

COUNTY OF AMHERST, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023



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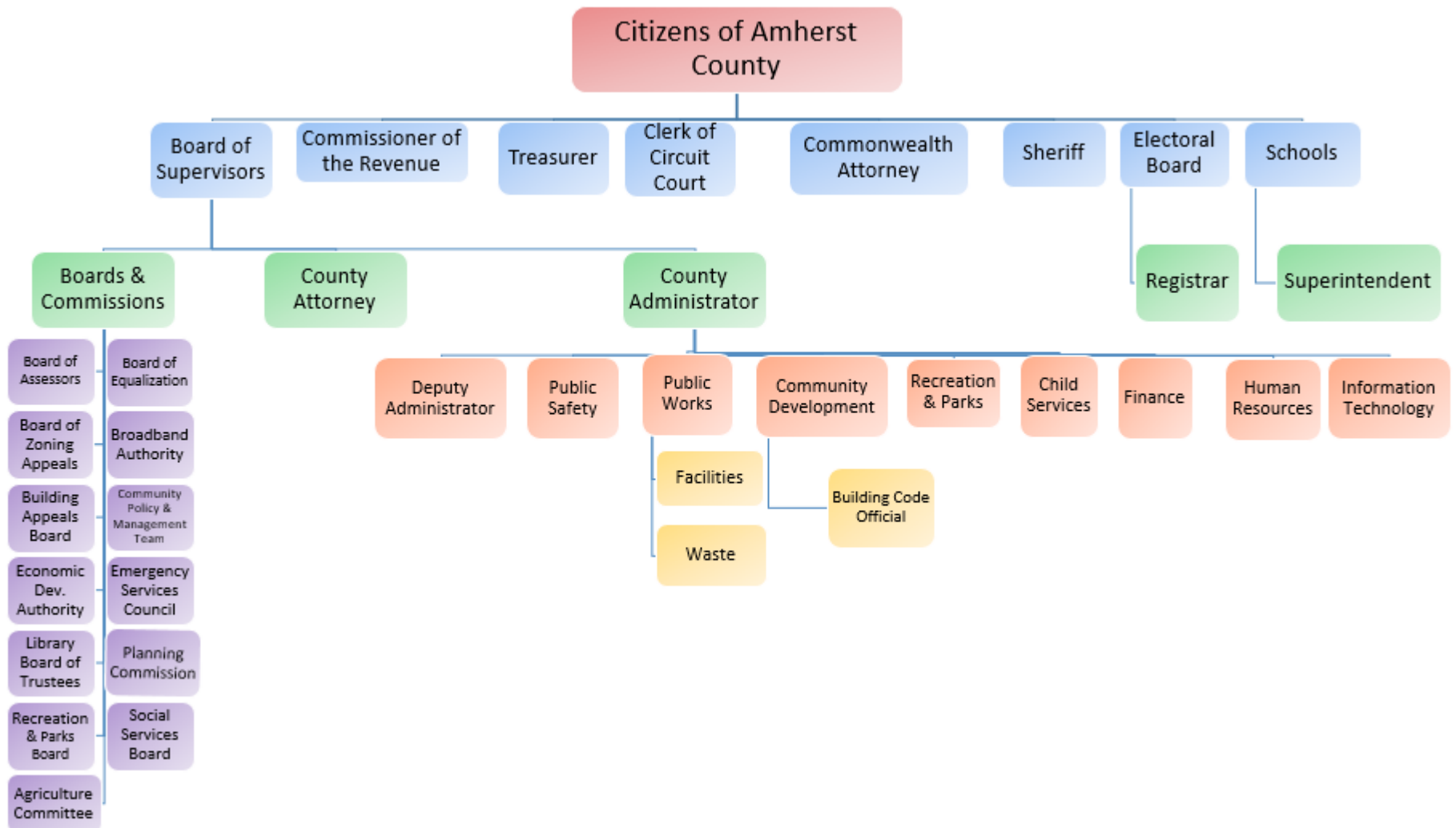
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INTRODUCTORY SECTION



COUNTY OF AMHERST, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS
June 30, 2023

BOARD OF SUPERVISORS

Tom Martin, Chair
L. J. Ayers, III, Vice-Chair

Claudia D. Tucker

David Pugh, Jr.

Drew Wade

SCHOOL BOARD

Chris Terry, Chair
Abby Thompson, Vice-Chair

Lori Saunders
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

Naomi Giles
Larry Langhans

Sandy Jennings-Neblett
Richard Timothy Jordan

Edward Kryspin

(Continued)

COUNTY OF AMHERST, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS
June 30, 2023

ECONOMIC DEVELOPMENT AUTHORITY BOARD

Andrew Proctor, Chair
Calvin Kennon, Jr., Vice-Chair
Dan Sweeney, Treasurer

Chad Eby

Shelly Hunt

Paul Kilgore

OTHER OFFICIALS

Judge of the Circuit Court.....	Jeffrey P. Bennett
Clerk of the Circuit Court	Deborah C. Mozingo
Judge of the General District Court.....	Sam Daniel Eggleston
Judge of the Juvenile & Domestic Relations Court.....	Jennifer E. Stille
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

Opinions

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, 2023 (except for the blended component unit, Amherst County Service Authority, which is for the six months ended June 30, 2023), 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended (six months ended for the Service Authority) 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 and 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 33 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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 July 11, 2024 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
July 11, 2024

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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, 2023

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	School Board
ASSETS					
Cash and investments (Note 3)	\$ 44,158,395	\$ 4,281,439	\$ 48,439,834	\$ 2,506,912	\$ 7,550,306
Receivables, net (Note 4)	10,550,944	645,535	11,196,479	-	10,475
Due from component unit	42,474	-	42,474	-	-
Due from other governments (Note 6)	2,190,057	-	2,190,057	-	2,409,672
Inventories	-	251,853	251,853	-	-
Prepaid items	167,369	-	167,369	1,587	40,801
Loans receivable (Note 5)	324,542	-	324,542	-	-
Lease receivable (Note 10)					
Receivable within one year	17,919	15,027	32,946	-	-
Receivable in more than one year	285,600	568,718	854,318	-	-
Restricted assets (Note 3)					
Cash and investments	12,956,543	12,976,415	25,932,958	-	-
Net pension asset (Notes 14 and 20)	-	-	-	-	1,842,526
Capital assets: (Note 8)					
Nondepreciable	6,912,378	923,800	7,836,178	1,129,494	308,306
Depreciable, net	43,223,159	30,957,169	74,180,328	361,142	15,413,737
Total assets	120,829,380	50,619,956	171,449,336	3,999,135	27,575,823
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	215,849	-	215,849	-	-
Deferred outflows related to pensions (Notes 12, 13, 14, 15, and 20)	1,807,985	99,009	1,906,994	-	7,443,351
Deferred outflows related to other postemployment benefits (Notes 16, 17, 18, 19, and 21)	331,134	24,676	355,810	-	906,562
Total deferred outflows of resources	2,354,968	123,685	2,478,653	-	8,349,913
LIABILITIES					
Accounts payable	947,726	99,321	1,047,047	85,268	1,158,501
Retainage payable	-	-	-	22,000	-
Accrued liabilities	191,402	-	191,402	2,311	3,317,260
Self insurance	-	-	-	-	350,000
Unearned revenue	4,897,961	-	4,897,961	-	521,144
Customer deposits	-	368,432	368,432	-	-
Accrued interest	622,596	147,699	770,295	-	-
Due to primary government	-	-	-	-	42,474
Long-term liabilities:					
Net pension liability (Notes 12, 13, 15, and 20)	1,075,007	145,465	1,220,472	-	27,542,140
Net other postemployment benefits liability (Notes 16, 17, 18, 19, and 21)	1,484,664	88,066	1,572,730	-	5,427,180
Due within one year (Note 9)	3,084,708	801,028	3,885,736	-	209,454
Due in more than one year (Note 9)	47,727,943	20,519,589	68,247,532	1,250,000	681,210
Total liabilities	60,032,007	22,169,600	82,201,607	1,359,579	39,249,363

(Continued)

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

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2023

	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	\$ -	\$ 149,071	\$ 149,071	\$ -	\$ -
Unavailable revenue	15,173,268	-	15,173,268	-	-
Deferred inflows related to pensions (Notes 12, 13, 14, 15, and 20)	2,328,878	298,373	2,627,251	-	6,067,211
Deferred inflows related to other postemployment benefits (Notes 16, 17, 18, 19, and 21)	209,092	23,338	232,430	-	635,246
Leases-related deferred inflows (Note 10)	285,260	442,957	728,217	-	-
Total deferred inflows of resources	17,996,498	913,739	18,910,237	-	6,702,457
NET POSITION					
Net investment in capital assets	4,777,780	20,449,165	25,226,945	1,490,636	15,506,030
Restricted for:					
Pension	-	-	-	-	1,842,526
Debt service	-	1,281,531	1,281,531	-	-
Community development loans	324,542	-	324,542	-	-
Unrestricted net position (deficit)	40,053,521	5,929,606	45,983,127	1,148,920	(27,374,640)
Total net position	\$ 45,155,843	\$ 27,660,302	\$ 72,816,145	\$ 2,639,556	\$ (10,026,084)

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

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

(Except for Business-Type Activities which are for the Six Months Ended June 30, 2023)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Units	
					Governmental Activities	Business-Type Activities	Total	Economic Development Authority	School Board
Primary Government:									
Governmental activities:									
General government	\$ 3,567,177	\$ 522,401	\$ 358,996	\$ -	\$ (2,685,780)	\$ -	\$ (2,685,780)	\$ -	\$ -
Judicial administration	1,367,749	275,630	996,514	-	(95,605)	-	(95,605)	-	-
Public safety	14,854,982	1,779,385	2,557,113	-	(10,518,484)	-	(10,518,484)	-	-
Public works	2,951,430	698,339	15,884	8,588	(2,228,619)	-	(2,228,619)	-	-
Health and welfare	6,973,472	5,195	4,920,711	-	(2,047,566)	-	(2,047,566)	-	-
Education	11,172,304	-	-	-	(11,172,304)	-	(11,172,304)	-	-
Parks, recreation, and cultural	1,629,181	104,440	235,125	-	(1,289,616)	-	(1,289,616)	-	-
Community development	3,337,364	-	-	-	(3,337,364)	-	(3,337,364)	-	-
Interest on long-term debt	1,316,342	-	-	-	(1,316,342)	-	(1,316,342)	-	-
Total governmental activities	47,170,001	3,385,390	9,084,343	8,588	(34,691,680)	-	(34,691,680)	-	-
Business-type activities:									
Water and sewer	2,794,650	2,155,662	-	-	-	(638,988)	(638,988)	-	-
Total primary government	\$ 49,964,651	\$ 5,541,052	\$ 9,084,343	\$ 8,588	(34,691,680)	(638,988)	(35,330,668)	-	-
Component Units:									
Economic Development Authority	\$ 2,306,603	\$ -	\$ -	\$ -	-	-	-	(2,306,603)	-
School Board	55,159,039	1,730,240	48,087,869	-	-	-	-	-	(5,340,930)
Total component units	\$ 57,465,642	\$ 1,730,240	\$ 48,087,869	\$ -	-	-	-	(2,306,603)	(5,340,930)
General revenues:									
General property taxes					27,923,237	-	27,923,237	-	-
Other local taxes:									
Local sales and use					4,324,428	-	4,324,428	-	-
Consumer's utility tax					1,652,259	-	1,652,259	-	-
Business license					1,155,214	-	1,155,214	-	-
Motor vehicle license taxes					856,622	-	856,622	-	-
Restaurant food taxes					1,405,715	-	1,405,715	-	-
Other taxes					994,328	-	994,328	-	-
Unrestricted revenues from use of money and property					1,115,383	218,951	1,334,334	46,940	70,627
Miscellaneous					569,444	304,620	874,064	2,392,292	193,426
County contribution					-	-	-	425,767	9,933,888
Grants and contributions not restricted to specific programs					3,308,705	-	3,308,705	-	-
Total general revenues					43,305,335	523,571	43,828,906	2,864,999	10,197,941
Change in net position					8,613,655	(115,417)	8,498,238	558,396	4,857,011
NET POSITION AT JULY 1, as restated (Note 34)					36,542,188	27,775,719	64,317,907	2,081,160	(14,883,095)
NET POSITION AT JUNE 30					\$ 45,155,843	\$ 27,660,302	\$ 72,816,145	\$ 2,639,556	\$ (10,026,084)

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, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 33,604,673	\$ 10,553,722	\$ -	\$ 44,158,395
Receivables, net	10,546,941	4,003	-	10,550,944
Prepaid items	157,781	9,588	-	167,369
Due from other governments	2,099,403	90,654	-	2,190,057
Due from component unit	42,474	-	-	42,474
Loans receivable	-	324,542	-	324,542
Cash and investments, restricted	6,731	-	12,949,812	12,956,543
Lease receivable				
Receivable within one year	17,919	-	-	17,919
Receivable in more than one year	285,600	-	-	285,600
	<u>285,600</u>	<u>-</u>	<u>-</u>	<u>285,600</u>
Total assets	<u>\$ 46,761,522</u>	<u>\$ 10,982,509</u>	<u>\$ 12,949,812</u>	<u>\$ 70,693,843</u>
LIABILITIES				
Accounts payable	\$ 716,301	\$ 214,673	\$ 16,752	\$ 947,726
Accrued liabilities	179,062	12,340	-	191,402
Unearned revenues	-	4,897,961	-	4,897,961
	<u>-</u>	<u>4,897,961</u>	<u>-</u>	<u>4,897,961</u>
Total liabilities	<u>895,363</u>	<u>5,124,974</u>	<u>16,752</u>	<u>6,037,089</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	16,569,666	-	-	16,569,666
Leases-related deferred inflows	285,260	-	-	285,260
	<u>285,260</u>	<u>-</u>	<u>-</u>	<u>285,260</u>
Total deferred inflows of resources	<u>16,854,926</u>	<u>-</u>	<u>-</u>	<u>16,854,926</u>
FUND BALANCES (Note 26)				
Nonspendable	157,781	9,588	-	167,369
Restricted	-	324,542	12,933,060	13,257,602
Committed	2,936,978	-	-	2,936,978
Assigned	4,061,676	5,523,405	-	9,585,081
Unassigned	21,854,798	-	-	21,854,798
	<u>21,854,798</u>	<u>-</u>	<u>-</u>	<u>21,854,798</u>
Total fund balances	<u>29,011,233</u>	<u>5,857,535</u>	<u>12,933,060</u>	<u>47,801,828</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 46,761,522</u>	<u>\$ 10,982,509</u>	<u>\$ 12,949,812</u>	<u>\$ 70,693,843</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, 2023**

Total fund balances per Exhibit 3 – Balance Sheet – Governmental Funds **\$ 47,801,828**

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. 50,135,537

Certain receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 1,396,398

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

Deferred outflows related to:

Pensions 1,807,985

Other postemployment benefits 331,134

Deferred inflows related to:

Pensions (2,328,878)

Other postemployment benefits (209,092)

Net pension liability (1,075,007)

Net other postemployment benefits liability (1,484,664)

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 (42,863,497)

Leases (45,774)

Accrued interest (622,596)

Compensated absences (1,249,092)

Landfill closure and post-closure costs (6,438,439)

Net position of governmental activities **\$ 45,155,843**

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	Special Revenue	Capital Projects	Total
REVENUES				
General property taxes	\$ 27,108,149	\$ -	\$ -	\$ 27,108,149
Other local taxes	10,388,566	-	-	10,388,566
Permits, privilege fees, and regulatory licenses	184,451	-	-	184,451
Fines and forfeitures	195,791	-	-	195,791
Revenue from the use of money and property	503,401	-	611,982	1,115,383
Charges for services	2,011,258	739,170	-	2,750,428
Miscellaneous	230,496	338,948	-	569,444
Recovered costs	269,082	-	-	269,082
Intergovernmental revenues:				
Commonwealth	8,913,241	429,774	-	9,343,015
Federal	2,288,321	770,300	-	3,058,621
Total revenues	<u>52,092,756</u>	<u>2,278,192</u>	<u>611,982</u>	<u>54,982,930</u>
EXPENDITURES				
Current				
General government	3,537,334	-	-	3,537,334
Judicial administration	1,826,558	-	-	1,826,558
Public safety	12,413,780	2,393,295	-	14,807,075
Public works	1,584,192	2,951,086	-	4,535,278
Health and welfare	7,189,600	-	-	7,189,600
Education	9,940,655	-	-	9,940,655
Parks, recreation, and cultural	1,474,387	94,563	-	1,568,950
Community development	3,251,948	78,864	-	3,330,812
Nondepartmental	41,111	-	-	41,111
Capital projects	-	-	1,596,464	1,596,464
Debt service				
Principal	2,537,641	-	-	2,537,641
Interest	1,362,828	-	-	1,362,828
Bond issuance costs	1,125	-	-	1,125
Total expenditures	<u>45,161,159</u>	<u>5,517,808</u>	<u>1,596,464</u>	<u>52,275,431</u>
Excess (deficiency) of revenues over expenditures	<u>6,931,597</u>	<u>(3,239,616)</u>	<u>(984,482)</u>	<u>2,707,499</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 7)	1,046,828	2,496,744	1,159,369	4,702,941
Transfers out (Note 7)	(4,286,114)	(18,276)	(398,551)	(4,702,941)
Total other financing sources (uses)	<u>(3,239,286)</u>	<u>2,478,468</u>	<u>760,818</u>	<u>-</u>
Net change in fund balances	3,692,311	(761,148)	(223,664)	2,707,499
FUND BALANCES AT JULY 1, as restated (Note 34)				
	<u>25,318,922</u>	<u>6,618,683</u>	<u>13,156,724</u>	<u>45,094,329</u>
FUND BALANCES AT JUNE 30	<u><u>\$ 29,011,233</u></u>	<u><u>\$ 5,857,535</u></u>	<u><u>\$ 12,933,060</u></u>	<u><u>\$ 47,801,828</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, 2023**

