	\$ 88,000	\$ 65,000
General Employee HIC Net OPEB liability	\$ 33,499	\$ 27,186	\$ 21,718

**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 (Annual Report). A copy of the 2019 VRS Annual Report 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, 2021**

**Note 18. Summary of Pension Elements**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>School Board</u>
Net pension asset				
VRS basic pension plan	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 706,891</u>
Deferred outflows of resources				
Differences between expected and actual experience	\$ 155,992	\$ 610	\$ 156,602	\$ 61,881
Change in assumptions	433,391	115,200	548,591	2,942,944
Net difference between projected and actual earnings on plan investments	1,265,899	-	1,265,899	3,496,371
Change in proportion	-	-	-	467,283
Employer contributions subsequent to measurement date	<u>1,056,478</u>	<u>85,732</u>	<u>1,142,210</u>	<u>4,057,982</u>
Total deferred outflows of resources	<u>\$ 2,911,760</u>	<u>\$ 201,542</u>	<u>\$ 3,113,302</u>	<u>\$ 11,026,461</u>
Net pension liability				
VRS basic pension plan	<u>\$ 6,092,432</u>	<u>\$ 488,863</u>	<u>\$ 6,581,295</u>	<u>\$ 42,013,432</u>
Deferred inflows of resources				
Differences between expected and actual experience	\$ 12,124	\$ 25,396	\$ 37,520	\$ 2,473,659
Change in assumptions	-	4,817	4,817	-
Net difference between projected and actual earnings on plan investments	-	48,875	48,875	-
Change in proportion	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,269,870</u>
Total deferred inflows of resources	<u>\$ 12,124</u>	<u>\$ 79,088</u>	<u>\$ 91,212</u>	<u>\$ 3,743,529</u>
Net pension expense	<u>\$ 1,748,556</u>	<u>\$ 149,736</u>	<u>\$ 1,898,292</u>	<u>\$ 4,281,621</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

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

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>School Board</u>
Deferred outflows of resources				
Difference between expected and actual experience:				
GLI – general employees	\$ 49,592	\$ 6,000	\$ 55,592	\$ 14,418
GLI – teachers	-	-	-	129,690
HIC – general employees	3,206	-	3,206	-
Change in actuarial assumptions:				
GLI – general employees	38,667	6,000	44,667	11,242
GLI – teachers	-	-	-	101,121
HIC – general employees	2,903	1,157	4,060	-
HIC – teachers	-	-	-	73,293
Local plan	46,424	-	46,424	-
Net difference between projected and actual investment earnings				
GLI – general employees	23,225	-	23,225	6,753
GLI – teachers	-	-	-	60,738
HIC – general employees	4,102	-	4,102	-
HIC – teachers	-	-	-	16,430
Change in proportion:				
GLI – general employees	38,125	6,000	44,125	10,347
GLI – teachers	-	-	-	12,633
HIC – teachers	-	-	-	37,618
Contributions subsequent to measurement date:				
GLI – general employees	55,734	8,590	64,324	14,883
GLI – teachers	-	-	-	134,850
HIC – general employees	24,800	3,843	28,643	-
HIC – teachers	-	-	-	304,807
	<u>\$ 286,778</u>	<u>\$ 31,590</u>	<u>\$ 318,368</u>	<u>\$ 928,823</u>
Total deferred outflows of resources				
Net other postemployment benefits liability				
GLI – general employees	\$ 773,172	\$ 88,000	\$ 861,172	\$ 224,792
GLI – teachers	-	-	-	2,021,962
HIC – general employees	64,613	27,186	91,799	-
HIC – teachers	-	-	-	3,707,566
Local plan	706,635	-	706,635	-
	<u>\$ 1,544,420</u>	<u>\$ 115,186</u>	<u>\$ 1,659,606</u>	<u>\$ 5,954,320</u>
Total net other postemployment benefits liability				

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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	\$ 6,944	\$ 1,000	\$ 7,944	\$ 2,019
GLI – teachers	-	-	-	18,160
HIC – general employees	6,025	3,467	9,492	-
HIC – teachers	-	-	-	49,513
Change in actuarial assumptions:				
GLI – general employees	16,144	3,000	19,144	4,694
GLI – teachers	-	-	-	42,220
HIC – general employees	1,756	1,111	2,867	-
HIC – teachers	-	-	-	20,257
Net difference between projected and actual investment earnings				
GLI – general employees	-	2,000	2,000	-
HIC – general employees	-	495	495	-
Change in proportion				
GLI – general employees	-	4,000	4,000	12,742
GLI – teachers	-	-	-	85,730
HIC – teachers	-	-	-	198,148
	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,148</u>
Total deferred inflows of resources	<u>\$ 30,869</u>	<u>\$ 15,073</u>	<u>\$ 45,942</u>	<u>\$ 433,483</u>
Net OPEB expense	<u>\$ 159,181</u>	<u>\$ 3,000</u>	<u>\$ 162,181</u>	<u>\$ 324,066</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, 2021**

**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 \$628,673. 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 \$6,051,702 for landfill closure and post-closure liability as of June 30 represents the cumulative amount reported to date based on estimated use of approximately 90% of the estimated capacity of the entire landfill site. The remaining estimated cost of closure and post-closure care of \$634,392 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 \$2,955,000 at year end.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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	\$ 108,601	\$ 5,645	\$ -	\$ 114,246	\$ 127,034
<b>Restricted:</b>					
Community development	-	57,793	-	57,793	-
Other capital projects	-	-	3,016,607	3,016,607	-
<b>Total restricted</b>	-	57,793	3,016,607	3,074,400	-

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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	\$ 1,837,225	\$ -	\$ -	\$ 1,837,225	\$ -
Community development	15,850	-	-	15,850	-
Parks, recreation, and cultural	267,563	-	-	267,563	-
Other capital projects	834,856	-	-	834,856	-
<b>Total committed</b>	<u>2,955,494</u>	<u>-</u>	<u>-</u>	<u>2,955,494</u>	<u>-</u>
<b>Assigned to:</b>					
Public safety	-	709,072	-	709,072	-
Public works	90,740	7,256,635	-	7,347,375	-
Parks, recreation, and cultural	-	28,946	-	28,946	-
Education	-	-	-	-	3,354,785
Other capital projects	3,738,060	-	-	3,738,060	-
<b>Total assigned</b>	<u>3,828,800</u>	<u>7,994,653</u>	<u>-</u>	<u>11,823,453</u>	<u>3,354,785</u>
<b>Unassigned</b>	<u>12,840,681</u>	<u>-</u>	<u>-</u>	<u>12,840,681</u>	<u>(127,034)</u>
<b>Total fund balances</b>	<u><u>\$ 19,733,576</u></u>	<u><u>\$ 8,058,091</u></u>	<u><u>\$ 3,016,607</u></u>	<u><u>\$ 30,808,274</u></u>	<u><u>\$ 3,354,785</u></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 \$143,844 for operations to HBH for 2021.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**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 \$1,430,564 for operations to BRRJA for 2021.

**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, 2021, \$7,561,935 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 2021, the County paid \$389,159 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, 2021**

**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 31)	\$ 50,350,061
School-related principal and other debt service expenditures included in primary government (Exhibit 5)	<u>9,622,909</u>
Total expenditures for school activities	<u><u>\$ 59,972,970</u></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, 2021**

**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, 2021, outstanding conduit debt was as follows:

Lynchburg College, Series 2003	\$ 8,110,000
Total conduit debt outstanding	<u>\$ 8,110,000</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, 2021. The Company received a tax abatement during fiscal year 2021 totaling \$168,080, and there is one year remaining on that agreement.

**Note 31. Adoption of New Standard and Prior Period Restatement**

In the current year, the County and Schools adopted GASB Statement No. 84, *Fiduciary Activities*. This statement establishes standards of accounting and financial reporting for fiduciary activities. As a result of this standard, the Schools have recorded amounts held in the School Activity Funds in the financial statements.

