

COUNTY OF AMHERST, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022



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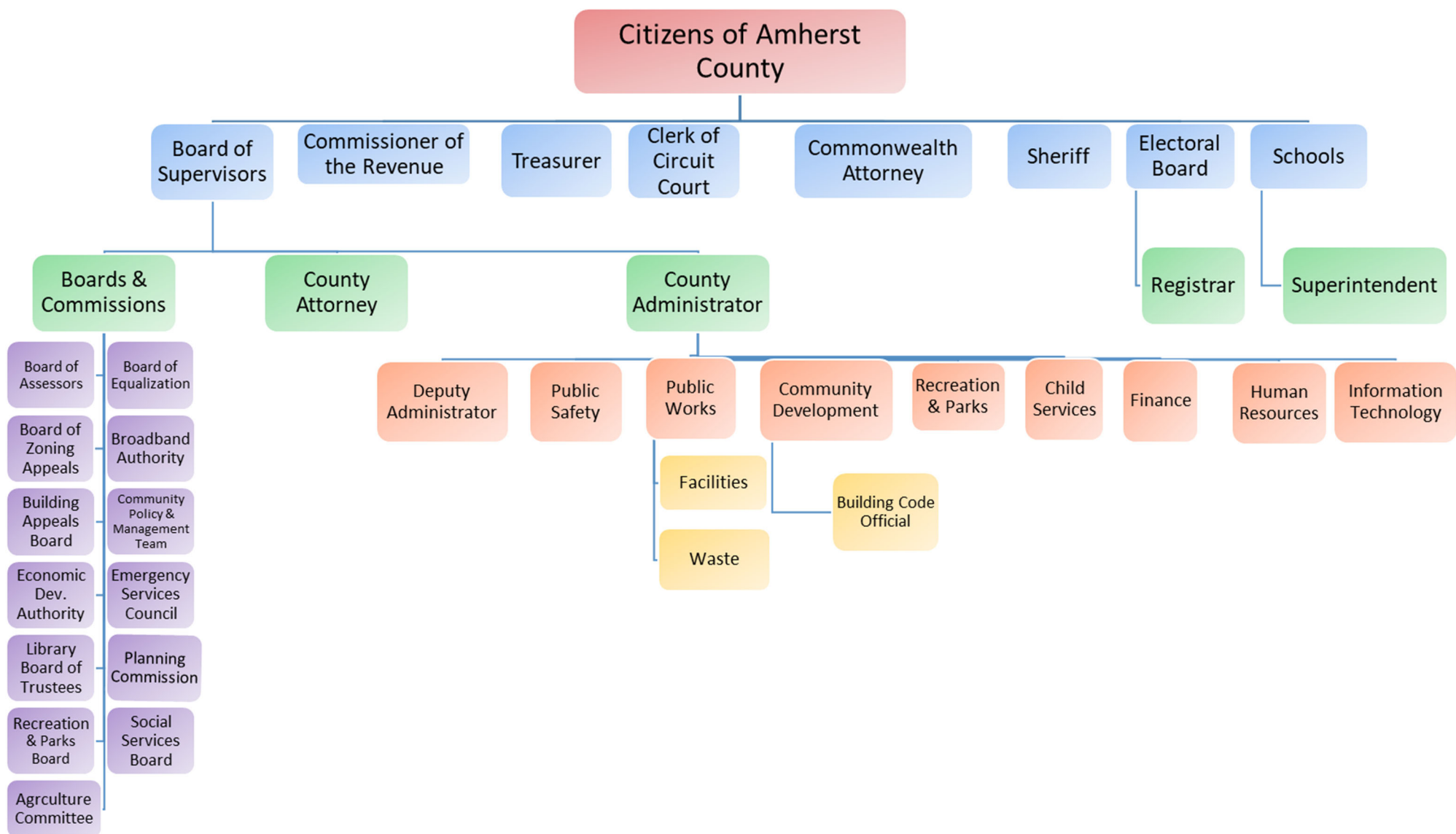
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INTRODUCTORY SECTION



COUNTY OF AMHERST, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS
June 30, 2022

BOARD OF SUPERVISORS

David Pugh, Jr., Chair
Tom Martin, Vice-Chair

Claudia D. Tucker

L. J. Ayers, III

Drew Wade

SCHOOL BOARD

Abby Thompson, Chair
Chris Terry, Vice-Chair

John Grieser
Priscilla Liggon

Dawn Justice
Eric Orasi

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, 2022

ECONOMIC DEVELOPMENT AUTHORITY BOARD

Chad Eby, Chair
Calvin Kennon, Jr., Vice-Chair
Dan Sweeney, Treasurer

Michael Russell

Shelly Hunt
Patrick Dreher

Andrew Proctor

OTHER OFFICIALS

Judge of the Circuit Court.....	James W. Updike, Jr.
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. William Wells
Clerk of the School Board	Brittany McNerney
Chief Finance Officer of Schools.....	Kimberly Lukanich
Director of Social Services	Jason Meador
County Administrator	Jeremy Bryant
Library Director	Jacob Etter
Finance Director.....	Stacey McBride

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
County of Amherst, Virginia

Report on the Audit of 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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 *Specifications for Audits of Counties, Cities, and Towns* and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Amherst, Virginia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 32 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Amherst, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of Amherst, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Amherst, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on the Audit of the Financial Statements (Continued)

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 is the responsibility of management, and, 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 the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Amherst, Virginia's basic financial statements. The accompanying supporting schedules, financial statements of the discretely presented component units, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supporting schedules, financial statements of the discretely presented component unit, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and other information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Report on the Audit of the Financial Statements (Continued)

Other Information (Continued)

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023 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
June 30, 2023

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BASIC FINANCIAL STATEMENTS

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**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2022

(Except for Business-Type Activities which are as of December 31, 2021)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	School Board
ASSETS					
Cash and investments (Note 3)	\$ 44,091,412	\$ 5,735,473	\$ 49,826,885	\$ 1,211,299	\$ 5,252,245
Receivables, net (Note 4)	9,853,442	784,851	10,638,293	-	90,979
Due from primary government	-	-	-	-	1,529,259
Due from other governments (Note 6)	1,937,221	-	1,937,221	-	2,683,647
Inventories	-	199,984	199,984	-	-
Prepaid items	130,995	-	130,995	68	10,838
Loans receivable (Note 5)	381,456	-	381,456	-	-
Lease receivable (Note 10)					
Receivable within one year	17,489	-	17,489	-	-
Receivable in more than one year	303,519	-	303,519	-	-
Restricted assets (Note 3)					
Cash and investments	13,999,298	2,934,819	16,934,117	-	-
Net pension asset (Notes 11, 13, and 19)	1,116,743	-	1,116,743	-	2,513,851
Capital assets: (Note 8)					
Nondepreciable	6,632,705	968,793	7,601,498	507,923	435,837
Depreciable, net	41,942,038	29,240,984	71,183,022	166,653	15,454,731
Total assets	120,406,318	39,864,904	160,271,222	1,885,943	27,971,387
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	239,060	1,462	240,522	-	-
Deferred outflows related to pensions (Notes 11, 12, 13, 14, and 19)	2,395,848	411,686	2,807,534	-	8,767,007
Deferred outflows related to other postemployment benefits (Notes 15, 16, 17, 18, and 20)	327,793	33,026	360,819	-	940,235
Total deferred outflows of resources	2,962,701	446,174	3,408,875	-	9,707,242
LIABILITIES					
Accounts payable	1,971,660	132,313	2,103,973	13,718	1,141,462
Retainage payable	182,576	-	182,576	-	-
Accrued liabilities	200,583	-	200,583	-	3,667,124
Unearned revenue	5,368,320	-	5,368,320	-	59,358
Customer deposits	-	320,366	320,366	-	-
Accrued interest	378,400	47,338	425,738	-	-
Due to component unit	1,529,259	-	1,529,259	-	-
Long-term liabilities:					
Net pension liability (Notes 12, 14, and 19)	-	872,999	872,999	-	22,448,253
Net other postemployment benefits liability (Notes 15, 16, 17, 18, and 20)	1,323,412	114,303	1,437,715	-	5,471,702
Due within one year (Note 9)	2,960,877	815,404	3,776,281	-	131,025
Due in more than one year (Note 9)	50,623,631	10,737,114	61,360,745	-	637,084
Total liabilities	64,538,718	13,039,837	77,578,555	13,718	33,556,008

(Continued)

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

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2022

(Except for Business-Type Activities which are as of December 31, 2021)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	School Board
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding	\$ -	\$ 177,630	\$ 177,630	\$ -	\$ -
Unearned revenue	15,252,793	-	15,252,793	-	-
Deferred inflows related to pensions (Notes 11, 12, 13, 14, and 19)	5,968,478	9,701	5,978,179	-	18,055,013
Deferred inflows related to other postemployment benefits (Notes 15, 16, 17, 18, and 20)	338,268	12,245	350,513	-	950,703
Leases-related deferred inflows (Note 10)	305,162	-	305,162	-	-
Total deferred inflows of resources	21,864,701	199,576	22,064,277	-	19,005,716
NET POSITION					
Net investment in capital assets	18,749,581	20,284,493	39,034,074	674,576	15,890,568
Restricted for:					
Pension	1,116,743	-	1,116,743	-	2,513,851
Debt service	-	1,281,340	1,281,340	-	-
Community development loans	35,664	-	35,664	-	-
Unrestricted net position (deficit)	17,063,612	5,505,832	22,569,444	1,197,649	(33,287,514)
Total net position	\$ 36,965,600	\$ 27,071,665	\$ 64,037,265	\$ 1,872,225	\$ (14,883,095)

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

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

(Except for Business-Type Activities which are for the year ended December 31, 2021)

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	\$ 3,494,989	\$ 384,830	\$ 377,122	\$ -	\$ (2,733,037)	\$ -	\$ (2,733,037)	\$ -	\$ -
Judicial administration	1,713,062	221,481	858,273	-	(633,308)	-	(633,308)	-	-
Public safety	21,630,459	1,875,479	2,278,009	-	(17,476,971)	-	(17,476,971)	-	-
Public works	2,538,585	618,627	12,055	255,454	(1,652,449)	-	(1,652,449)	-	-
Health and welfare	6,622,475	22,363	4,364,752	-	(2,235,360)	-	(2,235,360)	-	-
Education	13,202,097	-	-	-	(13,202,097)	-	(13,202,097)	-	-
Parks, recreation, and cultural	1,042,750	102,304	173,325	-	(767,121)	-	(767,121)	-	-
Community development	1,568,937	-	-	414,809	(1,154,128)	-	(1,154,128)	-	-
Interest on long-term debt	704,367	-	-	-	(704,367)	-	(704,367)	-	-
Lease payments	58,415	-	-	-	(58,415)	-	(58,415)	-	-
Total governmental activities	52,576,136	3,225,084	8,063,536	670,263	(40,617,253)	-	(40,617,253)	-	-
Business-type activities:									
Water and sewer	4,416,296	4,311,472	-	362,147	-	257,323	257,323	-	-
Total primary government	\$ 56,992,432	\$ 7,536,556	\$ 8,063,536	\$ 1,032,410	(40,617,253)	257,323	(40,359,930)	-	-
Component Units:									
Economic Development Authority	\$ 1,181,697	\$ -	\$ -	\$ -	-	-	-	(1,181,697)	-
School Board	50,130,856	1,392,132	42,709,745	-	-	-	-	-	(6,028,979)
Total component units	\$ 51,312,553	\$ 1,392,132	\$ 42,709,745	\$ -	-	-	-	(1,181,697)	(6,028,979)
General revenues:									
General property taxes					26,845,935	-	26,845,935	-	-
Other local taxes:									
Local sales and use					3,899,103	-	3,899,103	-	-
Consumer's utility tax					1,751,769	-	1,751,769	-	-
Business license					1,105,309	-	1,105,309	-	-
Motor vehicle license taxes					808,503	-	808,503	-	-
Restaurant food taxes					1,158,707	-	1,158,707	-	-
Other taxes					1,015,868	-	1,015,868	-	-
Unrestricted revenues from use of money and property					155,235	1,725	156,960	25,550	38,921
Miscellaneous					659,699	437,613	1,097,312	987,781	152,090
County contribution					-	-	-	422,652	12,411,075
Grants and contributions not restricted to specific programs					9,556,490	-	9,556,490	-	-
Total general revenues					46,956,618	439,338	47,395,956	1,435,983	12,602,086
Change in net position					6,339,365	696,661	7,036,026	254,286	6,573,107
NET POSITION AT JULY 1, as restated (Note 33)					30,626,235	26,375,004	57,001,239	1,617,939	(21,456,202)
NET POSITION AT JUNE 30					\$ 36,965,600	\$ 27,071,665	\$ 64,037,265	\$ 1,872,225	\$ (14,883,095)

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

FUND
FINANCIAL STATEMENTS

COUNTY OF AMHERST, VIRGINIA

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 32,258,483	\$ 11,832,929	\$ -	\$ 44,091,412
Receivables, net	9,849,439	4,003	-	9,853,442
Prepaid items	123,731	7,264	-	130,995
Due from other governments	1,899,421	37,800	-	1,937,221
Loans receivable	-	381,456	-	381,456
Cash and investments, restricted	6,564	-	13,992,734	13,999,298
Lease receivable				
Receivable within one year	17,489	-	-	17,489
Receivable in more than one year	303,519	-	-	303,519
	<u>303,519</u>	<u>-</u>	<u>-</u>	<u>303,519</u>
Total assets	<u>\$ 44,458,646</u>	<u>\$ 12,263,452</u>	<u>\$ 13,992,734</u>	<u>\$ 70,714,832</u>
LIABILITIES				
Accounts payable	\$ 1,077,115	\$ 228,279	\$ 666,266	\$ 1,971,660
Retainage payable	12,832	-	169,744	182,576
Accrued liabilities	152,413	48,170	-	200,583
Unearned revenues	-	5,368,320	-	5,368,320
Due to component unit	1,529,259	-	-	1,529,259
	<u>1,529,259</u>	<u>-</u>	<u>-</u>	<u>1,529,259</u>
Total liabilities	<u>2,771,619</u>	<u>5,644,769</u>	<u>836,010</u>	<u>9,252,398</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	15,848,465	-	-	15,848,465
Leases-related deferred inflows	305,162	-	-	305,162
	<u>305,162</u>	<u>-</u>	<u>-</u>	<u>305,162</u>
Total deferred inflows of resources	<u>16,153,627</u>	<u>-</u>	<u>-</u>	<u>16,153,627</u>
FUND BALANCES (Note 25)				
Nonspendable	123,731	7,264	-	130,995
Restricted	-	381,456	13,156,724	13,538,180
Committed	2,957,367	-	-	2,957,367
Assigned	1,716,312	6,229,963	-	7,946,275
Unassigned	20,735,990	-	-	20,735,990
	<u>20,735,990</u>	<u>-</u>	<u>-</u>	<u>20,735,990</u>
Total fund balances	<u>25,533,400</u>	<u>6,618,683</u>	<u>13,156,724</u>	<u>45,308,807</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 44,458,646</u>	<u>\$ 12,263,452</u>	<u>\$ 13,992,734</u>	<u>\$ 70,714,832</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, 2022**

Total fund balances per Exhibit 3 – Balance Sheet – Governmental Funds **\$ 45,308,807**

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. 48,574,743

Certain receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 595,672

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 2,395,848

Other postemployment benefits 327,793

Deferred inflows related to:

Pensions (5,968,478)

Other postemployment benefits (338,268)

Net pension asset 1,116,743

Net other postemployment benefits liability (1,323,412)

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 (34,280,304)

Leases (11,458,415)

Accrued interest (378,400)

Compensated absences (1,082,180)

Landfill closure and post-closure costs (6,524,549)