Net change in fund balances per Exhibit 5 – total governmental funds \$ 2,707,499

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	\$ 6,013,052	
Depreciation and amortization expense	(3,764,066)	
Loss on disposition of capital assets	(170,258)	
Allocation of debt-financed school assets based on current year repayments and drawdowns of bond proceeds	(309,000)	
		1,769,728

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		800,726
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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	1,236,607	
Pension expense	(376,620)	
		859,987

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	82,296	
Other postemployment benefits	(111,031)	
		(28,735)

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	645,000	
Lease revenue bonds	690,000	
Leases	1,202,641	
Deferred loss on bonds refunded	(23,211)	
Amortization of bond premium	315,018	
		2,829,448

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

Compensated absences	(166,912)	
Landfill liability	86,110	
Accrued interest	(244,196)	
		(324,998)

Change in net position of governmental activities		\$ 8,613,655
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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
June 30, 2023

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 4,281,439
Receivables, net	645,535
Current portion of lease receivable	15,027
Inventories	251,853
Total current assets	<u>5,193,854</u>
NONCURRENT ASSETS	
Restricted cash and investments	12,976,415
Lease receivable	568,718
Capital assets:	
Nondepreciable	923,800
Depreciable, net	30,957,169
Total noncurrent assets	<u>45,426,102</u>
Total assets	<u>50,619,956</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	99,009
Deferred outflows related to OPEB	24,676
Total deferred outflows of resources	<u>123,685</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	99,321
Accrued interest	147,699
Customer deposits	368,432
Long-term liabilities due within one year	801,028
Total current liabilities	<u>1,416,480</u>
NONCURRENT LIABILITIES	
Long-term liabilities due in more than one year	20,519,589
Net pension liability	145,465
Net OPEB liability	88,066
Total noncurrent liabilities	<u>20,753,120</u>
Total liabilities	<u>22,169,600</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding	149,071
Lease-related deferred inflows	442,957
Deferred inflows related to pensions	298,373
Deferred inflows related to OPEB	23,338
Total deferred inflows of resources	<u>913,739</u>
NET POSITION	
Net investment in capital assets	20,449,165
Restricted for debt service	1,281,531
Unrestricted net position	5,929,606
Total net position	<u><u>\$ 27,660,302</u></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
Six Months Ended June 30, 2023

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
OPERATING REVENUES	
Charges for services	\$ 2,026,876
Miscellaneous	128,786
	<hr/>
Total operating revenues	2,155,662
	<hr/>
OPERATING EXPENSES	
Water transmission and distribution	34,964
Water distribution maintenance	212,621
Sewer maintenance	8,854
General plant operations and maintenance	340,204
Wastewater treatment	376,841
General and administrative	904,856
Depreciation	562,782
	<hr/>
Total operating expenses	2,441,122
	<hr/>
Operating loss	(285,460)
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	218,951
Connection and availability charges	296,413
Interest expense	(353,528)
Lease income	8,207
	<hr/>
Total non-operating revenues, net	170,043
	<hr/>
Change in net position	(115,417)
	<hr/>
NET POSITION AT JANUARY 1	27,775,719
	<hr/>
NET POSITION AT JUNE 30	\$ 27,660,302
	<hr/> <hr/>

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

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF CASH FLOWS – PROPRIETARY FUND
Six Months Ended June 30, 2023

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
OPERATING ACTIVITIES	
Receipts from customers	\$ 2,239,842
Payments to suppliers	(913,822)
Payments to employees	(1,019,036)
Other operating receipts	80,280
	<hr/>
Net cash provided by operating activities	387,264
	<hr/>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets and water rights	(1,153,213)
Connection and availability fees	296,413
Principal paid on debt	(175,931)
Proceeds from indebtedness	10,000,000
Interest payments on long-term liabilities	(261,924)
	<hr/>
Net cash provided by capital and related financing activities	8,705,345
	<hr/>
INVESTING ACTIVITIES	
Rent received	8,207
Interest received	218,951
	<hr/>
Net cash provided by investing activities	227,158
	<hr/>
Net increase in cash and cash equivalents	9,319,767
	<hr/>
CASH AND CASH EQUIVALENTS	
Beginning at January 1	7,938,087
	<hr/>
Ending at June 30	\$ 17,257,854
	<hr/> <hr/>
RECONCILIATION TO EXHIBIT 7	
Cash and investments	\$ 4,281,439
Restricted cash and investments	12,976,415
	<hr/>
	\$ 17,257,854
	<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
Six Months Ended June 30, 2023

	<u>Enterprise Fund</u> <u>Amherst County</u> <u>Service Authority</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (285,460)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	562,782
Pension expense net of employer contributions	(24,627)
Other postemployment expense net of employer contributions	967
Lease	(8,358)
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables, net	164,012
Inventories	41,248
(Decrease) increase in:	
Accounts payable and accrued expenses	(44,250)
Customer deposits	8,806
Compensated absences	(27,856)
Net cash provided by operating activities	<u>\$ 387,264</u>
NONCASH CAPITAL AND RELATED FINANCING	
Capital assets acquired through accounts payable	<u>\$ 8,666</u>
Debt issued through regional sewer agreement	<u>\$ 17,841</u>
Capital assets acquired through regional sewer agreement	<u>\$ 17,841</u>

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

COUNTY OF AMHERST, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	Custodial Funds		
	Special Welfare	Forfeited Assets	Total
ASSETS			
Cash and cash equivalents	\$ 10,468	\$ 28,686	\$ 39,154
Total assets	<u>\$ 10,468</u>	<u>\$ 28,686</u>	<u>\$ 39,154</u>
NET POSITION			
Restricted for individuals and organizations	\$ 10,468	\$ 28,686	\$ 39,154
Total net position	<u>\$ 10,468</u>	<u>\$ 28,686</u>	<u>\$ 39,154</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, 2023

	Custodial Funds		
	Special Welfare	Forfeited Assets	Total
ADDITIONS			
Contributions for the benefit of individuals	\$ 2,944	\$ -	\$ 2,944
Confiscated sale proceeds	-	25,751	25,751
Total additions	2,944	25,751	28,695
DEDUCTIONS			
Payments to benefit individuals	1,834	-	1,834
Payments to locality	-	17,214	17,214
Total deductions	1,834	17,214	19,048
Net increase in fiduciary net position	1,110	8,537	9,647
NET POSITION – AT JULY 1	9,358	20,149	29,507
NET POSITION – AT JUNE 30	\$ 10,468	\$ 28,686	\$ 39,154

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

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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’s 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.

During the March 7, 2023 Authority Board of Director’s meeting, the board elected to change the Authority’s year from a calendar December 31 year end to a fiscal year June 30 year end. As such, the Authority’s statements included within these County financials present six months of activity.

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

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023

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, 2023

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 July 1st 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, 2023 billing installment, as well as those due on December 5, 2023, 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, 2023

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, 2023

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 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.
- 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.
- Changes in proportionate share that will be recognized in the OPEB expense over the average expected remaining service lives of all employees provided with benefits.
- 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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

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

Unearned/Unavailable Revenue

In the statement of net position, unearned revenue arises when assets are received or recognized before revenue recognition criteria is satisfied and primarily consists of property taxes collected or recorded as a receivable, that are intended to finance the subsequent year's operations. In the balance sheet of the governmental funds, unearned/unavailable revenue arises when assets are recognized but are not available to finance expenditures of the current fiscal period or when assets are recognized before revenue recognition criteria is satisfied as described.

Unearned/unavailable revenue primarily consists of property taxes, EMS billings, grants, unused amounts received in coronavirus relief funds, and other items not collected within the availability period.

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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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, 2023, restricted net position consists of amounts for community development loans, funds held for debt service as required by bond agreements, and amounts associated with the School Board's net pension asset.

Use of Estimates

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

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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.
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.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3. Deposits and Investments (Continued)

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.

Deposit and investment balances consist of the following:

Deposits:	
Demand deposits	\$ 34,889,143
Money market funds	18,096,059
Cash on hand	<u>1,050</u>
	52,986,252
Investments:	
SNAP	26,153,971
Virginia Investment Pool	<u>5,289,787</u>
Total deposits and investments	<u><u>\$ 84,430,010</u></u>

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

Cash and investments – Primary Government	\$ 48,439,834
Cash and investments – School Board	7,550,306
Cash and investments – EDA	2,506,912
Restricted cash and investments – Primary Government	<u>25,932,958</u>
Total deposits and investments	<u><u>\$ 84,430,010</u></u>

Restricted cash and investments

Restricted cash and investments in the governmental activities consist of \$12,956,543 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 \$1,281,531 required to be maintained for debt service in the event of rate fluctuations or revenue decreases for water and sewer services, as well as \$11,694,884 of unspent debt proceeds maintained in SNAP accounts to be used for capital projects.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3. Deposits and Investments (Continued)

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, 2023. SNAP funds are rated by Moody's as AAAm.

Note 4. Receivables

Receivables consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit School Board</u>
Receivables				
Taxes	\$ 10,740,477	\$ -	\$ 10,740,477	\$ -
Less: allowance for uncollectible accounts	<u>(866,375)</u>	<u>-</u>	<u>(866,375)</u>	<u>-</u>
Net taxes receivable	<u>9,874,102</u>	<u>-</u>	<u>9,874,102</u>	<u>-</u>
Accounts receivable	857,412	711,535	1,568,947	10,475
Less: allowance for uncollectible accounts	<u>(180,570)</u>	<u>(66,000)</u>	<u>(246,570)</u>	<u>-</u>
Net accounts receivable	<u>676,842</u>	<u>645,535</u>	<u>1,322,377</u>	<u>10,475</u>
Net total receivables	<u>\$ 10,550,944</u>	<u>\$ 645,535</u>	<u>\$ 11,196,479</u>	<u>\$ 10,475</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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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. 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, 2023, the five loans outstanding totaled \$324,542.

Note 6. Due From Other Governments

Amounts due from other governments consist of the following:

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>School Board</u>
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 932,662
Local sales taxes	797,601	-
Communication taxes	139,450	-
Public assistance and welfare administration	108,002	-
Comprehensive youth service	269,612	-
Sheriff	161,027	-
Commonwealth's Attorney	42,583	-
Other	476,358	-
Federal Government:		
Education grants	-	1,477,010
Public safety grants	18,299	-
Public assistance	177,125	-
	<u>\$ 2,190,057</u>	<u>\$ 2,409,672</u>

Note 7. Transfers

Interfund transfers consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 1,046,828	\$ 4,286,114
Special Revenue fund	2,496,744	18,276
Capital Projects fund	1,159,369	398,551
	<u>\$ 4,702,941</u>	<u>\$ 4,702,941</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 7. Transfers (Continued)

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.

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	\$ 2,550,932	\$ 225,000	\$ -	\$ 2,775,932
Construction in progress	4,081,773	3,633,792	3,579,119	4,136,446
Total capital assets not depreciated	6,632,705	3,858,792	3,579,119	6,912,378
Capital assets depreciated:				
Buildings and improvements	54,420,331	3,209,702	-	57,630,033
Jointly owned school buildings and improvements	1,950,000	-	470,000	1,480,000
Furniture, equipment, and vehicles	17,570,004	2,523,677	555,927	19,537,754
Total capital assets depreciated	73,940,335	5,733,379	1,025,927	78,647,787
Less accumulated depreciation:				
Buildings and improvements	19,639,189	2,222,666	-	21,861,855
Jointly owned school buildings and improvements	785,750	-	161,000	624,750
Furniture, equipment, and vehicles	11,838,563	1,528,463	385,669	12,981,357
Total accumulated depreciation	32,263,502	3,751,129	546,669	35,467,962
Capital assets depreciated, net	41,676,833	1,982,250	479,258	43,179,825
Lease assets:				
Land	16,294	-	-	16,294
Equipment	57,755	-	-	57,755
Less accumulated amortization	17,778	12,937	-	30,715
Total lease assets being amortized, net	56,271	(12,937)	-	43,334
Governmental activities capital assets, net	<u>\$ 48,365,809</u>	<u>\$ 5,828,105</u>	<u>\$ 4,058,377</u>	<u>\$ 50,135,537</u>

* As restated. See Note 34.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 8. Capital Assets (Continued)

	Beginning Balance*	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not depreciated:				
Land	\$ 883,523	\$ -	\$ -	\$ 883,523
Construction in progress	1,906,987	614,614	2,481,324	40,277
Total capital assets not depreciated	2,790,510	614,614	2,481,324	923,800
Capital assets depreciated:				
Buildings and improvements	1,243,269	2,216,770	-	3,460,039
Utility plant in service	53,121,599	350,468	-	53,472,067
Furniture, equipment, and vehicles	1,401,579	68,833	-	1,470,412
Total capital assets depreciated	55,766,447	2,636,071	-	58,402,518
Less accumulated depreciation	26,882,567	562,782	-	27,445,349
Capital assets depreciated, net	28,883,880	2,073,289	-	30,957,169
Net capital assets	<u>\$ 31,674,390</u>	<u>\$ 2,687,903</u>	<u>\$ 2,481,324</u>	<u>\$ 31,880,969</u>

* As restated. See Note 34.

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

	Governmental Activities	Business-Type Activities	Total Primary Government
General government administration	\$ 326,018	\$ -	\$ 326,018
Judicial administration	155,801	-	155,801
Public safety	928,429	-	928,429
Public works	901,031	-	901,031
Health and welfare	19,823	-	19,823
Education	1,147,649	-	1,147,649
Parks, recreation, and cultural	244,671	-	244,671
Community development	27,707	-	27,707
Water and sewer	-	562,782	562,782
Total depreciation expense – primary government	<u>\$ 3,751,129</u>	<u>\$ 562,782</u>	<u>\$ 4,313,911</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 8. Capital Assets (Continued)

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
Construction in progress	<u>-</u>	<u>621,571</u>	<u>-</u>	<u>621,571</u>
Total capital projects, not depreciated	<u>507,923</u>	<u>621,571</u>	<u>-</u>	<u>1,129,494</u>
Capital assets depreciated:				
Buildings and improvements	577,828	-	-	577,828
Less accumulated depreciation:				
Buildings and improvements	<u>202,240</u>	<u>14,446</u>	<u>-</u>	<u>216,686</u>
Capital assets depreciated, net	<u>375,588</u>	<u>(14,446)</u>	<u>-</u>	<u>361,142</u>
Net capital assets	<u><u>\$ 883,511</u></u>	<u><u>\$ 607,125</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,490,636</u></u>

* As restated. See Note 34.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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	32,355	159,886	-
Total capital assets not depreciated	435,837	32,355	159,886	308,306
Capital assets depreciated:				
Buildings and improvements	42,343,021	1,314,962	-	43,657,983
Jointly owned school buildings and improvements	8,173,013	470,000	1,004,279	7,638,734
Furniture, equipment, and vehicles	11,825,938	1,255,168	-	13,081,106
Total capital assets depreciated	62,341,972	3,040,130	1,004,279	64,377,823
Less accumulated depreciation:				
Buildings and improvements	35,709,766	1,609,654	-	37,319,420
Jointly owned school buildings and improvements	3,484,321	414,076	527,247	3,371,150
Furniture, equipment, and vehicles	7,845,361	661,283	-	8,506,644
Total accumulated depreciation	47,039,448	2,685,013	527,247	49,197,214
Capital assets depreciated, net	15,302,524	355,117	477,032	15,180,609
Lease assets:				
Equipment	281,535	-	-	281,535
Less accumulated amortization	129,328	69,274	-	198,602
Total lease assets being amortized, net	152,207	(69,274)	-	82,933
Subscription assets:				
Software	137,931	166,432	-	304,363
Less accumulated amortization	48,667	105,501	-	154,168
Total subscription assets being amortized, net	89,264	60,931	-	150,195
Governmental activities capital assets, net	<u>\$ 15,979,832</u>	<u>\$ 379,129</u>	<u>\$ 636,918</u>	<u>\$ 15,722,043</u>

* As restated. No impact on prior year ending net position, see Note 33.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 8. Capital Assets (Continued)

Discretely Presented Component Unit – School Board (Continued)

Intangible subscription assets

In 2023, the School Board implemented the guidance in GASB No. 96, *Subscription-Based Information Technology Arrangements*, and recognized the value of software under long-term contracts.

Jointly owned assets

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.