The following is a summary of the restatements to fund balance and net position, as applicable, resulting from the adoption of GASB Statement No. 84:

	<u>School Activities</u>	<u>School Governmental Activities</u>
Fund balance/Net position July 1, 2020, as previously reported	\$ -	\$ (21,740,409)
Recognition of Fiduciary Activities in accordance with GASB No. 84	<u>531,684</u>	<u>531,684</u>
Fund balance / Net position July 1, 2020, as restated	<u>\$ 531,684</u>	<u>\$ (21,208,725)</u>

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 31. Adoption of New Standard and Prior Period Restatement (Continued)**

The County previously presented the special welfare and forfeited asset funds as agency funds. The relationship between the County and these funds have not changed, however, under GASB 84, these funds are presented as custodial funds. In addition, the liability presented previously as “Amounts Held for Others” is restated as beginning net position.

**Note 32. 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 2021. As such, the County’s financial condition and liquidity may be negatively impacted for fiscal year 2022. The County has received substantial amounts of federal funding to aid with pandemic costs and losses.

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 2022.

**Note 33. 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 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.

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.

(Continued)

**COUNTY OF AMHERST, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 33. New Accounting Standards (Continued)**

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.

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, 2021**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 24,834,450	\$ 25,070,035	\$ 26,203,903	\$ 1,133,868
Other local taxes	7,091,350	7,579,256	8,833,419	1,254,163
Permits, fees, license	197,300	192,300	195,798	3,498
Fines and forfeitures	-	188,415	228,358	39,943
Use of money and property	268,651	214,745	116,011	(98,734)
Charges for services	1,625,000	1,638,557	1,701,704	63,147
Miscellaneous	200,300	214,623	510,489	295,866
Recovered costs	301,650	308,770	239,534	(69,236)
Intergovernmental revenues:				
Commonwealth	7,694,720	7,993,203	7,772,702	(220,501)
Federal	1,541,524	1,541,524	1,924,894	383,370
Total revenues	43,754,945	44,941,428	47,726,812	2,785,384
EXPENDITURES				
Current:				
General government administration	2,718,058	3,028,796	2,865,634	163,162
Judicial administration	1,674,709	1,715,228	1,548,936	166,292
Public safety	10,827,395	12,049,684	11,368,895	680,789
Public works	852,739	1,051,503	1,020,064	31,439
Health and welfare	5,616,915	6,066,279	6,515,534	(449,255)
Education	13,964,105	13,961,105	13,013,980	947,125
Parks, recreation, and cultural	1,235,000	1,307,108	1,248,739	58,369
Community development	1,006,399	2,233,592	1,985,497	248,095
Nondepartmental	1,785,347	869,608	217,966	651,642
Debt service:				
Principal	2,629,079	15,139,264	18,441,830	(3,302,566)
Interest	832,834	1,041,986	1,061,679	(19,693)
Bond issuance costs	2,000	177,784	284,867	(107,083)
Total expenditures	43,144,580	58,641,937	59,573,621	(931,684)
Excess of revenues (under) expenditures	610,365	(13,700,509)	(11,846,809)	1,853,700
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	11,150,000	11,150,000	-
Premium on debt issuance	-	2,379,823	2,379,497	(326)
Transfers in	991,750	1,997,448	4,535,576	2,538,128
Transfers out	(1,602,115)	(1,826,762)	(1,988,039)	(161,277)
Total other financing sources (uses)	(610,365)	13,700,509	16,077,034	2,376,525
Net change in fund balance	\$ -	\$ -	\$ 4,230,225	\$ 4,230,225

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, 2021**

	<b>Plan Year</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total Pension Liability</b>			
Service cost	\$ 1,126,761	\$ 1,035,596	\$ 987,060
Interest on total pension liability	3,043,058	2,944,486	2,836,683
Difference between expected and actual experience	238,967	(24,423)	(192,175)
Changes in assumptions	-	1,266,837	-
Benefit payments, including refunds of employee contributions	(2,274,326)	(2,134,158)	(2,048,909)
Net change in total pension liability	2,134,460	3,088,338	1,582,659
<b>Total pension liability – beginning</b>	<b>46,219,499</b>	<b>43,131,161</b>	<b>41,548,502</b>
<b>Total pension liability – ending</b>	<b>48,353,959</b>	<b>46,219,499</b>	<b>43,131,161</b>
<b>Plan Fiduciary Net Position</b>			
Contributions – employer	882,857	839,756	831,426
Contributions – employee	449,563	439,624	422,882
Net investment income	799,857	2,690,349	2,844,587
Benefit payments, including refunds of employee contributions	(2,274,326)	(2,134,158)	(2,048,909)
Administrative expenses	(27,731)	(26,875)	(24,748)
Other	(953)	(1,694)	(2,522)
Net change in plan fiduciary net position	(170,733)	1,807,002	2,022,716
<b>Plan fiduciary net position – beginning</b>	<b>42,432,260</b>	<b>40,625,258</b>	<b>38,602,542</b>
<b>Plan fiduciary net position – ending</b>	<b>42,261,527</b>	<b>42,432,260</b>	<b>40,625,258</b>
<b>Net pension liability – ending</b>	<b>\$ 6,092,432</b>	<b>\$ 3,787,239</b>	<b>\$ 2,505,903</b>
Plan fiduciary net position as a percentage of total pension liability	87%	92%	94%
Covered payroll	\$ 9,524,622	\$ 8,956,710	\$ 8,631,987
Net pension liability as a percentage of covered payroll	64%	42%	29%

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.



**EXHIBIT 13**

Plan Year			
2017	2016	2015	2014
\$ 906,378	\$ 914,633	\$ 874,938	\$ 950,553
2,727,579	2,649,097	2,567,290	2,439,990
59,368	(411,642)	(442,541)	-
(77,099)	-	-	-
(2,066,268)	(1,995,574)	(1,666,446)	(1,477,503)
1,549,958	1,156,514	1,333,241	1,913,040
39,998,544	38,842,030	37,508,789	35,595,749
41,548,502	39,998,544	38,842,030	37,508,789
778,770	953,295	942,715	884,349
449,906	369,207	369,385	368,536
4,256,473	597,465	1,554,214	4,678,377
(2,066,268)	(1,995,574)	(1,666,446)	(1,477,503)
(24,889)	(22,083)	(21,323)	(25,170)
(3,773)	(258)	(331)	247
3,390,219	(97,948)	1,178,214	4,428,836
35,212,323	35,310,271	34,132,057	29,703,221
38,602,542	35,212,323	35,310,271	34,132,057
\$ 2,945,960	\$ 4,786,221	\$ 3,531,759	\$ 3,376,732
93%	88%	91%	91%
\$ 8,026,035	\$ 6,665,766	\$ 7,085,697	\$ 7,232,732
37%	72%	50%	47%

**COUNTY OF AMHERST, VIRGINIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –  
SCHOOLS – NONPROFESSIONAL EMPLOYEES  
June 30, 2021**

	<b>Plan Year</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total Pension Liability</b>			
Service cost	\$ 253,852	\$ 253,332	\$ 255,979
Interest on total pension liability	584,511	549,881	541,082
Difference between expected and actual experience	27,045	140,073	(341,762)
Changes in assumptions	-	236,290	-
Benefit payments, including refunds of employee contributions	(397,967)	(353,214)	(305,975)
Net change in total pension liability	467,441	826,362	149,324
<b>Total pension liability – beginning</b>	<b>8,858,410</b>	<b>8,032,048</b>	<b>7,882,724</b>
<b>Total pension liability – ending</b>	<b>9,325,851</b>	<b>8,858,410</b>	<b>8,032,048</b>
<b>Plan Fiduciary Net Position</b>			
Contributions – employer	58,456	57,942	85,287
Contributions – employee	130,426	123,729	128,696
Net investment income	191,101	638,019	666,675
Benefit payments, including refunds of employee contributions	(397,967)	(353,214)	(305,975)
Administrative expenses	(6,554)	(6,324)	(5,723)
Other	(226)	(401)	(596)
Net change in plan fiduciary net position	(24,764)	459,751	568,364
<b>Plan fiduciary net position – beginning</b>	<b>10,057,506</b>	<b>9,597,755</b>	<b>9,029,391</b>
<b>Plan fiduciary net position – ending</b>	<b>10,032,742</b>	<b>10,057,506</b>	<b>9,597,755</b>
<b>Net pension asset – ending</b>	<b>\$ (706,891)</b>	<b>\$ (1,199,096)</b>	<b>\$ (1,565,707)</b>
Plan fiduciary net position as a percentage of total pension liability	108%	114%	119%
Covered payroll	\$ 2,771,515	\$ 2,595,173	\$ 2,904,472
Net pension asset as a percentage of covered payroll	-26%	-46%	-54%

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.