Net position of governmental activities **\$ 36,965,600**

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General	Special Revenue	Capital Projects	Total
REVENUES				
General property taxes	\$ 27,187,859	\$ -	\$ -	\$ 27,187,859
Other local taxes	9,739,259	-	-	9,739,259
Permits, privilege fees, and regulatory licenses	232,409	-	-	232,409
Fines and forfeitures	163,301	-	-	163,301
Revenue from the use of money and property	124,344	-	30,891	155,235
Charges for services	1,944,559	650,886	-	2,595,445
Miscellaneous	150,582	473,967	35,150	659,699
Recovered costs	219,567	-	-	219,567
Intergovernmental revenues:				
Commonwealth	8,909,663	297,289	-	9,206,952
Federal	2,070,332	1,619,139	-	3,689,471
Total revenues	<u>50,741,875</u>	<u>3,041,281</u>	<u>66,041</u>	<u>53,849,197</u>
EXPENDITURES				
Current:				
General government	3,067,647	-	-	3,067,647
Judicial administration	1,673,797	-	-	1,673,797
Public safety	12,017,602	3,225,009	-	15,242,611
Public works	1,408,553	1,936,190	-	3,344,743
Health and welfare	6,757,405	-	-	6,757,405
Education	12,417,844	-	-	12,417,844
Parks, recreation, and cultural	1,304,649	351,934	-	1,656,583
Community development	1,317,697	271,631	-	1,589,328
Nondepartmental	179,303	-	-	179,303
Capital projects	-	-	4,015,849	4,015,849
Debt service				
Principal	2,462,701	-	-	2,462,701
Interest	1,027,603	-	-	1,027,603
Bond issuance costs	3,175	-	-	3,175
Total expenditures	<u>43,637,976</u>	<u>5,784,764</u>	<u>4,015,849</u>	<u>53,438,589</u>
Excess (deficiency) of revenues over expenditures	<u>7,103,899</u>	<u>(2,743,483)</u>	<u>(3,949,808)</u>	<u>410,608</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	13,000,000	13,000,000
Premium on debt issuance	-	-	1,089,925	1,089,925
Transfers in (Note 7)	46,001	1,350,076	-	1,396,077
Transfers out (Note 7)	(1,350,076)	(46,001)	-	(1,396,077)
Total other financing sources (uses)	<u>(1,304,075)</u>	<u>1,304,075</u>	<u>14,089,925</u>	<u>14,089,925</u>
Net change in fund balances	5,799,824	(1,439,408)	10,140,117	14,500,533
FUND BALANCES AT JULY 1	<u>19,733,576</u>	<u>8,058,091</u>	<u>3,016,607</u>	<u>30,808,274</u>
FUND BALANCES AT JUNE 30	<u><u>\$ 25,533,400</u></u>	<u><u>\$ 6,618,683</u></u>	<u><u>\$ 13,156,724</u></u>	<u><u>\$ 45,308,807</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, 2022**

Net change in fund balances per Exhibit 5 – total governmental funds \$ 14,500,533

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	\$ 7,326,487	
Depreciation expense	(3,608,993)	
Allocation of debt-financed school assets based on current year repayments and drawdowns of bond proceeds	(346,804)	3,370,690

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(1,072,597)
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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	1,113,722	
Pension expense	(376,813)	736,909

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	85,824	
Other postemployment benefits	(131,200)	(45,376)

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	595,000	
Lease revenue bonds	660,000	
Leases	1,207,701	
Lease proceeds	(66,274)	
Bond proceeds	(13,000,000)	
Deferred loss on bonds refunded	(23,211)	
Premium on new bonds issued	(1,089,925)	
Amortization of bond premium	262,012	(11,454,697)

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	52,608	
Landfill liability	155,826	
Accrued interest	95,469	303,903

Change in net position of governmental activities		\$ 6,339,365
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The Notes to Financial Statements are an integral part of this statement.

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2021

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 5,735,473
Receivables, net	784,851
Inventories	199,984
Total current assets	<u>6,720,308</u>
NONCURRENT ASSETS	
Restricted cash and investments	2,934,819
Capital assets:	
Nondepreciable	968,793
Depreciable, net	29,240,984
Total noncurrent assets	<u>33,144,596</u>
Total assets	<u>39,864,904</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	1,462
Deferred outflows related to pensions	411,686
Deferred outflows related to OPEB	33,026
Total deferred outflows of resources	<u>446,174</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	132,313
Accrued interest	47,338
Customer deposits	320,366
Long-term liabilities due within one year	815,404
Total current liabilities	<u>1,315,421</u>
NONCURRENT LIABILITIES	
Long-term liabilities due in more than one year	10,737,114
Net pension liability	872,999
Net OPEB liability	114,303
Total noncurrent liabilities	<u>11,724,416</u>
Total liabilities	<u>13,039,837</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding	177,630
Deferred inflows related to pensions	9,701
Deferred inflows related to OPEB	12,245
Total deferred inflows of resources	<u>199,576</u>
NET POSITION	
Net investment in capital assets	20,284,493
Restricted for debt service	1,281,340
Unrestricted net position	5,505,832
Total net position	<u>\$ 27,071,665</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, 2021

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
OPERATING REVENUES	
Charges for services	\$ 4,183,323
Miscellaneous	128,149
	<hr/>
Total operating revenues	4,311,472
	<hr/>
OPERATING EXPENSES	
Water transmission and distribution	49,379
Water distribution maintenance	345,567
Wastewater maintenance	76,013
General plant operations and maintenance	559,738
Wastewater treatment	562,361
General and administrative	1,439,241
Depreciation	1,128,226
	<hr/>
Total operating expenses	4,160,525
	<hr/>
Operating income	150,947
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	1,725
Connection and availability charges	406,607
Interest expense	(255,771)
Rental income	31,006
	<hr/>
Total non-operating expenses, net	183,567
	<hr/>
Income before capital contributions	334,514
	<hr/>
CAPITAL CONTRIBUTIONS	362,147
	<hr/>
Change in net position	696,661
	<hr/>
NET POSITION AT JANUARY 1	26,375,004
	<hr/>
NET POSITION AT DECEMBER 31	\$ 27,071,665
	<hr/> <hr/>

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, 2021

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
OPERATING ACTIVITIES	
Receipts from customers	\$ 4,155,485
Payments to suppliers	(2,009,317)
Payments to employees	(862,108)
Other operating receipts	145,010
	<hr/>
Net cash provided by operating activities	1,429,070
	<hr/>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets and water rights	(668,533)
Connection and availability fees	406,607
Contribution from local, State, and Federal governments	362,147
Principal paid on debt	(6,638,293)
Proceeds from indebtedness	6,081,000
Interest payments on long-term liabilities	(363,637)
	<hr/>
Net cash used in capital and related financing activities	(820,709)
	<hr/>
INVESTING ACTIVITIES	
Rent received	31,006
Interest received	1,725
	<hr/>
Net cash provided by investing activities	32,731
	<hr/>
Net increase in cash and cash equivalents	641,092
	<hr/>
CASH AND CASH EQUIVALENTS	
Beginning at January 1	8,029,200
	<hr/>
Ending at December 31	\$ 8,670,292
	<hr/> <hr/>
RECONCILIATION TO EXHIBIT 7	
Cash and investments	\$ 5,735,473
Restricted cash and investments	2,934,819
	<hr/>
	\$ 8,670,292
	<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, 2021

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 150,947
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,128,226
Pension expense net of employer contributions	104,605
Other postemployment expense net of employer contributions	(5,147)
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables, net	(41,574)
Inventories	(5,839)
(Decrease) increase in:	
Accounts payable and accrued expenses	62,478
Customer deposits	30,597
Compensated absences	4,777
	<hr/>
Net cash provided by operating activities	<u><u>\$ 1,429,070</u></u>

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

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

	Custodial Funds		
	Special Welfare	Forfeited Assets	Total
ASSETS			
Cash and cash equivalents	\$ 9,358	\$ 20,149	\$ 29,507
Total assets	<u>\$ 9,358</u>	<u>\$ 20,149</u>	<u>\$ 29,507</u>
NET POSITION			
Restricted for individuals and organizations	\$ 9,358	\$ 20,149	\$ 29,507
Total net position	<u>\$ 9,358</u>	<u>\$ 20,149</u>	<u>\$ 29,507</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, 2022

	Custodial Funds		
	Special Welfare	Forfeited Assets	Total
ADDITIONS			
Contributions for the benefit of individuals	\$ 22,468	\$ -	\$ 22,468
Confiscated sale proceeds	-	10,676	10,676
Total additions	22,468	10,676	33,144
DEDUCTIONS			
Payments to benefit individuals	32,182	-	32,182
Payments to locality	-	14,296	14,296
Total deductions	32,182	14,296	46,478
Net decrease in fiduciary net position	(9,714)	(3,620)	(13,334)
NET POSITION – AT JULY 1	19,072	23,769	42,841
NET POSITION – AT JUNE 30	\$ 9,358	\$ 20,149	\$ 29,507

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

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2021 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, 2022

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, 2022

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, 2022

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 5th and December 5th. Personal property taxes are payable on December 5th. The County bills and collects its own property taxes. The property taxes due and collected on the August 5, 2022 billing installment, as well as those due on December 5, 2022, 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, 2022

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 assets 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, 2022

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 assets 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.
- Lease-related amounts are recognized at the inception of leases in which the County is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

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

Unearned/Unavailable Revenue (Continued)

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.

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, 2022

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, 2022

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, 2022, 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 County and 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, 2022

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, 2022

Note 3. Deposits and Investments (Continued)

Deposit and investment balances consist of the following:

Deposits:	
Demand deposits	\$ 39,788,999
Money market funds	17,781,720
Cash on hand	<u>1,050</u>
	57,571,769
Investments:	
SNAP	<u>15,652,777</u>
 Total deposits and investments	 <u><u>\$ 73,224,546</u></u>

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

Cash and investments – Primary Government	\$ 49,826,885
Cash and investments – School Board	5,252,245
Cash and investments – EDA	1,211,299
Restricted cash and investments – Primary Government	<u>16,934,117</u>
 Total deposits and investments	 <u><u>\$ 73,224,546</u></u>

Restricted cash and investments

Restricted cash and investments in the governmental activities consist of \$13,999,298 of unspent debt proceeds maintained in SNAP accounts to be used for capital projects. Restricted cash and investments in the business-type activities consists of \$1,281,340 required to be maintained for debt service in the event of rate fluctuations or revenue decreases for water and sewer services, as well as \$1,653,479 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, 2022. SNAP funds are rated by Moody's as AAAm.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 4. Receivables

Receivables consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Receivables			
Taxes	\$ 9,948,605	\$ -	\$ 9,948,605
Less: allowance for uncollectible accounts	<u>(789,058)</u>	<u>-</u>	<u>(789,058)</u>
Net taxes receivable	<u>9,159,547</u>	<u>-</u>	<u>9,159,547</u>
Accounts receivable	840,649	859,851	1,700,500
Less: allowance for uncollectible accounts	<u>(146,754)</u>	<u>(75,000)</u>	<u>(221,754)</u>
Net accounts receivable	<u>693,895</u>	<u>784,851</u>	<u>1,478,746</u>
Net total receivables	<u><u>\$ 9,853,442</u></u>	<u><u>\$ 784,851</u></u>	<u><u>\$ 10,638,293</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 2013, 2016, 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, 2022, the five loans outstanding totaled \$381,456.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 6. Due From Other Governments

Amounts due from other governments consist of the following:

	<u>Primary Government Governmental Activities</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 1,048,721
Local sales taxes	687,495	-
Communication taxes	144,685	-
Public assistance and welfare administration	160,835	-
Comprehensive youth service	472,121	-
Sheriff	145,119	-
Commonwealth's Attorney	40,555	-
Other	159,531	-
Federal Government:		
Education grants	-	1,634,926
Public safety grants	28,355	-
Public assistance	89,080	-
Other	9,445	-
	<u>\$ 1,937,221</u>	<u>\$ 2,683,647</u>

Note 7. Transfers

Interfund transfers consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 46,001	\$ 1,350,076
Special Revenue Fund	<u>1,350,076</u>	<u>46,001</u>
	<u>\$ 1,396,077</u>	<u>\$ 1,396,077</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, 2022

Note 8. Capital Assets

Capital asset activity for the year consisted of the following:

	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 2,536,933	\$ 13,999	\$ -	\$ 2,550,932
Construction in progress	1,168,848	4,882,333	1,969,408	4,081,773
Total capital assets not depreciated	3,705,781	4,896,332	1,969,408	6,632,705
Capital assets depreciated:				
Buildings and improvements	52,851,422	1,847,487	-	54,698,909
Jointly owned school buildings and improvements	2,448,797	-	498,797	1,950,000
Furniture, equipment, and vehicles	15,218,530	2,495,805	144,331	17,570,004
Total capital assets depreciated	70,518,749	4,343,292	643,128	74,218,913
Less accumulated depreciation:				
Buildings and improvements	17,671,662	1,829,404	-	19,501,066
Jointly owned school buildings and improvements	937,743	-	151,993	785,750
Furniture, equipment, and vehicles	10,411,072	1,779,589	144,331	12,046,330
Total accumulated depreciation	29,020,477	3,608,993	296,324	32,333,146
Capital assets depreciated, net	41,498,272	734,299	346,804	41,885,767
Lease assets:				
Land	16,294	-	-	16,294
Equipment	21,613	36,142	-	57,755
Less accumulated amortization	9,099	8,679	-	17,778
Total lease assets being amortized, net	28,808	27,463	-	56,271
Governmental activities capital assets, net	<u>\$ 45,232,861</u>	<u>\$ 5,658,094</u>	<u>\$ 2,316,212</u>	<u>\$ 48,574,743</u>

* As restated for GASB Statement No. 87. No impact on prior year ending net position, see Note 32.

Intangible right-to-use lease assets

In 2022, the County and the Schools implemented the guidance in GASB No. 87, *Leases*, and recognized the value of land, copiers, and postage machines under long-term contracts.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 8. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not depreciated:				
Land	\$ 850,524	\$ -	\$ -	\$ 850,524
Construction in progress	1,395,374	252,268	1,529,373	118,269
 Total capital assets not depreciated	 2,245,898	 252,268	 1,529,373	 968,793
Capital assets depreciated:				
Buildings and improvements	1,243,269	-	-	1,243,269
Utility plant in service	50,823,891	1,529,373	-	52,353,264
Furniture, equipment, and vehicles	1,283,054	118,524	-	1,401,578
 Total capital assets depreciated	 53,350,214	 1,647,897	 -	 54,998,111
 Less accumulated depreciation	 24,628,901	 1,128,226	 -	 25,757,127
 Capital assets depreciated, net	 28,721,313	 519,671	 -	 29,240,984
 Net capital assets	 <u>\$ 30,967,211</u>	 <u>\$ 771,939</u>	 <u>\$ 1,529,373</u>	 <u>\$ 30,209,777</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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	\$ 358,100	\$ -	\$ 358,100
Judicial administration	104,947	-	104,947
Public safety	1,301,510	-	1,301,510
Public works	442,435	-	442,435
Health and welfare	13,399	-	13,399
Education	1,147,649	-	1,147,649
Parks, recreation, and cultural	215,256	-	215,256
Community development	25,697	-	25,697
Water and sewer	-	1,128,226	1,128,226
	<u>-</u>	<u>1,128,226</u>	<u>1,128,226</u>
Total depreciation expense – primary government	<u>\$ 3,608,993</u>	<u>\$ 1,128,226</u>	<u>\$ 4,737,219</u>

Amortization expense reported in the government activities of \$8,679 was charged to the general government administration function.

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	-	278,578	299,250
Less accumulated depreciation:				
Buildings and improvements	187,795	14,446	69,644	132,597
Capital assets depreciated, net	<u>390,033</u>	<u>(14,446)</u>	<u>208,934</u>	<u>166,653</u>
Net capital assets	<u>\$ 897,956</u>	<u>\$ (14,446)</u>	<u>\$ 208,934</u>	<u>\$ 674,576</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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:

	Beginning Balance*	Increases	Decreases	Ending Balance
Capital assets not depreciated:				
Land	\$ 308,306	\$ -	\$ -	\$ 308,306
Construction in progress	-	127,531	-	127,531
Total capital assets not depreciated	308,306	127,531	-	435,837
Capital assets depreciated:				
Buildings and improvements	37,818,864	4,524,157	-	42,343,021
Jointly owned school buildings and improvements	11,587,909	498,797	3,913,693	8,173,013
Furniture, equipment, and vehicles	10,791,328	1,034,610	-	11,825,938
Total capital assets depreciated	60,198,101	6,057,564	3,913,693	62,341,972
Less accumulated depreciation:				
Buildings and improvements	32,591,495	3,118,271	-	35,709,766
Jointly owned school buildings and improvements	5,119,884	419,126	2,054,689	3,484,321
Furniture, equipment, and vehicles	7,290,261	555,100	-	7,845,361
Total accumulated depreciation	45,001,640	4,092,497	2,054,689	47,039,448
Capital assets depreciated, net	15,196,461	1,965,067	1,859,004	15,302,524
Lease assets:				
Equipment	166,356	115,179	-	281,535
Less accumulated amortization	64,075	65,253	-	129,328
Total lease assets being amortized, net	102,281	49,926	-	152,207
Governmental activities capital assets, net	<u>\$ 15,607,048</u>	<u>\$ 2,142,524</u>	<u>\$ 1,859,004</u>	<u>\$ 15,890,568</u>

* As restated for GASB Statement No. 87. No impact on prior year ending net position, see Note 32.