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	\$ 21,020,000	\$ -	\$ 645,000	\$ 20,375,000	\$ 590,000
Premium on bonds	3,634,364	-	315,018	3,319,346	331,935
	<u>24,654,364</u>	<u>-</u>	<u>960,018</u>	<u>23,694,346</u>	<u>921,935</u>
Lease revenue bonds	9,865,000	-	690,000	9,175,000	720,000
Leases	11,458,415	-	1,202,641	10,255,774	1,317,864
	<u>21,323,415</u>	<u>-</u>	<u>1,892,641</u>	<u>19,430,774</u>	<u>2,037,864</u>
Landfill closure/post-closure	6,524,549	-	86,110	6,438,439	-
Compensated absences	1,082,180	166,912	-	1,249,092	124,909
	<u>7,606,729</u>	<u>166,912</u>	<u>86,110</u>	<u>7,687,531</u>	<u>124,909</u>
	<u>\$ 53,584,508</u>	<u>\$ 166,912</u>	<u>\$ 2,938,769</u>	<u>\$ 50,812,651</u>	<u>\$ 3,084,708</u>
Business-Type Activities:					
Revenue bonds	\$ 8,938,000	\$ 10,000,000	\$ -	\$ 18,938,000	\$ 608,000
Premium on bond	160,400	-	4,456	155,944	8,911
Notes payable	2,217,353	17,841	175,931	2,059,263	167,376
Compensated absences	195,266	-	27,856	167,410	16,741
	<u>\$ 11,511,019</u>	<u>\$ 10,017,841</u>	<u>\$ 208,243</u>	<u>\$ 21,320,617</u>	<u>\$ 801,028</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9. Long-Term Liabilities (Continued)

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

Discretely Presented Component Unit – Economic Development Authority:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Revenue bond	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -

Discretely Presented Component Unit – School Board:

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 610,701	\$ 63,950	\$ -	\$ 674,651	\$ 67,465
Leases	157,408	-	69,955	87,453	54,303
Subscriptions	69,389	166,432	107,261	128,560	87,686
	<u>\$ 837,498</u>	<u>\$ 230,382</u>	<u>\$ 177,216</u>	<u>\$ 890,664</u>	<u>\$ 209,454</u>

*As restated for GASB Statement No. 96. No impact on prior year ending net position, see Note 33.

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	3.10-5.35	2003	2023	\$ 1,315,000	\$ 65,000
VPSA Bonds	4.10-5.60	2004	2024	1,120,000	110,000
VPSA Bonds	4.60-5.10	2005	2025	1,615,000	240,000
VPSA Bonds	4.225-5.10	2006	2026	1,265,000	240,000
VPSA Bonds	4.10-5.10	2007	2027	3,325,000	825,000
VPSA Bonds	5.05	2020	2030	6,170,000	5,895,000
VPSA Bonds	4.05-5.05	2022	2042	13,000,000	13,000,000
Total general obligation bonds					<u>\$ 20,375,000</u>
Lease Revenue Bonds					
Virginia Resource Authority	5.125%	2020	2027	\$ 3,120,000	\$ 2,340,000
Virginia Resource Authority - Landfill	1.948-5.125	2020	2040	5,545,000	5,175,000
Virginia Resource Authority – Animal Shelter	0.404-2.525	2020	2037	1,860,000	1,660,000
Total lease revenue bonds					<u>\$ 9,175,000</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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:					
Virginia Resource Authority	0.412	2020	2029	\$ 1,640,000	\$ 1,560,000
Virginia Resource Authority	5.125	2020	2040	1,660,000	1,600,000
Truist Bank 2021 Bond	2.010	2021	2037	6,081,000	5,778,000
Webster Bank 2023A Bond	3.760	2023	2026	7,500,000	7,500,000
Webster Bank 2023B Bond	3.980	2023	2026	2,500,000	<u>2,500,000</u>
Total revenue bonds					<u>\$ 18,938,000</u>
Notes payable					
Sewage facilities note	- %	1998	2027	\$ 747,643	\$ 87,225
Sewage facilities note	4.14	2010	2029	329,751	128,190
Sewage facilities note	3.25	2011	2041	129,890	76,134
Sewage facilities note	2.80	2011	2041	41,049	24,629
Sewage facilities note	-	2013	2033	1,062,266	531,133
Sewage facilities note	3.22	2013	2043	30,001	23,200
Sewage facilities note	3.08	2014	2034	64,890	40,128
Sewage facilities note	3.14	2016	2036	50,297	36,094
Sewage facilities note	1.18	2020	2040	484,835	418,028
Sewage facilities note	-	2021	2041	752,889	677,600
Sewage facilities note	-	2022	2041	17,841	<u>16,902</u>
Total notes payable					<u>\$ 2,059,263</u>
COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY					
Revenue Bond					
Truist Bank	3.50%	2022	2032	\$ 1,250,000	<u>\$ 1,250,000</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9. Long-Term Liabilities (Continued)

Annual debt payments

Year Ending June 30,	Primary Government Governmental Activities			
	General Obligation and Lease Revenue Bonds		Leases	
	Principal	Interest	Principal	Interest
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	1,910,000	941,819	1,425,871	92,441
2029-2033	8,705,000	3,329,990	3,394,649	115,916
2034-2038	7,360,000	1,763,562	1,074	14
2039-2043	5,950,000	443,180	-	-
	<u>\$ 29,550,000</u>	<u>\$ 10,984,312</u>	<u>\$ 10,255,774</u>	<u>\$ 889,846</u>

Year Ending June 30,	Primary Government Business-Type Activities			
	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2024	\$ 608,000	\$ 538,205	\$ 167,376	\$ 15,804
2025	624,000	551,581	168,596	14,408
2026	10,635,000	539,344	169,857	12,971
2027	650,000	144,890	171,162	11,490
2028	662,000	131,170	150,706	9,965
2029-2033	2,817,000	446,505	670,927	31,526
2034-2038	2,617,000	172,673	368,834	14,391
2039-2043	325,000	11,613	191,805	2,635
	<u>\$ 18,938,000</u>	<u>\$ 2,535,981</u>	<u>\$ 2,059,263</u>	<u>\$ 113,190</u>

Year Ending June 30,	Component Unit Economic Development Authority	
	Revenue Bond	
	Principal	Interest
2024	\$ -	\$ 43,750
2025	-	43,750
2026	21,840	43,750
2027	44,834	42,597
2028	46,412	41,014
2029-2033	1,136,914	163,428
	<u>\$ 1,250,000</u>	<u>\$ 378,289</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9. Long-Term Liabilities (Continued)

Annual debt payments (Continued)

Year Ending June 30,	Component Unit			
	School Board			
	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2024	\$ 54,303	\$ 797	\$ 87,686	\$ 3,290
2025	27,983	218	40,874	1,179
2026	5,167	17	-	-
	<u>\$ 87,453</u>	<u>\$ 1,032</u>	<u>\$ 128,560</u>	<u>\$ 4,469</u>

Bank notes payable are collateralized by real property.

Capital leases – energy conservation

During fiscal year 2017, the County entered into two capital leases totaling \$23,850,000 for energy conservation projects at various schools that include roofing, lighting, and HVAC. Funds are held in the County's SNAP investment account and will be used as the projects progress.

The assets acquired through capital leases are as follows:

Furniture, equipment, and vehicles	\$ 292,937
Buildings and improvements	22,251,464
Less: accumulated depreciation	<u>(6,049,883)</u>
	<u>\$ 16,494,518</u>

Note 10. Leases

County and Schools as lessee

In 2022, the County and Schools implemented the guidance of GASB No. 87, *Leases*, which for lessees requires reported an intangible right to use asset and a lease liability for leases that had previously been reported as operating and capital leases.

The County has leases for various equipment such as copiers and postage machines for periods expiring February 2025 through June 2034. The County uses its incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use lease asset balances and related accumulated amortization at year end are disclosed in Note 8. The related debt as well as principal and interest requirements to maturity are disclosed in Note 9.

The Schools have leases for various equipment such as copiers and postage machines for periods expiring July 2023 through March 2026. The Schools use its incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use lease asset balances and related accumulated amortization at year end are disclosed in Note 8. The related debt as well as principal and interest requirements to maturity are disclosed in Note 9.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 10. Leases (Continued)

County as lessor

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, 2023, the value of this lease receivable is \$303,519 and the value of the deferred inflows of resources is \$285,260. Total lease and interest revenue in the General Fund was \$19,902 and \$7,613, respectively, for June 2023.

Amherst County Service Authority as lessor

In July 1999, the Authority entered into a lease as a lessor with New Cingular Wireless PCS, LLC for the use of ground space and certain water tank space. This contract matures in December 2049 and this includes option years. As of June 30, 2023, the value of this lease receivable is \$583,745 and the value of the deferred inflows of resources is \$442,957. Total lease and interest revenue was \$8,207 and \$8,297, respectively, for the six months ended June 30, 2023.

Note 11. Subscriptions

In 2023, the Schools implemented the guidance of GASB No. 96, *Subscription-Based Information Technology Arrangements*, which requires reporting an intangible right to use asset and a subscription liability for subscription-based information technology arrangements (SBITAs). Prior to the issuance of this statement, there was no accounting or financial reporting guidance specifically for SBITAs.

The Schools have several subscriptions for periods expiring September 2021 through August 2024. These subscriptions are for a variety of software solutions to assist with text-to-speech solutions, curriculum, and digital textbooks and related content. The Schools use their incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each subscription. The value of the right to use subscription asset balances and related accumulated amortization at year end are disclosed in Note 8. The related debt, as well as principal and interest requirements to maturity, are disclosed in Note 9.

Note 12. Defined Benefit Pension Plan

Plan Description

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

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

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

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

Employees Covered by Benefit Terms

As of the June 30, 2021 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	179
Inactive members:	
Vested inactive members	44
Non-vested inactive members	79
Inactive members active elsewhere in VRS	105
Total inactive members	228
Active members	215
Total covered employees	622

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, 2023 was 10.48% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$1,236,607 and \$1,113,722 for the years ended June 30, 2023 and 2022, respectively.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan (Continued)

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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

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, 2021, 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, 2022.

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

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, 2021 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; decreased 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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33
	Inflation		2.50
	*Expected arithmetic nominal return		7.83 %

- * The above allocation provides for a one-year return of 7.83%. 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 6.72%, 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%.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan (Continued)

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, 2023, 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, 2021 actuarial valuations, whichever was greater. From July 1, 2022 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.

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, 2021	\$ 51,537,872	\$ 52,654,615	\$ (1,116,743)
Changes for the year:			
Service cost	1,307,694	-	1,307,694
Interest	3,478,629	-	3,478,629
Differences between expected and actual experience	(1,049,473)	-	(1,049,473)
Changes of assumptions	-	-	-
Contributions – employer	-	1,114,912	(1,114,912)
Contributions – employee	-	512,668	(512,668)
Net investment income	-	(50,921)	50,921
Benefit payments, including refunds of employee contributions	(2,620,637)	(2,620,637)	-
Administrative expenses	-	(32,771)	32,771
Other changes	-	1,212	(1,212)
Net changes	1,116,213	(1,075,537)	2,191,750
Balances at June 30, 2022	\$ 52,654,085	\$ 51,579,078	\$ 1,075,007

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan (Continued)

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 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)	\$ 7,647,502	\$ 1,075,007	\$ (4,318,321)

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

For the year ended June 30, 2023, the political subdivision recognized pension expense of \$377,810. At June 30, 2023, 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	\$ -	\$ 822,321
Change in assumptions	571,378	-
Net difference between projected and actual earnings on pension plan investments	-	1,506,557
Employer contributions subsequent to the measurement date	1,236,607	-
Total	\$ 1,807,985	\$ 2,328,878

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan (Continued)

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

The \$1,236,607 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, 2024. 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
2024	\$ (501,427)
2025	(950,917)
2026	(1,019,263)
2027	714,107
2028	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023, approximately \$108,000 was payable to the Virginia Retirement System for the legally required contributions related to June 2023 payroll.

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COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 13. 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 12.

Employees Covered by Benefit Terms

As of the June 30, 2021 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>15</u>
Inactive members:	
Vested inactive members	2
Non-vested inactive members	8
Inactive members active elsewhere in VRS	<u>8</u>
Total inactive members	<u>18</u>
Active members	<u>22</u>
Total covered employees	<u><u>55</u></u>

Contributions

The political subdivision’s contractually required contribution rate for the six months ended June 30, 2023 was 6.50% of covered employee compensation. This rate were based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Contributions to the pension plan from the political subdivision was \$85,860 for the year.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 13. Defined Benefit Pension Plan – Amherst County Service Authority (Continued)

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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Assets) (a) – (b)
Balances at June 30, 2021	\$ 6,709,745	\$ 6,847,088	\$ (137,343)
Changes for the year:			
Service cost	84,383	-	84,383
Interest	450,545	-	450,545
Differences between expected and actual experience	(126,149)	-	(126,149)
Contributions – employer	-	79,814	(79,814)
Contributions – employee	-	56,913	(56,913)
Net investment income	-	(6,656)	6,656
Benefit payments, including refunds of employee contributions	(238,776)	(238,776)	-
Administrative expenses	-	(4,258)	4,258
Other changes	-	158	(158)
Net changes	170,003	(112,805)	282,808
Balances at June 30, 2022	\$ 6,879,748	\$ 6,734,283	\$ 145,465

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 13. Defined Benefit Pension Plan – Amherst County Service Authority (Continued)

Sensitivity of the Net Pension Liability (Asset) 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 (asset)	\$ 1,010,172	\$ 145,465	\$ (563,821)

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

For the six months ended June 30, 2023, the Authority recognized pension expense of \$(23,003). At June 30, 2023, 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	\$ 3,175	\$ 103,247
Changes in assumption	52,464	-
Net difference between projected and actual earnings on pension plan investments	-	195,126
Employer contributions subsequent to the measurement date	43,370	-
	<u>\$ 99,009</u>	<u>\$ 298,373</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 13. Defined Benefit Pension Plan – Amherst County Service Authority (Continued)

The \$43,370 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. 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
2024	\$ (100,515)
2025	(103,242)
2026	(132,028)
2027	93,051
2028	-
Thereafter	-

Note 14. 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 12.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2021 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>79</u>
Inactive members:	
Vested inactive members	18
Non-vested inactive members	56
Inactive members active elsewhere in VRS	<u>16</u>
Total inactive members	<u>90</u>
Active members	<u>118</u>
Total covered employees	<u><u>287</u></u>

Contributions

The School Division's contractually required contribution rate for the year ended June 30, 2023 was 1.43% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Contributions to the pension plan from the School Division were \$43,051 and \$63,903 for the years ended June 30, 2023 and 2022, respectively.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Changes in Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) – (b)
Balances at June 30, 2021	\$ 10,018,383	\$ 12,532,234	\$ (2,513,851)
Changes for the year:			
Service cost	238,695	-	238,695
Interest	677,141	-	677,141
Differences between expected and actual experience	(71,054)	-	(71,054)
Contributions – employer	-	64,490	(64,490)
Contributions – employee	-	127,970	(127,970)
Net investment income	-	(11,480)	11,480
Benefit payments, including refunds of employee contributions	(450,729)	(450,729)	-
Administrative expenses	-	(7,811)	7,811
Other changes	-	288	(288)
Net changes	394,053	(277,272)	671,325
Balances at June 30, 2022	\$ 10,412,436	\$ 12,254,962	\$ (1,842,526)

Sensitivity of the Net Pension 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	\$ (579,621)	\$ (1,842,526)	\$ (2,879,689)

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. 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, 2023, the School Division recognized pension expense of \$(123,207). At June 30, 2023, 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	\$ 5,728	\$ 44,931
Change in assumptions	68,057	-
Net difference between projected and actual earnings on pension plan investments	-	358,981
Employer contributions subsequent to the measurement date	43,051	-
Total	<u>\$ 116,836</u>	<u>\$ 403,912</u>

The \$43,051 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, 2024. 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
2024	\$ (92,850)
2025	(164,836)
2026	(242,129)
2027	169,688
2028	-
Thereafter	-

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 14. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Payables to the Pension Plan

At June 30, 2023, approximately \$3,000 was payable to the Virginia Retirement System for the legally required contributions related to June 2023 payroll.

Note 15. 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 12.

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, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$4,434,306 and \$4,198,381 for the years ended June 30, 2023 and 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 15. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

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

At June 30, 2023, the School Division reported a liability of \$27,542,140 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022 the School Division's proportion was 0.28929% as compared to 0.28916% at June 30, 2021.

