

# Bedford County Virginia



Annual Financial Report  
Fiscal Year Ended June 30, 2022



# **COUNTY OF BEDFORD, VIRGINIA**

## **ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**DEPARTMENT OF FINANCE**



COUNTY OF BEDFORD, VIRGINIA

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**COUNTY OF BEDFORD, VIRGINIA**

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# INTRODUCTORY SECTION

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**COUNTY OF BEDFORD, VIRGINIA  
DIRECTORY OF PRINCIPAL OFFICIALS**

**MEMBERS OF THE BOARD OF SUPERVISORS**

Edgar Tuck, Chairperson  
Tammy Parker, Vice Chairperson

Tommy Scott	Bob Davis
John Sharp	Charla Bansley
Mickey Johnson	

**MEMBERS OF THE COUNTY SCHOOL BOARD**

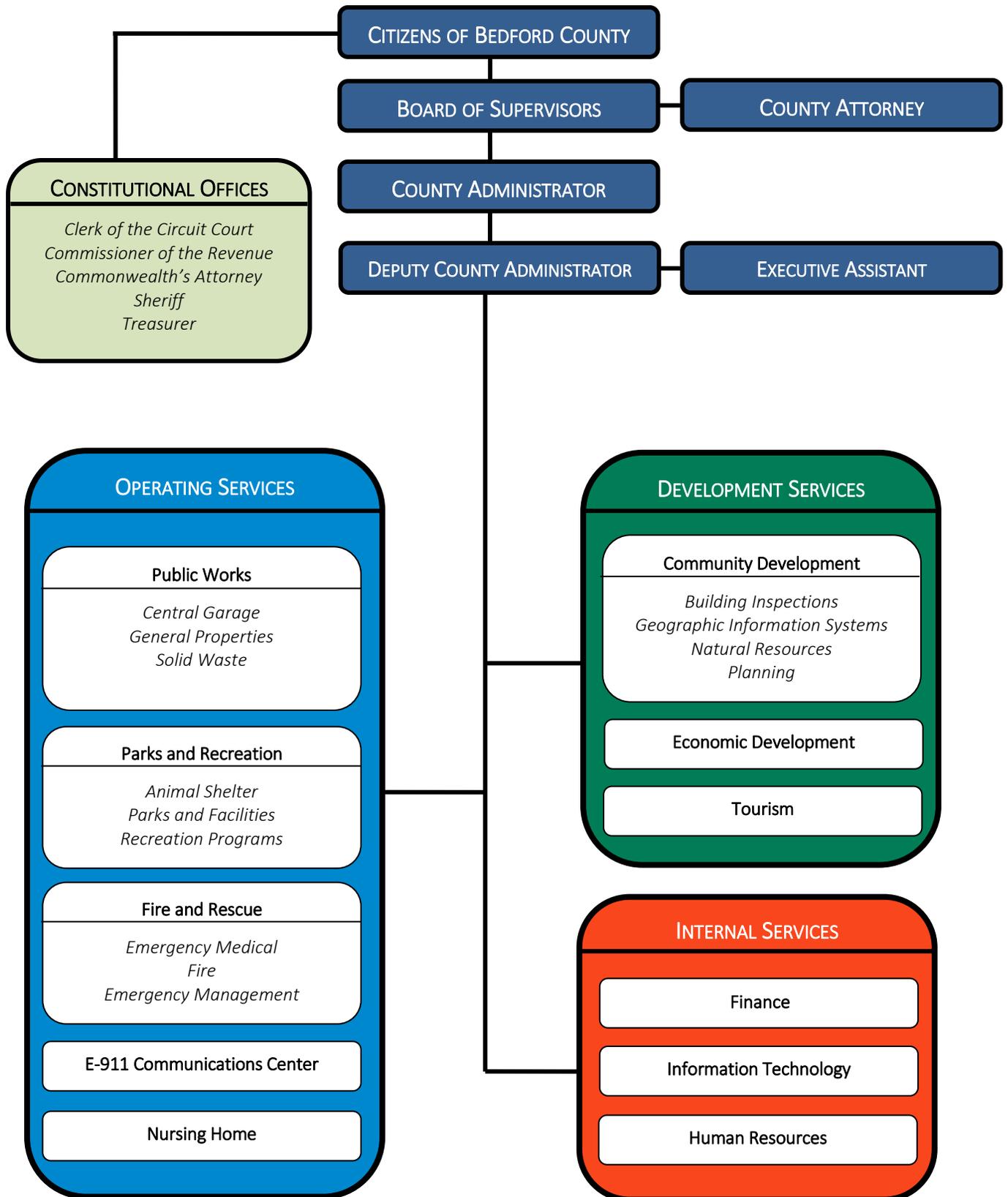
Susan F. Kirby, Chairperson  
Marcus S. Hill, Vice Chairperson

Dr. Susan C. Mele	Matthew Holbrook
Dwayne Nelms	Georgia W. Hairston
Christopher Daniels	

**OTHER OFFICIALS**

Robert Hiss .....	County Administrator
Patrick J. Skelley, II.....	County Attorney
Ashley Anderson, MAcc, CPA .....	Director of Finance
Dr. Marc Bergin.....	Superintendent of Schools
Randy Hagler.....	Schools Director of Finance
Andrew L. Crawford .....	Director of Social Services
Judy E. Reynolds .....	Clerk of the Circuit Court
Wes Nance .....	Commonwealth's Attorney
Tracy Patterson .....	Commissioner of the Revenue
Kim J. Snow.....	Treasurer
Michael W. Miller .....	Sheriff
Barbara J. Gunter .....	Registrar

# Bedford County Organizational Chart



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# FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors  
County of Bedford, 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 Bedford, Virginia (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 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 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 23 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Bedford, 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 Bedford, 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 Bedford, 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 a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Bedford, Virginia's basic financial statements. The discretely presented School Board combining statements, Schedule 1, 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 discretely presented School Board combining statements, Schedule 1, 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 statistical 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 May 22, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia  
May 22, 2023

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# **BASIC FINANCIAL STATEMENTS**

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**COUNTY OF BEDFORD, VIRGINIA**