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, 2022

Note 9. Long-Term Liabilities

Changes in long-term liabilities consisted of the following:

Primary Government:

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 8,615,000	\$ 13,000,000	\$ 595,000	\$ 21,020,000	\$ 645,000
Premium on bonds	2,806,451	1,089,925	262,012	3,634,364	315,018
	<u>11,421,451</u>	<u>14,089,925</u>	<u>857,012</u>	<u>24,654,364</u>	<u>960,018</u>
Lease revenue bonds	10,525,000	-	660,000	9,865,000	690,000
Leases	12,629,974	36,142	1,207,701	11,458,415	1,202,641
	<u>23,154,974</u>	<u>36,142</u>	<u>1,867,701</u>	<u>21,323,415</u>	<u>1,892,641</u>
Landfill closure/post-closure	6,680,375	-	155,826	6,524,549	-
Compensated absences	1,134,788	-	52,608	1,082,180	108,218
	<u>7,815,163</u>	<u>-</u>	<u>208,434</u>	<u>7,606,729</u>	<u>108,218</u>
	<u>\$ 42,391,588</u>	<u>\$ 14,126,067</u>	<u>\$ 2,933,147</u>	<u>\$ 53,584,508</u>	<u>\$ 2,960,877</u>
Business-Type Activities:					
Revenue bonds	\$ 9,922,000	\$ 6,081,000	\$ 6,480,000	\$ 9,523,000	\$ 585,000
Premium on bond	318,439	-	79,020	239,419	79,020
Notes payable	1,796,608	-	158,293	1,638,315	136,206
Compensated absences	147,007	4,777	-	151,784	15,178
	<u>\$ 12,184,054</u>	<u>\$ 6,085,777</u>	<u>\$ 6,717,313</u>	<u>\$ 11,552,518</u>	<u>\$ 815,404</u>

* As restated for GASB Statement No. 87. No impact on prior year ending net position, see Note 32.

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.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 9. Long-Term Liabilities (Continued)

Discretely Presented Component Unit – School Board:

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 609,513	\$ 1,188	\$ -	\$ 610,701	\$ 61,070
Leases	105,156	115,179	62,927	157,408	69,955
	<u>\$ 714,669</u>	<u>\$ 116,367</u>	<u>\$ 62,927</u>	<u>\$ 768,109</u>	<u>\$ 131,025</u>

* As restated for GASB Statement No. 87. No impact on prior year ending net position, see Note 32.

Details of long-term indebtedness are as follows:

Purpose	Interest Rates	Date Issued	Final Maturity Date	Amount Issued	Amount Outstanding
PRIMARY GOVERNMENT					
Governmental Activities:					
General Obligation Bonds:					
Schools:					
VPSA Bonds	2.35-7.85%	2002	2022	\$ 965,000	\$ 45,000
VPSA Bonds	3.10-5.35	2003	2023	1,315,000	130,000
VPSA Bonds	4.10-5.60	2004	2024	1,120,000	165,000
VPSA Bonds	4.60-5.10	2005	2025	1,615,000	320,000
VPSA Bonds	4.225-5.10	2006	2026	1,265,000	300,000
VPSA Bonds	4.10-5.10	2007	2027	3,325,000	990,000
VPSA Bonds	5.05	2020	2030	6,170,000	6,070,000
VPSA Bonds	4.05-5.05	2022	2042	13,000,000	13,000,000
Total general obligation bonds					<u>\$ 21,020,000</u>
Lease Revenue Bonds:					
Virginia Resource Authority	5.125%	2020	2027	\$ 3,120,000	\$ 2,740,000
Virginia Resource Authority - Landfill	1.948-5.125	2020	2040	5,545,000	5,365,000
Virginia Resource Authority – Animal Shelter	0.404-2.525	2020	2037	1,860,000	1,760,000
Total lease revenue bonds					<u>\$ 9,865,000</u>
Business-Type Activities:					
Revenue refunding bond – Virginia Resources Authority					
Virginia Resource Authority	4.238%	2012	2022	\$ 9,915,000	\$ 360,000
Virginia Resource Authority	0.412	2020	2029	1,640,000	1,600,000
Virginia Resource Authority	5.125	2020	2040	1,660,000	1,660,000
Truist 2021 Bond	2.010	2021	2037	6,081,000	5,903,000
Total revenue bonds					<u>\$ 9,523,000</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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>
PRIMARY GOVERNMENT (Continued)					
Business-Type Activities: (Continued)					
Notes payable					
Sewage facilities note	- %	1993	2023	\$ 421,819	\$ 19,472
Sewage facilities note	-	1998	2027	747,643	130,838
Sewage facilities note	4.14	2010	2029	329,751	164,441
Sewage facilities note	3.25	2011	2041	129,890	84,593
Sewage facilities note	2.80	2011	2041	41,049	27,366
Sewage facilities note	-	2013	2033	1,062,266	637,359
Sewage facilities note	3.22	2013	2043	30,001	24,754
Sewage facilities note	3.08	2014	2034	64,890	46,238
Sewage facilities note	3.14	2016	2036	50,297	40,470
Sewage facilities note	1.18	2020	2040	484,835	462,784
Total notes payable					<u>\$ 1,638,315</u>

Annual debt payments

<u>Year Ending June 30,</u>	<u>Primary Government Governmental Activities</u>			
	<u>General Obligation and Lease Revenue Bonds</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,335,000	\$ 1,119,712	\$ 1,202,641	\$ 244,124
2024	1,310,000	1,224,640	1,317,864	215,832
2025	1,375,000	1,161,482	1,342,113	185,963
2026	1,430,000	1,094,960	1,373,259	155,450
2027	1,510,000	1,024,679	1,400,944	124,230
2028-2032	9,300,000	3,757,389	4,819,549	208,322
2033-2037	7,105,000	2,027,476	2,045	49
2038-2042	7,520,000	693,685	-	-
	<u>\$ 30,885,000</u>	<u>\$ 12,104,023</u>	<u>\$ 11,458,415</u>	<u>\$ 1,133,970</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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
2023	\$ 585,000	\$ 210,273	\$ 136,206	\$ 18,477
2024	608,000	187,044	137,348	17,160
2025	624,000	176,028	128,792	15,804
2026	635,000	164,134	130,012	14,408
2027	650,000	151,554	131,274	12,971
2028-2032	2,982,000	545,957	539,490	42,740
2033-2037	2,570,000	251,048	293,484	20,582
2038-2042	869,000	34,068	139,591	6,518
2043-2044	-	-	2,118	166
	<u>\$ 9,523,000</u>	<u>\$ 1,720,106</u>	<u>\$ 1,638,315</u>	<u>\$ 148,826</u>

Year Ending June 30,	Component Unit School Board Leases	
	Principal	Interest
2023	\$ 69,955	\$ 1,534
2024	54,303	797
2025	27,983	218
2026	5,167	18
	<u>\$ 157,408</u>	<u>\$ 2,567</u>

Bank notes payable are collateralized by real property.

Financed purchases – energy conservation

During fiscal year 2017, the County entered into two financed leases purchases 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.

The assets acquired through financing leases are as follows:

Furniture, equipment, and vehicles	\$ 292,937
Buildings and improvements	22,251,464
Less: accumulated depreciation	<u>(4,907,871)</u>
	<u>\$ 17,636,530</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 10. Leases

County as lessor

In 2022, the County implemented the guidance of GASB No. 87, *Leases*, which for lessors requires recognizing a lease receivable and deferred inflows of resources in the financial statements. In November 2017, the County entered into a lease as a lessor with US Cellular for the use of land for a communications tower. This contract matures in October 2037 and this includes option years. As of June 30, 2022, the value of this lease receivable is \$321,008 and the value of the deferred inflows of resources is \$305,162. Total lease and interest revenue in the General Fund was \$17,069 and \$8,033, respectively, for June 2022.

Note 11. 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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Members
Inactive members or their beneficiaries currently receiving benefits	168
Inactive members:	
Vested inactive members	35
Non-vested inactive members	73
Inactive members active elsewhere in VRS	116
Total inactive members	224
Active members	215
Total covered employees	607

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 11. 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, 2022 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 \$1,113,722 and \$1,054,036 for the years ended June 30, 2022 and 2021, respectively.

Net Pension Asset

The net pension asset 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 asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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, 2022

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; adjusted rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

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, 2022

Note 11. Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.00 %	1.70 %
Fixed Income	15.00	0.57	0.09
Credit Strategies	14.00	4.49	0.63
Real Assets	14.00	4.76	0.67
Private Equity	14.00	9.94	1.39
MAPS – Multi-Asset Public Strategies	6.00	3.29	0.20
PIP – Private Investment Partnership	3.00	6.84	0.21
Total	100.00 %		4.89
	Inflation		2.50
	*Expected arithmetic nominal return		7.39 %

- * The above allocation provides for a one-year return of 7.39%. 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 6.94%, 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 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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, 2021, 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, 2021 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, 2022

Note 11. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2020	\$ 48,353,959	\$ 42,261,527	\$ 6,092,432
Changes for the year:			
Service cost	1,203,790	-	1,203,790
Interest	3,176,098	-	3,176,098
Differences between expected and actual experience	(408,174)	-	(408,174)
Changes of assumptions	1,813,504	-	1,813,504
Contributions – employer	-	1,054,036	(1,054,036)
Contributions – employee	-	485,388	(485,388)
Net investment income	-	11,482,722	(11,482,722)
Benefit payments, including refunds of employee contributions	(2,601,305)	(2,601,305)	-
Administrative expenses	-	(28,833)	28,833
Other changes	-	1,080	(1,080)
Net changes	3,183,913	10,393,088	(7,209,175)
Balances at June 30, 2021	\$ 51,537,872	\$ 52,654,615	\$ (1,116,743)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability (asset)	\$ 5,357,768	\$ (1,116,743)	\$ (6,477,137)

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 11. 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, 2022, the political subdivision recognized pension expense of \$374,371. At June 30, 2022, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,017	\$ 268,709
Change in assumptions	1,209,109	-
Net difference between projected and actual earnings on pension plan investments	-	5,699,769
Employer contributions subsequent to the measurement date	<u>1,113,722</u>	<u>-</u>
Total	<u><u>\$ 2,395,848</u></u>	<u><u>\$ 5,968,478</u></u>

The \$1,113,722 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 asset in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Reduction to Pension Expense
2023	\$ (766,149)
2024	(859,778)
2025	(1,327,057)
2026	(1,733,368)
2027	-
Thereafter	-

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 11. Defined Benefit Pension Plan (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2021 *Comprehensive Annual Financial Report* (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022, approximately \$90,460 was payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

Note 12. 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 11.

Employees Covered by Benefit Terms

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

	<u>Members</u>
Inactive members or their beneficiaries currently receiving benefits	<u>14</u>
Inactive members:	
Vested inactive members	1
Non-vested inactive members	7
Inactive members active elsewhere in VRS	<u>6</u>
Total inactive members	<u>14</u>
Active members	<u>21</u>
Total covered employees	<u><u>49</u></u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 12. Defined Benefit Pension Plan – Amherst County Service Authority (Continued)

Contributions

The political subdivision's contractually required contribution rate for the year ended December 31, 2021 was 7.39% of covered employee compensation. This rate were based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

Contributions to the pension plan from the political subdivision were \$59,847 and \$52,397 for the years ended December 31, 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.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2019	\$ 5,981,092	\$ 5,492,229	\$ 488,863
Changes for the year:			
Service cost	77,248	-	77,248
Interest	396,061	-	396,061
Differences between expected and actual experience	109,027	-	109,027
Contributions – employer	-	50,507	(50,507)
Contributions – employee	-	47,058	(47,058)
Net investment income	-	104,360	(104,360)
Benefit payments, including refunds of employee contributions	(227,058)	(227,058)	-
Administrative expenses	-	(3,602)	3,602
Other changes	-	(123)	123
Net changes	355,278	(28,858)	384,136
Balances at June 30, 2020	\$ 6,336,370	\$ 5,463,371	\$ 872,999

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 12. 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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
Political subdivision's net pension liability	\$ 1,640,983	\$ 872,999	\$ 228,014

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

For the year ended December 31, 2021, the Authority recognized pension expense of \$181,170. At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 73,743	\$ 9,701
Changes in assumption	63,772	-
Net difference between projected and actual earnings on pension plan investments	162,381	-
Employer contributions subsequent to the measurement date	111,790	-
	<u>\$ 411,686</u>	<u>\$ 9,701</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 12. Defined Benefit Pension Plan – Amherst County Service Authority (Continued)

The \$111,790 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:

<u>Year Ended December 31,</u>	<u>Increase to Pension Expense</u>
2022	\$ 81,818
2023	97,299
2024	58,705
2025	52,373
2026	9,791
Thereafter	-

Payables to the Pension Plan

At December 31, 2021, there were no amounts payable to the Virginia Retirement System.

Note 13. 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 11.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 13. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Members</u>
Inactive members or their beneficiaries currently receiving benefits	<u>75</u>
Inactive members:	
Vested inactive members	12
Non-vested inactive members	57
Inactive members active elsewhere in VRS	<u>15</u>
Total inactive members	<u>84</u>
Active members	<u>125</u>
Total covered employees	<u><u>284</u></u>

Contributions

The School Division's contractually required contribution rate for the year ended June 30, 2022 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 \$63,903 and \$64,785 for the years ended June 30, 2022 and 2021, respectively.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 13. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2020	\$ 9,325,851	\$ 10,032,742	\$ (706,891)
Changes for the year:			
Service cost	250,329	-	250,329
Interest	615,433	-	615,433
Differences between expected and actual experience	18,896	-	18,896
Assumption changes	224,511	-	224,511
Contributions – employer	-	64,785	(64,785)
Contributions – employee	-	129,348	(129,348)
Net investment income	-	2,728,555	(2,728,555)
Benefit payments, including refunds of employee contributions	(416,637)	(416,637)	-
Administrative expenses	-	(6,816)	6,816
Other changes	-	257	(257)
Net changes	692,532	2,499,492	(1,806,960)
Balances at June 30, 2021	\$ 10,018,383	\$ 12,532,234	\$ (2,513,851)

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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's net pension asset	\$ (1,346,180)	\$ (2,513,851)	\$ (3,493,837)

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 13. 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, 2022, the School Division recognized pension expense of \$(126,385). At June 30, 2022, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,107	\$ -
Change in assumptions	146,284	-
Net difference between projected and actual earnings on pension plan investments	-	1,355,540
Employer contributions subsequent to the measurement date	63,903	-
Total	<u>\$ 230,294</u>	<u>\$ 1,355,540</u>

The \$63,903 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 fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Reduction to Pension Expense
2023	\$ (225,204)
2024	(236,414)
2025	(315,715)
2026	(411,816)
2027	-
Thereafter	-

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 13. 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 2021 *Comprehensive Annual Financial Report* (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022, approximately \$5,332 was payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

Note 14. 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 11.

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 \$4,198,381 and \$4,090,894 for the years ended June 30, 2022 and 2021, respectively.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 14. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Contributions (Continued)

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2022, the School Division reported a liability of \$22,448,253 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021 the School Division's proportion was 0.28916% as compared to 0.28870% at June 30, 2020.