For the year ended June 30, 2023, the School Division recognized pension expense of \$1,081,631. 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. Beginning with the June 30, 2022 measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

At June 30, 2023, 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	\$ -	\$ 1,899,139
Change in assumptions	2,596,669	-
Net difference between projected and actual earnings on pension plan investments	-	3,590,918
Changes in proportion and differences between employer contributions and proportionate share of contributions	295,540	173,242
Employer contributions subsequent to the measurement date	<u>4,434,306</u>	<u>-</u>
Total	<u><u>\$ 7,326,515</u></u>	<u><u>\$ 5,663,299</u></u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 15. 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 \$4,434,306 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, 2024. 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
2024	\$ (940,075)
2025	(1,123,640)
2026	(2,335,612)
2027	1,628,237
2028	-
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, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 54,732,329
Plan fiduciary net position	<u>45,211,731</u>
Employers' net pension liability (asset)	<u>\$ 9,520,598</u>
Plan fiduciary net position as a percentage of the total pension liability	82.61%

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 15. 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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
School Division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	\$ 49,192,370	\$ 27,542,140	\$ 9,914,091

Payables to the Pension Plan

At June 30, 2023 approximately \$375,000 was payable to the Virginia Retirement System for the legally required contributions related to June 2023 payroll.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 16. 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, 2021 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
Vested inactive members	1
Active members	<u>105</u>
Total covered employees	<u><u>135</u></u>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. 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, 2023

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

Contributions (Continued)

Group Life Insurance Program

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to School Divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$63,438
June 30, 2022 Contribution	\$59,524

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

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:	0.16% of covered employee compensation.
June 30, 2023 Contribution	\$18,858
June 30, 2022 Contribution	\$26,300

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

The net OPEB liabilities were measured as of June 30, 2022 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 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, 2023

Note 16. 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, 2023 proportionate share of liability	\$ 615,052
June 30, 2022 proportion	0.05108%
June 30, 2021 proportion	0.05029%
June 30, 2023 expense	\$ 43,636

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, 2021	\$ 179,775	\$ 147,036	\$ 32,739
Changes for the year:			
Service cost	5,547	-	5,547
Interest	11,894	-	11,894
Differences between expected and actual experience	(3,348)	-	(3,348)
Changes of assumptions	50,488	-	50,488
Contributions – employer	-	12,295	(12,295)
Net investment income	-	290	(290)
Benefit payments	(18,236)	(18,236)	-
Administrative expenses	-	(254)	254
Other changes	-	9,614	9,614
Net changes	46,345	3,709	42,636
Balances at June 30, 2022	\$ 226,120	\$ 150,745	\$ 75,375

In addition, for the year ended June 30, 2022, the County recognized OPEB expense of \$2,501 related to the General Employee Health Insurance Credit Program.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 16. 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, 2023, 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	\$ 48,704	\$ 24,674
Change in assumptions	22,940	59,909
Net difference between projected and actual earnings on OPEB plan investments	-	38,432
Changes in proportion	62,647	83
Employer contributions subsequent to the measurement date	63,438	-
	<hr/>	<hr/>
Total	\$ 197,729	\$ 123,098
	<hr/>	<hr/>

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,170	\$ 12,779
Change in assumptions	44,960	154
Net difference between projected and actual earnings on OPEB plan investments	-	3,592
Employer contributions subsequent to the measurement date	18,858	-
	<hr/>	<hr/>
Total	\$ 64,988	\$ 16,525
	<hr/>	<hr/>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 16. 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, 2024. 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
2024	\$ 10,249
2025	5,232
2026	(17,840)
2027	16,317
2028	(2,765)
Thereafter	-

General Employee Health Insurance Credit Program

Year Ended June 30,	Increase to OPEB Expense
2024	\$ 5,149
2025	4,268
2026	2,222
2027	7,961
2028	7,061
Thereafter	2,944

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 16. 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, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

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	5.25 – 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 12.

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, 2022, 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	\$ 3,672,085
Plan fiduciary net position	2,467,989
Employers' net OPEB liability (asset)	1,204,096
Plan fiduciary net position as a percentage of total OPEB liability	67.21%

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, 2023

Note 16. 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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33
	Inflation		2.50
	*Expected arithmetic nominal return		7.83 %

- * The above allocation provides for a one-year return of 7.83%. 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 6.72%, 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, 2023

Note 16. 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, 2022, 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	\$ 894,973	\$ 615,052	\$ 388,838
General Employee HIC Net OPEB liability	\$ 99,055	\$ 73,375	\$ 55,216

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2023 payroll.

- Group Life Insurance \$13,384
- General Employee Health Insurance Credit 1,653

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. 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, 2023

Note 17. 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, 2021 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	6
Active members	<u>118</u>
Total covered employees	<u><u>153</u></u>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. 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, 2023 Contribution – general employees	\$15,990
June 30, 2023 Contribution – teachers	\$149,375
June 30, 2022 Contribution – general employees	\$14,698
June 30, 2022 Contribution – teachers	\$140,354

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. 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:	0.81% of covered employee compensation.
June 30, 2023 Contribution	\$24,447
June 30, 2022 Contribution	\$19,470

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, 2023 Contribution	\$343,051
June 30, 2022 Contribution	\$316,050

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

The net OPEB liabilities were measured as of June 30, 2022 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans – School Division (Continued)

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

Group Life Insurance Program

General Employees

June 30, 2023 proportionate share of liability	\$ 152,679
June 30, 2022 proportion	0.01268%
June 30, 2021 proportion	0.01342%
June 30, 2023 expense	\$ 2,264

Teachers

June 30, 2023 proportionate share of liability	\$ 1,475,861
June 30, 2022 proportion	0.12257%
June 30, 2021 proportion	0.12248%
June 30, 2023 expense	\$ 24,826

Teacher Health Insurance Credit Program

June 30, 2023 proportionate share of liability	\$ 3,564,029
June 30, 2022 proportion	0.28534%
June 30, 2021 proportion	0.28527%
June 30, 2023 expense	\$ 243,576

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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. 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

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, 2021	\$ 249,832	\$ 22,012	\$ 227,820
Changes for the year:			
Service cost	3,462	-	3,462
Interest	16,948	-	16,948
Differences between expected and actual experience	(9,182)	-	(9,182)
Assumption changes	14,742	-	14,742
Contributions – employer	-	19,580	(19,580)
Net investment income	-	(364)	364
Benefit payments	(4,429)	(4,429)	-
Administrative expenses	-	(66)	66
Other changes	-	29	(29)
Net changes	21,541	14,750	6,791
Balances at June 30, 2022	\$ 271,373	\$ 36,762	\$ 234,611

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. 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, 2022, the School Division recognized OPEB expense of \$20,999 related to the General Employee Health Insurance Credit Program.

At June 30, 2023, 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	\$ 12,090	\$ 6,125
Change in assumptions	5,695	14,872
Net difference between projected and actual earnings on OPEB plan investments	-	9,540
Changes in proportion	4,813	14,717
Employer contributions subsequent to the measurement date	15,990	-
Total	<u>\$ 38,588</u>	<u>\$ 45,254</u>

Group Life Insurance Program – Teachers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,870	\$ 59,208
Change in assumptions	55,047	143,755
Net difference between projected and actual earnings on OPEB plan investments	-	92,220
Changes in proportion	21,859	27,279
Employer contributions subsequent to the measurement date	149,375	-
Total	<u>\$ 343,151</u>	<u>\$ 322,462</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. 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
Differences between expected and actual experience	\$ -	\$ 7,338
Change in assumptions	15,853	-
Net difference between projected and actual earnings on OPEB plan investments	827	-
Employer contributions subsequent to the measurement date	24,447	-
Total	<u>\$ 41,127</u>	<u>\$ 7,338</u>

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 145,275
Change in assumptions	104,123	9,101
Net difference between projected and actual earnings on OPEB plan investments	-	3,577
Changes in proportion	36,522	102,239
Employer contributions subsequent to the measurement date	343,051	-
Total	<u>\$ 483,696</u>	<u>\$ 260,192</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, 2024. 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, 2023

Note 17. 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
2024	\$ (4,423)	\$ (39,769)	\$ 2,548	\$ (52,131)
2025	(5,022)	(24,007)	2,548	(40,390)
2026	(9,710)	(68,782)	2,546	(15,589)
2027	(644)	14,696	1,700	6,959
2028	(2,857)	(10,824)	-	(6,285)
Thereafter	-	-	-	(12,111)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

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	5.25 – 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 12.

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, 2022, 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, 2023

Note 17. 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	\$ 3,672,085	\$ 1,470,891
Plan fiduciary net position	2,467,989	221,845
Employers' net OPEB liability (asset)	1,204,096	1,249,046
Plan fiduciary net position as a percentage of total OPEB liability	67.21%	15.08%

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 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33
	Inflation		2.50
	*Expected arithmetic nominal return		7.83 %

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. 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 7.83%. 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 6.72%, 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, 2022, 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:

	1.00% Decrease (5.75%)	Current Discount (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability – general employees	\$ 222,166	\$ 152,679	\$ 96,524
GLI Net OPEB liability – teachers	\$ 2,147,551	\$ 1,475,861	\$ 933,044
General Employee HIC Net OPEB liability	\$ 261,127	\$ 234,611	\$ 211,879
Teacher HIC Net OPEB liability	\$ 4,016,702	\$ 3,564,029	\$ 3,180,310

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 17. 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 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2023 payroll.

- | | |
|--------------------------------------------|---------|
| • Group Life Insurance – general employees | \$3,485 |
| • Group Life Insurance – teachers | 36,681 |
| • General Employee Health Insurance Credit | 2,159 |
| • Teacher Employee Health Insurance Credit | 33,122 |

Note 18. 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, 2023

Note 18. 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	6
Active plan members	<u>212</u>
	<u><u>218</u></u>

Total OPEB Liability

The County's total OPEB liability of \$794,237 was measured as of June 30, 2023 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	6.10%

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, 2023

Note 18. Other Postemployment Benefits Liability – Local Plan (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 705,161
Changes for the year:	
Service cost	66,428
Interest	26,741
Assumption or other input changes	28,562
Benefit payments	<u>(32,655)</u>
Net changes	<u>89,076</u>
Balance at June 30, 2023	<u><u>\$ 794,237</u></u>

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 (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	1.00% Decrease (2.65%)	Current Discount Rate (3.65%)	1.00% Increase (4.65%)
Total OPEB liability	<u>\$ 867,798</u>	<u>\$ 794,237</u>	<u>\$ 727,920</u>

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 (5.10%) or one percentage point higher (7.10%) than the current healthcare cost trend rates:

	1.00% Decrease (5.10%)	Current Healthcare Cost Trend Rates (6.10%)	1.00% Increase (7.10%)
Total OPEB liability	<u>\$ 690,584</u>	<u>\$ 794,237</u>	<u>\$ 918,167</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 18. 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, 2023, the County recognized OPEB expense of \$99,569. At June 30, 2023, 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	\$ 22,628	\$ -
Change in assumptions	45,789	69,469
Total	<u>\$ 68,417</u>	<u>\$ 69,469</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
2024	\$ 6,400
2025	5,208
2026	(5,504)
2027	(5,504)
2028	(1,652)
Thereafter	-

Note 19. 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, 2023

Note 19. 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>.

The GLI is administered by the VRS along with pensions and other OPEB plans for public employer groups in the Commonwealth of Virginia. This Plan is considered a multiple employer, cost sharing plan.

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, 2021 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	8
Vested inactive members	1
Active members	<u>22</u>
Total covered employees	<u><u>31</u></u>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. 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:

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 19. 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</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$7,715

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.33% of covered employee compensation.
June 30, 2023 Contribution	\$3,455

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

The net OPEB liabilities were measured as of June 30, 2022 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2023 proportionate share of liability	\$	71,042
June 30, 2022 proportion		0.00590%
June 30, 2023 expense	\$	4,106

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 19. 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, 2021	\$ 65,704	\$ 49,102	\$ 16,602
Changes for the year:			
Service cost	1,757	-	1,757
Interest	4,435	-	4,435
Differences between expected and actual experience	(1,509)	-	(1,509)
Assumption changes	213	-	213
Contributions – employer	-	3,010	(3,010)
Net investment income	-	74	(74)
Benefit payments	(3,512)	(3,512)	-
Administrative expenses	-	(87)	87
Other changes	-	1,477	(1,477)
Net changes	1,384	962	422
Balances at June 30, 2022	\$ 67,088	\$ 50,064	\$ 17,024

In addition, for the six months ended June 30, 2023, the Authority reported \$(1,157) of OPEB expense related to the general employee health insurance credit program.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 19. Other Post-Employment Benefits – Virginia Retirement Systems Plans – Amherst County Service Authority (Continued)

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

At June 30, 2023, 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	\$ 5,626	\$ 2,850
Change in assumptions	2,650	6,920
Net difference between projected and actual earnings on OPEB plan investments	-	4,439
Changes in proportion	9,690	3,178
Employer contributions subsequent to the measurement date	3,904	-
	<u>\$ 21,870</u>	<u>\$ 17,387</u>

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,763
Change in assumptions	1,058	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,188
Employer contributions subsequent to the measurement date	1,748	-
	<u>\$ 2,806</u>	<u>\$ 5,951</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 19. 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 June 30, 2024. 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
2024	\$ 98
2025	301
2026	(2,139)
2027	2,219
2028	100
Thereafter	-

General Employee Health Insurance Credit Program

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2024	\$ (1,795)
2025	(1,892)
2026	(1,760)
2027	554
2028	-
Thereafter	-

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 19. 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, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

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 16.

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, 2022, 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	\$ 3,672,085
Plan fiduciary net position	2,467,989
Employers' net OPEB liability (asset)	1,204,096
Plan fiduciary net position as a percentage of total OPEB liability	67.21%

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, 2023

Note 19. 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 16.

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, 2022, 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	\$ 103,374	\$ 71,042	\$ 44,913
General Employee HIC Net OPEB liability	\$ 23,494	\$ 17,024	\$ 11,465

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023

Note 20. 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	\$ -	\$ -	\$ -	\$ 1,842,526
Deferred outflows of resources				
Differences between expected and actual experience	\$ -	\$ 3,175	\$ 3,175	\$ 5,728
Change in assumptions	571,378	52,464	623,842	2,664,726
Change in proportion	-	-	-	295,540
Employer contributions subsequent to measurement date	1,236,607	43,370	1,279,977	4,477,357
Total deferred outflows of resources	<u>\$ 1,807,985</u>	<u>\$ 99,009</u>	<u>\$ 1,906,994</u>	<u>\$ 7,443,351</u>
Net pension liability				
VRS basic pension plan	<u>\$ 1,075,007</u>	<u>\$ 145,465</u>	<u>\$ 1,220,472</u>	<u>\$ 27,542,140</u>
Deferred inflows of resources				
Differences between expected and actual experience	\$ 822,321	\$ 103,247	\$ 925,568	\$ 1,944,070
Net difference between projected and actual earnings on plan investments	1,506,557	195,126	1,701,683	3,949,899
Change in proportion	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,242</u>
Total deferred inflows of resources	<u>\$ 2,328,878</u>	<u>\$ 298,373</u>	<u>\$ 2,627,251</u>	<u>\$ 6,067,211</u>
Net pension expense	<u>\$ 377,810</u>	<u>\$ (23,003)</u>	<u>\$ 354,807</u>	<u>\$ 958,424</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 21. 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	\$ 48,704	\$ 5,626	\$ 54,330	\$ 12,090
GLI – teachers	-	-	-	116,870
HIC – general employees	1,170	-	1,170	-
Local plan	22,628	-	22,628	-
Change in actuarial assumptions:				
GLI – general employees	22,940	2,650	25,590	5,695
GLI – teachers	-	-	-	55,047
HIC – general employees	44,960	1,058	46,018	15,853
HIC – teachers	-	-	-	104,123
Local plan	45,789	-	45,789	-
Net difference between projected and actual investment earnings				
HIC – general employees	-	-	-	827
Change in proportion:				
GLI – general employees	62,647	9,690	72,337	4,813
GLI – teachers	-	-	-	21,859
HIC – teachers	-	-	-	36,522
Contributions subsequent to measurement date:				
GLI – general employees	63,438	3,904	67,342	15,990
GLI – teachers	-	-	-	149,375
HIC – general employees	18,858	1,748	20,606	24,447
HIC – teachers	-	-	-	343,051
Total deferred outflows of resources	<u>\$ 331,134</u>	<u>\$ 24,676</u>	<u>\$ 355,810</u>	<u>\$ 906,562</u>
Net other postemployment benefits liability				
GLI – general employees	\$ 615,052	\$ 71,042	\$ 686,094	\$ 152,679
GLI – teachers	-	-	-	1,475,861
HIC – general employees	75,375	17,024	92,399	234,611
HIC – teachers	-	-	-	3,564,029
Local plan	<u>794,237</u>	<u>-</u>	<u>794,237</u>	<u>-</u>
Total net other postemployment benefits liability	<u>\$ 1,484,664</u>	<u>\$ 88,066</u>	<u>\$ 1,572,730</u>	<u>\$ 5,427,180</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 21. 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	\$ 24,674	\$ 2,850	\$ 27,524	\$ 6,125
GLI – teachers	-	-	-	59,208
HIC – general employees	12,779	4,763	17,542	7,338
HIC – teachers	-	-	-	145,275
Change in actuarial assumptions:				
GLI – general employees	59,909	6,920	66,829	14,872
GLI – teachers	-	-	-	143,755
HIC – general employees	154	-	154	-
HIC – teachers	-	-	-	9,101
Local plan	69,469	-	69,469	-
Net difference between projected and actual investment earnings				
GLI – general employees	38,432	4,439	42,871	9,540
GLI – teachers	-	-	-	92,220
HIC – general employees	3,592	1,188	4,780	-
HIC – teachers	-	-	-	3,577
Change in proportion				
GLI – general employees	83	3,178	3,261	14,717
GLI – teachers	-	-	-	27,279
HIC – teachers	-	-	-	102,239
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>\$ 209,092</u>	<u>\$ 23,338</u>	<u>\$ 232,430</u>	<u>\$ 635,246</u>
Net OPEB expense	<u>\$ 145,706</u>	<u>\$ 2,949</u>	<u>\$ 148,655</u>	<u>\$ 291,665</u>

Note 22. 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, 2023

Note 23. 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 \$398,858. 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 \$5,974,649 for landfill closure and post-closure liability as of June 30 represents the cumulative amount reported to date based on estimated use of approximately 88% of the estimated capacity of the entire landfill site. The remaining estimated cost of closure and post-closure care of \$853,521 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.

In July 2022, the County received approval for the construction and operation of a transfer station under permit-by-rule 640 at the site of the existing landfill under permit 563. The cumulative amount of estimated closure, post-closure care, and corrective action costs for this site, less costs paid to date, totals \$64,932. Actual costs may be higher due to inflation, 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 24. 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.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 24. Commitments and Contingencies (Continued)

Commitments

The County has also entered into various construction contracts at year end. Future amounts due under these agreements are approximately \$4,062,000 at year end.