**STATEMENT OF NET POSITION**  
**June 30, 2022**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash, cash equivalents, and investments (Note 4)	\$ 96,030,264	\$ 12,798,085	\$ 108,828,349
Receivables, net (Note 5)	30,371,920	510,936	30,882,856
Internal balances (Note 9)	(153,295)	153,295	-
Due from primary government	-	-	-
Due from component unit	974	-	974
Prepays	322,331	64,824	387,155
Inventories	61,676	-	61,676
Lease receivable			
Receivable within one year	-	-	-
Receivable in more than one year	-	-	-
Restricted assets: (Note 4)			
Cash, cash equivalents, and investments	2,261,426	40,096	2,301,522
Net pension asset (Note 10 and 11)	2,323,945	497,404	2,821,349
Capital assets: (Note 6)			
Nondepreciable	10,205,082	1,429,906	11,634,988
Depreciable, net	33,510,982	8,882,943	42,393,925
Right-of-use-assets, net (Note 6)	568,760	3,968	572,728
<b>Total assets</b>	<b>175,504,065</b>	<b>24,381,457</b>	<b>199,885,522</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,674,496	-	1,674,496
Deferred outflows related to pensions (Notes 10, 11, 12, and 13)	4,503,091	692,517	5,195,608
Deferred outflows related to other postemployment benefits (Notes 14 and 15)	514,795	113,919	628,714
<b>Total deferred outflows of resources</b>	<b>6,692,382</b>	<b>806,436</b>	<b>7,498,818</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,183,154	315,811	2,498,965
Accrued payroll and related liabilities	424,421	303,253	727,674
Accrued interest payable	1,370,623	-	1,370,623
Self insurance (Note 18)	-	-	-
Incentives and performance grants payable	-	-	-
Due to component units	2,988,654	-	2,988,654
Due to primary government	-	-	-
Liabilities payable from restricted assets	-	40,096	40,096
Noncurrent liabilities:			
Due within one year (Note 7)	7,089,125	389,399	7,478,524
Due in more than one year (Note 7)	77,189,996	8,586,760	85,776,756
Net pension liability (Notes 12 and 13)	2,997,154	-	2,997,154
Net other postemployment benefit liability (Notes 14 and 15)	1,986,357	296,363	2,282,720
<b>Total liabilities</b>	<b>96,229,484</b>	<b>9,931,682</b>	<b>106,161,166</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes (Note 5)	23,190,316	-	23,190,316
Deferred inflows related to pensions (Notes 10, 11, 12, and 13)	9,789,063	1,751,611	11,540,674
Deferred inflows related to other postemployment benefits (Notes 14 and 15)	460,005	154,835	614,840
Lease-related deferred inflows	-	-	-
<b>Total deferred inflows of resources</b>	<b>33,439,384</b>	<b>1,906,446</b>	<b>35,345,830</b>
<b>NET POSITION</b>			
Net investment in capital assets	43,376,776	10,228,978	53,605,754
Restricted for:			
Donor requests	-	-	-
Pension	2,323,945	497,404	2,821,349
Unrestricted (deficit)	6,826,858	2,623,383	9,450,241
<b>Total net position</b>	<b>\$ 52,527,579</b>	<b>\$ 13,349,765</b>	<b>\$ 65,877,344</b>

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

<b>Component Units</b>				
<b>School Board</b>	<b>Public Library</b>	<b>Economic Development Authority</b>	<b>Reclassifications (See Note 1)</b>	<b>Total</b>
\$ 13,598,337	\$ 495,991	\$ 1,826,527	\$ -	\$ 124,749,204
13,780,388	20,895	736,833	-	45,420,972
-	-	-	-	-
2,988,654	-	-	-	2,988,654
-	-	-	-	974
141,454	36,458	-	-	565,067
127,251	-	8,413,397	-	8,602,324
-	-	181,988	-	181,988
-	-	4,418,447	-	4,418,447
-	61,070	16,382	-	2,378,974
3,432,811	553,380	-	-	6,807,540
9,497,520	-	612,790	-	21,745,298
130,794,677	509,886	4,981,426	-	178,679,914
657,423	-	-	-	1,230,151
<u>175,018,515</u>	<u>1,677,680</u>	<u>21,187,790</u>	<u>-</u>	<u>397,769,507</u>
-	-	-	-	1,674,496
18,247,543	81,767	-	-	23,524,918
3,728,916	10,211	-	-	4,367,841
<u>21,976,459</u>	<u>91,978</u>	<u>-</u>	<u>-</u>	<u>29,567,255</u>
4,641,370	32,781	9,721	-	7,182,837
12,499,877	27,114	-	-	13,254,665
68,973	-	-	-	1,439,596
937,369	-	-	-	937,369
-	-	520,225	-	520,225
-	-	-	-	2,988,654
-	974	-	-	974
-	-	-	-	40,096
2,341,413	67,475	115,687	-	10,003,099
4,499,823	16,246	2,400,912	-	92,693,737
47,252,656	-	-	-	50,249,810
14,456,343	37,490	-	-	16,776,553
<u>86,697,824</u>	<u>182,080</u>	<u>3,046,545</u>	<u>-</u>	<u>196,087,615</u>
-	-	-	-	23,190,316
38,650,690	410,941	-	-	50,602,305
5,307,471	16,668	-	-	5,938,979
-	-	4,688,054	-	4,688,054
<u>43,958,161</u>	<u>427,609</u>	<u>4,688,054</u>	<u>-</u>	<u>84,419,654</u>
136,092,022	498,778	5,594,216	(79,681,365)	116,109,405
-	60,002	16,382	-	76,384
3,432,811	553,380	-	-	6,807,540
(73,185,844)	47,809	7,842,593	79,681,365	23,836,164
<u>\$ 66,338,989</u>	<u>\$ 1,159,969</u>	<u>\$ 13,453,191</u>	<u>\$ -</u>	<u>\$ 146,829,493</u>

**COUNTY OF BEDFORD, VIRGINIA**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022**

<b>Function</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 7,899,840	\$ 746,089	\$ 612,872	\$ -
Judicial administration	2,974,109	195,716	1,286,577	-
Public safety	25,020,861	3,318,927	6,470,693	-
Public works	5,555,347	384,156	1,618,292	-
Health and welfare	16,033,838	269,855	15,744,321	-
Education	37,042,431	-	-	-
Parks, recreational, and cultural	3,784,816	37,185	4,500	-
Community development	3,921,142	242,008	34,404	-
Interest on long-term debt	3,320,619	-	-	-
Total governmental activities	<u>105,553,003</u>	<u>5,193,936</u>	<u>25,771,659</u>	<u>-</u>
Business-type activities:				
Nursing home	7,017,961	5,884,474	75,980	-
Solid waste	6,116,669	2,475,035	-	-
Total business-type activities	<u>13,134,630</u>	<u>8,359,509</u>	<u>75,980</u>	<u>-</u>
Total primary government	<u>\$ 118,687,633</u>	<u>\$ 13,553,445</u>	<u>\$ 25,847,639</u>	<u>\$ -</u>
<b>Component Units:</b>				
School Board	\$ 115,421,194	\$ 3,949,989	\$ 46,174,711	\$ -
Public Library	2,093,717	52,241	128,601	-
Economic Development Authority	866,818	-	614,140	-
Total component units	<u>\$ 118,381,729</u>	<u>\$ 4,002,230</u>	<u>\$ 46,917,452</u>	<u>\$ -</u>

General Revenues:

Property taxes
Other local taxes
Payments from Bedford County
Noncategorical grants and state and federal aid
Investment earnings, unrestricted
Investment earnings, restricted for capital projects and debt service
Miscellaneous
Transfers
Total general revenues
Change in net position
Net position-beginning
Net position-ending