For the year ended June 30, 2022, the School Division recognized pension expense of \$(133,452). 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, 2022, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,911,966
Change in assumptions	3,932,791	-
Net difference between projected and actual earnings on pension plan investments	-	14,145,998
Changes in proportion and differences between employer contributions and proportionate share of contributions	405,541	641,509
Employer contributions subsequent to the measurement date	<u>4,198,381</u>	<u>-</u>
Total	<u><u>\$ 8,536,713</u></u>	<u><u>\$ 16,699,473</u></u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 14. 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 \$4,198,381 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2023	\$ (3,160,236)
2024	(2,542,188)
2025	(2,725,607)
2026	(3,937,066)
2027	3,956
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, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 53,381,141
Plan fiduciary net position	<u>45,617,878</u>
Employers' net pension liability	<u>\$ 7,763,263</u>
Plan fiduciary net position as a percentage of the total pension liability	85.46%

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 14. 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	\$ 43,322,986	\$ 22,448,253	\$ 5,275,122

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 *Comprehensive Annual Financial Report* (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022 approximately \$357,455 was payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 15. 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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<u>Members</u>
Inactive members or their beneficiaries currently receiving benefits	29
Active members	98
Total covered employees	<u>127</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 15. 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, 2020 (General Employee HIC Program) and June 30, 2019 (GLI). 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 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, 2022 Contribution	\$59,524
June 30, 2021 Contribution	\$56,063

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, 2022 Contribution	\$26,300
June 30, 2021 Contribution	\$24,800

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

The net OPEB liabilities were measured as of June 30, 2021 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 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, 2022

Note 15. 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, 2022 proportionate share of liability	\$ 585,512
June 30, 2021 proportion	0.05029%
June 30, 2020 proportion	0.04633%
June 30, 2022 expense	\$ 45,344

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:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2020	\$ 187,708	\$ 123,095	\$ 64,613
Changes for the year:			
Service cost	6,359	-	6,359
Interest	12,049	-	12,049
Differences between expected and actual experience	(9,279)	-	(9,279)
Changes of assumptions	1,354	-	1,354
Contributions – employer	-	11,464	(11,464)
Net investment income	-	31,246	(31,246)
Benefit payments	(18,416)	(18,416)	-
Administrative expenses	-	(353)	353
Net changes	(7,933)	23,941	(31,874)
Balances at June 30, 2021	\$ 179,775	\$ 147,036	\$ 32,739

In addition, for the year ended June 30, 2021, the County recognized OPEB expense of \$4,845 related to the General Employee Health Insurance Credit Program.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 15. 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, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 66,780	\$ 4,461
Change in assumptions	32,279	80,111
Net difference between projected and actual earnings on OPEB plan investments	-	139,749
Changes in proportion	75,002	-
Employer contributions subsequent to the measurement date	59,524	-
	<hr/>	<hr/>
Total	\$ 233,585	\$ 224,321
	<hr/>	<hr/>

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,188	\$ 12,629
Change in assumptions	3,309	955
Net difference between projected and actual earnings on OPEB plan investments	-	14,738
Employer contributions subsequent to the measurement date	26,300	-
	<hr/>	<hr/>
Total	\$ 31,797	\$ 28,322
	<hr/>	<hr/>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 15. 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 fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2023	\$ (7,488)
2024	(3,955)
2025	(8,976)
2026	(31,725)
2027	1,884
Thereafter	-

General Employee Health Insurance Credit Program

Year Ended June 30,	Reduction to OPEB Expense
2023	\$ (4,856)
2024	(4,167)
2025	(5,048)
2026	(7,094)
2027	(1,355)
Thereafter	(305)

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 15. 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, 2020, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

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%
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, 2021, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<u>Group Life Insurance Program</u>
Total OPEB Liability	\$ 3,577,346
Plan fiduciary net position	2,413,074
Employers' net OPEB liability (asset)	1,164,272
Plan fiduciary net position as a percentage of total OPEB liability	67.45%

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, 2022

Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.00 %	1.70 %
Fixed Income	15.00	0.57	0.09
Credit Strategies	14.00	4.49	0.63
Real Assets	14.00	4.76	0.67
Private Equity	14.00	9.94	1.39
MAPS – Multi-Asset Public Strategies	6.00	3.29	0.20
PIP – Private Investment Partnership	3.00	6.84	0.21
Total	100.00 %		4.89
	Inflation		2.50
	*Expected arithmetic nominal return		7.39 %

- * The above allocation provides for a one-year return of 7.39%. 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 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11, including inflation of 2.50%.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (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 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:

	1.00% Decrease (5.75%)	Current Discount (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$ 855,454	\$ 585,512	\$ 367,521
General Employee HIC Net OPEB liability	\$ 51,265	\$ 32,739	\$ 16,947

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2021 Comprehensive Annual Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

- Group Life Insurance \$12,090
- General Employee Health Insurance Credit 2,132

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. 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.

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.

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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)

Plan Descriptions (Continued)

General Employee Health Insurance Credit Program (Continued)

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	29
Vested inactive members	3
Active members	<u>125</u>
Total covered employees	<u><u>157</u></u>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2020 (General Employee HIC Program) and June 30, 2019 (GLI and Teacher HIC). 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 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, 2022 Contribution – general employees	\$14,698
June 30, 2022 Contribution – teachers	\$140,354
June 30, 2021 Contribution – general employees	\$14,961
June 30, 2021 Contribution – teachers	\$136,549

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)

Contributions (Continued)

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1402(E)</i> and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.71% of covered employee compensation.
June 30, 2022 Contribution	\$19,470
June 30, 2021 Contribution	\$11,464

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1401(E)</i> and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2022 Contribution	\$316,050
June 30, 2021 Contribution	\$305,272

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

The net OPEB liabilities were measured as of June 30, 2021 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

General Employees

June 30, 2022 proportionate share of liability	\$ 156,245
June 30, 2021 proportion	0.01342%
June 30, 2020 proportion	0.01347%
June 30, 2022 expense	\$ 5,341

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. 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 (Continued)

Teachers

June 30, 2022 proportionate share of liability	\$ 1,425,999
June 30, 2021 proportion	0.12248%
June 30, 2020 proportion	0.12116%
June 30, 2022 expense	\$ 34,041

Teacher Health Insurance Credit Program

June 30, 2022 proportionate share of liability	\$ 3,661,638
June 30, 2021 proportion	0.28527%
June 30, 2020 proportion	0.28421%
June 30, 2022 expense	\$ 253,654

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:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2020	\$ 223,652	\$ -	\$ 223,652
Changes for the year:			
Service cost	4,386	-	4,386
Interest	15,097	-	15,097
Assumption changes	6,697	-	6,697
Contributions – employer	-	19,670	(19,670)
Net investment income	-	2,428	(2,428)
Administrative expenses	-	(86)	86
Net changes	26,180	22,012	4,168
Balances at June 30, 2021	\$ 249,832	\$ 22,012	\$ 227,820

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. 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)

General Employee Health Insurance Credit Program (Continued)

In addition, for the year ended June 30, 2021, the School Division recognized OPEB expense of \$19,868 related to the General Employee Health Insurance Credit Program.

At June 30, 2022, 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,820	\$ 1,190
Change in assumptions	8,614	21,378
Net difference between projected and actual earnings on OPEB plan investments	-	37,292
Changes in proportion	7,580	9,733
Employer contributions subsequent to the measurement date	14,698	-
	<hr/>	<hr/>
Total	\$ 48,712	\$ 69,593
	<hr/>	<hr/>

Group Life Insurance Program – Teachers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 162,640	\$ 10,865
Change in assumptions	78,615	195,107
Net difference between projected and actual earnings on OPEB plan investments	-	340,355
Changes in proportion	26,472	56,401
Employer contributions subsequent to the measurement date	140,354	-
	<hr/>	<hr/>
Total	\$ 408,081	\$ 602,728
	<hr/>	<hr/>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. 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)

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 5,384	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	1,414
Employer contributions subsequent to the measurement date	<u>19,470</u>	<u>-</u>
Total	<u><u>\$ 24,854</u></u>	<u><u>\$ 1,414</u></u>

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 63,895
Change in assumptions	98,981	14,716
Net difference between projected and actual earnings on OPEB plan investments	-	48,235
Changes in proportion	43,557	150,122
Employer contributions subsequent to the measurement date	<u>316,050</u>	<u>-</u>
Total	<u><u>\$ 458,588</u></u>	<u><u>\$ 276,968</u></u>

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 fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)

Year Ended June 30,	Increase (Reduction) to OPEB Expense			
	Group Life Insurance Program – General Employees	Group Life Insurance Program – Teachers	General Employee Health Insurance Credit Program	Teacher Health Insurance Credit Program
2023	\$ (8,757)	\$ (94,630)	\$ 960	\$ (49,037)
2024	(6,158)	(70,399)	960	(49,585)
2025	(6,753)	(54,638)	960	(37,844)
2026	(11,745)	(99,376)	958	(13,044)
2027	(2,166)	(15,958)	132	9,501
Thereafter	-	-	-	5,579

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2020, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

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%

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, 2021, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)

Net OPEB Liabilities (Continued)

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	\$ 3,577,346	\$ 1,477,874
Plan fiduciary net position	2,413,074	194,305
Employers' net OPEB liability (asset)	1,164,272	1,283,569
Plan fiduciary net position as a percentage of total OPEB liability	67.45%	13.15%

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.00 %	1.70 %
Fixed Income	15.00	0.57	0.09
Credit Strategies	14.00	4.49	0.63
Real Assets	14.00	4.76	0.67
Private Equity	14.00	9.94	1.39
MAPS – Multi-Asset Public Strategies	6.00	3.29	0.20
PIP – Private Investment Partnership	3.00	6.84	0.21
Total	100.00 %		4.89
	Inflation		2.50
			7.39 %

*Expected arithmetic nominal return

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)

Long-Term Expected Rate of Return (Continued)

Group Life Insurance and Health Insurance Credit Programs (Continued)

- * The above allocation provides for a one-year return of 7.39%. 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 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11, including inflation of 2.50%.

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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
GLI Net OPEB liability – general employees	\$ 228,279	\$ 156,245	\$ 98,073
GLI Net OPEB liability – teachers	\$ 2,083,437	\$ 1,425,999	\$ 895,089
General Employee HIC Net OPEB liability	\$ 254,183	\$ 227,820	\$ 205,304
Teacher HIC Net OPEB liability	\$ 4,121,990	\$ 3,661,638	\$ 3,272,071

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2021 Comprehensive Annual Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

• Group Life Insurance – general employees	\$3,064
• Group Life Insurance – teachers	29,774
• General Employee Health Insurance Credit	1,624
• Teacher Employee Health Insurance Credit	26,786

Note 17. 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, 2022

Note 17. Other Postemployment Benefits Liability – Local Plan (Continued)

Employees Covered by Benefit Terms

As of the July 1, 2021 actuarial valuation, the following employees were covered by the benefit terms of the plan:

	<u>Members</u>
Inactive employees or beneficiaries:	
Currently receiving benefits	<u>6</u>
Total inactive employees	6
Active plan members	<u>212</u>
	<u><u>218</u></u>

Total OPEB Liability

The County's total OPEB liability of \$705,161 was measured as of June 30, 2022 and was determined based on an actuarial valuation performed as of July 1, 2021.

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	4.50%

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, 2021 valuation were based on the results of an actuarial experience study for the period through July 1, 2021.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 17. Other Postemployment Benefits Liability – Local Plan (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2021	\$ 706,635
Changes for the year:	
Service cost	81,746
Interest	16,693
Economic/demographic gains or losses	33,154
Assumption or other input changes	(101,781)
Benefit payments	(31,286)
Net changes	(1,474)
Balance at June 30, 2022	\$ 705,161

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 (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	1.00% Decrease (2.54%)	Current Discount Rate (3.54%)	1.00% Increase (4.54%)
Total OPEB liability	\$ 771,373	\$ 705,161	\$ 645,445

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 (3.50%) or one percentage point higher (5.50%) than the current healthcare cost trend rates:

	1.00% Decrease (3.50%)	Current Healthcare Cost Trend Rates (4.50%)	1.00% Increase (5.50%)
Total OPEB liability	\$ 616,247	\$ 705,161	\$ 811,215

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 17. 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, 2022, the County recognized OPEB expense of \$99,450. At June 30, 2022, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,891	\$ -
Change in assumptions	34,520	85,625
Total	<u>\$ 62,411</u>	<u>\$ 85,625</u>

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

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2022	\$ 1,011
2023	1,011
2024	(181)
2025	(10,893)
2026	(10,893)
Thereafter	(3,269)

Note 18. 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, 2022

Note 18. 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, 2019 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<u>Members</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, 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, 2022

Note 18. 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:	1.34% 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.
December 31, 2021 Contribution	\$9,611
December 31, 2020 Contribution	\$8,590

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:	0.33% of covered employee compensation.
December 31, 2021 Contribution	\$4,274
December 31, 2020 Contribution	\$3,843

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 were determined by actuarial valuations 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.

Group Life Insurance Program

December 31, 2021 proportionate share of liability	\$	85,778
December 31, 2020 proportion		0.00514%
December 31, 2019 proportion		0.00538%
December 31, 2021 expense	\$	3,297

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 18. 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)

General Employee Health Insurance Credit Program

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2019	\$ 68,007	\$ 40,821	\$ 27,186
Changes for the year:			
Service cost	823	-	823
Interest	4,453	-	4,453
Differences between expected and actual experience	(730)	-	(730)
Contributions – employer	-	2,479	(2,479)
Net investment income	-	804	(804)
Benefit payments	(4,064)	(4,064)	-
Administrative expenses	-	(76)	76
Net changes	482	(857)	1,339
Balances at June 30, 2020	\$ 68,489	\$ 39,964	\$ 28,525

In addition, for the year ended December 31, 2021, the Authority reported \$1,195 of OPEB expense related to the general employee health insurance credit program.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 18. 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, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,502	\$ 771
Change in assumptions	4,290	1,791
Net difference between projected and actual earnings on OPEB plan investments	2,577	-
Changes in proportion	4,586	6,204
Employer contributions subsequent to the measurement date	9,611	-
	<u>\$ 26,566</u>	<u>\$ 8,766</u>

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,958
Change in assumptions	874	521
Net difference between projected and actual earnings on OPEB plan investments	1,312	-
Employer contributions subsequent to the measurement date	4,274	-
	<u>\$ 6,460</u>	<u>\$ 3,479</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 18. 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 fiscal year ending December 31, 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 reporting periods as follows:

Group Life Insurance Program

<u>Year Ended December 31,</u>	<u>Increase (Reduction) to OPEB Expense</u>
2022	\$ 1,318
2023	2,045
2024	2,214
2025	2,414
2026	286
Thereafter	(88)

General Employee Health Insurance Credit Program

<u>Year Ended December 31,</u>	<u>Increase (Reduction) to OPEB Expense</u>
2022	\$ (1,391)
2023	(480)
2024	340
2025	243
2026	(5)
Thereafter	-

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 18. 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, 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%
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%

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 the measurement date of June 30, 2020, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<u>Group Life Insurance Program</u>
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.