**EXHIBIT 14**

Plan Year			
2017	2016	2015	2014
\$ 253,898	\$ 247,311	\$ 241,309	\$ 248,646
519,493	504,728	469,365	443,148
(50,064)	(232,007)	115,149	-
(113,391)	-	-	-
(297,090)	(321,116)	(320,157)	(314,377)
312,846	198,916	505,666	377,417
7,569,878	7,370,962	6,865,296	6,487,879
7,882,724	7,569,878	7,370,962	6,865,296
78,384	143,860	138,428	159,871
119,548	122,555	118,082	113,591
991,087	141,606	355,124	1,062,244
(297,090)	(321,116)	(320,157)	(314,377)
(5,704)	(4,981)	(4,860)	(5,711)
(882)	(60)	(75)	56
885,343	81,864	286,542	1,015,674
8,144,048	8,062,184	7,775,642	6,759,968
9,029,391	8,144,048	8,062,184	7,775,642
\$ (1,146,667)	\$ (574,170)	\$ (691,222)	\$ (910,346)
115%	108%	109%	113%
\$ 2,652,660	\$ 2,431,341	\$ 2,353,184	\$ 2,232,203
-43%	-24%	-29%	-41%

## COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**June 30, 2021**

<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>					
2021	\$ 1,056,478	\$ 1,056,478	\$ -	\$ 10,357,658	10.20 %
2020	882,857	882,857	-	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>					
2021	63,997	63,997	-	2,766,891	2.31
2020	58,456	58,456	-	2,771,515	2.11
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, 2020**

	Plan Year					
	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ 69,885	\$ 75,780	\$ 86,869	\$ 86,773	\$ 92,629	\$ 90,808
Interest on total pension liability	384,494	371,336	360,637	346,205	326,042	304,802
Difference between expected and actual experience	(19,227)	(31,625)	11,383	(47,040)	(1,265)	-
Changes in assumptions	166,628	-	(89,816)	-	-	-
Benefit payments, including refunds of employee contributions	(226,908)	(228,128)	(204,339)	(155,194)	(103,535)	(80,845)
Net change in total pension liability	374,872	187,363	164,734	230,744	313,871	314,765
<b>Total pension liability – beginning</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>4,394,743</b>
<b>Total pension liability – ending</b>	<b>5,981,092</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	53,162	62,343	67,280	85,259	89,044	87,241
Contributions – employee	48,087	45,091	47,702	45,108	47,414	48,578
Net investment income	348,793	369,737	554,892	78,869	198,567	582,084
Benefit payments, including refunds of employee contributions	(226,908)	(228,128)	(204,339)	(155,194)	(103,535)	(80,845)
Administrative expenses	(3,502)	(3,231)	(3,231)	(2,794)	(2,647)	(3,060)
Other	(219)	(327)	(491)	(33)	(41)	31
Net change in plan fiduciary net position	219,413	245,485	461,813	51,215	228,802	634,029
<b>Plan fiduciary net position – beginning</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>3,651,472</b>
<b>Plan fiduciary net position – ending</b>	<b>5,492,229</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>\$ 488,863</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	92%	94%	93%	87%	90%	91%
Covered payroll	\$ 1,601,485	\$ 1,571,713	\$ 1,501,733	\$ 1,515,122	\$ 1,454,691	\$ 1,403,408
Net pension liability as a percentage of covered payroll	31%	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, 2019 is reported in the Authority's fiscal year ended December 31, 2020).

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, 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>
2020	\$ 59,847	\$ 59,847	\$ -	\$ 1,079,586	5.54 %
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, 2021**

<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>
2021	0.29 %	\$ 42,013,432	\$ 24,525,948	171.30 %	71.47 %
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, 2021**

<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>
2021	\$ 3,993,985	\$ 3,993,985	\$ -	\$ 25,207,720	15.84 %
2020	3,836,338	3,836,338	-	24,525,948	15.64
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, 2021**

	Primary Government			
	VRS Health Insurance Credit			
	General Employees			
	Plan Year			
	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service cost	\$ 6,129	\$ 4,699	\$ 4,565	\$ 4,050
Interest on total OPEB liability	12,475	12,506	11,939	12,056
Difference between expected and actual experience	(7,213)	6	6,253	-
Changes in assumptions	-	4,365	-	(4,960)
Benefit payments	(17,003)	(13,832)	(15,483)	(10,148)
Net change in total OPEB liability	(5,612)	7,744	7,274	998
<b>Total OPEB liability – beginning</b>	193,320	185,576	178,302	177,304
<b>Total OPEB liability – ending</b>	187,708	193,320	185,576	178,302
<b>Plan Fiduciary Net Position</b>				
Contributions – employer	10,216	9,311	9,237	8,839
Net investment income	2,459	7,802	8,582	12,748
Benefit payments	(17,003)	(13,832)	(15,483)	(10,148)
Administrative expenses	(233)	(168)	(197)	(204)
Other	(1)	(9)	(650)	650
Net change in plan fiduciary net position	(4,562)	3,104	1,489	11,885
<b>Plan fiduciary net position – beginning</b>	127,657	124,553	123,064	111,179
<b>Plan fiduciary net position – ending</b>	123,095	127,657	124,553	123,064
<b>Net OPEB liability – ending</b>	\$ 64,613	\$ 65,663	\$ 61,023	\$ 55,238
Plan fiduciary net position as a percentage of total OPEB liability	66%	66%	67%	69%
Covered payroll	\$ 9,524,622	\$ 8,956,710	\$ 8,631,987	\$ 8,026,035
Net OPEB liability as a percentage of covered payroll	1%	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, 2021**

<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>					
2021	\$ 24,800	\$ 24,800	\$ -	\$ 10,357,658	0.24 %
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, 2021**

<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>					
2021	0.2842 %	\$ 3,707,566	\$ 24,525,948	15.12 %	9.95 %
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>					
2021	0.0463	773,172	9,524,622	8.12	52.64
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>					
2021	0.0135	224,792	2,771,515	8.11	52.64
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>					
2021	0.1212	2,021,962	24,525,948	8.24	52.64
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, 2021**

<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>					
2021	\$ 304,807	\$ 304,807	\$ -	\$ 25,207,720	1.21 %
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>					
2021	55,734	55,734	-	10,357,658	0.54
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>					
2021	14,883	14,883	-	2,766,891	0.54
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>					
2021	134,850	134,850	-	25,207,720	0.53
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, 2020**

	<b>VRS Health Insurance Credit General</b>		
	<b>Employees</b>		
	<b>Plan Year</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>			
Service cost	\$ 725	\$ 824	\$ 1,024
Interest on total OPEB liability	4,532	4,782	4,867
Difference between expected and actual experience	(1,161)	(4,265)	-
Changes in assumptions	1,440	-	(2,881)
Benefit payments	(4,530)	(5,307)	(3,145)
Net change in total OPEB liability	1,006	(3,966)	(135)
<b>Total OPEB liability – beginning</b>	<b>67,001</b>	<b>70,967</b>	<b>71,102</b>
<b>Total OPEB liability – ending</b>	<b>68,007</b>	<b>67,001</b>	<b>70,967</b>
<b>Plan Fiduciary Net Position</b>			
Contributions – employer	2,525	3,238	3,355
Net investment income	2,503	2,786	4,126
Benefit payments	(4,530)	(5,307)	(3,145)
Administrative expenses	(54)	(63)	(67)
Other	(3)	(208)	208
Net change in plan fiduciary net position	441	446	4,477
<b>Plan fiduciary net position – beginning</b>	<b>40,380</b>	<b>39,934</b>	<b>35,457</b>
<b>Plan fiduciary net position – ending</b>	<b>40,821</b>	<b>40,380</b>	<b>39,934</b>
<b>Net OPEB liability – ending</b>	<b>\$ 27,186</b>	<b>\$ 26,621</b>	<b>\$ 31,033</b>
Plan fiduciary net position as a percentage of total OPEB liability	60%	60%	56%
Covered payroll	\$ 575,857	\$ 599,118	\$ 584,077
Net OPEB liability as a percentage of covered payroll	5%	4%	5%