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

Net (Expense) Revenue and  
Changes in Net Position

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	School Board	Public Library	Economic Development Authority	Total
\$ (6,540,879)	\$ -	\$ (6,540,879)	\$ -	\$ -	\$ -	\$ (6,540,879)
(1,491,816)	-	(1,491,816)	-	-	-	(1,491,816)
(15,231,241)	-	(15,231,241)	-	-	-	(15,231,241)
(3,552,899)	-	(3,552,899)	-	-	-	(3,552,899)
(19,662)	-	(19,662)	-	-	-	(19,662)
(37,042,431)	-	(37,042,431)	-	-	-	(37,042,431)
(3,743,131)	-	(3,743,131)	-	-	-	(3,743,131)
(3,644,730)	-	(3,644,730)	-	-	-	(3,644,730)
(3,320,619)	-	(3,320,619)	-	-	-	(3,320,619)
<u>(74,587,408)</u>	<u>-</u>	<u>(74,587,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74,587,408)</u>
-	(1,057,507)	(1,057,507)	-	-	-	(1,057,507)
-	(3,641,634)	(3,641,634)	-	-	-	(3,641,634)
-	(4,699,141)	(4,699,141)	-	-	-	(4,699,141)
<u>(74,587,408)</u>	<u>(4,699,141)</u>	<u>(79,286,549)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,286,549)</u>
-	-	-	(65,296,494)	-	-	(65,296,494)
-	-	-	-	(1,912,875)	-	(1,912,875)
-	-	-	-	-	(252,678)	(252,678)
-	-	-	<u>(65,296,494)</u>	<u>(1,912,875)</u>	<u>(252,678)</u>	<u>(67,462,047)</u>
71,897,356	-	71,897,356	-	-	-	71,897,356
18,540,409	-	18,540,409	-	-	-	18,540,409
-	-	-	37,042,431	1,965,618	163,055	39,171,104
6,786,999	-	6,786,999	43,330,333	-	-	50,117,332
197,744	38,947	236,691	30,742	2,608	186,350	456,391
63,905	-	63,905	-	-	-	63,905
1,119,457	563,647	1,683,104	1,079,235	8,464	-	2,770,803
(1,784,744)	1,784,744	-	-	-	-	-
<u>96,821,126</u>	<u>2,387,338</u>	<u>99,208,464</u>	<u>81,482,741</u>	<u>1,976,690</u>	<u>349,405</u>	<u>183,017,300</u>
22,233,718	(2,311,803)	19,921,915	16,186,247	63,815	96,727	36,268,704
30,293,861	15,661,568	45,955,429	50,152,742	1,096,154	13,356,464	110,560,789
<u>\$ 52,527,579</u>	<u>\$ 13,349,765</u>	<u>\$ 65,877,344</u>	<u>\$ 66,338,989</u>	<u>\$ 1,159,969</u>	<u>\$ 13,453,191</u>	<u>\$ 146,829,493</u>

## COUNTY OF BEDFORD, VIRGINIA

BALANCE SHEET –  
GOVERNMENTAL FUND  
June 30, 2022

	<u>General Fund</u>
<b>Assets</b>	
Cash, cash equivalents, and investments	\$ 96,030,264
Receivables, net	30,372,894
Prepays	322,331
Inventories	61,676
Restricted cash, cash equivalents, and investments	<u>2,261,426</u>
<b>Total assets</b>	<u>\$ 129,048,591</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 2,183,154
Accrued payroll and related liabilities	424,421
Due to other funds	153,295
Due to component units	<u>6,505,330</u>
<b>Total liabilities</b>	<u>9,266,200</u>
<b>Deferred Inflows of Resources</b>	
Unavailable revenue	<u>28,199,084</u>
<b>Total deferred inflows of resources</b>	<u>28,199,084</u>
<b>Fund Balances</b>	
Nonspendable	384,007
Restricted	10,601,823
Committed	7,881,953
Assigned	29,253,539
Unassigned	<u>43,461,985</u>
<b>Total fund balances</b>	<u>91,583,307</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 129,048,591</u>

(Continued)

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

## COUNTY OF BEDFORD, VIRGINIA

**BALANCE SHEET –  
GOVERNMENTAL FUND  
June 30, 2022**

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

Total Fund Balance, Governmental Funds		\$ 91,583,307
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 92,358,483	
Accumulated depreciation and amortization	<u>(48,073,659)</u>	44,284,824
Receivables on the statement of net position that do not provide current financial resources are not reported in the governmental funds.		
		5,008,768
Financial statement elements related to pension and other postemployment benefits are applicable to future periods, and therefore, are not reported in the funds.		
Pension related deferred outflows	4,503,091	
OPEB related deferred outflows	514,795	
Pension related deferred inflows	(9,789,063)	
OPEB related deferred inflows	(460,005)	
Net pension asset	2,323,945	
Net pension liability	(2,997,154)	
Other post-employment benefits	<u>(1,986,357)</u>	(7,890,748)
Other liabilities that are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds, however, these amounts are off set by deferred revenues in the school funds in the current year.		
Operating settlement-School Board		3,516,676
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest payable	(1,370,623)	
General obligation and lease revenue bonds	(70,655,000)	
Premium on debt issued	(6,817,842)	
Deferred charges on refunding	1,674,496	
Leases	(4,801,920)	
Compensated absences	<u>(2,004,359)</u>	<u>(83,975,248)</u>
Net position of Governmental Activities		<u>\$ 52,527,579</u>

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

## COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND  
For the Year Ended June 30, 2022**

	<b>General Fund</b>
<b>Revenues</b>	
General property taxes	\$ 69,525,120
Other local taxes	18,561,403
Permits, privilege fees, and regulatory licenses	629,344
Fines and forfeitures	68,384
Revenue from use of money and property	439,692
Charges for services	2,902,012
Other	1,230,217
Recovered costs	884,604
Intergovernmental	32,927,755
Total revenues	127,168,531
<b>Expenditures</b>	
Current operating	
General government administration	5,888,445
Judicial administration	2,635,608
Public safety	23,443,567
Public works	5,314,880
Health and welfare	16,025,103
Education	39,040,519
Parks, recreation, and cultural	3,273,363
Community development	3,892,513
Debt service	
Principal	4,701,667
Interest and other fiscal charges	3,113,407
Capital projects	
Education	1,302,257
Other governmental activities	5,865,554
Total expenditures	114,496,883
Excess of revenues over expenditures	12,671,648
<b>Other Financing Sources</b>	
Transfers out	(1,784,744)
Total other financing sources	(1,784,744)
<b>Net change in fund balance</b>	10,886,904
<b>Fund balance, beginning</b>	80,696,403
<b>Fund balance, ending</b>	\$ 91,583,307

(Continued)

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

## COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUND  
For the Year Ended June 30, 2022**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:**

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

Net changes in fund balance – governmental fund		\$ 10,886,904
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. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures that were capitalized	\$ 3,497,143	
Depreciation	(3,308,835)	
GASB 87 lease capital outlay, net of amortization	568,760	
Loss on disposition of capital asset	<u>(12,658)</u>	744,410
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	1,693,533	
Pension expenses	<u>(1,039,514)</u>	654,019
Governmental funds report 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	145,917	
Other postemployment benefits expense	<u>(197,253)</u>	(51,336)
The issuance of long-term debt 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 has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal repayment	4,607,841	
Amortization of bond premium on debt issuance	539,745	
Changes in deferred charges on debt issuance costs and refundings	<u>(170,304)</u>	4,977,282
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Changes in unavailable tax revenues	2,372,236	
Other revenues	<u>30,694</u>	2,402,930
Expenses in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Changes in operating settlement-School Board	3,290,255	
Changes in compensated absences	<u>(94,093)</u>	3,196,162
The lease inception due to the implementation of GASB 87		<u>(576,653)</u>
Total changes in net position of governmental activities		<u><u>\$ 22,233,718</u></u>