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 25. 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 26. 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:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>	<u>Component Unit – School Board</u>
Nonspendable:					
Prepaid expenditures	\$ 157,781	\$ 9,588	\$ -	\$ 167,369	\$ 40,801
Restricted:					
Community development	-	324,542	-	324,542	-
Other capital projects	-	-	12,933,060	12,933,060	-
Total restricted	-	324,542	12,933,060	13,257,602	-

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 26. 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	\$ 2,441,746	\$ -	\$ -	\$ 2,441,746	\$ -
Community development	36,383	-	-	36,383	-
Parks, recreation, and cultural	267,563	-	-	267,563	-
Other capital projects	191,286	-	-	191,286	-
Total committed	<u>2,936,978</u>	<u>-</u>	<u>-</u>	<u>2,936,978</u>	<u>-</u>
Assigned to:					
Public safety	-	1,099,459	-	1,099,459	-
Public works	-	4,400,084	-	4,400,084	-
Parks, recreation, and cultural	-	23,862	-	23,862	-
Education	-	-	-	-	4,621,875
Other capital projects	4,061,676	-	-	4,061,676	-
Total assigned	<u>4,061,676</u>	<u>5,523,405</u>	<u>-</u>	<u>9,585,081</u>	<u>4,621,875</u>
Unassigned	<u>21,854,798</u>	<u>-</u>	<u>-</u>	<u>21,854,798</u>	<u>(40,801)</u>
Total fund balances	<u><u>\$ 29,011,233</u></u>	<u><u>\$ 5,857,535</u></u>	<u><u>\$ 12,933,060</u></u>	<u><u>\$ 47,801,828</u></u>	<u><u>\$ 4,621,875</u></u>

Note 27. 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 \$145,844 for operations to HBH for 2023.

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 27. 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 \$1,781,925 for operations to BRRJA for 2023.

Joint Venture:

Central Virginia Radio Communications Board

The County, along with the County of Bedford, City of Lynchburg, and County of Campbell, is a participant in the operation of a regional radio communication system, the Central Virginia 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. In February 2022, the remaining balance was refunded with a Series 2022 Public Facilities Revenue Bond in the amount of \$6,035,000. At June 30, 2023, \$4,119,000 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 \$340,000 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 2023, the County paid \$377,659 to the Board for debt service and other operating costs.

Note 28. 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, 2023

Note 29. 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)	\$ 60,093,199
School-related principal and other debt service expenditures included in primary government (Exhibit 5)	<u>1,835,000</u>
Total expenditures for school activities	<u><u>\$ 61,928,199</u></u>

Note 30. 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, 2023

Note 31. 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, 2023, outstanding conduit debt was as follows:

University of Lynchburg, Series 2003	\$ 7,105,000
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Note 32. 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 eight local businesses regarding the abatement of property taxes. Four companies had met all requirements to receive their abatement for the year ended June 30, 2023. The companies received a tax abatement during fiscal year 2023 totaling \$14,717.

Note 33. Adoption of New Standard

Effective July 1, 2022, the Schools adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The following discussions provide the School's accounting policy regarding subscription arrangements.

During the year of implementation of GASB No. 96, SBITAs 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, 2022). The School's SBITAs in place at the implementation date had no prepayments (payments made at or before the commencement of the SBITA) and contained no incentives, as such, the subscription liability has been recognized and measured at the same amount as the related right-of-use subscription asset as of the implementation date (July 1, 2022). Therefore, no restatement of prior year net position was necessary.

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 34. Prior Period Restatement

In fiscal year 2022, a capital asset was disposed of relating to Amelon Commerce Center. This asset was incorrectly disposed of through the Economic Development Authority (EDA) when it should have been disposed of through the governmental activities in the government-wide financial statements. The County and the EDA have recorded a prior period adjustment to correct the disposal.

Also in fiscal year 2022, there was an entry made to correct a duplicate accounts payable payment. This entry was not necessary and caused the General Fund's fund balance to be overstated. The County has recorded a prior period adjustment to correct this.

The following is a summary of the restatement to beginning fund balance/net position.

	Governmental Activities Government- Wide	General Fund	Economic Development Authority
Fund balance / Net position July 1, 2022, as previously reported	\$ 36,965,600	\$ 25,533,400	\$ 1,872,226
Loss on disposal of capital asset	(208,934)	-	208,934
Correction of entry	(214,478)	(214,478)	-
Fund balance / Net position July 1, 2022, as restated	<u>\$ 36,542,188</u>	<u>\$ 25,318,922</u>	<u>\$ 2,081,160</u>

During 2022 for the Amherst County Service Authority (the "Authority"), the Colony Road water line extension and Dixie Airport Road water and sewer line extension projects began and were not completed as of December 31, 2022. During fiscal period 2023, it was discovered that a few invoices were incorrectly excluded from the construction in progress balance for these two projects. The Authority has recorded a prior period adjustment to correct the construction in progress balance as of December 31, 2022. The following is a summary of the restatement to beginning net position and capital assets.

	Capital Assets, Net	Net Position
December 31, 2022, as previously reported	\$ 31,617,886	\$ 27,719,215
Water line work previously expensed for the Colony Road water line extension project.	56,394	56,394
Water and sewer line work previously expensed for Dixie Airport Road water and sewer line extension project.	110	110
December 31, 2022, as restated	<u>\$ 31,674,390</u>	<u>\$ 27,775,719</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 35. Subsequent Event

In August 2023, the EDA committed to a \$6,995,000 construction contract for the multi-tenant building construction project in Amelon Commerce Center.

Note 36. New Accounting Standards

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.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 27,844,278	\$ 27,844,278	\$ 27,108,149	\$ (736,129)
Other local taxes	9,377,094	9,377,094	10,388,566	1,011,472
Permits, fees, license	201,031	201,031	184,451	(16,580)
Fines and forfeitures	-	241,351	195,791	(45,560)
Use of money and property	128,000	128,000	503,401	375,401
Charges for services	1,930,725	1,982,463	2,011,258	28,795
Miscellaneous	153,100	694,900	230,496	(464,404)
Recovered costs	275,920	343,932	269,082	(74,850)
Intergovernmental revenues:				
Commonwealth	8,245,180	8,795,367	8,913,241	117,874
Federal	1,986,234	1,986,234	2,288,321	302,087
Total revenues	50,141,562	51,594,650	52,092,756	498,106
EXPENDITURES				
Current:				
General government administration	3,340,152	4,709,078	3,537,334	1,171,744
Judicial administration	1,837,780	1,913,722	1,826,558	87,164
Public safety	12,197,054	14,165,608	12,413,780	1,751,828
Public works	999,185	1,716,912	1,584,192	132,720
Health and welfare	7,078,796	7,483,319	7,189,600	293,719
Education	13,964,102	13,964,102	9,940,655	4,023,447
Parks, recreation, and cultural	1,369,865	1,623,757	1,474,387	149,370
Community development	1,735,544	3,740,062	3,251,948	488,114
Nondepartmental	3,424,092	1,062,583	41,111	1,021,472
Debt service:				
Principal	2,525,000	2,525,000	2,537,641	(12,641)
Interest	964,277	1,362,828	1,362,828	-
Bond issuance costs	7,500	7,500	1,125	6,375
Total expenditures	49,443,347	54,274,471	45,161,159	9,113,312
Excess of revenues (under) expenditures	698,215	(2,679,821)	6,931,597	9,611,418
OTHER FINANCING SOURCES (USES)				
Transfers in	2,578,034	6,797,413	1,046,828	(5,750,585)
Transfers out	(3,276,249)	(4,117,592)	(4,286,114)	(168,522)
Total other financing sources (uses)	(698,215)	2,679,821	(3,239,286)	(5,919,107)
Net change in fund balance	\$ -	\$ -	\$ 3,692,311	\$ 3,692,311

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, 2023**

	Plan Year		
	2022	2021	2020
Total Pension Liability			
Service cost	\$ 1,307,694	\$ 1,203,790	\$ 1,126,761
Interest on total pension liability	3,478,629	3,176,098	3,043,058
Difference between expected and actual experience	(1,049,473)	(408,174)	238,967
Changes in assumptions	-	1,813,504	-
Benefit payments, including refunds of employee contributions	(2,620,637)	(2,601,305)	(2,274,326)
Net change in total pension liability	1,116,213	3,183,913	2,134,460
Total pension liability – beginning	51,537,872	48,353,959	46,219,499
Total pension liability – ending	52,654,085	51,537,872	48,353,959
Plan Fiduciary Net Position			
Contributions – employer	1,114,912	1,054,036	882,857
Contributions – employee	512,668	485,388	449,563
Net investment income	(50,921)	11,482,722	799,857
Benefit payments, including refunds of employee contributions	(2,620,637)	(2,601,305)	(2,274,326)
Administrative expenses	(32,771)	(28,833)	(27,731)
Other	1,212	1,080	(953)
Net change in plan fiduciary net position	(1,075,537)	10,393,088	(170,733)
Plan fiduciary net position – beginning	52,654,615	42,261,527	42,432,260
Plan fiduciary net position – ending	51,579,078	52,654,615	42,261,527
Net pension liability (asset) – ending	\$ 1,075,007	\$ (1,116,743)	\$ 6,092,432
Plan fiduciary net position as a percentage of total pension liability	98%	102%	87%
Covered payroll	\$ 10,938,058	\$ 10,357,658	\$ 9,524,622
Net pension liability as a percentage of covered payroll	10%	-11%	64%

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					
2019	2018	2017	2016	2015	2014
\$ 1,035,596	\$ 987,060	\$ 906,378	\$ 914,633	\$ 874,938	\$ 950,553
2,944,486	2,836,683	2,727,579	2,649,097	2,567,290	2,439,990
(24,423)	(192,175)	59,368	(411,642)	(442,541)	-
1,266,837	-	(77,099)	-	-	-
(2,134,158)	(2,048,909)	(2,066,268)	(1,995,574)	(1,666,446)	(1,477,503)
3,088,338	1,582,659	1,549,958	1,156,514	1,333,241	1,913,040
43,131,161	41,548,502	39,998,544	38,842,030	37,508,789	35,595,749
46,219,499	43,131,161	41,548,502	39,998,544	38,842,030	37,508,789
839,756	831,426	778,770	953,295	942,715	884,349
439,624	422,882	449,906	369,207	369,385	368,536
2,690,349	2,844,587	4,256,473	597,465	1,554,214	4,678,377
(2,134,158)	(2,048,909)	(2,066,268)	(1,995,574)	(1,666,446)	(1,477,503)
(26,875)	(24,748)	(24,889)	(22,083)	(21,323)	(25,170)
(1,694)	(2,522)	(3,773)	(258)	(331)	247
1,807,002	2,022,716	3,390,219	(97,948)	1,178,214	4,428,836
40,625,258	38,602,542	35,212,323	35,310,271	34,132,057	29,703,221
42,432,260	40,625,258	38,602,542	35,212,323	35,310,271	34,132,057
\$ 3,787,239	\$ 2,505,903	\$ 2,945,960	\$ 4,786,221	\$ 3,531,759	\$ 3,376,732
92%	94%	93%	88%	91%	91%
\$ 8,956,710	\$ 8,631,987	\$ 8,026,035	\$ 6,665,766	\$ 7,085,697	\$ 7,232,732
42%	29%	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, 2023**

	Plan Year		
	2022	2021	2020
Total Pension Liability			
Service cost	\$ 238,695	\$ 250,329	\$ 253,852
Interest on total pension liability	677,141	615,433	584,511
Difference between expected and actual experience	(71,054)	18,896	27,045
Changes in assumptions	-	224,511	-
Benefit payments, including refunds of employee contributions	(450,729)	(416,637)	(397,967)
Net change in total pension liability	394,053	692,532	467,441
Total pension liability – beginning	10,018,383	9,325,851	8,858,410
Total pension liability – ending	10,412,436	10,018,383	9,325,851
Plan Fiduciary Net Position			
Contributions – employer	64,490	64,785	58,456
Contributions – employee	127,970	129,348	130,426
Net investment income	(11,480)	2,728,555	191,101
Benefit payments, including refunds of employee contributions	(450,729)	(416,637)	(397,967)
Administrative expenses	(7,811)	(6,816)	(6,554)
Other	288	257	(226)
Net change in plan fiduciary net position	(277,272)	2,499,492	(24,764)
Plan fiduciary net position – beginning	12,532,234	10,032,742	10,057,506
Plan fiduciary net position – ending	12,254,962	12,532,234	10,032,742
Net pension asset – ending	\$ (1,842,526)	\$ (2,513,851)	\$ (706,891)
Plan fiduciary net position as a percentage of total pension liability	118%	125%	108%
Covered payroll	\$ 2,756,201	\$ 2,766,891	\$ 2,771,515
Net pension asset as a percentage of covered payroll	-67%	-91%	-26%

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					
2019	2018	2017	2016	2015	2014
\$ 253,332	\$ 255,979	\$ 253,898	\$ 247,311	\$ 241,309	\$ 248,646
549,881	541,082	519,493	504,728	469,365	443,148
140,073	(341,762)	(50,064)	(232,007)	115,149	-
236,290	-	(113,391)	-	-	-
(353,214)	(305,975)	(297,090)	(321,116)	(320,157)	(314,377)
826,362	149,324	312,846	198,916	505,666	377,417
8,032,048	7,882,724	7,569,878	7,370,962	6,865,296	6,487,879
8,858,410	8,032,048	7,882,724	7,569,878	7,370,962	6,865,296
57,942	85,287	78,384	143,860	138,428	159,871
123,729	128,696	119,548	122,555	118,082	113,591
638,019	666,675	991,087	141,606	355,124	1,062,244
(353,214)	(305,975)	(297,090)	(321,116)	(320,157)	(314,377)
(6,324)	(5,723)	(5,704)	(4,981)	(4,860)	(5,711)
(401)	(596)	(882)	(60)	(75)	56
459,751	568,364	885,343	81,864	286,542	1,015,674
9,597,755	9,029,391	8,144,048	8,062,184	7,775,642	6,759,968
10,057,506	9,597,755	9,029,391	8,144,048	8,062,184	7,775,642
\$ (1,199,096)	\$ (1,565,707)	\$ (1,146,667)	\$ (574,170)	\$ (691,222)	\$ (910,346)
114%	119%	115%	108%	109%	113%
\$ 2,595,173	\$ 2,904,472	\$ 2,652,660	\$ 2,431,341	\$ 2,353,184	\$ 2,232,203
-46%	-54%	-43%	-24%	-29%	-41%

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COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2023

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					
2023	\$ 1,236,607	\$ 1,236,607	\$ -	\$ 11,803,665	10.48 %
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					
2023	43,051	43,051	-	3,008,162	1.43
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.

COUNTY OF AMHERST, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SERVICE AUTHORITY
June 30, 2023**

	Plan Year		
	2022	2021	2020
Total Pension Liability			
Service cost	\$ 84,383	\$ 78,735	\$ 77,248
Interest on total pension liability	450,545	419,996	396,061
Difference between expected and actual experience	(126,149)	(121,422)	109,027
Changes in assumptions	-	224,476	-
Benefit payments, including refunds of employee contributions	<u>(238,776)</u>	<u>(228,410)</u>	<u>(227,058)</u>
Net change in total pension liability	170,003	373,375	355,278
Total pension liability – beginning	<u>6,709,745</u>	<u>6,336,370</u>	<u>5,981,092</u>
Total pension liability – ending	<u>6,879,748</u>	<u>6,709,745</u>	<u>6,336,370</u>
Plan Fiduciary Net Position			
Contributions – employer	79,814	72,472	50,507
Contributions – employee	56,913	52,669	47,058
Net investment income	(6,656)	1,490,554	104,360
Benefit payments, including refunds of employee contributions	(238,776)	(228,410)	(227,058)
Administrative expenses	(4,258)	(3,708)	(3,602)
Other	<u>158</u>	<u>140</u>	<u>(123)</u>
Net change in plan fiduciary net position	(112,805)	1,383,717	(28,858)
Plan fiduciary net position – beginning	<u>6,847,088</u>	<u>5,463,371</u>	<u>5,492,229</u>
Plan fiduciary net position – ending	<u>6,734,283</u>	<u>6,847,088</u>	<u>5,463,371</u>
Net pension liability – ending	<u><u>\$ 145,465</u></u>	<u><u>\$ (137,343)</u></u>	<u><u>\$ 872,999</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u>98%</u>	<u>102%</u>	<u>86%</u>
Covered payroll	<u><u>\$ 1,254,181</u></u>	<u><u>\$ 1,163,092</u></u>	<u><u>\$ 1,032,745</u></u>
Net pension liability as a percentage of covered payroll	<u>12%</u>	<u>-12%</u>	<u>85%</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 16

Plan Year					
2019	2018	2017	2016	2015	2014
\$ 69,885	\$ 75,780	\$ 86,869	\$ 86,773	\$ 92,629	\$ 90,808
384,494	371,336	360,637	346,205	326,042	304,802
(19,227)	(31,625)	11,383	(47,040)	(1,265)	-
166,628	-	(89,816)	-	-	-
(226,908)	(228,128)	(204,339)	(155,194)	(103,535)	(80,845)
374,872	187,363	164,734	230,744	313,871	314,765
5,606,220	5,418,857	5,254,123	5,023,379	4,709,508	4,394,743
5,981,092	5,606,220	5,418,857	5,254,123	5,023,379	4,709,508
53,162	62,343	67,280	85,259	89,044	87,241
48,087	45,091	47,702	45,108	47,414	48,578
348,793	369,737	554,892	78,869	198,567	582,084
(226,908)	(228,128)	(204,339)	(155,194)	(103,535)	(80,845)
(3,502)	(3,231)	(3,231)	(2,794)	(2,647)	(3,060)
(219)	(327)	(491)	(33)	(41)	31
219,413	245,485	461,813	51,215	228,802	634,029
5,272,816	5,027,331	4,565,518	4,514,303	4,285,501	3,651,472
5,492,229	5,272,816	5,027,331	4,565,518	4,514,303	4,285,501
\$ 488,863	\$ 333,404	\$ 391,526	\$ 688,605	\$ 509,076	\$ 424,007
92%	94%	93%	87%	90%	91%
\$ 1,049,803	\$ 981,260	\$ 1,027,392	\$ 925,125	\$ 921,127	\$ 1,403,408
47%	34%	38%	74%	55%	30%

COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
SERVICE AUTHORITY
June 30, 2023

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
2023	\$ 85,860	\$ 85,860	\$ -	\$ 1,321,910	6.50 %
2022	79,070	79,070	-	1,254,181	6.30
2021	72,473	72,473	-	1,163,092	6.23
2020	50,507	50,507	-	1,032,745	4.89
2019	53,161	53,161	-	1,049,803	5.06
2018	62,343	62,343	-	981,260	6.35
2017	68,203	68,203	-	1,027,392	6.64
2016	85,322	85,322	-	925,125	9.22
2015	87,231	87,231	-	921,127	9.47

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.