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COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 18. 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, 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 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$ 112,762	\$ 85,778	\$ 63,865
General Employee HIC Net OPEB liability	\$ 34,682	\$ 28,525	\$ 23,177

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, 2022

Note 19. 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	\$ 1,116,743	\$ -	\$ 1,116,743	\$ 2,513,851
Deferred outflows of resources				
Differences between expected and actual experience	\$ 73,017	\$ 73,743	\$ 146,760	\$ 20,107
Change in assumptions	1,209,109	63,772	1,272,881	4,079,075
Net difference between projected and actual earnings on plan investments	-	162,381	162,381	-
Change in proportion	-	-	-	405,541
Employer contributions subsequent to measurement date	1,113,722	111,790	1,225,512	4,262,284
Total deferred outflows of resources	<u>\$ 2,395,848</u>	<u>\$ 411,686</u>	<u>\$ 2,807,534</u>	<u>\$ 8,767,007</u>
Net pension liability				
VRS basic pension plan	<u>\$ -</u>	<u>\$ 872,999</u>	<u>\$ 872,999</u>	<u>\$ 22,448,253</u>
Deferred inflows of resources				
Differences between expected and actual experience	\$ 268,709	\$ 9,701	\$ 278,410	\$ 1,911,966
Net difference between projected and actual earnings on plan investments	5,699,769	-	5,699,769	15,501,538
Change in proportion	<u>-</u>	<u>-</u>	<u>-</u>	<u>641,509</u>
Total deferred inflows of resources	<u>\$ 5,968,478</u>	<u>\$ 9,701</u>	<u>\$ 5,978,179</u>	<u>\$ 18,055,013</u>
Net pension expense	<u>\$ 376,813</u>	<u>\$ 181,170</u>	<u>\$ 555,541</u>	<u>\$ 259,837</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 20. 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	\$ 66,780	\$ 5,502	\$ 72,282	\$ 17,820
GLI – teachers	-	-	-	162,640
HIC – general employees	2,188	-	2,188	-
Local plan	27,891	-	27,891	-
Change in actuarial assumptions:				
GLI – general employees	32,279	4,290	36,569	8,614
GLI – teachers	-	-	-	78,615
HIC – general employees	3,309	874	4,183	5,384
HIC – teachers	-	-	-	98,981
Local plan	34,520	-	34,520	-
Net difference between projected and actual investment earnings				
GLI – general employees	-	2,577	2,577	-
HIC – general employees	-	1,312	1,312	-
Change in proportion:				
GLI – general employees	75,002	4,586	79,588	7,580
GLI – teachers	-	-	-	26,472
HIC – teachers	-	-	-	43,557
Contributions subsequent to measurement date:				
GLI – general employees	59,524	9,611	69,135	14,698
GLI – teachers	-	-	-	140,354
HIC – general employees	26,300	4,274	30,574	19,470
HIC – teachers	-	-	-	316,050
	<u>\$ 327,793</u>	<u>\$ 33,026</u>	<u>\$ 360,819</u>	<u>\$ 940,235</u>
Total deferred outflows of resources				
Net other postemployment benefits liability				
GLI – general employees	\$ 585,512	\$ 85,778	\$ 671,290	\$ 156,245
GLI – teachers	-	-	-	1,425,999
HIC – general employees	32,739	28,525	61,264	227,820
HIC – teachers	-	-	-	3,661,638
Local plan	705,161	-	705,161	-
	<u>\$ 1,323,412</u>	<u>\$ 114,303</u>	<u>\$ 1,437,715</u>	<u>\$ 5,471,702</u>
Total net other postemployment benefits liability				

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 20. 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	\$ 4,461	\$ 771	\$ 5,232	\$ 1,190
GLI – teachers	-	-	-	10,865
HIC – general employees	12,629	2,958	15,587	-
HIC – teachers	-	-	-	63,895
Change in actuarial assumptions:				
GLI – general employees	80,111	1,791	81,902	21,378
GLI – teachers	-	-	-	195,107
HIC – general employees	955	521	1,476	-
HIC – teachers	-	-	-	14,716
Local plan	85,625	-	85,625	-
Net difference between projected and actual investment earnings				
GLI – general employees	139,749	-	139,749	37,292
GLI – teachers	-	-	-	340,355
HIC – general employees	14,738	-	14,738	1,414
HIC – teachers	-	-	-	48,235
Change in proportion				
GLI – general employees	-	6,204	6,204	9,733
GLI – teachers	-	-	-	56,401
HIC – teachers	-	-	-	150,122
	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,122</u>
Total deferred inflows of resources	<u>\$ 338,268</u>	<u>\$ 12,245</u>	<u>\$ 350,513</u>	<u>\$ 950,703</u>
Net OPEB expense	<u>\$ 149,639</u>	<u>\$ 4,492</u>	<u>\$ 154,131</u>	<u>\$ 312,904</u>

Note 21. 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, 2022

Note 22. 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 \$650,270. Actual costs may be higher due to inflation, changes in technology, changes in regulations or other unforeseen circumstances. The County intends to fund these costs from funds accumulated for this purpose in the Special Revenue Fund as well as transfers from the General Fund.

Permit 563 – Open Landfill

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

State and federal laws will require the County to place a final cover on this site when it stops accepting waste and to perform maintenance and monitoring functions for thirty years after closure. Although closure and post-closure care costs are paid only near or after the date the landfill stops accepting waste, the County will report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used. An accrual of \$5,874,279 for landfill closure and post-closure liability as of June 30 represents the cumulative amount reported to date based on estimated use of approximately 84% of the estimated capacity of the entire landfill site. The remaining estimated cost of closure and post-closure care of \$1,143,975 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 23. 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 \$2,957,000 at year end.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 23. 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 24. 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 25. 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:

	General	Special Revenue	Capital Projects	Total Governmental Funds	Component Unit – School Board
Nonspendable:					
Prepaid expenditures	\$ 123,731	\$ 7,264	\$ -	\$ 130,995	\$ 10,838
Restricted:					
Community development	-	381,456	-	381,456	-
Other capital projects	-	-	13,156,724	13,156,724	-
Total restricted	-	381,456	13,156,724	13,538,180	-

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 25. 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>
Committed to:					
General government administration	\$ 1,924,597	\$ -	\$ -	\$ 1,924,597	\$ -
Community development	15,850	-	-	15,850	-
Parks, recreation, and cultural	267,563	-	-	267,563	-
Other capital projects	749,357	-	-	749,357	-
Total committed	<u>2,957,367</u>	<u>-</u>	<u>-</u>	<u>2,957,367</u>	<u>-</u>
Assigned to:					
Public safety	-	946,757	-	946,757	-
Public works	81,524	5,250,096	-	5,331,620	-
Parks, recreation, and cultural	-	33,110	-	33,110	-
Education	-	-	-	-	4,699,024
Other capital projects	1,634,788	-	-	1,634,788	-
Total assigned	<u>1,716,312</u>	<u>6,229,963</u>	<u>-</u>	<u>7,946,275</u>	<u>4,699,024</u>
Unassigned	<u>20,735,990</u>	<u>-</u>	<u>-</u>	<u>20,735,990</u>	<u>(10,838)</u>
Total fund balances	<u><u>\$ 25,533,400</u></u>	<u><u>\$ 6,618,683</u></u>	<u><u>\$ 13,156,724</u></u>	<u><u>\$ 45,308,807</u></u>	<u><u>\$ 4,699,024</u></u>

Note 26. 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 2022.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 26. 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 2022.

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, 2022, \$5,060,000 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 2022, the County paid \$383,971 to the Board for debt service and other operating costs.

Note 27. 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, 2022

Note 28. Significant Transactions of the County and Component Unit – School Board

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

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

Expenditures of School Board – Component Unit (Exhibit 32)	\$ 55,359,724
School-related principal and other debt service expenditures included in primary government (Exhibit 5)	<u>1,710,000</u>
Total expenditures for school activities	<u><u>\$ 57,069,724</u></u>

Note 29. 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, 2022

Note 30. 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, 2022, outstanding conduit debt was as follows:

Lynchburg College, Series 2003	\$ 7,615,000
Total conduit debt outstanding	<u>\$ 7,615,000</u>

Note 31. 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 five local businesses regarding the abatement of property taxes. All five companies had met all requirements to receive their abatement for the year ended June 30, 2022. The companies received a tax abatement during fiscal year 2022 totaling \$13,750.

Note 32. Adoption of New Standard

Effective July 1, 2021, the County and Schools adopted Government Accounting Standards Board (GASB) Statement No. 87, *Leases*. The following discussions provides the County and School's accounting policy regarding lease agreements.

During the year of implementation of GASB No. 87, leases have been recognized and measured using the facts and circumstances that existed at the beginning of the year of implementation (i.e., as of July 1, 2021). The County and School's leases in place at the implementation date had no prepayments (payments made at or before the commencement of the lease) and contained no incentives, as such, the lease receivable and lease liability have been recognized and measured at the same amount as the related deferred inflow of resources and right-of-use lease asset, respectively, as of the implementation date (July 1, 2021). Therefore, no restatement of prior year net position was necessary.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 33. Prior Period Restatement

In fiscal year 2021, the Schools began participating in the Virginia Retirement System health insurance credit for other postemployment benefits.

The following is a summary of the restatements to net position, as applicable, resulting from the School's participation:

	<u>School Board Government- Wide</u>
Net position July 1, 2021, as previously reported	\$ (21,232,550)
Recognition of other postemployment benefits liabilities - health insurance credit	<u>(223,652)</u>
Net position July 1, 2021, as restated	<u><u>\$ (21,456,202)</u></u>

Note 34. 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 May 2019, the GASB issued **Statement No. 91, Conduit Debt Obligations**. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In 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.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 34. New Accounting Standards (Continued)

In April 2022, the GASB issued **Statement No. 99**, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued **Statement No. 100**, *Accounting Changes and Error Corrections*. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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

**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, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 24,786,800	\$ 24,786,800	\$ 27,187,859	\$ 2,401,059
Other local taxes	8,758,505	8,758,505	9,739,259	980,754
Permits, fees, license	196,525	196,525	232,409	35,884
Fines and forfeitures	-	175,340	163,301	(12,039)
Use of money and property	123,976	123,976	124,344	368
Charges for services	1,568,224	1,699,212	1,944,559	245,347
Miscellaneous	166,750	264,040	150,582	(113,458)
Recovered costs	236,000	299,373	219,567	(79,806)
Intergovernmental revenues:				
Commonwealth	8,002,192	8,381,896	8,909,663	527,767
Federal	1,909,840	1,909,840	2,070,332	160,492
Total revenues	45,748,812	46,595,507	50,741,875	4,146,368
EXPENDITURES				
Current:				
General government administration	3,126,450	4,408,370	3,067,647	1,340,723
Judicial administration	1,674,235	1,792,349	1,673,797	118,552
Public safety	11,374,023	12,486,719	12,017,602	469,117
Public works	896,580	1,696,515	1,408,553	287,962
Health and welfare	6,356,914	6,633,253	6,757,405	(124,152)
Education	13,963,335	15,635,982	12,417,844	3,218,138
Parks, recreation, and cultural	1,261,140	1,346,759	1,304,649	42,110
Community development	1,556,761	2,098,907	1,317,697	781,210
Nondepartmental	2,572,257	477,251	179,303	297,948
Debt service:				
Principal	2,615,834	2,658,784	2,462,701	196,083
Interest	831,377	831,377	1,027,603	(196,226)
Bond issuance costs	7,500	7,500	3,175	4,325
Total expenditures	46,236,406	50,073,766	43,637,976	6,435,790
Excess of revenues (under) expenditures	(487,594)	(3,478,259)	7,103,899	10,582,158
OTHER FINANCING SOURCES (USES)				
Transfers in	2,183,211	5,351,297	46,001	(5,305,296)
Transfers out	(1,695,617)	(1,858,442)	(1,350,076)	508,366
Total other financing sources (uses)	487,594	3,492,855	(1,304,075)	(4,796,930)
Net change in fund balance	\$ -	\$ 14,596	\$ 5,799,824	\$ 5,785,228

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, 2022**

	Plan Year			
	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 1,203,790	\$ 1,126,761	\$ 1,035,596	\$ 987,060
Interest on total pension liability	3,176,098	3,043,058	2,944,486	2,836,683
Difference between expected and actual experience	(408,174)	238,967	(24,423)	(192,175)
Changes in assumptions	1,813,504	-	1,266,837	-
Benefit payments, including refunds of employee contributions	(2,601,305)	(2,274,326)	(2,134,158)	(2,048,909)
Net change in total pension liability	3,183,913	2,134,460	3,088,338	1,582,659
Total pension liability – beginning	48,353,959	46,219,499	43,131,161	41,548,502
Total pension liability – ending	51,537,872	48,353,959	46,219,499	43,131,161
Plan Fiduciary Net Position				
Contributions – employer	1,054,036	882,857	839,756	831,426
Contributions – employee	485,388	449,563	439,624	422,882
Net investment income	11,482,722	799,857	2,690,349	2,844,587
Benefit payments, including refunds of employee contributions	(2,601,305)	(2,274,326)	(2,134,158)	(2,048,909)
Administrative expenses	(28,833)	(27,731)	(26,875)	(24,748)
Other	1,080	(953)	(1,694)	(2,522)
Net change in plan fiduciary net position	10,393,088	(170,733)	1,807,002	2,022,716
Plan fiduciary net position – beginning	42,261,527	42,432,260	40,625,258	38,602,542
Plan fiduciary net position – ending	52,654,615	42,261,527	42,432,260	40,625,258
Net pension liability (asset) – ending	\$ (1,116,743)	\$ 6,092,432	\$ 3,787,239	\$ 2,505,903
Plan fiduciary net position as a percentage of total pension liability	102%	87%	92%	94%
Covered payroll	\$ 10,357,658	\$ 9,524,622	\$ 8,956,710	\$ 8,631,987
Net pension liability as a percentage of covered payroll	-11%	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, 2022**

	Plan Year			
	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 250,329	\$ 253,852	\$ 253,332	\$ 255,979
Interest on total pension liability	615,433	584,511	549,881	541,082
Difference between expected and actual experience	18,896	27,045	140,073	(341,762)
Changes in assumptions	224,511	-	236,290	-
Benefit payments, including refunds of employee contributions	<u>(416,637)</u>	<u>(397,967)</u>	<u>(353,214)</u>	<u>(305,975)</u>
Net change in total pension liability	692,532	467,441	826,362	149,324
Total pension liability – beginning	<u>9,325,851</u>	<u>8,858,410</u>	<u>8,032,048</u>	<u>7,882,724</u>
Total pension liability – ending	<u>10,018,383</u>	<u>9,325,851</u>	<u>8,858,410</u>	<u>8,032,048</u>
Plan Fiduciary Net Position				
Contributions – employer	64,785	58,456	57,942	85,287
Contributions – employee	129,348	130,426	123,729	128,696
Net investment income	2,728,555	191,101	638,019	666,675
Benefit payments, including refunds of employee contributions	(416,637)	(397,967)	(353,214)	(305,975)
Administrative expenses	(6,816)	(6,554)	(6,324)	(5,723)
Other	<u>257</u>	<u>(226)</u>	<u>(401)</u>	<u>(596)</u>
Net change in plan fiduciary net position	2,499,492	(24,764)	459,751	568,364
Plan fiduciary net position – beginning	<u>10,032,742</u>	<u>10,057,506</u>	<u>9,597,755</u>	<u>9,029,391</u>
Plan fiduciary net position – ending	<u>12,532,234</u>	<u>10,032,742</u>	<u>10,057,506</u>	<u>9,597,755</u>
Net pension asset – ending	<u>\$ (2,513,851)</u>	<u>\$ (706,891)</u>	<u>\$ (1,199,096)</u>	<u>\$ (1,565,707)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>125%</u>	<u>108%</u>	<u>114%</u>	<u>119%</u>
Covered payroll	<u>\$ 2,766,891</u>	<u>\$ 2,771,515</u>	<u>\$ 2,595,173</u>	<u>\$ 2,904,472</u>
Net pension asset as a percentage of covered payroll	<u>-91%</u>	<u>-26%</u>	<u>-46%</u>	<u>-54%</u>

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, 2022

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2022	\$ 1,113,722	\$ 1,113,722	\$ -	\$ 10,938,058	10.18 %
2021	1,054,036	1,054,036	-	10,357,658	10.18
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
Schools – Nonprofessional Employees					
2022	63,903	63,903	-	2,756,201	2.32
2021	64,785	64,785	-	2,766,891	2.34
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.

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COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SERVICE AUTHORITY
December 31, 2021**

	Plan Year		
	2020	2019	2018
Total Pension Liability			
Service cost	\$ 77,248	\$ 69,885	\$ 75,780
Interest on total pension liability	396,061	384,494	371,336
Difference between expected and actual experience	109,027	(19,227)	(31,625)
Changes in assumptions	-	166,628	-
Benefit payments, including refunds of employee contributions	<u>(227,058)</u>	<u>(226,908)</u>	<u>(228,128)</u>
Net change in total pension liability	355,278	374,872	187,363
Total pension liability – beginning	<u>5,981,092</u>	<u>5,606,220</u>	<u>5,418,857</u>
Total pension liability – ending	<u>6,336,370</u>	<u>5,981,092</u>	<u>5,606,220</u>
Plan Fiduciary Net Position			
Contributions – employer	50,507	53,162	62,343
Contributions – employee	47,058	48,087	45,091
Net investment income	104,360	348,793	369,737
Benefit payments, including refunds of employee contributions	(227,058)	(226,908)	(228,128)
Administrative expenses	(3,602)	(3,502)	(3,231)
Other	<u>(123)</u>	<u>(219)</u>	<u>(327)</u>
Net change in plan fiduciary net position	(28,858)	219,413	245,485
Plan fiduciary net position – beginning	<u>5,492,229</u>	<u>5,272,816</u>	<u>5,027,331</u>
Plan fiduciary net position – ending	<u>5,463,371</u>	<u>5,492,229</u>	<u>5,272,816</u>
Net pension liability – ending	<u><u>\$ 872,999</u></u>	<u><u>\$ 488,863</u></u>	<u><u>\$ 333,404</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u>86%</u>	<u>92%</u>	<u>94%</u>
Covered payroll	<u><u>\$ 1,780,848</u></u>	<u><u>\$ 1,601,485</u></u>	<u><u>\$ 1,571,713</u></u>
Net pension liability as a percentage of covered payroll	<u>49%</u>	<u>31%</u>	<u>21%</u>

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, 2020 is reported in the Authority's fiscal year ended December 31, 2021).