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

## COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
General property taxes	\$ 68,054,500	\$ 68,054,500	\$ 69,824,697	\$ 1,770,197
Other local taxes	14,758,767	14,758,767	18,539,423	3,780,656
Permits, privilege fees, and regulatory licenses	497,300	497,300	629,348	132,048
Fines and forfeitures	75,000	75,000	65,060	(9,940)
Revenue from use of money and property	388,631	388,685	439,753	51,068
Charges for services	2,329,104	2,329,104	2,802,384	473,280
Miscellaneous	239,000	289,000	1,237,678	948,678
Recovered costs	695,400	708,142	878,742	170,600
Intergovernmental	24,296,445	61,574,795	34,297,326	(27,277,469)
Total revenues	<u>111,334,147</u>	<u>148,675,293</u>	<u>128,714,411</u>	<u>(19,960,882)</u>
<b>Expenditures</b>				
Current operating				
General government administration	6,280,720	7,012,610	5,890,232	1,122,378
Judicial administration	2,600,090	2,805,456	2,649,493	155,963
Public safety	21,128,489	25,695,046	23,395,180	2,299,866
Public works	5,838,306	5,719,371	5,344,671	374,700
Health and welfare	18,923,017	18,923,017	16,298,487	2,624,530
Education	36,393,028	42,705,030	40,587,081	2,117,949
Parks, recreation, and cultural	3,461,033	3,510,091	3,267,044	243,047
Community development	3,966,552	4,215,984	3,892,102	323,882
Debt service				
Principal	4,575,000	4,575,000	4,607,841	(32,841)
Interest and other fiscal charges	3,066,662	3,066,662	3,005,211	61,451
Capital projects				
Education	1,500,000	2,848,430	1,959,054	889,376
Other governmental activities	7,202,439	44,941,896	6,711,367	38,230,529
Total expenditures	<u>114,935,336</u>	<u>166,018,593</u>	<u>117,607,763</u>	<u>48,410,830</u>
Excess of revenues over expenditures	<u>(3,601,189)</u>	<u>(17,343,300)</u>	<u>11,106,648</u>	<u>28,449,948</u>
<b>Other Financing Sources (Uses)</b>				
Transfers to:				
Component units	(1,784,744)	(1,784,744)	(1,784,744)	-
Total other financing sources (uses)	<u>(1,784,744)</u>	<u>(1,784,744)</u>	<u>(1,784,744)</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,385,933)</u>	<u>\$ (19,128,044)</u>	<u>\$ 9,321,904</u>	<u>\$ 28,449,948</u>

(Continued)

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

**COUNTY OF BEDFORD, VIRGINIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
For the Year Ended June 30, 2022**

**Explanation of differences between actual amounts on the budgetary basis and GAAP basis**

**Revenues**

Total Revenues Budgetary Basis (Exhibit 5)	\$ 128,714,411
Tax and other accruals, grant deferrals, and other transfers	<u>(1,545,880)</u>
Total Revenues GAAP Basis (Exhibit 4)	<u><u>\$ 127,168,531</u></u>

**Expenditures**

Total Expenditures Budgetary Basis (Exhibit 5)	\$ 117,607,763
Adjustments to remove prior payables and other accruals	<u>(3,110,880)</u>
Total Expenditures GAAP Basis (Exhibit 4)	<u><u>\$ 114,496,883</u></u>

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

## COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF NET POSITION –  
PROPRIETARY FUNDS  
June 30, 2022

	Business-Type Activities – Enterprise Funds		
	Nursing Home	Solid Waste	Total
<b>ASSETS</b>			
Current assets:			
Cash, cash equivalents, and investments	\$ 8,650,323	\$ 4,147,762	\$ 12,798,085
Receivables, net	421,103	89,833	510,936
Due from other funds	-	153,295	153,295
Prepays	53,041	11,783	64,824
Total current assets	9,124,467	4,402,673	13,527,140
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	40,096	-	40,096
Net pension assets	409,942	87,462	497,404
Capital assets, net	3,079,998	7,232,851	10,312,849
Right-of-use assets, net	3,968	-	3,968
Total noncurrent assets	3,534,004	7,320,313	10,854,317
Total assets	12,658,471	11,722,986	24,381,457
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	564,316	128,201	692,517
Deferred outflows related to other postemployment benefits	94,099	19,820	113,919
Total deferred outflows of resources	658,415	148,021	806,436
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	67,797	248,014	315,811
Accrued payroll and related liabilities	258,740	44,513	303,253
Assets held in agency capacity	40,096	-	40,096
Compensated absences	118,685	42,281	160,966
Lease obligations	4,641	66,743	71,384
Landfill closure/postclosure	-	157,049	157,049
Total current liabilities	489,959	558,600	1,048,559
Noncurrent liabilities:			
Compensated absences	-	43,007	43,007
Other post-employment benefits	227,216	69,147	296,363
Lease obligations	-	17,128	17,128
Landfill closure/postclosure	-	8,526,625	8,526,625
Total noncurrent liabilities	227,216	8,655,907	8,883,123
Total liabilities	717,175	9,214,507	9,931,682
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	1,443,614	307,997	1,751,611
Deferred inflows related to other postemployment benefits	118,006	36,829	154,835
Total deferred inflows of resources	1,561,620	344,826	1,906,446
<b>NET POSITION</b>			
Net investment in capital assets	3,079,998	7,148,980	10,228,978
Restricted for pension	409,942	87,462	497,404
Unrestricted	7,548,151	(4,924,768)	2,623,383
Total net position	\$ 11,038,091	\$ 2,311,674	\$ 13,349,765

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

## COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2022**

	<b>Business-Type Activities – Enterprise Funds</b>		
	<b>Nursing Home</b>	<b>Solid Waste</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 5,884,474	\$ 2,475,035	\$ 8,359,509
Other	20,539	543,108	563,647
<b>Total Operating Revenues</b>	<b>5,905,013</b>	<b>3,018,143</b>	<b>8,923,156</b>
<b>Operating Expenses</b>			
Personal services	3,543,049	775,949	4,318,998
Employee benefits	1,111,258	235,531	1,346,789
Purchased services	599,587	835,038	1,434,625
Continuous charges	586,611	2,978,272	3,564,883
Supplies and materials	741,315	230,814	972,129
Equipment, property, and improvements	131,345	14,268	145,613
Landfill closure/postclosure	-	452,176	452,176
Depreciation and amortization	304,796	589,230	894,026
<b>Total Operating Expenses</b>	<b>7,017,961</b>	<b>6,111,278</b>	<b>13,129,239</b>
<b>Operating loss</b>	<b>(1,112,948)</b>	<b>(3,093,135)</b>	<b>(4,206,083)</b>
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	27,530	11,417	38,947
Interest expense	-	(5,391)	(5,391)
Grant income	75,980	-	75,980
<b>Total Non-Operating Revenues (Expenses)</b>	<b>103,510</b>	<b>6,026</b>	<b>109,536</b>
<b>Loss before transfers</b>	<b>(1,009,438)</b>	<b>(3,087,109)</b>	<b>(4,096,547)</b>
Transfers in	-	1,784,744	1,784,744
<b>Change in Net Position</b>	<b>(1,009,438)</b>	<b>(1,302,365)</b>	<b>(2,311,803)</b>
<b>Net Position, beginning</b>	<b>12,047,529</b>	<b>3,614,039</b>	<b>15,661,568</b>
<b>Net Position, ending</b>	<b>\$ 11,038,091</b>	<b>\$ 2,311,674</b>	<b>\$ 13,349,765</b>