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, 2020**

<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 Payroll</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>					
2020	0.00538 %	\$ 88,000	\$ 575,857	15.28 %	52.00 %
2019	0.00516	79,000	599,118	13.19	51.22
2018	0.00551	83,000	584,077	14.21	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**  
**December 31, 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>					
2020	\$ 2,591	\$ 2,591	\$ -	\$ 576,518	0.45 %
2019	2,523	2,523	-	592,970	0.43
2018	3,267	3,267	-	622,730	0.52

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**  
**December 31, 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>					
2020	\$ 5,768	\$ 5,768	\$ -	\$ 576,518	1.00 %
2019	5,609	5,609	-	592,970	0.95
2018	5,188	5,188	-	622,730	0.83

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, 2021**

	<b>Primary Government</b>	
	<b>Plan Year</b>	
	<b>2021</b>	<b>2020</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 78,963	\$ 63,512
Interest on total OPEB liability	15,629	20,119
Changes in benefit terms	-	-
Difference between expected and actual experience	-	-
Changes in assumptions	3,039	66,573
Benefit payments	(38,210)	(28,355)
Net change in total OPEB liability	59,421	121,849
<b>Total OPEB liability – beginning</b>	<b>647,214</b>	<b>525,365</b>
<b>Total OPEB liability – ending</b>	<b>706,635</b>	<b>647,214</b>
<b>Plan Fiduciary Net Position</b>		
Contributions – employer	-	-
Contributions – employee	-	-
Net investment income	-	-
Benefit payments	-	-
Administrator charges	-	-
Other	-	-
Net change in plan fiduciary net position	-	-
<b>Plan fiduciary net position – beginning</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position – ending</b>	<b>-</b>	<b>-</b>
<b>Net OPEB liability – ending</b>	<b>\$ 706,635</b>	<b>\$ 647,214</b>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
Covered payroll	\$ 11,304,954	\$ 9,349,610
Net OPEB liability as a percentage of covered payroll	6.25%	6.92%

This schedule is intended to show information for 10 years. Since fiscal year 2020 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 – LOCAL PLAN**  
**June 30, 2021**

<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>					
2021	\$ -	\$ -	\$ -	\$ 11,304,954	0.00 %
2020	-	-	-	9,349,610	0.00 %

Schedule is intended to show information for 10 years. Since 2020 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

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2021

#### Note 1. Changes of Benefit Terms

##### Pension

There have been no actuarially material changes to the Virginia Retirement System (the “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, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

##### 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, GLI OPEB, and HIC OPEB

(Continued)

**COUNTY OF AMHERST, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2021**

**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, GLI OPEB, and HIC 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

**OTHER  
SUPPLEMENTARY INFORMATION**

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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.

## **School Activities Fund**

The School Activities Fund accounts for all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, etc., and from any and all school sponsored activities of the Schools that involve school personnel, students, or property.

## COUNTY OF AMHERST, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

	<b>School Operating</b>	<b>School Cafeteria</b>	<b>School Textbook</b>	<b>School Construction</b>	<b>School Activities</b>	<b>Total</b>
<b>ASSETS</b>						
Cash and investments	\$ 667,297	\$ 1,571,585	\$ 970,543	\$ 494,113	\$ 651,359	\$ 4,354,897
Due from primary government	2,037,637	-	-	-	-	2,037,637
Due from other governmental units	1,246,746	-	-	-	-	1,246,746
Prepaid items	127,034	-	-	-	-	127,034
Total assets	<u>\$ 4,078,714</u>	<u>\$ 1,571,585</u>	<u>\$ 970,543</u>	<u>\$ 494,113</u>	<u>\$ 651,359</u>	<u>\$ 7,766,314</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 458,678	\$ 14,446	\$ -	\$ -	\$ -	\$ 473,124
Accrued liabilities	3,499,011	318,369	-	-	-	3,817,380
Unearned revenue	121,025	-	-	-	-	121,025
Total liabilities	<u>4,078,714</u>	<u>332,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,411,529</u>
<b>FUND BALANCES</b>						
Nonspendable	127,034	-	-	-	-	127,034
Assigned	-	1,238,770	970,543	494,113	651,359	3,354,785
Unassigned	(127,034)	-	-	-	-	(127,034)
Total fund balances	<u>-</u>	<u>1,238,770</u>	<u>970,543</u>	<u>494,113</u>	<u>651,359</u>	<u>3,354,785</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,078,714</u>	<u>\$ 1,571,585</u>	<u>\$ 970,543</u>	<u>\$ 494,113</u>	<u>\$ 651,359</u>	<u>\$ 7,766,314</u>

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

Total fund balances – governmental funds \$ 3,354,785

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

15,504,767

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 \$ 11,026,461  
Other postemployment benefits 928,823

Deferred inflows related to:

Pensions (3,743,529)  
Other postemployment benefits (433,483)

Net pension asset 706,891

Net pension liability (42,013,432)

Net other postemployment benefit liability (5,954,320)

(39,482,589)

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

Compensated absences

(609,513)

**Net position of governmental activities**

\$ (21,232,550)



## 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, 2021**

	<b>School Operating</b>	<b>School Cafeteria</b>	<b>School Textbook</b>	<b>School Construction</b>	<b>School Activities</b>	<b>Total</b>
<b>REVENUES</b>						
Revenue from the use of money and property	\$ 2,126	\$ -	\$ 97	\$ 20,862	\$ -	\$ 23,085
Charges for services	584,633	66,892	-	-	714,180	1,365,705
Miscellaneous	137,405	-	-	-	-	137,405
Recovered costs	156,877	-	-	-	-	156,877
Intergovernmental revenues:						
County contribution	12,951,964	-	-	55,246	-	13,007,210
Commonwealth	30,800,690	7,877	-	-	-	30,808,567
Federal	3,271,408	2,109,870	-	-	-	5,381,278
<b>Total revenues</b>	<b>47,905,103</b>	<b>2,184,639</b>	<b>97</b>	<b>76,108</b>	<b>714,180</b>	<b>50,880,127</b>
<b>EXPENDITURES</b>						
Education	47,905,103	1,844,558	-	5,895	594,505	50,350,061
<b>Total expenditures</b>	<b>47,905,103</b>	<b>1,844,558</b>	<b>-</b>	<b>5,895</b>	<b>594,505</b>	<b>50,350,061</b>
Excess of revenues over expenditures	-	340,081	97	70,213	119,675	530,066
Net change in fund balances	-	340,081	97	70,213	119,675	530,066
<b>FUND BALANCES AT JULY 1, as restated</b>	<b>-</b>	<b>898,689</b>	<b>970,446</b>	<b>423,900</b>	<b>531,684</b>	<b>2,824,719</b>
<b>FUND BALANCES AT JUNE 30</b>	<b>\$ -</b>	<b>\$ 1,238,770</b>	<b>\$ 970,543</b>	<b>\$ 494,113</b>	<b>\$ 651,359</b>	<b>\$ 3,354,785</b>

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

Net change in fund balances – total governmental funds		\$ 530,066
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	\$ 621,151	
Depreciation expense	(1,869,337)	
Disposition of capital assets	(19,927)	
Allocation of debt financed school assets based on current year repayments	468,799	
		(799,314)
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	4,057,982	
Pension expense	(3,951,028)	
		106,954
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	454,540	
Other postemployment benefit expense	(320,720)	
		133,820
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		4,649
<b>Change in net position of governmental activities</b>		<b>\$ (23,825)</b>