While the Authority's fiscal period 2023 presents six months of activity, this schedule is intended to show a year's worth of activity.

COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
VRS TEACHER RETIREMENT PLAN
June 30, 2023

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
2023	0.29 %	\$ 27,542,140	\$ 27,007,080	101.98 %	82.61 %
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.

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COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
VRS TEACHER RETIREMENT PLAN
June 30, 2023

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
2023	\$ 4,434,306	\$ 4,434,306	\$ -	\$ 28,151,956	15.75 %
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, 2023**

	Primary Government		
	VRS Health Insurance Credit General Employees		
	Plan Year		
	2022	2021	2020
Total OPEB Liability			
Service cost	\$ 5,547	\$ 6,359	\$ 6,129
Interest on total OPEB liability	11,894	12,049	12,475
Difference between expected and actual experience	(3,348)	(9,279)	(7,213)
Changes in assumptions	50,488	1,354	-
Benefit payments	(18,236)	(18,416)	(17,003)
Net change in total OPEB liability	46,345	(7,933)	(5,612)
Total OPEB liability – beginning	179,775	187,708	193,320
Total OPEB liability – ending	226,120	179,775	187,708
Plan Fiduciary Net Position			
Contributions – employer	12,295	11,464	10,216
Net investment income	290	31,246	2,459
Benefit payments	(18,236)	(18,416)	(17,003)
Administrative expenses	(254)	(353)	(233)
Other	9,614	-	(1)
Net change in plan fiduciary net position	3,709	23,941	(4,562)
Plan fiduciary net position – beginning	147,036	123,095	127,657
Plan fiduciary net position – ending	150,745	147,036	123,095
Net OPEB liability – ending	\$ 75,375	\$ 32,739	\$ 64,613
Plan fiduciary net position as a percentage of total OPEB liability	67%	82%	66%
Covered payroll	\$ 10,938,058	\$ 10,357,658	\$ 9,524,622
Net OPEB liability as a percentage of covered payroll	1%	0%	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.

Primary Government		
VRS Health Insurance Credit General Employees		
Plan Year		
2019	2018	2017
\$ 4,699	\$ 4,565	\$ 4,050
12,506	11,939	12,056
6	6,253	-
4,365	-	(4,960)
(13,832)	(15,483)	(10,148)
7,744	7,274	998
185,576	178,302	177,304
193,320	185,576	178,302
9,311	9,237	8,839
7,802	8,582	12,748
(13,832)	(15,483)	(10,148)
(168)	(197)	(204)
(9)	(650)	650
3,104	1,489	11,885
124,553	123,064	111,179
127,657	124,553	123,064
\$ 65,663	\$ 61,023	\$ 55,238
66%	67%	69%
\$ 8,956,710	\$ 8,631,987	\$ 8,026,035
1%	1%	1%

COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – AGENT PLAN –
GENERAL SCHOOL EMPLOYEES
June 30, 2023

	Primary Government		
	VRS Health Insurance Credit		
	General School Employees		
	Plan Year		
	2022	2021	2020
Total OPEB Liability			
Service cost	\$ 3,462	\$ 4,386	\$ 223,652
Interest on total OPEB liability	16,948	15,097	-
Difference between expected and actual experience	(9,182)	-	-
Changes in assumptions	14,742	6,697	-
Benefit payments	(4,429)	-	-
Net change in total OPEB liability	21,541	26,180	223,652
Total OPEB liability – beginning	249,832	223,652	-
Total OPEB liability – ending	271,373	249,832	223,652
Plan Fiduciary Net Position			
Contributions – employer	19,580	19,670	-
Net investment income	(364)	2,428	-
Benefit payments	(4,429)	-	-
Administrative expenses	(66)	(86)	-
Other	29	-	-
Net change in plan fiduciary net position	14,750	22,012	-
Plan fiduciary net position – beginning	22,012	-	-
Plan fiduciary net position – ending	36,762	22,012	-
Net OPEB liability – ending	\$ 234,611	\$ 227,820	\$ 223,652
Plan fiduciary net position as a percentage of total OPEB liability	14%	9%	0%
Covered payroll	\$ 2,756,201	\$ 2,766,891	\$ 2,771,515
Net OPEB liability as a percentage of covered payroll	9%	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 2021 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, 2023

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					
2023	\$ 18,858	\$ 18,858	\$ -	\$ 11,803,665	0.16 %
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					
2023	24,447	24,447	-	3,008,162	0.81
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, 2023

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					
2023	0.2853 %	\$ 3,564,029	\$ 28,151,956	12.66 %	15.08 %
2022	0.2853	3,661,638	27,007,080	13.56	13.15
2021	0.2842	3,707,566	25,207,720	14.71	9.95
2020	0.2809	3,677,000	24,525,948	14.99	8.97
2019	0.2834	3,598,000	23,542,395	15.28	8.08
2018	0.2934	3,722,000	26,583,619	14.00	7.04
Virginia Retirement System – Group Life Insurance – General Employees					
2023	0.0511	615,052	11,803,665	5.21	67.21
2022	0.0503	585,512	10,938,058	5.35	67.45
2021	0.0463	773,172	10,357,658	7.46	52.64
2020	0.0458	745,000	9,524,622	7.82	52.00
2019	0.0456	692,000	8,956,710	7.73	51.22
2018	0.0438	659,000	8,631,987	7.63	48.86
Virginia Retirement System – Group Life Insurance – General School Employees					
2023	0.0127	152,679	3,008,162	5.08	67.21
2022	0.0134	156,245	2,756,201	5.67	67.45
2021	0.0135	224,792	2,766,891	8.12	52.64
2020	0.0133	216,000	2,771,515	7.79	52.00
2019	0.0141	214,000	2,595,173	8.25	51.22
2018	0.0132	198,000	2,904,472	6.82	48.86
Virginia Retirement System – Group Life Insurance – Teachers					
2023	0.1226	1,475,861	28,151,956	5.24	67.21
2022	0.1225	1,425,999	27,007,080	5.28	67.45
2021	0.1212	2,021,962	25,207,720	8.02	52.64
2020	0.1202	1,955,000	24,525,948	7.97	52.00
2019	0.1205	1,830,000	23,542,395	7.77	51.22
2018	0.1256	1,889,000	26,583,619	7.11	48.86

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COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS – COST SHARING PLANS
June 30, 2023

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					
2023	\$ 343,051	\$ 343,051	\$ -	\$ 28,151,956	1.22 %
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					
2023	63,438	63,438	-	11,803,665	0.54
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					
2023	15,990	15,990	-	3,008,162	0.53
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					
2023	149,375	149,375	-	28,151,956	0.53
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

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COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS –
SERVICE AUTHORITY
June 30, 2023

	VRS Health Insurance Credit General Employees					
	Plan Year					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 1,757	\$ 983	\$ 823	\$ 725	\$ 824	\$ 1,024
Interest on total OPEB liability	4,435	4,492	4,453	4,532	4,782	4,867
Difference between expected and actual experience	(1,509)	(5,416)	(730)	(1,161)	(4,265)	-
Changes in assumptions	213	1,036	-	1,440	-	(2,881)
Benefit payments	(3,512)	(3,880)	(4,064)	(4,530)	(5,307)	(3,145)
Net change in total OPEB liability	1,384	(2,785)	482	1,006	(3,966)	(135)
Total OPEB liability – beginning	65,704	68,489	68,007	67,001	70,967	71,102
Total OPEB liability – ending	67,088	65,704	68,489	68,007	67,001	70,967
Plan Fiduciary Net Position						
Contributions – employer	3,010	2,791	2,479	2,525	3,238	3,355
Net investment income	74	10,347	804	2,503	2,786	4,126
Benefit payments	(3,512)	(3,880)	(4,064)	(4,530)	(5,307)	(3,145)
Administrative expenses	(87)	(120)	(76)	(54)	(63)	(67)
Other	1,477	-	-	(3)	(208)	208
Net change in plan fiduciary net position	962	9,138	(857)	441	446	4,477
Plan fiduciary net position – beginning	49,102	39,964	40,821	40,380	39,934	35,457
Plan fiduciary net position – ending	50,064	49,102	39,964	40,821	40,380	39,934
Net OPEB liability – ending	\$ 17,024	\$ 16,602	\$ 28,525	\$ 27,186	\$ 26,621	\$ 31,033
Plan fiduciary net position as a percentage of total OPEB liability	75%	75%	58%	60%	60%	56%
Covered payroll	\$ 675,170	\$ 614,562	\$ 574,557	\$ 599,118	\$ 584,077	\$ 697,708
Net OPEB liability as a percentage of covered payroll	3%	3%	5%	5%	5%	4%

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
June 30, 2023

Fiscal Year Ended June 30,	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					
2023	0.00590 %	\$ 71,042	\$ 675,170	10.52 %	67.45 %
2022	0.00563	65,549	614,562	10.67	67.45
2021	0.00514	85,778	574,557	14.93	52.64
2020	0.00538	88,000	599,118	14.69	52.00
2019	0.00516	79,000	584,077	13.53	51.22
2018	0.00551	83,000	697,708	11.90	48.86

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

COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS – AGENT PLAN – SERVICE AUTHORITY
June 30, 2023

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
VRS Health Insurance Credit – General Employees					
2023	\$ 3,455	\$ 3,455	\$ -	\$ 705,090	0.49 %
2022	3,010	3,010	-	675,170	0.45
2021	2,791	2,791	-	614,562	0.45
2020	2,479	2,479	-	574,557	0.43
2019	2,525	2,525	-	599,118	0.42
2018	3,238	3,238	-	584,077	0.55

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.

While the Authority's fiscal period 2023 presents six months of activity, this schedule is intended to show a year's worth of activity.

COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS – COST SHARING PLAN – SERVICE AUTHORITY
June 30, 2023

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					
2023	\$ 7,715	\$ 7,715	\$ -	\$ 705,090	1.09 %
2022	6,886	6,886	-	675,170	1.02
2021	6,234	6,234	-	614,562	1.01
2020	5,541	5,541	-	574,557	0.96
2019	5,526	5,526	-	599,118	0.92
2018	5,142	5,142	-	584,077	0.88

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While the Authority's fiscal period 2023 presents six months of activity, this schedule is intended to show a year's worth of activity.

COUNTY OF AMHERST, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – LOCAL PLAN
June 30, 2023

	Primary Government			
	Plan Year			
	2023	2022	2021	2020
Total OPEB Liability				
Service cost	\$ 66,428	\$ 81,746	\$ 78,963	\$ 63,512
Interest on total OPEB liability	26,741	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	28,562	(101,781)	3,039	66,573
Benefit payments	(32,655)	(31,286)	(38,210)	(28,355)
Net change in total OPEB liability	89,076	(1,474)	59,421	121,849
Total OPEB liability – beginning	<u>705,161</u>	<u>706,635</u>	<u>647,214</u>	<u>525,365</u>
Total OPEB liability – ending	<u>794,237</u>	<u>705,161</u>	<u>706,635</u>	<u>647,214</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position – ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability – ending	<u>\$ 794,237</u>	<u>\$ 705,161</u>	<u>\$ 706,635</u>	<u>\$ 647,214</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll	<u>\$ 10,763,825</u>	<u>\$ 10,763,825</u>	<u>\$ 11,304,954</u>	<u>\$ 9,349,610</u>
Net OPEB liability as a percentage of covered payroll	<u>7.38%</u>	<u>6.55%</u>	<u>6.25%</u>	<u>6.92%</u>

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, 2023

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					
2023	\$ -	\$ -	\$ -	\$ 10,763,825	0.00 %
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, 2023

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, 2021, 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 age 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, 2023

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.
- Adjusted withdrawal rates to better fit experience at each year age 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 age 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, 2023

	School Operating	School Cafeteria	School Textbook	School Construction	School Activities	Total
ASSETS						
Cash and investments	\$ 2,684,264	\$ 2,470,875	\$ 970,697	\$ 806,542	\$ 617,928	\$ 7,550,306
Accounts receivable, net	1,474	9,001	-	-	-	10,475
Due from other governmental units	2,389,198	20,474	-	-	-	2,409,672
Prepaid items	40,801	-	-	-	-	40,801
Total assets	<u>\$ 5,115,737</u>	<u>\$ 2,500,350</u>	<u>\$ 970,697</u>	<u>\$ 806,542</u>	<u>\$ 617,928</u>	<u>\$ 10,011,254</u>
LIABILITIES						
Accounts payable	\$ 1,133,269	\$ 11,466	\$ -	\$ 13,766	\$ -	\$ 1,158,501
Accrued liabilities	3,068,850	248,410	-	-	-	3,317,260
Self insurance	350,000	-	-	-	-	350,000
Due to primary government	42,474	-	-	-	-	42,474
Unearned revenue	521,144	-	-	-	-	521,144
Total liabilities	<u>5,115,737</u>	<u>259,876</u>	<u>-</u>	<u>13,766</u>	<u>-</u>	<u>5,389,379</u>
FUND BALANCES						
Nonspendable	40,801	-	-	-	-	40,801
Assigned	-	2,240,474	970,697	792,776	617,928	4,621,875
Unassigned	(40,801)	-	-	-	-	(40,801)
Total fund balances	<u>-</u>	<u>2,240,474</u>	<u>970,697</u>	<u>792,776</u>	<u>617,928</u>	<u>4,621,875</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 5,115,737</u>	<u>\$ 2,500,350</u>	<u>\$ 970,697</u>	<u>\$ 806,542</u>	<u>\$ 617,928</u>	<u>\$ 10,011,254</u>

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

Total fund balances – governmental funds \$ 4,621,875

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

15,722,043

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

Deferred outflows related to:

Pensions \$ 7,443,351
Other postemployment benefits 906,562

Deferred inflows related to:

Pensions (6,067,211)
Other postemployment benefits (635,246)

Net pension asset 1,842,526

Net pension liability (27,542,140)

Net other postemployment benefit liability (5,427,180)

(29,479,338)

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

Compensated absences (674,651)

Leases (87,453)

Subscriptions (128,560)

Net position of governmental activities \$ (10,026,084)

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, 2023

	School Operating	School Cafeteria	School Textbook	School Construction	School Activities	Total
REVENUES						
Revenue from the use of money and property	\$ 49,593	\$ -	\$ 57	\$ 20,977	\$ -	\$ 70,627
Charges for services	77,364	311,252	-	-	1,122,219	1,510,835
Miscellaneous	193,426	-	-	-	-	193,426
Recovered costs	219,405	-	-	-	-	219,405
Intergovernmental revenues:						
County contribution	9,878,642	-	-	55,246	-	9,933,888
Commonwealth	37,105,470	-	-	-	-	37,105,470
Federal	8,469,173	2,513,226	-	-	-	10,982,399
Total revenues	<u>55,993,073</u>	<u>2,824,478</u>	<u>57</u>	<u>76,223</u>	<u>1,122,219</u>	<u>60,016,050</u>
EXPENDITURES						
Education	<u>55,993,073</u>	<u>2,826,074</u>	<u>-</u>	<u>82,596</u>	<u>1,191,456</u>	<u>60,093,199</u>
Total expenditures	<u>55,993,073</u>	<u>2,826,074</u>	<u>-</u>	<u>82,596</u>	<u>1,191,456</u>	<u>60,093,199</u>
Net change in fund balances	-	(1,596)	57	(6,373)	(69,237)	(77,149)
FUND BALANCES AT JULY 1,	<u>-</u>	<u>2,242,070</u>	<u>970,640</u>	<u>799,149</u>	<u>687,165</u>	<u>4,699,024</u>
FUND BALANCES AT JUNE 30	<u>\$ -</u>	<u>\$ 2,240,474</u>	<u>\$ 970,697</u>	<u>\$ 792,776</u>	<u>\$ 617,928</u>	<u>\$ 4,621,875</u>

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

Net change in fund balances – total governmental funds \$ (77,149)

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	\$ 1,588,515	
Depreciation and amortization expense	(1,812,964)	
Allocation of debt financed school assets based on current year repayments	<u>55,924</u>	(168,525)

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	4,477,357	
Pension expense	<u>421,577</u>	4,898,934

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	532,863	
Other postemployment benefit expense	<u>(206,557)</u>	326,306

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		(63,950)
Lease payments		69,955
Subscription payments		<u>(128,560)</u>