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

## COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2022

	Nursing Home	Solid Waste	Total
<b>Operating Activities</b>			
Receipts from customers	\$ 5,982,667	\$ 2,564,934	\$ 8,547,601
Other cash receipts	20,539	543,071	563,610
Payments to employees	(3,539,390)	(775,949)	(4,315,339)
Payments for employee benefits	(1,254,868)	(257,925)	(1,512,793)
Payments to suppliers	(2,205,760)	(3,995,320)	(6,201,080)
<b>Net Cash Used in Operating Activities</b>	<u>(996,812)</u>	<u>(1,921,189)</u>	<u>(2,918,001)</u>
<b>Noncapital Financing Activities</b>			
Transfers from other funds	-	1,784,744	1,784,744
Grants received	75,980	-	75,980
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>75,980</u>	<u>1,784,744</u>	<u>1,860,724</u>
<b>Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(53,914)	(144,121)	(198,035)
Principal paid on debt	(5,280)	(87,023)	(92,303)
Interest paid on debt	-	(4,660)	(4,660)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(59,194)</u>	<u>(235,804)</u>	<u>(294,998)</u>
<b>Investing Activities</b>			
Interest received	27,530	11,417	38,947
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(952,496)</u>	<u>(360,832)</u>	<u>(1,313,328)</u>
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>9,642,915</u>	<u>4,508,594</u>	<u>14,151,509</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 8,690,419</u>	<u>\$ 4,147,762</u>	<u>\$ 12,838,181</u>
<b>Reconciliation to Exhibit 6</b>			
Cash and Cash Equivalents	\$ 8,650,323	\$ 4,147,762	\$ 12,798,085
Restricted Cash and Cash Equivalents	40,096	-	40,096
	<u>\$ 8,690,419</u>	<u>\$ 4,147,762</u>	<u>\$ 12,838,181</u>

(Continued)

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

## COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2022

	<u>Nursing Home</u>	<u>Solid Waste</u>	<u>Total</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>			
<b>Operating Loss</b>	\$ (1,112,948)	\$ (3,093,135)	\$ (4,206,083)
<b>Adjustments Not Affecting Cash</b>			
Depreciation and amortization	304,796	589,230	894,026
Landfill closure/postclosure	-	452,176	452,176
<b>(Increase) Decrease in Assets</b>			
Accounts receivable	98,193	89,899	188,092
Due from other funds	-	(37)	(37)
Prepays	2,045	(2,646)	(601)
Net pension asset	(1,734,392)	(370,036)	(2,104,428)
<b>(Increase) Decrease in Deferred Outflows of Resources</b>			
Pension deferrals	232,894	41,946	274,840
Other postemployment benefit deferrals	29,378	4,028	33,406
<b>Increase (Decrease) in Liabilities</b>			
Accounts payable and accrued expenses	(126,367)	63,072	(63,295)
Accrued payroll and related liabilities	3,659	5,190	8,849
Due to other funds	(6)	-	(6)
Assets held in agency capacity	(20,529)	-	(20,529)
Compensated absences	(17,307)	8,627	(8,680)
Other post-employment benefits	(85,672)	(13,313)	(98,985)
<b>Increase (Decrease) in Deferred Inflows of Resources</b>			
Pension deferrals	1,397,201	298,095	1,695,296
Other postemployment benefit deferrals	32,243	5,715	37,958
<b>Net Cash Used in Operating Activities</b>	<u>\$ (996,812)</u>	<u>\$ (1,921,189)</u>	<u>\$ (2,918,001)</u>

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

**COUNTY OF BEDFORD, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2022**

	<b>Custodial Funds</b>		
	<b>Tri-County Lake Administrative Commission</b>	<b>Bedford Community Coalition</b>	<b>Bedford Wine Trail</b>
<b>ASSETS</b>			
Cash and cash equivalents, restricted	\$ 626,698	\$ 1,244	\$ 2,995
Security deposits	900	-	-
Receivables, net	6,689	-	-
Total assets	<u>\$ 634,287</u>	<u>\$ 1,244</u>	<u>\$ 2,995</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,759	\$ -	\$ -
Accounts payable	5,251	-	-
Unearned revenues	6,689	-	-
Total liabilities	<u>\$ 13,699</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Restricted			
Amounts held for clients/others	<u>\$ 620,588</u>	<u>\$ 1,244</u>	<u>\$ 2,995</u>

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

<b>Custodial Funds</b>				
<b>Special Welfare Fund</b>	<b>Road Escrow Accounts</b>	<b>Land Disturbing Bonds</b>	<b>Sheriff Asset Seizures</b>	<b>Total</b>
\$ 64,396	\$ 72,042	\$ 324,765	\$ 109,502	\$ 1,201,642
-	-	-	-	900
-	-	-	-	6,689
<u>\$ 64,396</u>	<u>\$ 72,042</u>	<u>\$ 324,765</u>	<u>\$ 109,502</u>	<u>\$ 1,209,231</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,759
-	-	-	-	5,251
-	-	-	-	6,689
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,699</u>
<u>\$ 64,396</u>	<u>\$ 72,042</u>	<u>\$ 324,765</u>	<u>\$ 109,502</u>	<u>\$ 1,195,532</u>

**COUNTY OF BEDFORD, VIRGINIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Year Ended June 30, 2022**

	<b>Custodial Funds</b>		
	<b>Tri-County Lake Administrative Commission</b>	<b>Bedford Community Coalition</b>	<b>Bedford Wine Trail</b>
<b>ADDITIONS</b>			
Contributions received from localities	\$ 161,250	\$ -	\$ -
Interest earnings	2,046	4	-
Payments received from and on behalf of grant awards	18,387	-	-
Payments received from and on behalf of VPA clients	-	-	-
Road escrow deposits	-	-	-
Land disturbing bond deposits	-	-	-
Confiscated proceeds	-	-	-
Other miscellaneous payments received	4,932	-	900
<b>Total additions</b>	<b>\$ 186,615</b>	<b>\$ 4</b>	<b>\$ 900</b>
<b>DEDUCTIONS</b>			
Payments to vendors	\$ 84,470	\$ -	\$ 910
Payments to benefit individuals	-	-	-
Payments to employees	144,684	-	-
Release of land disturbing bonds	-	-	-
Release of confiscated proceeds	-	-	-
<b>Total deductions</b>	<b>\$ 229,154</b>	<b>\$ -</b>	<b>\$ 910</b>
 Net increase (decrease) in fiduciary net position	 \$ (42,539)	 \$ 4	 \$ (10)
<b>NET POSITION - AT JULY 1</b>	<b>663,127</b>	<b>1,240</b>	<b>3,005</b>
<b>NET POSITION - AT JUNE 30</b>	<b>\$ 620,588</b>	<b>\$ 1,244</b>	<b>\$ 2,995</b>