**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, 2021**

	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	\$ -	\$ -	\$ 2,126	\$ 2,126	\$ -	\$ -	\$ -	\$ -
Charges for services	799,500	799,500	584,633	(214,867)	748,257	748,257	66,892	(681,365)
Miscellaneous	197,927	197,927	137,405	(60,522)	-	-	-	-
Recovered costs	102,000	102,000	156,877	54,877	-	-	-	-
Intergovernmental revenues:								
County contribution	13,902,089	13,902,089	12,951,964	(950,125)	-	-	-	-
Commonwealth	30,537,881	31,000,776	30,800,690	(200,086)	92,000	92,000	7,877	(84,123)
Federal	3,573,494	3,573,494	3,271,408	(302,086)	1,496,119	1,496,119	2,109,870	613,751
Total revenues	49,112,891	49,575,786	47,905,103	(1,670,683)	2,336,376	2,336,376	2,184,639	(151,737)
EXPENDITURES								
Education	49,112,891	49,575,786	47,905,103	1,670,683	2,336,376	2,336,376	1,844,558	491,818
Total expenditures	49,112,891	49,575,786	47,905,103	1,670,683	2,336,376	2,336,376	1,844,558	491,818
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	340,081	340,081
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,081	\$ 340,081

# EXHIBIT 32

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		
\$ -	\$ -	\$ 97	\$ 97	\$ -	\$ -	\$ 20,862	\$ 20,663
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	55,246	55,246
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	97	97	-	-	76,108	75,909
-	-	-	-	-	-	5,895	(5,895)
-	-	-	-	-	-	5,895	(5,895)
-	-	97	97	-	-	70,213	70,014
\$ -	\$ -	\$ 97	\$ 97	\$ -	\$ -	\$ 70,213	\$ 70,014

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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, 2021**

	<b>Enterprise Fund</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 834,847
Prepaid items	60
Due from primary government	21,360
	<hr/>
Total current assets	856,267
	<hr/>
<b>NONCURRENT ASSETS</b>	
Capital assets:	
Nondepreciable	507,923
Depreciable, net	390,033
	<hr/>
Total noncurrent assets	897,956
	<hr/>
Total assets	1,754,223
	<hr/>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	63,374
Accrued wages	1,674
Security deposits	3,250
Current portion of notes payable	27,979
	<hr/>
Total current liabilities	96,277
	<hr/>
<b>NONCURRENT LIABILITIES</b>	
Notes payable, net of current portion	40,007
	<hr/>
Total liabilities	136,284
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	897,956
Unrestricted	719,983
	<hr/>
Total net position	\$ 1,617,939
	<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, 2021**

	<b>Enterprise Fund</b>
	<hr/>
OPERATING REVENUES	
Rents	\$ 54,096
	<hr/>
Total operating revenues	54,096
	<hr/>
OPERATING EXPENSES	
Salaries and benefits	486,769
Contractual services	32,585
Depreciation expense	14,446
Facilities costs	2,962
CARES Act business grant payments	828,094
Other operating costs	26,953
	<hr/>
Total operating expenses	1,391,809
	<hr/>
Operating loss	(1,337,713)
	<hr/>
NONOPERATING REVENUES (EXPENSES)	
Contributions from Amherst County	1,210,533
Other income	974,024
Interest expense	(17,324)
	<hr/>
Net nonoperating expenses	2,167,233
	<hr/>
Change in net position	829,520
	<hr/>
NET POSITION JULY 1	788,419
	<hr/>
NET POSITION JUNE 30	\$ 1,617,939
	<hr/> <hr/>

## COUNTY OF AMHERST, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT –  
AMHERST ECONOMIC DEVELOPMENT AUTHORITY  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
Year Ended June 30, 2021**

	<b>Enterprise Fund</b>
<b>OPERATING ACTIVITIES</b>	
Receipts from grantors and customers	\$ 54,096
Payments to employees	(487,000)
Payments to grantees and suppliers	(864,040)
Net cash used in operating activities	(1,296,944)
<b>NONCAPITAL FINANCING ACTIVITIES</b>	
Contributions from Amherst County	1,189,173
Other receipts	974,024
Net cash provided by noncapital financing activities	2,163,197
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Payments on long-term debt	(661,495)
Interest paid on long-term debt	(17,324)
Net cash used in capital and related financing activities	(678,819)
Net increase in cash and cash equivalents	187,434
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning at July 1	647,413
Ending at June 30	\$ 834,847
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating loss	\$ (1,337,713)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	14,446
Change in assets and liabilities:	
Increase in prepaids	(27)
Increase in accounts payable	26,581
Increase in accrued wages	(231)
Net cash used in operating activities	\$ (1,296,944)



## **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, 2021**

	<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	\$ 14,632,200	\$ 14,632,200	\$ 15,319,396	\$ 687,196
Real and personal public service corporation property taxes	700,000	700,000	741,530	41,530
Personal property taxes	6,642,250	6,775,800	6,999,915	224,115
Mobile home taxes	65,000	65,000	88,193	23,193
Machinery and tools taxes	2,100,000	2,202,035	2,275,766	73,731
Merchant's capital	300,000	300,000	377,689	77,689
Penalties	270,000	270,000	255,588	(14,412)
Interest	125,000	125,000	145,826	20,826
Total general property taxes	24,834,450	25,070,035	26,203,903	1,133,868
Other local taxes:				
Local sales and use taxes	2,781,094	3,100,000	3,739,679	639,679
Consumers' utility taxes	1,900,000	1,900,000	1,776,366	(123,634)
Business license taxes	300,000	464,000	953,427	489,427
Bank stock taxes	120,000	120,000	126,469	6,469
Motor vehicle licenses	820,000	820,000	765,204	(54,796)
Taxes on recordation and wills	225,000	225,000	365,212	140,212
Lodging taxes	46,500	51,500	71,494	19,994
Meals tax	898,756	898,756	1,035,568	136,812
Total other local taxes	7,091,350	7,579,256	8,833,419	1,254,163
Permits, privilege fees, and regulatory licenses:				
Animal licenses	11,800	6,800	6,281	(519)
Building and related permits	150,000	150,000	152,297	2,297
Permits and other licenses	35,500	35,500	37,220	1,720
Total permits, privilege fees, and regulatory licenses	197,300	192,300	195,798	3,498
Fines and forfeitures:				
Court fines and forfeitures	-	188,415	228,358	39,943
Total fines and forfeitures	-	188,415	228,358	39,943
Revenue from use of money and property:				
Revenue from use of money	135,000	81,094	7,714	(73,380)
Revenue from use of property	133,651	133,651	108,297	(25,354)
Total revenue from use of money and property	268,651	214,745	116,011	(98,734)
Charges for services:				
Sheriff's fees	2,199	2,199	4,398	2,199
Collection fees – taxes and liens	165,000	165,000	122,532	(42,468)
Commonwealth attorney fees	3,500	3,500	2,632	(868)
Courthouse security fees	81,000	81,000	59,810	(21,190)
Jail processing fees	2,800	2,800	1,833	(967)
Charges for parks and recreation	45,000	45,000	32,981	(12,019)
Library	22,000	22,000	3,493	(18,507)
Emergency medical service fees	1,298,251	1,298,251	1,366,334	68,083