Change in net position of governmental activities \$ 4,857,011

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, 2023

	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	\$ -	\$ -	\$ 49,593	\$ 49,593	\$ -	\$ -	\$ -	\$ -
Charges for services	13,500	34,128	77,364	43,236	755,223	755,223	311,252	(443,971)
Miscellaneous	117,927	171,309	193,426	22,117	-	-	-	-
Recovered costs	102,000	102,000	219,405	117,405	-	-	-	-
Intergovernmental revenues:								
County contribution	13,902,089	14,422,424	9,878,642	(4,543,782)	-	-	-	-
Commonwealth	38,642,399	38,642,399	37,105,470	(1,536,929)	99,817	135,849	-	(135,849)
Federal	8,044,859	9,831,123	8,469,173	(1,361,950)	1,580,405	2,101,026	2,513,226	412,200
Total revenues	60,822,774	63,203,383	55,993,073	(7,210,310)	2,435,445	2,992,098	2,824,478	(167,620)
EXPENDITURES								
Education	60,822,774	63,203,383	55,993,073	7,210,310	2,435,445	2,992,098	2,826,074	166,024
Total expenditures	60,822,774	63,203,383	55,993,073	7,210,310	2,435,445	2,992,098	2,826,074	166,024
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,596)	\$ (1,596)

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		
\$ -	\$ -	\$ 57	\$ 57	\$ -	\$ -	\$ 20,977	\$ 20,977
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	55,246	55,246
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	57	57	-	-	76,223	76,223
-	-	-	-	-	-	82,596	(82,596)
-	-	-	-	-	-	82,596	(82,596)
\$ -	\$ -	\$ 57	\$ 57	\$ -	\$ -	\$ (6,373)	\$ (6,373)

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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, 2023**

	Enterprise Fund
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 2,506,912
Prepaid items	1,587
	<hr/>
Total current assets	2,508,499
	<hr/>
NONCURRENT ASSETS	
Capital assets:	
Nondepreciable	1,129,494
Depreciable, net	361,142
	<hr/>
Total noncurrent assets	1,490,636
	<hr/>
Total assets	3,999,135
	<hr/>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	85,268
Retainage payable	22,000
Accrued wages	2,311
	<hr/>
Total current liabilities	109,579
	<hr/>
NONCURRENT LIABILITIES	
Notes payable	1,250,000
	<hr/>
Total liabilities	1,359,579
	<hr/>
NET POSITION	
Net investment in capital assets	1,490,636
Unrestricted	1,148,920
	<hr/>
Total net position	\$ 2,639,556
	<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, 2023**

	Enterprise Fund
	<hr/>
OPERATING EXPENSES	
Incentive awards	\$ 31,583
Salaries and benefits	179,329
Contractual services	53,880
Depreciation expense	14,446
Facilities costs	3,986
Other operating costs	2,001,018
	<hr/>
Total operating expenses	2,284,242
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Contributions from Amherst County	425,767
Other income	2,392,292
Interest income	46,940
Interest expense	(22,361)
	<hr/>
Total non-operating revenues, net	2,842,638
	<hr/>
Change in net position	558,396
	<hr/>
NET POSITION JULY 1, as restated (Note 34)	2,081,160
	<hr/>
NET POSITION JUNE 30	\$ 2,639,556
	<hr/> <hr/>

COUNTY OF AMHERST, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT –
AMHERST ECONOMIC DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
Year Ended June 30, 2023**

	Enterprise Fund
OPERATING ACTIVITIES	
Payments to employees	\$ (177,018)
Payments to grantees and suppliers	(1,998,436)
Net cash used in operating activities	(2,175,454)
NONCAPITAL FINANCING ACTIVITIES	
Contributions from Amherst County	425,767
Other receipts	2,392,292
Net cash provided by noncapital financing activities	2,818,059
CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from indebtedness	1,250,000
Purchase of capital assets	(621,571)
Interest income	46,940
Interest paid on long-term debt	(22,361)
Net cash provided by capital and related financing activities	653,008
Net increase in cash and cash equivalents	1,295,613
CASH AND CASH EQUIVALENTS	
Beginning at July 1	1,211,299
Ending at June 30	\$ 2,506,912
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (2,284,242)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	14,446
Change in assets and liabilities:	
Increase in prepaids	(1,519)
Increase in accounts payable	71,550
Increase in retainage payable	22,000
Increase in accrued wages	2,311
Net cash used in operating activities	\$ (2,175,454)

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, 2023

	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	\$ 15,436,800	\$ 15,436,800	\$ 14,616,262	\$ (820,538)
Real and personal public service corporation property taxes	798,616	798,616	801,537	2,921
Personal property taxes	8,777,462	8,777,462	8,862,361	84,899
Mobile home taxes	65,000	65,000	95,610	30,610
Machinery and tools taxes	2,366,400	2,366,400	2,263,306	(103,094)
Merchant's capital	-	-	43	43
Penalties	250,000	250,000	293,173	43,173
Interest	150,000	150,000	175,857	25,857
Total general property taxes	27,844,278	27,844,278	27,108,149	(736,129)
Other local taxes:				
Local sales and use taxes	3,800,000	3,800,000	4,324,428	524,428
Consumers' utility taxes	1,775,000	1,775,000	1,652,259	(122,741)
Business license taxes	969,825	969,825	1,155,214	185,389
Bank stock taxes	126,469	126,469	130,270	3,801
Motor vehicle licenses	754,800	754,800	856,622	101,822
Taxes on recordation and wills	390,000	390,000	333,712	(56,288)
Lodging taxes	90,000	90,000	151,596	61,596
Meals tax	1,071,000	1,071,000	1,405,715	334,715
Cigarette tax	400,000	400,000	378,750	(21,250)
Total other local taxes	9,377,094	9,377,094	10,388,566	1,011,472
Permits, privilege fees, and regulatory licenses:				
Animal licenses	6,281	6,281	6,281	-
Building and related permits	160,600	160,600	142,284	(18,316)
Permits and other licenses	34,150	34,150	35,886	1,736
Total permits, privilege fees, and regulatory licenses	201,031	201,031	184,451	(16,580)
Fines and forfeitures:				
Court fines and forfeitures	-	241,351	195,791	(45,560)
Total fines and forfeitures	-	241,351	195,791	(45,560)
Revenue from use of money and property:				
Revenue from use of money	2,500	2,500	395,744	393,244
Revenue from use of property	125,500	125,500	107,657	(17,843)
Total revenue from use of money and property	128,000	128,000	503,401	375,401
Charges for services:				
Sheriff's fees	2,199	2,199	2,199	-
Collection fees – taxes and liens	131,975	132,385	119,709	(12,676)
Commonwealth attorney fees	3,500	3,500	2,934	(566)
Courthouse security fees	66,000	66,000	76,905	10,905
Jail processing fees	2,800	2,800	2,083	(717)
Charges for parks and recreation	40,000	46,000	56,599	10,599
Library	3,000	3,000	5,949	2,949
Emergency medical service fees	1,589,401	1,589,401	1,436,383	(153,018)

(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, 2023

	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	\$ -	\$ -	\$ 94,880	\$ 94,880
Warehouse charges	-	-	1,061	1,061
Other charges for services	91,850	137,178	212,556	75,378
Total charges for services	1,930,725	1,982,463	2,011,258	28,795
Miscellaneous revenue:				
Miscellaneous	153,100	694,900	230,496	(464,404)
Total miscellaneous revenue	153,100	694,900	230,496	(464,404)
Recovered costs:				
Social services	25,000	31,742	4,768	(26,974)
CSA recoveries	59,000	59,000	427	(58,573)
Public safety	130,000	161,270	168,631	7,361
Miscellaneous recoveries	61,920	91,920	95,256	3,336
Total recovered costs	275,920	343,932	269,082	(74,850)
Total revenue from local sources	39,910,148	40,813,049	40,891,194	78,145
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicles carriers' tax	77,000	77,000	81,275	4,275
Mobile home titling taxes	25,000	25,000	108,158	83,158
Auto rental tax	23,000	23,000	13,834	(9,166)
PPTRA	2,199,018	2,199,018	2,199,018	-
Total noncategorical aid	2,324,018	2,324,018	2,402,285	78,267
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	457,710	514,760	509,968	(4,792)
Sheriff	1,835,951	1,843,618	1,814,354	(29,264)
Commissioner of the Revenue	117,425	123,106	132,765	9,659
Treasurer	126,659	131,348	140,899	9,551
Registrar/electoral board	75,439	75,439	74,731	(708)
Clerk of the Circuit Court	317,836	362,652	349,098	(13,554)
Total shared expenses	2,931,020	3,050,923	3,021,815	(29,108)
Other categorical aid:				
Public assistance and welfare administration	937,200	1,324,500	945,738	(378,762)
Health department	11,000	11,000	28,729	17,729
Library grant	165,240	165,240	235,125	69,885
Fire program	114,795	114,795	117,141	2,346
EMS – 4 for life	33,500	69,608	102,185	32,577
Juvenile justice – crime control	37,100	37,100	22,977	(14,123)
Victim witness	101,484	101,484	126,978	25,494

(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, 2023

	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	\$ -	\$ -	\$ 32,211	\$ 32,211
Juror reimbursement	1,860	1,860	10,470	8,610
Comprehensive services	1,511,700	1,511,700	1,856,986	345,286
Miscellaneous	76,263	83,139	10,601	(72,538)
Total other categorical aid	2,990,142	3,420,426	3,489,141	68,715
Total categorical aid	5,921,162	6,471,349	6,510,956	39,607
Total revenue from the Commonwealth	8,245,180	8,795,367	8,913,241	117,874
Revenue from the Federal Government:				
Non-categorical aid:				
Payment in lieu of taxes	100,000	100,000	150,823	50,823
Categorical aid:				
Public assistance and welfare	1,886,234	1,886,234	2,117,987	231,753
Community Development Block Grant	-	-	19,511	19,511
Total categorical aid	1,886,234	1,886,234	2,137,498	251,264
Total revenue from the Federal Government	1,986,234	1,986,234	2,288,321	302,087
Other Financing Sources (Uses)				
Transfers in	2,578,034	6,797,413	1,046,828	(5,750,585)
Total other financing sources (uses)	2,578,034	6,797,413	1,046,828	(5,750,585)
Total general fund	52,719,596	58,392,063	53,139,584	(5,252,479)
Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Recreation trips	-	-	41,892	41,892
Landfill operations	575,000	575,000	697,278	122,278
Total charges for services	575,000	575,000	739,170	164,170
Miscellaneous revenue:				
Dare donations	-	-	17,976	17,976
Miscellaneous	-	6,030,828	320,972	(5,709,856)
Total miscellaneous revenue	-	6,030,828	338,948	(5,691,880)
Total revenue from local sources	575,000	6,605,828	1,078,118	(5,527,710)
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Other categorical aid:				
E-911 wireless grant	-	-	149,824	149,824
Litter control	12,100	12,100	15,884	3,784

(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, 2023

	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	\$ -	\$ -	\$ 264,066	\$ 264,066
Total revenue from the Commonwealth	12,100	12,100	429,774	417,674
Revenue from the Federal Government:				
Categorical aid:				
Highway planning and construction	-	-	8,588	8,588
DMV grants	-	41,166	24,175	(16,991)
Sheriff grants	-	40,154	30,180	(9,974)
CARES Act - provider relief funds	-	-	8,000	8,000
American rescue plan act	-	-	488,936	488,936
Miscellaneous	-	-	210,421	210,421
Total revenue from the Federal Government	-	81,320	770,300	688,980
Other Financing Sources (Uses)				
Transfers in	1,337,040	3,548,918	2,496,744	(1,052,174)
Total other financing sources (uses)	1,337,040	3,548,918	2,496,744	(1,052,174)
Total special revenue fund	1,924,140	10,248,166	4,774,936	(5,473,230)
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	611,982	611,982
Miscellaneous revenue:				
Miscellaneous	-	19,254,675	-	(19,254,675)
Other Financing Sources (Uses)				
Transfers in	-	-	1,159,369	1,159,369
Total other financing sources (uses)	-	-	1,159,369	1,159,369
Total capital projects fund	-	19,254,675	1,771,351	(17,483,324)
Total revenues – primary government	\$ 54,643,736	\$ 87,894,904	\$ 59,685,871	\$ (28,209,033)
Component Unit – School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ -	\$ -	\$ 49,593	\$ 49,593
Charges for services:				
Tuition	11,500	11,500	47,117	35,617
Transportation	-	-	15,652	15,652
Other	2,000	22,628	14,595	(8,033)
Total charges for services	13,500	34,128	77,364	43,236

(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, 2023

	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	\$ 171,309	\$ 193,426	\$ 22,117
Recovered costs:				
Recovered costs	102,000	102,000	219,405	117,405
Total revenue from local sources	233,427	307,437	539,788	232,351
Intergovernmental revenue:				
County contribution to School Board	13,902,089	14,422,424	9,878,642	(4,543,782)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	5,978,131	5,978,131	7,453,253	1,475,122
Basic school aid	15,091,122	15,091,122	14,511,076	(580,046)
Special ed SOQ	1,766,334	1,766,334	1,731,301	(35,033)
Remedial education	570,990	570,990	559,665	(11,325)
Technology	284,000	284,000	258,665	(25,335)
Lottery	1,081,860	1,081,860	1,056,541	(25,319)
Primary class size	691,465	691,465	692,940	1,475
Fringe benefits	3,028,381	3,028,381	3,004,933	(23,448)
Textbooks	353,213	353,213	346,208	(7,005)
Preschool	720,586	720,586	-	(720,586)
Gifted and talented	146,750	146,750	143,839	(2,911)
At-risk	2,369,145	2,369,145	1,745,225	(623,920)
Regional program	821,436	821,436	496,268	(325,168)
Vocational education SOQ	416,236	416,236	407,980	(8,256)
Salary Supplement	999,287	999,287	921,846	(77,441)
Adult Basic Education Regionalization	110,000	110,000	81,311	(28,689)
Other state funds	4,213,463	4,213,463	3,694,419	(519,044)
Total categorical aid	38,642,399	38,642,399	37,105,470	(1,536,929)
Total revenue from the Commonwealth	38,642,399	38,642,399	37,105,470	(1,536,929)
Revenue from the Federal Government:				
Non-categorical				
Federal land use	59,101	59,101	68,865	9,764
Categorical aid:				
Preschool handicap	19,916	19,916	719,524	699,608
Adult basic aid	374,277	374,277	573,583	199,306
Title I	997,048	997,048	968,519	(28,529)
Title II	229,700	229,700	165,434	(64,266)
Title VI-B special education	1,104,933	1,104,933	1,039,957	(64,976)
Vocational education	78,600	78,600	67,576	(11,024)
ESSER I	2,721,406	2,721,406	240,095	(2,481,311)
ESSER II	2,257,328	2,257,328	2,104,936	(152,392)
ESSER III	202,550	232,550	1,048,934	816,384
Coronavirus state and local recovery funds - pandemic bonus funds	-	-	438,512	438,512
Other education	-	1,756,264	1,033,238	(723,026)
Total categorical aid	7,985,758	9,772,022	8,400,308	(1,371,714)
Total revenue from the Federal Government	8,044,859	9,831,123	8,469,173	(1,361,950)
Total school operating fund	60,822,774	63,203,383	55,993,073	(7,210,310)

(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, 2023

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Component Unit – School Board: (Continued)				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 755,223	\$ 755,223	\$ 311,252	\$ (443,971)
Intergovernmental revenue:				
Revenue from the Commonwealth:				
Categorical aid:				
School food	99,817	135,849	-	(135,849)
Revenue from the Federal Government:				
Categorical aid:				
School food	1,580,405	2,101,026	2,513,226	412,200
Total school cafeteria fund	2,435,445	2,992,098	2,824,478	(167,620)
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	57	57
Total school textbook fund	-	-	57	57
School Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	-	-	20,977	20,977
Total revenue from use of money and property	-	-	20,977	20,977
Intergovernmental revenue:				
County contribution to School Board	-	-	55,246	55,246
Total school construction fund	-	-	76,223	76,223
Total revenues – component unit – school board	\$ 63,258,219	\$ 66,195,481	\$ 58,893,831	\$ (7,301,650)

COUNTY OF AMHERST, VIRGINIA

**GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –
SCHOOL BOARD
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
Year Ended June 30, 2023**

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 181,913	\$ 161,128	\$ 153,328	\$ 7,800
General and financial administration:				
County administrator	310,699	439,401	436,099	3,302
Commissioner of the revenue	425,627	406,346	377,843	28,503
Treasurer	493,691	490,432	462,558	27,874
Finance	340,972	461,737	399,139	62,598
Purchasing	208,210	239,509	236,316	3,193
County attorney	183,096	130,129	125,704	4,425
Information technology	594,581	1,775,037	765,649	1,009,388
Human resources	246,875	273,854	268,662	5,192
Total general and financial administration	2,803,751	4,216,445	3,071,970	1,144,475
Board of Elections/Registrar:				
Electoral board and officials and registrar	354,488	331,505	312,036	19,469
Total general government administration	3,340,152	4,709,078	3,537,334	1,171,744
Judicial administration:				
Courts:				
Circuit court	101,703	119,140	111,029	8,111
General district court	10,026	10,909	9,903	1,006
Magistrate	1,150	1,150	769	381
Juvenile and domestic relations court	12,450	15,364	15,287	77
Clerk of the circuit court	642,853	667,945	639,958	27,987
Jurors	20,000	9,000	8,880	120
VJCCCA	78,430	41,430	9,090	32,340
Total courts	866,612	864,938	794,916	70,022
Commonwealth's attorney:				
Commonwealth's attorney	826,911	901,445	886,676	14,769
Victim advocate grant	144,257	147,339	144,966	2,373
Total commonwealth's attorney	971,168	1,048,784	1,031,642	17,142
Total judicial administration	1,837,780	1,913,722	1,826,558	87,164
Public safety:				
Law enforcement and traffic control:				
Sheriff	4,491,058	5,431,057	5,081,713	349,344
Total law enforcement and traffic control	4,491,058	5,431,057	5,081,713	349,344
Fire and rescue services:				
Volunteer emergency services	384,862	384,862	329,426	55,436
Volunteer rescue services	204,204	224,977	205,704	19,273
Emergency medical services	2,315,242	2,395,481	1,341,509	1,053,972
Emergency service council	292,415	617,415	419,044	198,371
Total fire and rescue services	3,196,723	3,622,735	2,295,683	1,327,052