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

<b>Custodial Funds</b>				
<b>Special Welfare Fund</b>	<b>Road Escrow Accounts</b>	<b>Land Disturbing Bonds</b>	<b>Sheriff Asset Seizures</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 161,250
195	36	76	33	2,390
-	-	-	-	18,387
98,350	-	-	-	98,350
-	2,000	-	-	2,000
-	-	267,431	-	267,431
-	-	-	69,530	69,530
-	-	-	-	5,832
<u>\$ 98,545</u>	<u>\$ 2,036</u>	<u>\$ 267,507</u>	<u>\$ 69,563</u>	<u>\$ 625,170</u>
\$ -	\$ -	\$ -	\$ -	\$ 85,380
96,026	-	-	-	96,026
-	-	-	-	144,684
-	-	11,777	-	11,777
-	-	-	4,980	4,980
<u>\$ 96,026</u>	<u>\$ -</u>	<u>\$ 11,777</u>	<u>\$ 4,980</u>	<u>\$ 342,847</u>
\$ 2,519	\$ 2,036	\$ 255,730	\$ 64,583	\$ 282,323
61,877	70,006	69,035	44,919	913,209
<u>\$ 64,396</u>	<u>\$ 72,042</u>	<u>\$ 324,765</u>	<u>\$ 109,502</u>	<u>\$ 1,195,532</u>

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

The financial statements of the County of Bedford, Virginia (the “County”) have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The County’s significant accounting and reporting policies are described below.

**A. Reporting Entity**

The County’s financial reporting entity is defined by and its financial statements are presented in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These statements define the distinction between the County as a primary government and its related entities.

The financial reporting entity consists of the primary government and its blended and discretely presented component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board; the primary government having the ability to impose its will on the component unit; the component unit having fiscal dependency on the primary government; or a financial benefit or burden relationship existing between the component unit and the primary government.

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 this entity and is financially accountable for it.

The primary government may also be financially accountable if the component unit is fiscally dependent on the primary government regardless of whether the component unit has a separately elected governing board.

The Bedford County Broadband Authority is a blended component unit of the County and the Bedford County School Board, Bedford Public Library System, and Bedford County Economic Development Authority are reported as separate and discretely presented component units in the County’s comprehensive annual financial report. The primary government is hereafter referred to as the “County” and the reporting entity, which includes the County and its component units, is hereafter referred to as the “Reporting Entity.”

As required by GAAP, the accompanying basic financial statements include all activities of the County. The component unit columns in the basic financial statements include the financial data of the County’s three discretely presented component units.

The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government. All of the component units have a June 30 year end. A description of the blended and discretely presented component units follows:

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**A. Reporting Entity (Continued)**

**Blended Component Unit:**

**Bedford County Broadband Authority**

The Bedford County Broadband Authority (the “Authority”) is organized to bring reliable, affordable broadband internet services to all parts of the County through partnerships with private service providers. The members of the County Board of Supervisors also serve as members of the Board of the Authority. The County has operational responsibility for the component unit.

**Discretely Presented Component Units:**

**Bedford County School Board**

The County provides education through its own public school system administered by the Bedford County School Board (the “School Board”). The School Board has been classified as a discretely presented component unit in the financial reporting entity because it is legally separate, but financially dependent through appropriations. The Board of Supervisors administers the School Board’s appropriation of funds at the category level, approves transfers between categories, and authorizes school debt issuances. Financial statements of the School Board are included in a discretely presented component unit column and/or row of the government-wide financial statements, as well as in the supplementary information section. The School Board does not issue separate financial statements.

**Bedford Public Library System**

The Bedford Public Library System (the “Library”) is a regional library system created by an agreement between the County of Bedford and the City of Bedford (now the Town of Bedford). The Library has been classified as a discretely presented component unit in the financial statements because it is legally separate, but financially dependent through appropriations. The Board of Supervisors appoints Library Board members. Financial statements of the Library are included in a discretely presented component unit column and/or row of the government-wide financial statements. Complete financial statements for the Library may be obtained by writing the Library at 321 North Bridge St., Bedford, Virginia 24523.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**A. Reporting Entity (Continued)**

**Discretely Presented Component Units: (Continued)**

**Bedford County Economic Development Authority**

The Bedford County Economic Development Authority (the “EDA”) was created to promote industry and develop trade by encouraging enterprises to locate and remain in Virginia. The EDA is governed by seven directors appointed by the Board and the County is financially accountable for the EDA. It is authorized to acquire, own, lease, and dispose of properties to the extent that such activities foster and stimulate economic development. Financial statements of the EDA are included in a discretely presented component unit column and/or row of the government-wide financial statements. Complete financial statements for the EDA may be obtained by writing the EDA at 122 East Main St., Suite 202, Bedford, Virginia 24523.

**B. Government-Wide and Fund Financial Statements**

Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities that report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary* government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary 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. Custodial funds use the economic resources measurement focus and the accrual basis of accounting.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

Governmental fund financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Accordingly, real and personal property taxes are recorded as deferred inflows and receivables when billed, net of allowances of uncollectible amounts. Real and personal property taxes recorded at June 30, and received within the first 60 days after year end are included in tax revenues. Sales and utility taxes, which are collected by the State or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one or two months preceding receipt by the County. Licenses, permits, fines, and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State, and other grants for the purpose of specific funding are recognized when earned or at the time of the specific reimbursable expenditure.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this rule include: (1) accumulated unpaid vacation leave, sick leave, and other employee amounts, which are recorded as compensated absences, and are recognized when payable, and (2) principal and interest payments on general long-term debt, both of which are recognized when paid.

The County reports the following major governmental fund:

**General Fund** – the County’s primary operating fund. It accounts for all financial resources of the general government.

Proprietary Funds are used to account for the County’s ongoing organizations and activities similar to those often found in the private sector. The County reports the following major proprietary funds:

**Nursing Home Fund** – accounts for the activities of the nursing home operations.

**Solid Waste Fund** – accounts for the activities of the solid waste operations.

Additionally, the County reports the following fund category:

**Fiduciary Funds** – Accounts for assets held by the government in a trustee capacity or as an agent or custodian for individuals, private organizations, or other governmental units. Custodial funds include the Tri-County Lake Administrative Commission, Bedford Community Coalition, Bedford Wine Trail, Special Welfare, Road Escrow, Land Disturbing Bonds, and Sheriff Asset Seizures Funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government’s proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. General revenues include all taxes, grants and contributions not restricted to specific programs, and other revenues not meeting the definition of program revenues.