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

EXHIBIT 16

Plan			
2017	2016	2015	2014
\$ 86,869	\$ 86,773	\$ 92,629	\$ 90,808
360,637	346,205	326,042	304,802
11,383	(47,040)	(1,265)	-
(89,816)	-	-	-
(204,339)	(155,194)	(103,535)	(80,845)
164,734	230,744	313,871	314,765
5,254,123	5,023,379	4,709,508	4,394,743
5,418,857	5,254,123	5,023,379	4,709,508
67,280	85,259	89,044	87,241
47,702	45,108	47,414	48,578
554,892	78,869	198,567	582,084
(204,339)	(155,194)	(103,535)	(80,845)
(3,231)	(2,794)	(2,647)	(3,060)
(491)	(33)	(41)	31
461,813	51,215	228,802	634,029
4,565,518	4,514,303	4,285,501	3,651,472
5,027,331	4,565,518	4,514,303	4,285,501
\$ 391,526	\$ 688,605	\$ 509,076	\$ 424,007
93%	87%	90%	91%
\$ 1,501,733	\$ 1,515,122	\$ 1,454,691	\$ 1,403,408
26%	45%	35%	30%

COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
SERVICE AUTHORITY
December 31, 2021

Entity Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 76,564	\$ 76,564	\$ -	\$ 1,212,108	6.32 %
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, 2022

School Division Fiscal Year Ended June 30,	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.29 %	\$ 22,448,253	\$ 25,207,720	89.05 %	85.46 %
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, 2022

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2022	\$ 4,198,381	\$ 4,198,381	\$ -	\$ 27,007,080	15.55 %
2021	4,090,894	4,090,894	-	25,207,720	16.23
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, 2022

	Primary Government				
	VRS Health Insurance Credit General Employees				
	Plan Year				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 6,359	\$ 6,129	\$ 4,699	\$ 4,565	\$ 4,050
Interest on total OPEB liability	12,049	12,475	12,506	11,939	12,056
Difference between expected and actual experience	(9,279)	(7,213)	6	6,253	-
Changes in assumptions	1,354	-	4,365	-	(4,960)
Benefit payments	(18,416)	(17,003)	(13,832)	(15,483)	(10,148)
Net change in total OPEB liability	(7,933)	(5,612)	7,744	7,274	998
Total OPEB liability – beginning	187,708	193,320	185,576	178,302	177,304
Total OPEB liability – ending	179,775	187,708	193,320	185,576	178,302
Plan Fiduciary Net Position					
Contributions – employer	11,464	10,216	9,311	9,237	8,839
Net investment income	31,246	2,459	7,802	8,582	12,748
Benefit payments	(18,416)	(17,003)	(13,832)	(15,483)	(10,148)
Administrative expenses	(353)	(233)	(168)	(197)	(204)
Other	-	(1)	(9)	(650)	650
Net change in plan fiduciary net position	23,941	(4,562)	3,104	1,489	11,885
Plan fiduciary net position – beginning	123,095	127,657	124,553	123,064	111,179
Plan fiduciary net position – ending	147,036	123,095	127,657	124,553	123,064
Net OPEB liability – ending	\$ 32,739	\$ 64,613	\$ 65,663	\$ 61,023	\$ 55,238
Plan fiduciary net position as a percentage of total OPEB liability	82%	66%	66%	67%	69%
Covered payroll	\$ 10,357,658	\$ 9,524,622	\$ 8,956,710	\$ 8,631,987	\$ 8,026,035
Net OPEB liability as a percentage of covered payroll	0%	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 CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS –
AGENT PLAN – GENERAL SCHOOL EMPLOYEES
June 30, 2022

	Primary Government VRS Health Insurance Credit General School Employees Plan Year	
	2021	2020
Total OPEB Liability		
Service cost	\$ 4,386	\$ 223,652
Interest on total OPEB liability	15,097	-
Changes in assumptions	6,697	-
Net change in total OPEB liability	26,180	223,652
Total OPEB liability – beginning	223,652	-
Total OPEB liability – ending	249,832	223,652
Plan Fiduciary Net Position		
Contributions – employer	19,670	-
Net investment income	2,428	-
Administrative expenses	(86)	-
Net change in plan fiduciary net position	22,012	-
Plan fiduciary net position – beginning	-	-
Plan fiduciary net position – ending	22,012	-
Net OPEB liability – ending	\$ 227,820	\$ 223,652
Plan fiduciary net position as a percentage of total OPEB liability	9%	0%
Covered payroll	\$ 2,766,891	\$ 2,771,515
Net OPEB liability as a percentage of covered payroll	8%	8%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2020 information was presented in the entity's fiscal year 2022 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan 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 – AGENT PLAN
June 30, 2022

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
VRS Health Insurance Credit – General Employees					
2022	\$ 26,300	\$ 26,300	\$ -	\$ 10,938,058	0.24 %
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
VRS Health Insurance Credit – General School Employees					
2022	19,470	19,470	-	2,756,201	0.71
2021	11,464	11,464	-	2,766,891	0.41

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, 2022

Entity Fiscal Year Ended June 30,	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System – Health Insurance Credit – Teachers					
2022	0.2853 %	\$ 3,661,638	\$ 25,207,720	14.53 %	13.15 %
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
Virginia Retirement System – Group Life Insurance – General Employees					
2022	0.0503	585,512	10,357,658	5.65	67.45
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
Virginia Retirement System – Group Life Insurance – General School Employees					
2022	0.0134	156,245	2,766,891	5.65	67.47
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
Virginia Retirement System – Group Life Insurance – Teachers					
2022	0.1225	1,425,999	25,207,720	5.66	67.45
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, 2022

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System – Health Insurance Credit – Teachers					
2022	\$ 316,050	\$ 316,050	\$ -	\$ 27,007,080	1.17 %
2021	305,272	305,272	-	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
Virginia Retirement System – Group Life Insurance – General Employees					
2022	59,524	59,524	-	10,938,058	0.54
2021	56,063	56,063	-	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
Virginia Retirement System – Group Life Insurance – General School Employees					
2022	14,698	14,698	-	2,756,201	0.53
2021	14,961	14,961	-	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
Virginia Retirement System – Group Life Insurance – Teachers					
2022	140,354	140,354	-	27,007,080	0.52
2021	136,549	136,549	-	25,207,720	0.54
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, 2021

	VRS Health Insurance Credit General Employees			
	Plan Year			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 823	\$ 725	\$ 824	\$ 1,024
Interest on total OPEB liability	4,453	4,532	4,782	4,867
Difference between expected and actual experience	(730)	(1,161)	(4,265)	-
Changes in assumptions	-	1,440	-	(2,881)
Benefit payments	(4,064)	(4,530)	(5,307)	(3,145)
Net change in total OPEB liability	482	1,006	(3,966)	(135)
Total OPEB liability – beginning	68,007	67,001	70,967	71,102
Total OPEB liability – ending	68,489	68,007	67,001	70,967
Plan Fiduciary Net Position				
Contributions – employer	2,479	2,525	3,238	3,355
Net investment income	804	2,503	2,786	4,126
Benefit payments	(4,064)	(4,530)	(5,307)	(3,145)
Administrative expenses	(76)	(54)	(63)	(67)
Other	-	(3)	(208)	208
Net change in plan fiduciary net position	(857)	441	446	4,477
Plan fiduciary net position – beginning	40,821	40,380	39,934	35,457
Plan fiduciary net position – ending	39,964	40,821	40,380	39,934
Net OPEB liability – ending	\$ 28,525	\$ 27,186	\$ 26,621	\$ 31,033
Plan fiduciary net position as a percentage of total OPEB liability	58%	60%	60%	56%
Covered payroll	\$ 614,563	\$ 575,857	\$ 599,118	\$ 584,077
Net OPEB liability as a percentage of covered payroll	5%	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, 2021

Entity Fiscal Year Ended December 31,	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System – Group Life Insurance – General Employees					
2021	0.00514 %	\$ 85,778	\$ 614,563	13.96 %	52.64 %
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, 2021

Entity Year Ended December 31,	Actuarially/ Contractually Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
VRS Health Insurance Credit – General Employees					
2021	\$ 2,909	\$ 2,909	\$ -	\$ 654,702	0.44 %
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, 2021

Entity Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System – Group Life Insurance – General Employees					
2021	\$ 6,562	\$ 6,562	\$ -	\$ 654,702	1.00 %
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, 2022

	Primary Government		
	Plan Year		
	2022	2021	2020
Total OPEB Liability			
Service cost	\$ 81,746	\$ 78,963	\$ 63,512
Interest on total OPEB liability	16,693	15,629	20,119
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Economic/demographic gains or losses	33,154	-	-
Changes in assumptions	(101,781)	3,039	66,573
Benefit payments	(31,286)	(38,210)	(28,355)
Net change in total OPEB liability	(1,474)	59,421	121,849
Total OPEB liability – beginning	706,635	647,214	525,365
Total OPEB liability – ending	705,161	706,635	647,214
Plan Fiduciary Net Position			
Contributions – employer	-	-	-
Contributions – employee	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrator charges	-	-	-
Other	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position – beginning	-	-	-
Plan fiduciary net position – ending	-	-	-
Net OPEB liability – ending	\$ 705,161	\$ 706,635	\$ 647,214
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 10,763,825	\$ 11,304,954	\$ 9,349,610
Net OPEB liability as a percentage of covered payroll	6.55%	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, 2022

Entity Fiscal Year Ended June 30,	Actuarially/ Contractually Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Local Plan					
2022	\$ -	\$ -	\$ -	\$ 10,763,825	0.00 %
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, 2022

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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

(Continued)

COUNTY OF AMHERST, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2022

Note 2. Changes of Assumptions (Continued)

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

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**OTHER
SUPPLEMENTARY INFORMATION**

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DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

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, 2022

	School Operating	School Cafeteria	School Textbook	School Construction	School Activities	Total
ASSETS						
Cash and investments	\$ 263,899	\$ 2,531,392	\$ 970,640	\$ 799,149	\$ 687,165	\$ 5,252,245
Accounts receivable, net	90,979	-	-	-	-	90,979
Due from primary government	1,529,259	-	-	-	-	1,529,259
Due from other governmental units	2,656,505	27,142	-	-	-	2,683,647
Prepaid items	10,838	-	-	-	-	10,838
Total assets	<u>\$ 4,551,480</u>	<u>\$ 2,558,534</u>	<u>\$ 970,640</u>	<u>\$ 799,149</u>	<u>\$ 687,165</u>	<u>\$ 9,566,968</u>
LIABILITIES						
Accounts payable	\$ 1,135,626	\$ 5,836	\$ -	\$ -	\$ -	\$ 1,141,462
Accrued liabilities	3,356,496	310,628	-	-	-	3,667,124
Unearned revenue	59,358	-	-	-	-	59,358
Total liabilities	<u>4,551,480</u>	<u>316,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,867,944</u>
FUND BALANCES						
Nonspendable	10,838	-	-	-	-	10,838
Assigned	-	2,242,070	970,640	799,149	687,165	4,699,024
Unassigned	(10,838)	-	-	-	-	(10,838)
Total fund balances	<u>-</u>	<u>2,242,070</u>	<u>970,640</u>	<u>799,149</u>	<u>687,165</u>	<u>4,699,024</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,551,480</u>	<u>\$ 2,558,534</u>	<u>\$ 970,640</u>	<u>\$ 799,149</u>	<u>\$ 687,165</u>	<u>\$ 9,566,968</u>

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

Total fund balances – governmental funds \$ 4,699,024

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 15,890,568

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 \$ 8,767,007
Other postemployment benefits 940,235

Deferred inflows related to:

Pensions (18,055,013)
Other postemployment benefits (950,703)

Net pension asset 2,513,851

Net pension liability (22,448,253)

Net other postemployment benefit liability (5,471,702)
(34,704,578)

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

Compensated absences (610,701)

Leases (157,408)

Net position of governmental activities \$ (14,883,095)

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, 2022

	School Operating	School Cafeteria	School Textbook	School Construction	School Activities	Total
REVENUES						
Revenue from the use of money and property	\$ 18,161	\$ -	\$ 97	\$ 20,663	\$ -	\$ 38,921
Charges for services	136,450	177,572	-	-	989,951	1,303,973
Miscellaneous	152,090	-	-	-	-	152,090
Recovered costs	88,159	-	-	-	-	88,159
Intergovernmental revenues:						
County contribution	11,632,029	-	-	779,046	-	12,411,075
Commonwealth	32,256,315	70,496	-	-	-	32,326,811
Federal	7,477,689	2,905,245	-	-	-	10,382,934
Total revenues	<u>51,760,893</u>	<u>3,153,313</u>	<u>97</u>	<u>799,709</u>	<u>989,951</u>	<u>56,703,963</u>
EXPENDITURES						
Education	<u>51,760,893</u>	<u>2,150,013</u>	<u>-</u>	<u>494,673</u>	<u>954,145</u>	<u>55,359,724</u>
Total expenditures	<u>51,760,893</u>	<u>2,150,013</u>	<u>-</u>	<u>494,673</u>	<u>954,145</u>	<u>55,359,724</u>
Excess of revenues over expenditures	<u>-</u>	<u>1,003,300</u>	<u>97</u>	<u>305,036</u>	<u>35,806</u>	<u>1,344,239</u>
Net change in fund balances	<u>-</u>	<u>1,003,300</u>	<u>97</u>	<u>305,036</u>	<u>35,806</u>	<u>1,344,239</u>
FUND BALANCES AT JULY 1,	<u>-</u>	<u>1,238,770</u>	<u>970,543</u>	<u>494,113</u>	<u>651,359</u>	<u>3,354,785</u>
FUND BALANCES AT JUNE 30	<u>\$ -</u>	<u>\$ 2,242,070</u>	<u>\$ 970,640</u>	<u>\$ 799,149</u>	<u>\$ 687,165</u>	<u>\$ 4,699,024</u>

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

Net change in fund balances – total governmental funds \$ 1,344,239

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	\$ 1,924,812	
Depreciation expense	(1,618,680)	
Allocation of debt financed school assets based on current year repayments	<u>79,669</u>	385,801

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	4,262,284	
Pension expense	<u>538,917</u>	4,801,201

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	490,572	
Other postemployment benefit expense	<u>(290,110)</u>	200,462

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	(1,188)	
Lease payments	<u>(157,408)</u>	

Change in net position of governmental activities

\$ 6,573,107

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, 2022**

	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	\$ -	\$ -	\$ 18,161	\$ 18,161	\$ -	\$ -	\$ -	\$ -
Charges for services	349,500	349,500	136,450	(213,050)	748,257	748,257	177,572	(570,685)
Miscellaneous	117,927	117,927	152,090	34,163	-	-	-	-
Recovered costs	102,000	102,000	88,159	(13,841)	-	-	-	-
Intergovernmental revenues:								
County contribution	13,902,089	13,902,089	11,632,029	(2,270,060)	-	-	-	-
Commonwealth	32,443,274	32,443,274	32,256,315	(186,959)	92,000	92,000	70,496	(21,504)
Federal	5,146,680	7,298,401	7,477,689	179,288	1,515,653	1,515,653	2,905,245	1,389,592
Total revenues	52,061,470	54,213,191	51,760,893	(2,452,298)	2,355,910	2,355,910	3,153,313	797,403
EXPENDITURES								
Education	52,061,470	54,213,191	51,760,893	2,452,298	2,355,910	2,355,910	2,150,013	205,897
Total expenditures	52,061,470	54,213,191	51,760,893	2,452,298	2,355,910	2,355,910	2,150,013	205,897
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	1,003,300	1,003,300
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,003,300	\$ 1,003,300

EXHIBIT 33

School Textbook				School Construction			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ 97	\$ 97	\$ -	\$ -	\$ 20,663	\$ 20,663
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	723,800	779,046	55,246
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	97	97	-	723,800	799,709	75,909
-	-	-	-	-	723,800	494,673	229,127
-	-	-	-	-	723,800	494,673	229,127
-	-	97	97	-	-	305,036	305,036
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97</u>	<u>\$ 97</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,036</u>	<u>\$ 305,036</u>

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

COUNTY OF AMHERST, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT –
AMHERST ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION – PROPRIETARY FUND
June 30, 2022**