(Continued)

COUNTY OF AMHERST, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT –
SCHOOL BOARD

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

Year Ended June 30, 2023

	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	\$ 1,600,000	\$ 1,679,171	\$ 1,679,171	\$ -
Inspections:				
Building	417,544	482,617	463,041	19,576
Other protection:				
Animal control	172,044	163,993	113,864	50,129
Animal Shelter	245,245	269,342	251,379	17,963
Emergency services	960,824	1,086,625	1,032,940	53,685
Communications dispatch	997,116	1,173,568	1,239,990	(66,422)
Other public safety	116,500	256,500	255,999	501
Total other protection	2,491,729	2,950,028	2,894,172	55,856
Total public safety	12,197,054	14,165,608	12,413,780	1,751,828
Public works:				
Maintenance of general buildings and grounds:				
General properties	999,185	1,716,912	1,584,192	132,720
Health and welfare:				
Health:				
Supplement of local health department	239,493	239,493	239,493	-
Mental health and mental retardation:				
Community services board	145,844	145,844	145,844	-
Welfare:				
Welfare administration	3,137,894	3,257,508	2,942,632	314,876
Public assistance	886,553	1,160,981	939,602	221,379
County contributions	105,325	105,325	105,325	-
Comprehensive services	2,327,687	2,338,168	2,634,952	(296,784)
Tax relief for the elderly	236,000	236,000	181,752	54,248
Total welfare	6,693,459	7,097,982	6,804,263	293,719
Total health and welfare	7,078,796	7,483,319	7,189,600	293,719
Education:				
Contributions to community colleges	6,767	6,767	6,767	-
County contribution to School Board	13,957,335	13,957,335	9,933,888	4,023,447
Total education	13,964,102	13,964,102	9,940,655	4,023,447
Parks, recreation and cultural:				
Parks and recreation				
Parks and recreation	409,041	607,254	471,668	135,586

(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, 2023

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Primary Government: (Continued)				
General Fund: (Continued)				
Library:				
Library	\$ 892,432	\$ 943,668	\$ 929,857	\$ 13,811
Museum	68,392	72,835	72,862	(27)
Total library	960,824	1,016,503	1,002,719	13,784
Total parks, recreation, and cultural	1,369,865	1,623,757	1,474,387	149,370
Community development:				
Planning and community development:				
Planning	353,475	408,949	344,278	64,671
Planning commission	25,669	25,669	18,839	6,830
Zoning board	2,408	2,408	-	2,408
Central Virginia planning	19,588	19,588	19,588	-
EDA board	9,043	9,043	5,921	3,122
Contribution to EDA	765,241	2,712,217	2,362,217	350,000
Tourism	47,901	66,444	57,765	8,679
County fair	156,363	156,363	138,579	17,784
Community development projects	241,500	201,425	166,881	34,544
Total planning and community development	1,621,188	3,602,106	3,114,068	488,038
Environmental management:				
Soil and water conservation district	10,000	10,000	10,000	-
Cooperative extension program:				
VPI extension	104,356	127,956	127,880	76
Total community development	1,735,544	3,740,062	3,251,948	488,114
Non-Departmental:				
Non-departmental:				
Insurance	65,000	65,000	43,858	21,142
Line of duty	75,000	75,000	68,812	6,188
Other	3,284,092	922,583	(71,559)	994,142
Total non-departmental	3,424,092	1,062,583	41,111	1,021,472
Debt service:				
Principal retirement	2,525,000	2,525,000	2,537,641	(12,641)
Interest and fiscal charges	964,277	1,362,828	1,362,828	-
Bond issuance costs	7,500	7,500	1,125	6,375
Total debt service	3,496,777	3,895,328	3,901,594	(6,266)
Other Financing Uses				
Transfers out	3,276,249	4,117,592	4,286,114	(168,522)
Total other financing sources (uses)	3,276,249	4,117,592	4,286,114	(168,522)
Total general fund	52,719,596	58,392,063	49,447,273	8,944,790

(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, 2023

	Budget Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final		
Special Revenue Fund:				
Public safety:				
Other protection:				
Miscellaneous public safety grants	\$ -	\$ 6,540,480	\$ 2,341,831	\$ 4,198,649
DARE program	-	-	51,464	(51,464)
Total public safety	-	6,540,480	2,393,295	4,147,185
Sanitation and waste removal:				
Solid waste	1,924,140	3,651,054	2,951,086	699,968
Total public works	1,924,140	3,651,054	2,951,086	699,968
Parks, recreation and cultural:				
Parks and recreation				
Parks and recreation	-	16,964	89,776	(72,812)
Cultural				
Miscellaneous grants	-	25,387	4,787	20,600
Total parks, recreation, and cultural	-	42,351	94,563	(52,212)
Community development:				
Planning and community development:				
CDBG projects	-	-	78,864	(78,864)
Total community development	-	-	78,864	(78,864)
Other financing uses:				
Transfers out	-	14,280	18,276	(3,996)
Total special revenue funds	1,924,140	10,248,165	5,536,084	4,712,081
Capital Projects Fund:				
Public works:				
General construction projects	-	19,254,675	1,596,464	17,658,211
Total capital projects fund	-	19,254,675	1,596,464	17,658,211
Total expenditures – primary government	\$ 54,643,736	\$ 87,894,903	\$ 56,579,821	\$ 31,315,082
Component Unit – School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 42,811,440	\$ 43,695,454	\$ 41,250,001	\$ 2,445,453
Administration, attendance, and health	2,481,657	2,632,570	2,670,012	(37,442)
Pupil transportation services	3,733,656	3,907,498	4,497,376	(589,878)
Operation and maintenance services	10,012,625	10,460,482	4,906,467	5,554,015
Technology	1,783,396	2,507,379	2,669,217	(161,838)
Total education	60,822,774	63,203,383	55,993,073	7,210,310
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services	2,435,445	2,992,098	2,826,074	166,024
School Construction Fund:				
Education:				
Capital projects	-	-	82,596	(82,596)
Total expenditures – component unit – school board	\$ 63,258,219	\$ 66,195,481	\$ 58,901,743	\$ 7,293,738

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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	Total
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
2023	3,567,177	1,367,749	14,854,982	2,951,430	6,973,472	12,331,673	1,629,181	3,337,364	1,316,342	-	2,794,650	51,124,020

TABLE 2

COUNTY OF AMHERST, VIRGINIA

GOVERNMENT-WIDE REVENUES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Charges for Service	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
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
2023	5,541,052	9,084,343	8,588	27,923,237	10,388,566	3,308,705	1,334,334	874,064	58,462,889

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
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
2023	27,108,149	10,388,566	184,451	195,791	1,186,010	4,261,263	762,870	488,487	60,489,505	105,065,092

⁽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
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
2023	3,549,975	1,826,558	14,807,075	4,535,278	7,189,600	71,193,223	1,568,950	3,330,812	41,111	1,596,464	3,888,953	113,527,999

⁽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
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
2023	2,488,921,500	309,359,280	16,766,880	116,961,290	-	108,997,976	3,041,006,926

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
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	-
2023	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
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
2023	30,148,365	28,147,621	93.36	690,517	28,838,138	95.65	1,040,377	3.45

⁽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
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
2023	31,589	3,041,006,926	48,488,000	18,938,000	29,550,000	1.59	935

⁽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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 11, 2024.

Report on 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility 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 any 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 2023-001 that we consider to be a significant deficiency.**

Report on 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 2023-003 and 2023-004.**

County of Amherst, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
July 11, 2024



**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, 2023. 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, 2023.

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 judgment made by a reasonable user of the report on compliance about the County's compliance with 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 the 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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
July 11, 2024

COUNTY OF AMHERST, VIRGINIA
SUMMARY OF COMPLIANCE MATTERS
June 30, 2023

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, 2023**

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		\$ 8,073
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		72,645
Title IV-E Prevention Program	93.472		8,113
Promoting Safe and Stable Families	93.556		19,412
Temporary Assistance to Needy Families (TANF)	93.558		267,314
Refugee and Entrant Assistance – State Administered Programs	93.566		1,265
Low Income Home Energy Assistance	93.568		51,377
Child Care Mandatory and Matching funds of the Child Care and Development Fund	93.596		62,555
Stephanie Tubbs Jones Child Welfare Services Program	93.645		395
Foster Care – Title IV-E	93.658		260,897
Adoption Assistance – Title IV-E	93.659		369,136
Social Services Block Grant	93.667		241,859
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674		2,205
Children's Health Insurance Program (CHIP)	93.767		2,865
Medical Assistance Program (Medicaid; Title XIX)	93.778		341,127
Total Department of Health and Human Services			<u>1,709,238</u>
Department of Homeland Security:			
Pass through Payments:			
Virginia Department of Emergency Management Emergency Management Performance Grants	97.042		<u>14,911</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>8,588</u>
Department of Justice:			
Pass through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575		126,978
Bulletproof Vest Partnership Program	16.607		13,058
Edward Byrne Memorial Justice Assistance Grant Program	16.738		9,313
Body Worn Camera Policy and Implementation	16.835		37,000
Total Department of Justice			<u>186,349</u>
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Agriculture and Consumer Services:			
Child and Adult Care Food Program (CACFP)	10.558		34,261
State Pandemic Electronic Benefit Transfer (P-EBT)			
Administrative Costs Grant	10.649		3,135
Schools and Roads - Grants to States	10.665		68,865
Child Nutrition Cluster – Summer Food Service Program for Children	10.559	\$ 50,857	

(Continued)

COUNTY OF AMHERST, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023**

Federal Grantor/Pass – Through Grantor/ Program or Cluster Title	Assistance Listing Number	Cluster Amounts	Federal Expenditures
Department of Agriculture: (Continued)			
Pass Through Payments: (Continued)			
Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 664,031	
National School Lunch Program	10.555	101,355	
National School Lunch Program – CARES	10.555	<u>1,600,400</u>	
Total Child Nutrition Cluster			\$ 2,416,643
Department of Social Services:			
State Administration:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		<u>604,459</u>
Total Department of Agriculture			<u>3,127,363</u>
Federal Communications Commission:			
Direct Program:			
Emergency Connectivity Fund Program – COVID-19	32.009		<u>467,222</u>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles			
State and Community Highway Safety	20.600		\$ 27,323
Occupant Protection Incentive Grant	20.602		1,260
Alcohol Open Container Requirements	20.607		<u>16,458</u>
Total Department of Transportation			<u>45,041</u>
Department of Education			
Pass Through Payments:			
Adult Education – Basic Grants to States	84.002		573,583
Title I Grants to Local Educational Agencies	84.010		968,519
Higher Education Institutional Aid	84.031		2,185
Career and Technical Education - Basic Grants to States (Perkins V)	84.048		82,443
Special Education – Grants to States (Special Education Cluster)	84.027	\$ 933,140	
Special Education – Grants to States (Special Education Cluster) - ARP	84.027	145,853	
Special Education – Preschool Grants (Special Education Cluster)	84.173	<u>39,036</u>	
Total Special Education Cluster			1,118,029
COVID-19 Education Stabilization Fund - ESSER II	84.425D		2,104,936
COVID-19 Education Stabilization Fund - ESSER III	84.425D		1,048,934
COVID-19 Education Stabilization Fund - ARP ESSER	84.425U		2,763
COVID-19 Education Stabilization Fund - GEER	84.425C		240,095
Supporting Effective Instruction State Grants	84.367		163,644
Student Support and Academic Enrichment Program	84.424		<u>67,527</u>
Total Department of Education			<u>6,372,658</u>

(Continued)

COUNTY OF AMHERST, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023**

Federal Grantor/Pass – Through Grantor/ Program or Cluster Title	Assistance Listing Number	Cluster Amounts	Federal Expenditures
Department of Treasury			
Direct Payments:			
American Rescue Plan – Coronavirus State and Local Fiscal Recovery Fund	21.027		\$ 470,359
American Rescue Plan – Coronavirus State and Local Fiscal Recovery Fund - Library	21.027		3,577
Pass Through Payments:			
American Rescue Plan – Coronavirus State and Local Fiscal Recovery Fund - Pandemic Bonus Funds	21.027		438,512
American Rescue Plan – Coronavirus State and Local Fiscal Recovery Fund - Virginia Tourism Commission	21.027		8,058
Total Department of Treasury			920,506
Total Expenditures of Federal Awards			<u>\$ 12,851,876</u>

NOTE 1 – BASIS OF PRESENTATION:

The accompanying schedule of federal expenditures includes the activity of all federally assisted programs of the County of Amherst, Virginia and is presented on the modified accrual basis of accounting, as described in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

NOTE 2 – FOOD DISTRIBUTION:

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE 3 – DE MINIMIS INDIRECT COST RATE:

The County has not elected to use the de minimis 10% indirect cost rate.

NOTE 4 – OUTSTANDING LOAN BALANCES:

At June 30, 2023, the County had no outstanding loan balances requiring continuing disclosure.

COUNTY OF AMHERST, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

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 **one audit finding** relating to major programs.
7. The programs tested as major programs include:

<u>Name of Program:</u>	<u>Assistance Listing #</u>
Coronavirus State and Local Fiscal Recovery Funds – COVID-19	21.027
Title I Grants to Local Educational Agencies	84.010
Education Stabilization Fund – GEER – COVID-19	84.425C
Education Stabilization Fund – ESSER II and III – COVID-19	84.425D
Education Stabilization Fund – ARP ESSER – COVID-19	84.425U

8. The **threshold for** distinguishing Type A and B programs was **\$750,000**.
9. The County was **not** determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001: 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.

Recommendation:

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

(Continued)

COUNTY OF AMHERST, VIRGINIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023**

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2023-001: Segregation of Duties (Significant Deficiency) (Continued)

Management's Response:

Journal entries are customarily run through an approval process implemented in 2023. Fiscal year 2024 has seen staffing shortage at the Schools not allowing full use of this process.

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

2023-002: Coronavirus State and Local Fiscal Recovery Fund – AL# 21.027; Title I Grants to Local Educational Agencies – AL# 84.010; Education Stabilization Fund – AL# 84.425C, 84.425D, 84.425U, Late Filing of Data Collection Form

Condition:

The County did not file the data collection form for the year ended June 30, 2022 timely.

Criteria:

Under the requirements in the Uniform Guidance and the Office of Management and Budget (OMB), all entities are required to file the annual data collection form with the Federal Audit Clearinghouse the earlier of either 30 days after the issuance of the entity's annual audit or twelve months after the entity's fiscal year end (June 30th for the County of Amherst).

Cause:

Management did not complete and certify auditee portion of the form before the deadline. The form was not completed until July 19, 2023.

Effect:

The entity's form was submitted to the Federal Audit Clearinghouse late, delaying completion of all annual audit requirements for the County.

Recommendation:

Management should take steps to ensure that the form is filed timely.

Views of Responsible Officials and Planned Corrective Action:

The form will be late for June 30, 2023. The Finance department is fully staffed again and has duties delegated to ensure timely filing for June 30, 2024.

COUNTY OF AMHERST, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

D. FINDINGS – COMMONWEALTH OF VIRGINIA

2023-003: Budget Appropriations

Condition:

Expenditures exceeded budgeted appropriations in the communications dispatch, comprehensive services, and museum functions in the General Fund, DARE program, parks and recreation, and CDBG projects functions in the Special Revenue Fund, administration, attendance, and health and technology functions in the School Operating Fund, and in the School Construction Fund for the year ended June 30, 2023.

Recommendation:

Steps should be taken to ensure that excess expenditures over budgeted appropriations are approved by the Board Members and the budget amended accordingly.

Management's Response:

The Finance department was short staffed most of fiscal year 2023 with only the director to do all accounting work. Extensive reviews were not done on all funds due to the lack of staff and software implementation. Staffing has been filled and reviews will be completed on all funds prior to preparation of future reports.

2023-004: Commonwealth of Virginia Disclosure Statements

Condition:

Two members out of twenty-two for various County boards filed a statement of economic interest as required by the *Code of Virginia* after the February 1, 2023 deadline.

Recommendation:

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

Management's Response:

All members are notified to file and two reminders are sent prior to the due date.

COUNTY OF AMHERST, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2023

A. 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 payroll, accounts receivable, cash disbursements, and journal entries for the Schools. A proper segregation of duties has not been established in functions related to accounts receivable and journal entries for the County. We noted the finance department started reviewing bank reconciliations prepared by the Treasurer's office as a compensating control.

Recommendation:

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

Current Status:

Condition still exists for the current year. See finding 2023-001.

B. 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.

Current Status:

Condition still exists partially in the current year. See finding 2023-003.

COUNTY OF AMHERST, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2023

B. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)

2022-003: Commonwealth of Virginia Disclosure Statements

Condition:

Five 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, 2022 deadline.

Recommendation:

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

Current Status:

Condition still exists partially in the current year. See finding 2023-004.

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.

Current Status:

The County's 2023 unclaimed property report was filed with the State Treasurer before the November 1, 2023 deadline. This is no longer an audit finding.