Operating revenues and expenses in the proprietary funds result from providing goods and services in connection with their principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, contractual services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating.

The solid waste tipping fee includes both capital recovery and operating components. The capital recovery charge is used to finance current and future capital improvements, whereas the operating charge recovers the cost of operations.

**D. Assets, Liabilities, and Net Position or Fund Equity**

**1. Deposits and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value based on quoted market prices.

**2. Receivables and Payables**

Accounts and property taxes receivable are shown net of an allowance for uncollectibles. The allowance is calculated using historical collection data, specific account analysis, and management’s judgment. The allowance is comprised of the following:

General Fund – Property tax receivables	\$ 2,155,893
General Fund – EMS transport fees	<u>250,718</u>
	<u>\$ 2,406,611</u>

The County levies real estate taxes on all real estate within its boundaries, except that exempted by statute. Real estate is assessed at 100 percent of fair market value and reassessed every four years as of January 1. On January 1, the real estate taxes become an enforceable lien on the property and payment is due in two equal installments on June 5 and December 5. The real estate taxes reported as current year revenue are the second installment (December 5) of the levy on assessed value at January 1, 2021, and the first installment (June 5) of the levy on assessed value at January 1, 2022. The installment due on June 5, 2022 is shown as an assignment of fund balance as it is used to fund the subsequent year’s budget. The installment due on December 5, 2022 is included as deferred inflows since these taxes are restricted for use until fiscal year 2023.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**D. Assets, Liabilities, and Net Position or Fund Equity (Continued)**

**2. Receivables and Payables (Continued)**

The County levies personal property taxes on motor vehicles, boats, mobile homes, aircraft, and other tangible business property. Personal property taxes are based on the estimated market value as of January 1, with payment due the following December 5. The tax on a vehicle may be prorated for the length of time the vehicle is kept in the County.

The 1998 Virginia General Assembly enacted legislation providing property tax relief to citizens. The Personal Property Tax Relief Act (PPTRA) was intended to be phased in over five years on the first \$20,000 of value for motor vehicles not used for business purposes. In 2005 the General Assembly capped PPTRA relief at \$950 million statewide beginning with the 2006 tax year. The County receives \$6,086,051 annually. County 2021 tax bills, payable in fiscal year 2022, included a thirty-nine and half (39.5) percent reduction on qualifying vehicles. All PPTRA payments received are classified as non-categorical State aid in the general fund.

**3. Inventories and Prepaids**

Inventory is valued using the first-in/first-out (FIFO) method except for commodities received from the Federal Government, which are valued at market. Inventories of governmental funds and component units consist of expendable supplies held for consumption or items purchased for resale. Reported inventories for governmental funds and component units are reflected as non-spendable fund balance as inventories do not constitute expendable resources.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaids in both government-wide and fund financial statements. Prepaids are also reflected as non-spendable fund balance.

**4. Restricted Cash, Cash Equivalents, and Investments**

In accordance with applicable bond covenants and other agreements, governmental activities report restricted cash, cash equivalents, and investments at June 30, 2022 of \$2,261,426, which consists of \$85,549 restricted for water and sewer projects and \$2,175,877 for the Volunteer Length of Service Awards Program. Business-type activities report restricted cash, cash equivalents, and investments of \$40,096 for Nursing Home resident funds. Restricted cash, cash equivalents, and investments of the component unit – Library consists of donations restricted as to purpose or time by donors.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**D. Assets, Liabilities, and Net Position or Fund Equity (Continued)**

**5. Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as items with an initial, individual cost of more than \$10,000 for governmental activities and \$5,000 for business-type activities and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	10 – 50
Improvements	10 – 40
Machinery and equipment	3 – 25

Depreciation is charged as an expense in the statement of activities and accumulated depreciation is reported in the statement of net position. The Proprietary Funds also record depreciation expense and accumulated depreciation.

**6. Compensated Absences**

County, School Board, and Library policies permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits (compensated absences), subject to certain limitations. All such pay is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of the liability is estimated based on historical leave usage. A liability for these amounts is reported in governmental funds only to the extent the liability has matured, for example, as a result of employee resignations or retirements.

**7. Unearned Revenues**

At June 30, 2022, unearned revenues consist of proceeds received of grants for which revenue recognition criteria have not been met.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**D. Assets, Liabilities, and Net Position or Fund Equity (Continued)**

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

For purposes of measuring all financial elements to the 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.

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports 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) until then. In addition to liabilities, the statements that present 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 and Schools have the following items that qualify for reporting as deferred inflows or outflows:

- The deferred charge on refunding reported in the government-wide statement of net position 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.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- 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 inflow or outflow 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 of 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 recognize in the 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.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**D. Assets, Liabilities, and Net Position or Fund Equity (Continued)**

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

- *Unavailable revenue* is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. The governmental funds report unavailable revenue from property taxes and other receivables not collected within 60 days of year end and 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.
  - At the government-wide level, the County reports deferred inflows for unearned property taxes which are billed and/or collected but are intended to fund future years.

**10. 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 type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Costs associated with the issuance of debt, other than certain bond insurances, are expensed when debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Costs associated with the issuance of debt are expensed in the period debt is issued.

**11. Leases**

Key estimates and judgements include how the County and Schools determine (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County and Schools use an estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable periods of the lease. Lease payments are included in the measurement of the lease liability and is composed of fixed payments.
- The County and Schools monitor changes in circumstances that would require a remeasurement of its leases, and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease liability.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**D. Assets, Liabilities, and Net Position or Fund Equity (Continued)**

**12. Right-of-Use Lease Asset and Related Lease Liability**

The County and Schools are a lessee for noncancellable leases of buildings and equipment. The County and Schools recognize an intangible right-to-use asset (lease asset) and a related lease liability on the financial statements. At the commencement of a lease, the County and Schools initially measure a lease liability at the present value of payments expected to be made during the lease period. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain direct costs. Subsequently to the initial measurement and recognition, the lease asset is amortized on a straight-line basis over its useful life.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt in the statement of net position.

**13. Net Position/Fund Equity**

Net position is comprised of three categories: net investment in capital assets; restricted; and unrestricted. The first category reflects the portion of net position associated with capital assets, less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the unspent bond proceeds and any associated unamortized items. Restricted net position is assets whose use is subject to constraints that are either externally imposed by grantors, creditors, or other external parties, or imposed by law. Net position which is neither restricted nor related to capital assets is reported as unrestricted net position.

**14. School Board Debt/Capital Assets Reporting**

The County issues debt to finance the construction of school facilities because the School Board does not have borrowing or taxing authority. The County reports this debt, whereas the School Board reports the related capital assets. As a result, in the Statement of Net Position (Exhibit 1), the debt reduces *unrestricted net position* of the primary government, while the capital assets are reported in *net investment in capital assets* of the School Board.

Because this debt is related to capital assets of the reporting entity as a whole, the debt amount of \$79,681,365 is reclassified as shown on Exhibit 1 to present the total reporting entity column.