	Enterprise Fund
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 1,211,299
Prepaid items	68
	<hr/>
Total current assets	1,211,367
	<hr/>
NONCURRENT ASSETS	
Capital assets:	
Nondepreciable	507,923
Depreciable, net	166,653
	<hr/>
Total noncurrent assets	674,576
	<hr/>
Total assets	1,885,943
	<hr/>
LIABILITIES	
Accounts payable	13,718
	<hr/>
Total liabilities	13,718
	<hr/>
NET POSITION	
Net investment in capital assets	674,576
Unrestricted	1,197,649
	<hr/>
Total net position	\$ 1,872,225
	<hr/> <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, 2022**

	Enterprise Fund
	<hr/>
OPERATING REVENUES	
Rents	\$ 25,550
	<hr/>
Total operating revenues	25,550
	<hr/>
OPERATING EXPENSES	
Salaries and benefits	364,735
Contractual services	61,269
Depreciation expense	14,446
Facilities costs	3,126
CARES Act business grant payments	193,998
Other operating costs	543,345
	<hr/>
Total operating expenses	1,180,919
	<hr/>
Operating loss	(1,155,369)
	<hr/>
NONOPERATING REVENUES (EXPENSES)	
Contributions from Amherst County	422,652
Contribution for equipment	524,809
Other income	145,626
Gain from sale of building	317,346
Interest expense	(778)
	<hr/>
Net nonoperating expenses	1,409,655
	<hr/>
Change in net position	254,286
	<hr/>
NET POSITION JULY 1	1,617,939
	<hr/>
NET POSITION JUNE 30	\$ 1,872,225
	<hr/> <hr/>

COUNTY OF AMHERST, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT –
AMHERST ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
Year Ended June 30, 2022**

	Enterprise Fund
OPERATING ACTIVITIES	
Receipts from grantors and customers	\$ 25,550
Payments to employees	(366,409)
Payments to grantees and suppliers	(854,652)
	<u>(1,195,511)</u>
Net cash used in operating activities	<u>(1,195,511)</u>
NONCAPITAL FINANCING ACTIVITIES	
Contributions from Amherst County	926,101
Other receipts	145,626
	<u>1,071,727</u>
Net cash provided by noncapital financing activities	<u>1,071,727</u>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments on long-term debt	(25,266)
Sale of capital assets	526,280
Interest paid on long-term debt	(778)
	<u>500,236</u>
Net cash provided by capital and related financing activities	<u>500,236</u>
Net increase in cash and cash equivalents	376,452
CASH AND CASH EQUIVALENTS	
Beginning at July 1	<u>834,847</u>
Ending at June 30	<u><u>\$ 1,211,299</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (1,155,369)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	14,446
Change in assets and liabilities:	
Increase in prepaids	(8)
Decrease in accounts payable	(49,656)
Decrease in accrued wages	(1,674)
	<u>(1,674)</u>
Net cash used in operating activities	<u><u>\$ (1,195,511)</u></u>

SUPPORTING SCHEDULES

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, 2022

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 14,679,987	\$ 14,679,987	\$ 15,561,268	\$ 881,281
Real and personal public service corporation property taxes	740,000	740,000	798,620	58,620
Personal property taxes	6,689,560	6,689,560	8,008,804	1,319,244
Mobile home taxes	65,000	65,000	85,371	20,371
Machinery and tools taxes	2,295,246	2,295,246	2,326,834	31,588
Merchant's capital	-	-	2,119	2,119
Penalties	200,000	200,000	252,509	52,509
Interest	117,007	117,007	152,334	35,327
Total general property taxes	24,786,800	24,786,800	27,187,859	2,401,059
Other local taxes:				
Local sales and use taxes	3,399,000	3,399,000	3,899,103	500,103
Consumers' utility taxes	1,935,000	1,935,000	1,751,769	(183,231)
Business license taxes	725,000	725,000	1,105,309	380,309
Bank stock taxes	120,000	120,000	124,442	4,442
Motor vehicle licenses	735,005	735,005	808,503	73,498
Taxes on recordation and wills	286,000	286,000	429,457	143,457
Lodging taxes	62,000	62,000	105,719	43,719
Meals tax	1,096,500	1,096,500	1,158,707	62,207
Cigarette tax	400,000	400,000	356,250	(43,750)
Total other local taxes	8,758,505	8,758,505	9,739,259	980,754
Permits, privilege fees, and regulatory licenses:				
Animal licenses	7,000	7,000	6,470	(530)
Building and related permits	155,375	155,375	174,992	19,617
Permits and other licenses	34,150	34,150	50,947	16,797
Total permits, privilege fees, and regulatory licenses	196,525	196,525	232,409	35,884
Fines and forfeitures:				
Court fines and forfeitures	-	175,340	163,301	(12,039)
Total fines and forfeitures	-	175,340	163,301	(12,039)
Revenue from use of money and property:				
Revenue from use of money	13,650	13,650	6,307	(7,343)
Revenue from use of property	110,326	110,326	118,037	7,711
Total revenue from use of money and property	123,976	123,976	124,344	368
Charges for services:				
Sheriff's fees	2,199	2,199	2,199	-
Collection fees – taxes and liens	131,975	131,975	104,588	(27,387)
Commonwealth attorney fees	3,500	3,500	3,033	(467)
Courthouse security fees	66,000	66,000	55,147	(10,853)
Jail processing fees	2,800	2,800	1,754	(1,046)
Charges for parks and recreation	40,000	49,700	57,265	7,565
Library	3,000	3,000	8,756	5,756
Emergency medical service fees	1,316,000	1,316,000	1,486,555	170,555

(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, 2022

	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	\$ -	\$ -	\$ 97,085	\$ 97,085
Warehouse charges	-	-	4,077	4,077
Other charges for services	2,750	124,038	124,100	62
Total charges for services	1,568,224	1,699,212	1,944,559	245,347
Miscellaneous revenue:				
Miscellaneous	166,750	264,040	150,582	(113,458)
Total miscellaneous revenue	166,750	264,040	150,582	(113,458)
Recovered costs:				
Social services	25,000	28,135	2,201	(25,934)
CSA recoveries	79,000	79,000	20,162	(58,838)
Public safety	118,000	135,288	138,200	2,912
Miscellaneous recoveries	14,000	56,950	59,004	2,054
Total recovered costs	236,000	299,373	219,567	(79,806)
Total revenue from local sources	35,836,780	36,303,771	39,761,880	3,458,109
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicles carriers' tax	77,000	77,000	74,951	(2,049)
Mobile home titling taxes	25,000	25,000	43,617	18,617
Auto rental tax	23,000	23,000	11,395	(11,605)
PPTRA	2,199,018	2,199,018	2,199,018	-
Total noncategorical aid	2,324,018	2,324,018	2,328,981	4,963
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	457,710	507,236	467,887	(39,349)
Sheriff	1,719,151	1,758,101	1,814,911	56,810
Commissioner of the Revenue	117,425	121,688	117,108	(4,580)
Treasurer	126,659	132,931	125,880	(7,051)
Registrar/electoral board	75,439	75,439	71,532	(3,907)
Clerk of the Circuit Court	317,836	323,498	318,432	(5,066)
Total shared expenses	2,814,220	2,918,893	2,915,750	(3,143)
Other categorical aid:				
Public assistance and welfare administration	871,170	1,131,894	1,108,793	(23,101)
Health department	11,000	11,000	22,392	11,392
Library grant	145,000	145,000	173,325	28,325
Fire program	110,000	110,000	121,919	11,919
EMS – 4 for life	33,500	33,500	-	(33,500)
Juvenile justice – crime control	37,100	37,100	-	(37,100)
Victim witness	101,484	101,484	64,274	(37,210)

(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, 2022**

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental revenue: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid: (Continued)				
Emergency management grant	\$ -	\$ -	\$ 14,911	\$ 14,911
Juror reimbursement	4,000	4,000	7,680	3,680
Comprehensive services	1,511,700	1,511,700	2,089,105	577,405
Miscellaneous	39,000	53,307	62,533	9,226
Total other categorical aid	2,863,954	3,138,985	3,664,932	525,947
Total categorical aid	5,678,174	6,057,878	6,580,682	522,804
Total revenue from the Commonwealth	8,002,192	8,381,896	8,909,663	527,767
Revenue from the Federal Government:				
Non-categorical aid:				
Payment in lieu of taxes	100,000	100,000	140,763	40,763
Categorical aid:				
Public assistance and welfare	1,809,840	1,809,840	1,911,889	102,049
Community Development Block Grant	-	-	17,680	17,680
Total categorical aid	1,809,840	1,809,840	1,929,569	119,729
Total revenue from the Federal Government	1,909,840	1,909,840	2,070,332	160,492
Other Financing Sources (Uses)				
Transfers in	2,183,211	5,351,297	46,001	(5,305,296)
Total other financing sources (uses)	2,183,211	5,351,297	46,001	(5,305,296)
Total general fund	47,932,023	51,946,804	50,787,876	(1,158,928)
Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Recreation trips	-	19,123	36,283	17,160
Landfill operations	640,000	640,000	614,550	(25,450)
Other charges for services	-	-	53	53
Total charges for services	640,000	659,123	650,886	(8,237)
Miscellaneous revenue:				
Dare donations	-	-	5,528	5,528
Miscellaneous	-	8,569	468,439	459,870
Total miscellaneous revenue	-	8,569	473,967	465,398
Total revenue from local sources	640,000	667,692	1,124,853	457,161
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Other categorical aid:				
E-911 wireless grant	-	-	242,183	242,183
Litter control	-	-	12,055	12,055

(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, 2022

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government: (Continued)				
Special Revenue Fund: (Continued)				
Intergovernmental revenue: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid: (Continued)				
DEQ and RSAF grants	\$ -	\$ -	\$ 42,982	\$ 42,982
Other state revenues	-	-	69	69
Total revenue from the Commonwealth	-	-	297,289	297,289
Revenue from the Federal Government:				
Categorical aid:				
Community development block grant	-	-	414,809	414,809
Highway planning and construction	-	-	255,454	255,454
DMV grants	-	39,887	37,344	(2,543)
Sheriff grants	-	-	3,759	3,759
Coronavirus relief fund	-	-	138,436	138,436
American rescue plan act	-	6,138,901	769,337	(5,369,564)
Total revenue from the Federal Government	-	6,178,788	1,619,139	(4,559,649)
Other Financing Sources (Uses)				
Transfers in	1,195,618	1,358,597	1,350,076	(8,521)
Total other financing sources (uses)	1,195,618	1,358,597	1,350,076	(8,521)
Total special revenue fund	1,835,618	8,205,077	4,391,357	(3,813,720)
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	30,891	30,891
Miscellaneous revenue:				
Miscellaneous	-	-	35,150	35,150
Other Financing Sources (Uses)				
Debt proceeds	-	12,950,000	13,000,000	50,000
Premium on debt issuance	-	-	1,089,925	1,089,925
Transfers in	-	6,645,418	-	(6,645,418)
Total other financing sources (uses)	-	19,595,418	14,089,925	(5,505,493)
Total capital projects fund	-	19,595,418	14,155,966	(5,439,452)
Total revenues – primary government	\$ 49,767,641	\$ 79,747,299	\$ 69,335,199	\$ (10,412,100)
Component Unit – School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ -	\$ -	\$ 18,161	\$ 18,161
Charges for services:				
Tuition	11,500	11,500	106,632	95,132
Textbook sales	336,000	336,000	-	(336,000)
Other	2,000	2,000	21,603	19,603
Total charges for services	349,500	349,500	136,450	(213,050)

(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, 2022

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Component Unit – School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 117,927	\$ 117,927	\$ 152,090	\$ 34,163
Recovered costs:				
Recovered costs	102,000	102,000	88,159	(13,841)
Total revenue from local sources	569,427	569,427	394,860	(174,567)
Intergovernmental revenue:				
County contribution to School Board	13,902,089	13,902,089	11,632,029	(2,270,060)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	5,184,395	5,184,395	6,475,932	1,291,537
Basic school aid	14,355,083	14,355,083	13,098,179	(1,256,904)
Special Ed SOQ	1,978,203	1,978,203	1,905,373	(72,830)
Remedial education	528,960	528,960	509,486	(19,474)
Technology	284,000	284,000	-	(284,000)
Lottery	1,091,080	1,091,080	1,056,413	(34,667)
Primary class size	656,494	656,494	612,001	(44,493)
Fringe benefits	2,947,064	2,947,064	2,838,564	(108,500)
Textbooks	290,038	290,038	279,359	(10,679)
Preschool	509,305	509,305	-	(509,305)
Gifted and talented	140,336	140,336	135,170	(5,166)
At-risk	1,224,628	1,224,628	1,179,700	(44,928)
Regional program	804,328	804,328	780,905	(23,423)
Vocational education SOQ	318,456	318,456	306,731	(11,725)
Salary Supplement	949,810	949,810	915,165	(34,645)
Adult Basic Education Regionalization	110,000	110,000	81,311	(28,689)
Other state funds	1,071,094	1,071,094	2,082,026	1,010,932
Total categorical aid	32,443,274	32,443,274	32,256,315	(186,959)
Total revenue from the Commonwealth	32,443,274	32,443,274	32,256,315	(186,959)
Revenue from the Federal Government:				
Non-categorical				
Federal land use	69,982	69,982	74,835	4,853
Categorical aid:				
Preschool handicap	19,916	19,916	530,356	510,440
Adult basic aid	374,277	374,277	481,173	106,896
Title I	997,048	997,048	1,096,811	99,763
Title II	229,700	229,700	156,396	(73,304)
Title VI-B special education	1,104,933	1,104,933	969,550	(135,383)
Vocational education	78,600	78,600	105,725	27,125
Other education	2,272,224	4,423,945	4,062,843	(361,102)
Total categorical aid	5,076,698	7,228,419	7,402,854	174,435
Total revenue from the Federal Government	5,146,680	7,298,401	7,477,689	179,288
Total school operating fund	52,061,470	54,213,191	51,760,893	(2,452,298)

(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, 2022**

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
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	\$ 177,572	\$ (570,685)
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Categorical aid:				
School food	92,000	92,000	70,496	(21,504)
Revenue from the Federal Government:				
Categorical aid:				
School food	1,515,653	1,515,653	2,905,245	1,389,592
Total school cafeteria fund	2,355,910	2,355,910	3,153,313	797,403
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 property	-	-	20,663	20,663
Total revenue from use of money and property	-	-	20,663	20,663
Intergovernmental revenue:				
County contribution to School Board	-	723,800	779,046	55,246
Total school construction fund	-	723,800	799,709	75,909
Total revenues – component unit – school board	\$ 54,417,380	\$ 57,292,901	\$ 55,714,012	\$ (1,578,889)

COUNTY OF AMHERST, VIRGINIA

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –
SCHOOL BOARD
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
Year Ended June 30, 2022**

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 172,713	\$ 189,226	\$ 188,903	\$ 323
General and financial administration:				
County administrator	317,191	307,730	306,462	1,268
Commissioner of the revenue	381,291	402,632	351,728	50,904
Treasurer	487,689	491,941	435,998	55,943
Finance	327,845	338,749	333,448	5,301
Purchasing	200,525	210,820	208,733	2,087
County attorney	177,952	179,986	171,290	8,696
Information technology	537,731	1,755,681	596,721	1,158,960
Human resources	214,891	254,548	230,798	23,750
Total general and financial administration	2,645,115	3,942,087	2,635,178	1,306,909
Board of Elections/Registrar:				
Electoral board and officials and registrar	308,622	277,057	243,566	33,491
Total general government administration	3,126,450	4,408,370	3,067,647	1,340,723
Judicial administration:				
Courts:				
Circuit court	113,233	134,306	121,122	13,184
General district court	9,776	9,776	8,480	1,296
Magistrate	1,000	1,000	-	1,000
Juvenile and domestic relations court	12,700	12,700	11,722	978
Clerk of the circuit court	595,204	633,835	584,736	49,099
Jurors	10,000	10,300	10,320	(20)
VJCCCA	66,755	19,441	16,762	2,679
Total courts	808,668	821,358	753,142	68,216
Commonwealth's attorney:				
Commonwealth's attorney	739,955	834,451	799,835	34,616
Victim advocate grant	125,612	136,540	120,820	15,720
Total commonwealth's attorney	865,567	970,991	920,655	50,336
Total judicial administration	1,674,235	1,792,349	1,673,797	118,552
Public safety:				
Law enforcement and traffic control:				
Sheriff	4,350,880	4,747,320	4,672,339	74,981
Total law enforcement and traffic control	4,350,880	4,747,320	4,672,339	74,981
Fire and rescue services:				
Volunteer emergency services	373,721	512,603	440,710	71,893
Volunteer rescue services	204,204	204,204	153,467	50,737
Emergency medical services	2,068,439	2,204,085	2,028,781	175,304
Emergency service council	292,415	282,415	276,861	5,554
Total fire and rescue services	2,938,779	3,203,307	2,899,819	303,488