(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, 2021

	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	\$ -	\$ -	\$ 87,238	\$ 87,238
Warehouse charges	-	-	5,281	5,281
Other charges for services	5,250	18,807	15,172	(3,635)
Total charges for services	1,625,000	1,638,557	1,701,704	63,147
Miscellaneous revenue:				
Miscellaneous	200,300	214,623	510,489	295,866
Total miscellaneous revenue	200,300	214,623	510,489	295,866
Recovered costs:				
Social services	25,000	25,520	3,547	(21,973)
CSA recoveries	78,000	78,000	22,241	(55,759)
Public safety	118,000	124,600	152,035	27,435
Miscellaneous recoveries	80,650	80,650	61,711	(18,939)
Total recovered costs	301,650	308,770	239,534	(69,236)
Total revenue from local sources	34,518,701	35,406,701	38,029,216	2,622,515
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicles carriers' tax	77,000	77,000	147,476	70,476
Mobile home titling taxes	25,000	25,000	26,123	1,123
Auto rental tax	23,000	23,000	5,104	(17,896)
PPTRA	2,199,018	2,199,018	2,308,969	109,951
Recordation tax	50,000	50,000	-	(50,000)
Total noncategorical aid	2,374,018	2,374,018	2,487,672	113,654
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	444,438	444,438	435,425	(9,013)
Sheriff	1,665,535	1,682,721	1,643,832	(38,889)
Commissioner of the Revenue	113,776	113,776	109,192	(4,584)
Treasurer	120,995	120,995	119,356	(1,639)
Registrar/electoral board	41,950	41,950	44,536	2,586
Clerk of the Circuit Court	308,930	308,930	300,616	(8,314)
Total shared expenses	2,695,624	2,712,810	2,652,957	(59,853)
Other categorical aid:				
Public assistance and welfare administration	866,078	1,147,141	879,106	(268,035)
Health department	10,000	10,000	7,669	(2,331)
Library grant	148,000	148,000	166,220	18,220
Fire program	105,000	105,000	114,795	9,795
EMS – 4 for life	33,500	33,500	-	(33,500)
Juvenile justice – crime control	111,316	111,316	3,078	(108,238)
Victim witness	101,484	101,484	94,550	(6,934)

(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, 2021**

	<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	\$ 1,860	\$ (2,140)
Comprehensive services	1,211,700	1,211,700	1,210,341	(1,359)
Miscellaneous	34,000	34,234	154,454	120,220
Total other categorical aid	2,625,078	2,906,375	2,632,073	(274,302)
Total categorical aid	5,320,702	5,619,185	5,285,030	(334,155)
Total revenue from the Commonwealth	7,694,720	7,993,203	7,772,702	(220,501)
Revenue from the Federal Government:				
Non-categorical aid:				
Payment in lieu of taxes	-	-	137,409	137,409
Categorical aid:				
Public assistance and welfare	1,541,524	1,541,524	1,787,378	245,854
Community Development Block Grant	-	-	107	107
Total categorical aid	1,541,524	1,541,524	1,787,485	245,961
Total revenue from the Federal Government	1,541,524	1,541,524	1,924,894	383,370
Other Financing Sources (Uses)				
Debt proceeds	-	11,150,000	11,150,000	-
Premium on debt issuance	-	2,379,823	2,379,497	(326)
Transfers in	991,750	1,997,448	4,535,576	2,538,128
Total other financing sources (uses)	991,750	15,527,271	18,065,073	2,537,802
Total general fund	44,746,695	60,468,699	65,791,885	5,323,186
Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Recreation trips	-	-	13,195	13,195
Landfill operations	601,000	601,000	570,049	(30,951)
Other charges for services	-	-	3	3
Total charges for services	601,000	601,000	583,247	(17,753)
Miscellaneous revenue:				
Dare donations	-	-	6,469	6,469
Miscellaneous	-	198,999	71,795	(127,204)
Total miscellaneous revenue	-	198,999	78,264	(120,735)
Total revenue from local sources	601,000	799,999	661,511	(138,488)
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Other categorical aid:				
E-911 wireless grant	-	-	141,106	141,106
Litter control	9,000	9,000	9,624	624

(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, 2021**

	<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	\$ -	\$ -	\$ 38,618	\$ 38,618
Other state revenues	-	-	2,551	2,551
Total revenue from the Commonwealth	9,000	9,000	191,899	182,899
Revenue from the Federal Government:				
Categorical aid:				
Community development block grant	-	-	142,958	142,958
Highway planning and construction	-	264,042	-	(264,042)
DMV grants	-	81,867	73,572	(8,295)
Sheriff grants	-	4,166	4,166	-
Coronavirus relief fund	-	2,815,148	5,986,909	3,171,761
Coronavirus state and local fiscal recovery fund	-	-	1,244	1,244
Total revenue from the Federal Government	-	3,165,223	6,208,849	3,043,626
Other Financing Sources (Uses)				
Transfers in	1,102,115	1,263,890	1,357,523	93,633
Total other financing sources (uses)	1,102,115	1,263,890	1,357,523	93,633
Total special revenue fund	1,712,115	5,238,112	8,419,782	3,181,670
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	10,432	10,432
Miscellaneous revenue:				
Miscellaneous	-	3,751,332	3,037	(3,748,295)
Other Financing Sources (Uses)				
Debt proceeds	-	5,545,000	5,545,000	-
Premium on debt issuance	-	586,410	586,410	-
Total other financing sources (uses)	-	6,131,410	6,131,410	-
Total capital projects fund	-	9,882,742	6,144,879	(3,737,863)
Total revenues – primary government	\$ 46,458,810	\$ 75,589,553	\$ 80,356,546	\$ 4,766,993
Component Unit – School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ -	\$ -	\$ 2,126	\$ 2,126
Charges for services:				
Tuition	11,500	11,500	124,544	113,044
Textbook sales	336,000	336,000	-	(336,000)
Other	452,000	452,000	460,089	8,089
Total charges for services	799,500	799,500	584,633	(214,867)

(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, 2021**

	<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	\$ 197,927	\$ 197,927	\$ 137,405	\$ (60,522)
Recovered costs:				
Recovered costs	102,000	102,000	156,877	54,877
Total revenue from local sources	1,099,427	1,099,427	881,041	(218,386)
Intergovernmental revenue:				
County contribution to School Board	13,902,089	13,902,089	12,951,964	(950,125)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	5,293,023	5,293,023	5,656,441	363,418
Basic school aid	14,138,660	14,138,660	13,858,616	(280,044)
Special ed SOQ	1,988,232	1,988,232	1,953,287	(34,945)
Remedial education	532,368	532,368	523,011	(9,357)
Technology	284,000	284,000	489	(283,511)
Lottery	1,021,484	1,021,484	1,112,782	91,298
Primary class size	656,430	656,430	648,550	(7,880)
Fringe benefits	2,949,754	2,949,754	2,897,910	(51,844)
Textbooks	291,906	291,906	286,776	(5,130)
Preschool	416,544	416,544	234,675	(181,869)
Gifted and talented	141,241	141,241	138,758	(2,483)
At-risk	938,482	938,482	921,899	(16,583)
Regional program	804,328	804,328	732,265	(72,063)
Vocational education SOQ	320,507	320,507	314,874	(5,633)
Adult Basic Education Regionalization	110,000	110,000	81,311	(28,689)
Other state funds	650,922	1,113,817	1,439,046	325,229
Total categorical aid	30,537,881	31,000,776	30,800,690	(200,086)
Total revenue from the Commonwealth	30,537,881	31,000,776	30,800,690	(200,086)
Revenue from the Federal Government:				
Non-categorical				
Federal land use	69,982	69,982	59,101	(10,881)
Categorical aid:				
Preschool handicap	19,916	19,916	14,777	(5,139)
Adult basic aid	374,277	374,277	327,415	(46,862)
Title I	997,048	997,048	1,017,315	20,267
Title II	229,700	229,700	143,232	(86,468)
Title VI-B special education	1,104,933	1,104,933	693,718	(411,215)
Vocational education	78,600	78,600	42,299	(36,301)
Other education	699,038	699,038	973,551	274,513
Total categorical aid	3,503,512	3,503,512	3,212,307	(291,205)
Total revenue from the Federal Government	3,573,494	3,573,494	3,271,408	(302,086)
Total school operating fund	49,112,891	49,575,786	47,905,103	(1,670,683)

(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, 2021**

	<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	\$ 66,892	\$ (681,365)
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Categorical aid:				
School food	92,000	92,000	7,877	(84,123)
Revenue from the Federal Government:				
Categorical aid:				
School food	1,496,119	1,496,119	2,109,870	613,751
Total school cafeteria fund	2,336,376	2,336,376	2,184,639	(151,737)
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	97	97
Total school textbook fund	-	-	97	97
School Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	199	199
Revenue from use of property	-	-	20,663	20,663
Total revenue from use of money and property	-	-	20,862	20,862
Intergovernmental revenue:				
County contribution to School Board	-	-	55,246	55,246
Total school construction fund	-	-	76,108	76,108
Total revenues – component unit – school board	\$ 51,449,267	\$ 51,912,162	\$ 50,165,947	\$ (1,746,215)

**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, 2021**

	<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	\$ 163,586	\$ 149,874	\$ 129,641	\$ 20,233
General and financial administration:				
County administrator	291,115	317,277	309,499	7,778
Commissioner of the revenue	346,364	384,757	370,493	14,264
Assessor	-	5,786	5,786	-
Treasurer	421,271	468,014	424,407	43,607
Finance	289,971	322,186	312,226	9,960
Purchasing	190,597	202,875	201,801	1,074
County attorney	170,877	177,045	172,855	4,190
Information technology	462,515	544,893	520,599	24,294
Human resources	152,154	212,816	191,975	20,841
Total general and financial administration	2,324,864	2,635,649	2,509,641	126,008
Board of Elections/Registrar:				
Electoral board and officials and registrar	229,608	243,273	226,352	16,921
Total general government administration	2,718,058	3,028,796	2,865,634	163,162
Judicial administration:				
Courts:				
Circuit court	115,079	123,481	97,015	26,466
General district court	10,776	10,776	7,646	3,130
Magistrate	950	952	951	1
Juvenile and domestic relations court	12,100	12,100	11,312	788
Clerk of the circuit court	576,967	570,808	537,997	32,811
Jurors	9,000	9,000	1,830	7,170
VJCCCA	118,988	118,988	25,645	93,343
Total courts	843,860	846,105	682,396	163,709
Commonwealth's attorney:				
Commonwealth's attorney	708,496	742,435	738,343	4,092
Victim advocate grant	122,353	126,688	128,197	(1,509)
Total commonwealth's attorney	830,849	869,123	866,540	2,583
Total judicial administration	1,674,709	1,715,228	1,548,936	166,292
Public safety:				
Law enforcement and traffic control:				
Sheriff	4,042,566	4,720,607	4,574,450	146,157
Total law enforcement and traffic control	4,042,566	4,720,607	4,574,450	146,157
Fire and rescue services:				
Volunteer emergency services	364,712	364,712	265,743	98,969
Volunteer rescue services	204,172	204,172	88,025	116,147
Emergency medical services	1,950,840	2,040,137	1,881,447	158,690
Emergency service council	292,442	292,442	217,484	74,958
Total fire and rescue services	2,812,166	2,901,463	2,452,699	448,764

(Continued)



## COUNTY OF AMHERST, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD

## SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

Year Ended June 30, 2021

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government: (Continued)				
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Contribution to regional jail operations	\$ 1,430,564	\$ 1,430,564	\$ 1,430,564	\$ -
Inspections:				
Building	299,719	355,025	330,474	24,551
Other protection:				
Animal control	148,280	163,393	161,568	1,825
Animal Shelter	169,055	178,208	176,577	1,631
Emergency services	939,017	1,070,764	1,059,965	10,799
Communications dispatch	894,528	1,192,646	1,149,832	42,814
Other public safety	91,500	37,014	32,766	4,248
Total other protection	2,242,380	2,642,025	2,580,708	61,317
Total public safety	10,827,395	12,049,684	11,368,895	680,789
Public works:				
Maintenance of general buildings and grounds:				
General properties	852,739	1,051,503	1,020,064	31,439
Health and welfare:				
Health:				
Supplement of local health department	239,493	239,493	239,493	-
Mental health and mental retardation:				
Community services board	143,844	143,844	143,844	-
Welfare:				
Welfare administration	2,607,897	2,699,579	2,527,462	172,117
Public assistance	651,440	921,223	876,894	44,329
County contributions	99,825	128,808	107,716	21,092
Comprehensive services	1,874,416	1,933,332	2,384,165	(450,833)
Tax relief for the elderly	-	-	235,960	(235,960)
Total welfare	5,233,578	5,682,942	6,132,197	(449,255)
Total health and welfare	5,616,915	6,066,279	6,515,534	(449,255)
Education:				
Contributions to community colleges	6,770	6,770	6,770	-
County contribution to School Board	13,957,335	13,954,335	13,007,210	947,125
Total education	13,964,105	13,961,105	13,013,980	947,125
Parks, recreation and cultural:				
Parks and recreation				
Parks and recreation	371,810	407,795	360,446	47,349

(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, 2021**

	<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)				
Library:				
Library	\$ 805,978	\$ 840,369	\$ 829,607	\$ 10,762
Museum	57,212	58,944	58,686	258
Total library	863,190	899,313	888,293	11,020
Total parks, recreation, and cultural	1,235,000	1,307,108	1,248,739	58,369
Community development:				
Planning and community development:				
Planning	297,291	350,430	312,684	37,746
Planning commission	25,669	25,669	20,185	5,484
Zoning board	2,308	1,998	5	1,993
Central Virginia planning	18,324	18,324	18,324	-
EDA board	9,043	9,043	8,289	754
Contribution to EDA	396,691	1,031,392	1,031,392	-
Tourism	36,900	45,356	36,263	9,093
County fair	1,000	1,000	3,676	(2,676)
Community development projects	105,660	631,867	436,115	195,752
Total planning and community development	892,886	2,115,079	1,866,933	248,146
Environmental management:				
Soil and water conservation district	8,500	8,500	8,500	-
Cooperative extension program:				
VPI extension	105,013	110,013	110,064	(51)
Total community development	1,006,399	2,233,592	1,985,497	248,095
Non-Departmental:				
Non-departmental:				
Insurance	60,000	60,000	61,520	(1,520)
Line of duty	85,000	70,000	63,257	6,743
Other	1,640,347	739,608	93,189	646,419
Total non-departmental	1,785,347	869,608	217,966	651,642
Debt service:				
Principal retirement	2,629,079	15,139,264	18,441,830	(3,302,566)
Interest and fiscal charges	832,834	1,041,986	1,061,679	(19,693)
Bond issuance costs	2,000	177,784	284,867	(107,083)
Total debt service	3,463,913	16,359,034	19,788,376	(3,429,342)
Other Financing Uses				
Transfers out	1,602,115	1,826,762	1,988,039	(161,277)
Total other financing sources (uses)	1,602,115	1,826,762	1,988,039	(161,277)
Total general fund	44,746,695	60,468,699	61,561,660	(1,092,961)

(Continued)

## COUNTY OF AMHERST, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD

## SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

Year Ended June 30, 2021

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Special Revenue Fund:				
Public safety:				
Other protection:				
Miscellaneous public safety grants	\$ 1,668,163	\$ 4,448,982	\$ 3,497,413	\$ 951,569
DARE program	-	5,000	26,997	(21,997)
Total public safety	1,668,163	4,453,982	3,524,410	929,572
Sanitation and waste removal:				
Solid waste	1,712,115	1,789,376	1,750,049	39,327
Total public works	1,712,115	1,789,376	1,750,049	39,327
Parks, recreation and cultural:				
Parks and recreation				
Parks and recreation	-	330,056	111,742	218,314
Cultural				
Miscellaneous grants	-	138,862	252,402	(113,540)
Total parks, recreation, and cultural	-	468,918	364,144	104,774
Community development:				
Planning and community development:				
CDBG project – stump hill	-	-	396,065	(396,065)
Total community development	-	-	396,065	(396,065)
Debt service:				
Principal retirement	-	-	46,789	(46,789)
Interest and fiscal charges	-	-	3,615	(3,615)
Total debt service	-	-	50,404	(50,404)
Other financing uses:				
Transfers out	-	193,999	193,999	-
Total special revenue funds	3,380,278	6,906,275	6,279,071	627,204
Capital Projects Fund:				
Public works:				
General construction projects	-	9,882,742	2,952,192	6,930,550
Total capital projects fund	-	9,882,742	2,952,192	6,930,550
Total expenditures – primary government	\$ 48,126,973	\$ 77,257,716	\$ 70,792,923	\$ 6,464,793

(Continued)

## COUNTY OF AMHERST, VIRGINIA

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –  
SCHOOL BOARD  
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
Year Ended June 30, 2021**