(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, 2022**

	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	\$ 1,479,907	\$ 1,479,907	\$ -
Inspections:				
Building	326,357	376,692	357,114	19,578
Other protection:				
Animal control	163,772	171,707	154,765	16,942
Animal Shelter	175,452	248,713	193,365	55,348
Emergency services	945,432	1,050,603	1,010,710	39,893
Communications dispatch	976,287	1,034,670	1,075,846	(41,176)
Other public safety	66,500	173,800	173,737	63
Total other protection	2,327,443	2,679,493	2,608,423	71,070
Total public safety	11,374,023	12,486,719	12,017,602	469,117
Public works:				
Maintenance of general buildings and grounds:				
General properties	896,580	1,696,515	1,408,553	287,962
Health and welfare:				
Health:				
Supplement of local health department	218,493	239,493	239,493	-
Mental health and mental retardation:				
Community services board	143,844	143,844	143,844	-
Welfare:				
Welfare administration	2,758,540	2,769,550	2,735,531	34,019
Public assistance	895,111	1,158,460	1,021,864	136,596
County contributions	100,594	99,825	99,825	-
Comprehensive services	2,240,332	2,222,081	2,247,992	(25,911)
Tax relief for the elderly	-	-	268,856	(268,856)
Total welfare	5,994,577	6,249,916	6,374,068	(124,152)
Total health and welfare	6,356,914	6,633,253	6,757,405	(124,152)
Education:				
Contributions to community colleges	6,000	6,769	6,769	-
County contribution to School Board	13,957,335	15,629,213	12,411,075	3,218,138
Total education	13,963,335	15,635,982	12,417,844	3,218,138
Parks, recreation and cultural:				
Parks and recreation				
Parks and recreation	386,421	437,687	400,448	37,239

(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, 2022

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government: (Continued)				
General Fund: (Continued)				
Library:				
Library	\$ 815,749	\$ 844,949	\$ 840,252	\$ 4,697
Museum	58,970	64,123	63,949	174
Total library	874,719	909,072	904,201	4,871
Total parks, recreation, and cultural	1,261,140	1,346,759	1,304,649	42,110
Community development:				
Planning and community development:				
Planning	340,929	377,403	330,799	46,604
Planning commission	25,669	25,669	23,803	1,866
Zoning board	2,408	2,408	810	1,598
Central Virginia planning	18,584	18,584	18,583	1
EDA board	9,043	9,043	6,567	2,476
Contribution to EDA	765,241	765,241	415,241	350,000
Tourism	41,900	52,431	43,223	9,208
County fair	-	170,050	131,784	38,266
Community development projects	211,800	536,891	237,911	298,980
Total planning and community development	1,415,574	1,957,720	1,208,721	748,999
Environmental management:				
Soil and water conservation district	8,500	8,500	8,500	-
Cooperative extension program:				
VPI extension	132,687	132,687	100,476	32,211
Total community development	1,556,761	2,098,907	1,317,697	781,210
Non-Departmental:				
Non-departmental:				
Insurance	60,000	60,000	61,219	(1,219)
Line of duty	65,000	65,000	67,530	(2,530)
Other	2,447,257	352,251	50,554	301,697
Total non-departmental	2,572,257	477,251	179,303	297,948
Debt service:				
Principal retirement	2,615,834	2,658,784	2,462,701	196,083
Interest and fiscal charges	831,377	831,377	1,027,603	(196,226)
Bond issuance costs	7,500	7,500	3,175	4,325
Total debt service	3,454,711	3,497,661	3,493,479	4,182
Other Financing Uses				
Transfers out	1,695,617	1,858,442	1,350,076	508,366
Total other financing sources (uses)	1,695,617	1,858,442	1,350,076	508,366
Total general fund	47,932,023	51,932,208	44,988,052	6,944,156

(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, 2022

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Special Revenue Fund:				
Public safety:				
Other protection:				
Miscellaneous public safety grants	\$ -	\$ 6,110,288	\$ 3,184,020	\$ 2,926,268
DARE program	-	-	40,989	(40,989)
Total public safety	-	6,110,288	3,225,009	2,885,279
Sanitation and waste removal:				
Solid waste	1,835,617	1,956,874	1,936,190	20,684
Total public works	1,835,617	1,956,874	1,936,190	20,684
Parks, recreation and cultural:				
Parks and recreation				
Parks and recreation	-	19,123	266,731	(247,608)
Cultural				
Miscellaneous grants	-	84,050	85,203	(1,153)
Total parks, recreation, and cultural	-	103,173	351,934	(248,761)
Community development:				
Planning and community development:				
CDBG project – stump hill	-	-	271,631	(271,631)
Total community development	-	-	271,631	(271,631)
Other financing uses:				
Transfers out	-	46,001	46,001	-
Total special revenue funds	1,835,617	8,216,336	5,830,765	2,385,571
Capital Projects Fund:				
Public works:				
General construction projects	-	19,595,418	4,015,849	15,579,569
Total capital projects fund	-	19,595,418	4,015,849	15,579,569
Total expenditures – primary government	\$ 49,767,640	\$ 79,743,962	\$ 54,834,666	\$ 24,909,296
Component Unit – School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 39,844,789	\$ 40,498,079	\$ 38,803,999	\$ 1,694,080
Administration, attendance, and health	2,401,847	2,626,966	2,641,651	(14,685)
Pupil transportation services	3,397,318	4,001,708	3,897,675	104,033
Operation and maintenance services	4,602,841	4,817,802	4,489,202	328,600
Technology	1,814,675	2,268,636	1,928,366	340,270
Total education	52,061,470	54,213,191	51,760,893	2,452,298
Total school operating fund	52,061,470	54,213,191	51,760,893	2,452,298
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services	2,355,910	2,355,910	2,150,013	205,897
School Construction Fund:				
Education:				
Capital projects	-	723,800	494,673	229,127
Total expenditures – component unit – school board	\$ 54,417,380	\$ 57,292,901	\$ 54,405,579	\$ 2,887,322

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OTHER INFORMATION SECTION

TABLE 1

COUNTY OF AMHERST, VIRGINIA

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Recreation and Cultural	Community Development	Interest on Debt	Lease Payments	Water and Sewer ⁽¹⁾	Total
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
2022	3,494,989	1,713,062	21,630,459	2,538,585	6,622,475	13,202,097	1,042,750	1,568,937	704,367	58,415	4,416,296	56,992,432

⁽¹⁾ Water and sewer information is presented as of December 31, 2021.

TABLE 2

COUNTY OF AMHERST, VIRGINIA

GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Charges for Service ⁽¹⁾	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
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
2022	7,536,556	8,063,536	1,032,410	26,845,935	9,739,259	9,556,490	156,960	1,097,312	64,028,458

⁽¹⁾ Amounts included for water and sewer activity are presented as of December 31, 2021.

TABLE 3

COUNTY OF AMHERST, VIRGINIA

GENERAL GOVERNMENT REVENUES BY SOURCE ⁽¹⁾
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenues from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-Governmental ⁽²⁾	Total
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
2022	27,187,859	9,739,259	232,409	163,301	219,706	3,899,418	1,210,830	307,726	55,606,168	98,566,676

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

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

TABLE 4

COUNTY OF AMHERST, VIRGINIA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ⁽¹⁾
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education ⁽²⁾	Recreation and Cultural	Community Development ⁽²⁾	Non-developmental	Capital Projects	Debt Service	Total
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
2022	3,067,647	1,673,797	15,242,611	3,344,743	6,757,405	55,366,493	1,656,583	1,822,786	179,303	4,015,849	3,493,479	96,620,696

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

⁽²⁾ 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)

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Public Service	Total
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
2022	2,456,600,600	279,348,260	16,524,630	116,154,270	-	131,519,346	3,000,147,106

TABLE 6

COUNTY OF AMHERST, VIRGINIA

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital
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
2022	0.61	3.45	0.61	2.00	-

TABLE 7

COUNTY OF AMHERST, VIRGINIA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year	Total Tax Levy	Current Tax Collections ⁽¹⁾	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes ^(1, 2)	Percent of Delinquent Taxes to Tax Levy
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
2022	28,847,748	28,413,072	98.49	568,962	28,982,034	100.47	1,064,611	3.69

⁽¹⁾ Exclusive of penalties and interest.

⁽²⁾ 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)**

Fiscal Year	Population ⁽¹⁾	Assessed Value ⁽²⁾	Gross Bonded Debt ⁽³⁾	Less: Debt Payable from Enterprise Revenue	Net General Bonded Debt	Ratio of Gross Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2022	31,273	3,000,147,106	40,408,000	9,523,000	30,885,000	1.35	988

⁽¹⁾ Bureau of the Census.

⁽²⁾ From Table 5.

⁽³⁾ Includes all long-term general obligation debt.

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COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2023.

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 2022-001 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 2022-002, 2022-003, and 2022-004.**

County of Amherst, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other 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.



CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
June 30, 2023



**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

Opinion 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 identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Amherst, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the County of Amherst, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County of Amherst, Virginia's federal programs.

Report on Compliance for Each Major Federal Program (Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Amherst, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County of Amherst, Virginia's internal control over compliance Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. **Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.**

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
June 30, 2023

COUNTY OF AMHERST, VIRGINIA
SUMMARY OF COMPLIANCE MATTERS
June 30, 2022

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, 2022**

Federal Grantor/Pass – Through Grantor/ Program or Cluster Title	Assistance Listing Number	Cluster Amounts	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Guardianship Assistance	93.090		\$ 138
Title IV-E Prevention and Family Services Programs	93.472		6,458
Promoting Safe and Stable Families	93.556		18,358
Temporary Assistance to Needy Families (TANF)	93.558		247,868
Refugee and Entrant Assistance – Discretionary Grants	93.566		1,267
Low Income Home Energy Assistance	93.568		42,560
Community-Based Child Abuse Prevention Grants	93.590		833
Child Care Mandatory and Matching funds of the Child Care and Development Fund	93.596		55,593
Child Welfare Services – State Grants	93.645		585
Foster Care – Title IV-E	93.658		320,678
Adoption Assistance	93.659		340,562
Social Services Block Grant	93.667		230,125
Chafee Foster Care Independence Program	93.674		5,301
Children's Health Insurance Program	93.767		3,027
Medical Assistance Program	93.778		302,157
Total Department of Health and Human Services			<u>1,575,510</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>560,435</u>
Department of Justice:			
Pass through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575		64,274
Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>3,759</u>
Total Department of Justice			<u>68,033</u>
Department of Agriculture:			
Direct Program:			
Federal Land Use	10.665		74,835
Pass Through Payments:			
Virginia Department of Agriculture and Consumer Services:			
Child and Adult Care Food Program (CACFP)	10.558		59,451
SNAP EBT	10.649		3,063
Child Nutrition Cluster – Summer Food Service Program	10.559	\$ 241,254	
Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	692,827	
National School Lunch Program	10.555	106,457	
National School Lunch Program – CARES	10.555	<u>1,867,415</u>	
Total Child Nutrition Cluster			2,907,953

COUNTY OF AMHERST, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022**

Federal Grantor/Pass – Through Grantor/ Program or Cluster Title	Assistance Listing Number	Cluster Amounts	Federal Expenditures
Department of Agriculture: (Continued)			
Department of Social Services:			
State Administration:			
Matching Grants for Supplemental Nutrition Assistance Program	10.561		\$ 569,048
Total Department of Agriculture			<u>3,614,350</u>
Environmental Protection Agency:			
Direct Program:			
Diesel Emission Reduction Act	66.039		<u>60,000</u>
Federal Communications Commission:			
Direct Program:			
Emergency Connectivity Fund Program	32.009		<u>89,961</u>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles			
State Community and Highway Safety	20.600		18,058
Occupant Protection Incentive Grant	20.602		2,905
Alcohol Open Container Requirements	20.607		11,882
Virginia Department of Conservation of Recreation			
Recreational Trail Program	20.219		<u>255,454</u>
Total Department of Transportation			<u>288,299</u>
Department of Education			
Pass Through Payments:			
Adult Education – Basic Grants to States	84.002		471,711
Title I Grants to Local Educational Agencies	84.010		1,096,811
Special Education – Grants to States (Special Education Cluster)	84.027	\$ 948,939	
Special Education – Preschool Grants (Special Education Cluster)	84.173	<u>21,051</u>	
Total Special Education Cluster			969,990
COVID-19 Education Stabilization Fund - ESSER II	84.425D		1,307,835
COVID-19 Education Stabilization Fund - ESSER III	84.425D		1,170,129
COVID-19 Education Stabilization Fund - ARP ESSER	84.425U		1,555
COVID-19 Education Stabilization Fund - GEER	84.425C		695,823
Career and Technical Education: Basic grants to states	84.048		105,725
Supporting Effective Instruction State Grants	84.367		<u>156,396</u>
Total Department of Education			<u>5,975,975</u>
Department of Treasury			
Direct Payments:			
American Rescue Plan – Coronavirus State and Local Fiscal Recovery Fund	21.027		768,262
American Rescue Plan – Coronavirus State and Local Fiscal Recovery Fund - Library	21.027		21,853
Pass Through Payments:			
Coronavirus Relief Fund – Utility	21.019		46,291
Coronavirus Relief Fund – Healthcare	21.019		<u>70,291</u>
Total Department of Treasury			<u>906,697</u>
Total Expenditures of Federal Awards			<u>\$ 13,139,260</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022**

Federal Grantor/Pass – Through Grantor/ Program or Cluster Title	Assistance Listing Number	Cluster Amounts	Federal Expenditures
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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, 2022, the County had no outstanding loan balances requiring continuing disclosure.

COUNTY OF AMHERST, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiency and no material weaknesses** 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 or material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance with Requirements for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings** relating to major programs.
7. The programs tested as major programs include:

<u>Name of Program:</u>	<u>Assistance Listing #</u>
Child Nutrition Cluster – School Breakfast Program	10.553
Child Nutrition Cluster – National School Lunch Program	10.555
Child Nutrition Cluster – Summer Food Service Program	10.559
Coronavirus State and Local Fiscal Recovery Funds	21.027
Special Education – Grants to States (Special Education Cluster)	84.027
Special Education – Preschool Grants (Special Education Cluster)	84.173
Education Stabilization Fund – ESSER II and III	84.425D
Education Stabilization Fund – ARP ESSER	84.425U
Education Stabilization Fund – GEER	84.425C

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

2022-001: 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 administrative rights to the financial system, ability to change the access right of user accounts within the financial system, 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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2022-001: Segregation of Duties (Significant Deficiency) (Continued)

Recommendation:

Steps should be taken to eliminate performance of conflicting duties where possible or to implement effective compensating controls.

Management's Response:

New software system is being implemented that should improve or eliminate this issue.

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

None.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

2022-002: 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, 2022.

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 continue to review monthly and try to estimate year end expenses accurately.

2022-003: Commonwealth of Virginia Disclosure Statements

Condition:

Five members of various County boards filed a statement of economic interest as required by the *Code of Virginia* after the February 1, 2022 deadline.

Recommendation:

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

COUNTY OF AMHERST, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

D. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)

2022-003: Commonwealth of Virginia Disclosure Statements (Continued)

Management's Response:

Staff will make every attempt to ensure officials file timely.

2022-004: Commonwealth of Virginia Unclaimed Property Report

Condition:

The County's unclaimed property report was filed with the State Treasurer after the November 1, 2022 deadline.

Recommendation:

Steps should be taken to ensure that this report is filed and in a timely manner.

Management's Response:

Management has hired new staff and the reports will be filed timely in the future.

COUNTY OF AMHERST, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2022

A. 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.

Current Status:

Condition still exists in the current year. See finding 2022-001.

2021-002: 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, 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.

Current Status:

Condition still partially exists in the current year. See finding 2022-002.

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.

COUNTY OF AMHERST, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2022

A. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2021-003: Commonwealth of Virginia Disclosure Statements (Continued)

Recommendation:

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

Current Status:

Condition still partially exists in the current year. See finding 2022-003.

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