	<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:				
School Operating Fund:				
Education:				
Instruction	\$ 37,217,148	\$ 37,440,425	\$ 36,170,505	\$ 1,269,920
Administration, attendance, and health	2,320,248	2,322,248	2,284,719	37,529
Pupil transportation services	3,356,038	3,359,638	3,401,979	(42,341)
Operation and maintenance services	4,428,939	4,662,957	4,351,612	311,345
Technology	1,790,518	1,790,518	1,696,288	94,230
Total education	49,112,891	49,575,786	47,905,103	1,670,683
Total school operating fund	49,112,891	49,575,786	47,905,103	1,670,683
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services	2,336,376	2,336,376	1,844,558	491,818
School Construction Fund:				
Education:				
Capital projects	-	-	5,895	(5,895)
Total expenditures – component unit – school board	\$ 51,449,267	\$ 51,912,162	\$ 49,755,556	\$ 2,156,606

## **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 <sup>(1)</sup></b>	<b>Total</b>
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
2021	3,180,105	1,700,946	15,496,706	6,174,788	6,630,119	14,594,918	1,436,038	2,395,581	951,842	4,169,204	56,730,247

<sup>(1)</sup> Water and sewer information is presented as of December 31, 2020.

TABLE 2

## COUNTY OF AMHERST, VIRGINIA

GOVERNMENT-WIDE REVENUES  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Charges for Service <sup>(1)</sup>	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
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
2021	7,134,104	7,772,688	142,958	26,172,789	8,833,419	8,621,010	127,419	1,235,378	60,039,765

<sup>(1)</sup> Amounts included for water and sewer activity are presented as of December 31, 2020.

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>
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
2021	26,203,903	8,833,419	195,798	228,358	203,624	3,650,656	1,690,319	396,411	52,288,189	93,690,677

<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>
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
2021	2,865,634	1,548,936	14,893,305	2,770,113	6,515,534	50,356,831	1,612,883	2,580,162	217,966	2,952,192	19,838,780	106,152,336

<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>
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
2021	2,455,478,600	276,971,587	16,836,560	125,669,580	9,578,020	120,860,837	3,005,395,184

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>
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
2021	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>
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
2021	27,612,892	27,000,222	97.78	445,625	27,445,847	99.40	1,035,740	3.75

<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>
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
2021	31,605	3,005,395,184	29,062,000	9,922,000	19,140,000	0.97	606

<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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 17, 2022.

**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 2021-001 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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Items 2021-002 and 2021-003.**

## 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  
February 17, 2022



**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, 2021. 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, 2021.

## 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  
February 17, 2022

**COUNTY OF AMHERST, VIRGINIA**  
**SUMMARY OF COMPLIANCE MATTERS**  
**June 30, 2021**

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, 2021**

<b>Federal Grantor/Pass – Through Grantor/ Program or Cluster Title</b>	<b>Assistance Listing 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		\$ 14,540
Temporary Assistance to Needy Families (TANF)	93.558		210,305
Refugee and Entrant Assistance – Discretionary Grants	93.566		441
Low Income Home Energy Assistance	93.568		33,228
Child Care Mandatory and Matching funds of the			
Child Care and Development Fund	93.596		45,314
Child Welfare Services – State Grants	93.645		139
Foster Care – Title IV-E	93.658		274,701
Adoption Assistance	93.659		269,922
Social Services Block Grant	93.667		183,432
Chafee Foster Care Independence Program	93.674		4,920
Children’s Health Insurance Program	93.767		3,896
Medical Assistance Program	93.778		319,162
Total Department of Health and Human Services			<u>1,360,000</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>824,272</u>
Department of Justice:			
Pass through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575		<u>68,725</u>
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Agriculture and Consumer Services:			
Child and Adult Care Food Program (CACFP)	10.558		124,881
Child Nutrition Cluster – Summer Food Service Program	10.559	\$ 1,596,774	
Child Nutrition Cluster – Summer Food Service Program – CARES	10.559	423,306	
Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	3,945	
National School Lunch Program – CARES	10.555	<u>70,378</u>	
Total Child Nutrition Cluster			2,094,403
Department of Social Services:			
State Administration:			
Matching Grants for Supplemental Nutrition			
Assistance Program	10.561		<u>427,378</u>
Total Department of Agriculture			<u>2,646,662</u>
Environmental Protection Agency:			
Direct Program:			
Diesel Emission Reduction Act	66.039		<u>80,000</u>

(Continued)

**COUNTY OF AMHERST, VIRGINIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2021**

<b>Federal Grantor/Pass – Through Grantor/ Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Cluster Amounts</b>	<b>Federal Expenditures</b>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles			
State Community and Highway Safety	20.600		\$ 5,164
Occupant Protection Incentive Grant	20.602		7,262
Alcohol Open Container Requirements	20.607		9,595
Total Department of Transportation			<u>22,021</u>
Department of Education			
Pass Through Payments:			
Adult Education – Basic Grants to States	84.002		327,415
Title I Grants to Local Educational Agencies	84.010		1,017,315
Special Education – Grants to States (Special Education Cluster)	84.027	\$ 726,343	
Special Education – Preschool Grants (Special Education Cluster)	84.173	<u>14,777</u>	
Total Special Education Cluster			741,120
Coronavirus Relief Fund	21.019		858,812
Coronavirus Relief Fund – Emergency Childcare	21.019		2,115
Career and Technical Education: Basic grants to states	84.048		42,299
Supporting Effective Instruction State Grants	84.367		143,232
Total Department of Education			<u>3,132,308</u>
Department of Treasury			
Direct Payments:			
American Rescue Plan – Coronavirus State and Local Fiscal Recovery Fund	21.027		1,244
Pass Through Payments:			
Coronavirus Relief Fund – Sheriff	21.019		48,595
Coronavirus Relief Fund – Victim Witness	21.019		8,715
Coronavirus Relief Fund – Commonwealth Attorney	21.019		10,393
Coronavirus Relief Fund – Utility	21.019		63,832
Coronavirus Relief Fund – Broadband	21.019		1,370,000
Coronavirus Relief Fund – Local Funding	21.019		4,485,374
Total Department of Treasury			<u>5,988,153</u>
Total Expenditures of Federal Awards			<u>\$ 14,122,141</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, 2021, the County had no outstanding loan balances requiring continuing disclosure.

COUNTY OF AMHERST, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

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:

**Name of Program:**

Coronavirus Relief Fund

**Assistance Listing #**

21.019

8. The **threshold** for distinguishing Type A and B programs was **\$750,000**.
9. The County was determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

**2021-001: 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, 2021**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)**

**2021-001: Segregation of Duties (Significant Deficiency) (Continued)**

*Management's Response:*

A new CFO for the Schools was hired in January 2022. We will be working on internal controls and permissions in Alio. The CFO no longer handles cash deposits. The CFO reviews and posts the receipt batch.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**D. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2021-002: Budget Appropriations**

*Condition:*

Expenditures exceeded budgeted appropriations in the health and welfare function in the General Fund and also in the School Construction Fund for the year ended June 30, 2021.

*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 will work on forecasting end of year expenses in the Health and Welfare departments as the Child Services division continues to experience exponential growth. Management has put in place mechanisms to ensure all approved appropriations are recorded.

**2021-003: Commonwealth of Virginia Disclosure Statements**

*Condition:*

Eight members of various County boards and one School board member filed a statement of economic interest as required by the *Code of Virginia* after the February 1, 2021 deadline.

*Recommendation:*

Steps should be taken to ensure that these statements are filed and in a timely manner.

*Management's Response:*

Staff publishes the requirement as soon as the forms are made available from the state each year. Multiple follow-up emails are sent as reminders. The clerk of each body is sent a reminder email regarding their board members who have not filed. Management has improved notification and follow-up processes and all officials are in compliance for the February 1, 2022 deadline.



**COUNTY OF AMHERST, VIRGINIA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2021**

**A. 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.

*Current Status:*

Condition still exists for the current year. See finding 2021-001.

**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.

*Current Status:*

Condition still exists partially in the current year. See finding 2021-002.