**15. Estimates**

Management uses estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent liabilities; and reported revenues, expenditures, and expenses. Actual results could differ from those estimates.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**D. Assets, Liabilities, and Net Position or Fund Equity (Continued)**

**16. Revenue Recognition – Nursing Home**

The Nursing Home is a qualified provider under the Medicaid program. Prior to July 1, 2014, Medicaid reimbursed all nursing facilities for operating costs utilizing a facility-specific per diem rate that was set prospectively based on prior year costs. Effective for claims with dates of service on or after July 1, 2014, the Virginia Department of Medical Assistance Services began paying nursing facilities using a new price-based payment methodology. This was implemented over a four-year transition period.

Beginning July 1, 2014, after approval from Centers for Medicare and Medicaid Services (CMS), the Nursing Home and four other government owned facilities began receiving payments to supplement the interim payments for Medicaid days. The additional payments totaled \$556,146 for fiscal year 2022.

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

**A. Budgetary Information**

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- ◆ Prior to March 30, the County Administrator submits to the Board a proposed operating and capital budget for the County and School Board for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the related financing.
- ◆ Public hearings are conducted to obtain citizen comments.
- ◆ Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- ◆ The Appropriations Resolution places legal restrictions on expenditures at the department level for the General Fund and at the category level for the School Funds. The County Administrator is authorized to transfer budgeted amounts within departments. Only the Board can revise the appropriation for each department or school category.
- ◆ Formal budgetary integration is employed as a management control device during the year.
- ◆ All budgets are adopted on a cash basis.
- ◆ Appropriations lapse on June 30 except for capital projects which carry unexpended balances into the following year on a continuing appropriation basis.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 3. Significant Transactions of the County and Discretely Presented Component Unit – School Board**

Certain transactions between the County and the School Board are explained here 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 bonded debt under Virginia law. Therefore, the County issues bonded 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 in an amount equal to expenditures are provided to the School Board to pay for capital expenditures. Unspent funds at year end are reported as deposits and investments of the County’s General Fund.
2. The County’s budgeting process provides funding to the School Board for debt service payments. The School Board is responsible for appropriating debt service payments for debt issued by the County on its behalf. These transactions are reported as transfers on the County’s Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual and as transfers and debt service payments on the School Board’s Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual. GAAP requires that debt issued “on behalf” of the School Board and related debt service payments be reported by the primary government for financial reporting purposes. Therefore, debt service payments for school bonded debt are reported as part of the primary government for financial reporting purposes in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund.
3. 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	\$ 131,360,952
Principal and other debt service expenditures included in primary government	<u>7,558,128</u>
Total expenditures for school activities	<u><u>\$ 138,919,080</u></u>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 4. Deposits and Investments**

**Deposits**

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

**Investment Policy**

In accordance with the *Code of Virginia* and other applicable law, including regulations, the County’s investment policy (Policy) permits investments in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or its political subdivisions, repurchase agreements, certificates of deposit, bankers’ acceptances, commercial paper, corporate notes and bonds, the Virginia State Non-Arbitrage Program (SNAP), and the State Treasurer’s Local Government Investment Pool (LGIP). At year end, the County and School Board had the following deposits and investments:

<u>Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Percent of Portfolio</u>
Demand deposits	\$ 108,953,994	NA	98.04%
Guaranteed interest account	<u>2,175,877</u>	NA	<u>1.96</u>
Total deposits and investments – County	<u>\$ 111,129,871</u>		<u>100.00%</u>
Demand deposits	<u>\$ 13,598,337</u>	NA	<u>100.00%</u>
Total deposits and investments – School Board	<u>\$ 13,598,337</u>		<u>100.00%</u>

**Credit Risk**

The Policy requires that obligations of the Commonwealth of Virginia and its political subdivisions have a debt rating of at least AA by Standard & Poor’s (S&P) or equivalent by Moody’s Investors Service (Moody’s). Repurchase agreements are collateralized by Treasury or Agency obligations of which the market value is at least 102% of the purchase price of the agreement. Commercial paper must be issued by an entity incorporated in the U.S. and rated at least A-1 by S&P and P-1 by Moody’s. Corporate notes and bonds have a rating of at least AA by S&P and Aa 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.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**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.

**Concentration of Credit Risk**

The Policy also establishes limitations on portfolio composition, both by investment type and by issuer, in order to control concentration of credit risk. The Policy provides that a maximum of 35% of the portfolio may be invested in commercial paper, with a limit of 5% of the portfolio invested in any one issuer.

**Interest Rate Risk**

As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy requires that at least 50% of the investment portfolio mature in less than one year. At June 30, 100% of the portfolio will mature in less than one year.

The above items are reflected in the statements as follows:

	<b>Primary Government</b>	<b>School Board Component Unit</b>
Deposits and investments:		
Cash on hand	\$ 23,623	\$ -
Deposits	108,930,371	13,598,337
Investments	2,175,877	-
	\$ 111,129,871	\$ 13,598,337
Statement of net position:		
Cash and cash equivalents	\$ 108,828,349	\$ 13,598,337
Restricted cash, cash equivalents, and investments	2,301,522	-
	\$ 111,129,871	\$ 13,598,337

All investments were in compliance with the Policy.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 5. Receivables**

Receivables are as follows:

	<b>Primary Government</b>				<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>			
	<b>General Fund</b>	<b>Nursing Home</b>	<b>Solid Waste</b>	<b>Total</b>	
Receivables					
Taxes	\$ 25,815,934	\$ -	\$ -	\$ -	\$ -
Accounts	2,179,871	421,103	89,833	510,936	601,689
Intergovernmental	4,782,726	-	-	-	13,178,699
Gross receivables	32,778,531	421,103	89,833	510,936	13,780,388
Less: allowance for uncollectibles	(2,406,611)	-	-	-	-
Net total receivables	<u>\$ 30,371,920</u>	<u>\$ 421,103</u>	<u>\$ 89,833</u>	<u>\$ 510,936</u>	<u>\$ 13,780,388</u>

Taxes receivable represent the current and past four years of uncollected levies for personal property taxes and the current and past nineteen years for real property. The allowance for estimated uncollectible taxes receivable is 8.35% of the total taxes receivable and is based on historical collection rates.

The Nursing Home mix of receivables from residents and third-party payers is Medicaid (96.43%) and private pay (3.57%).

**Unavailable/Unearned Revenue**

The General fund reports unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The General fund also defers revenue recognition in connection with resources that have been received, but not yet earned. On the government-wide statements, property taxes intended for a future period and grants for which revenue recognition requirements have not been met are considered unearned. The various components of unavailable and unearned revenue are as follows:

	<b>Deferred Inflows</b>	
	<b>Unavailable/Unearned</b>	<b>Unearned</b>
Property taxes	\$ 26,980,124	\$ 23,190,316
Other receivables not available to liquidate liabilities of current period	1,218,960	-
Total unavailable/unearned revenue	<u>\$ 28,199,084</u>	<u>\$ 23,190,316</u>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 6. Capital Assets**

Capital asset activity was as follows:

**Primary Government**

<u>Governmental Activities</u>	<u>Beginning Balance*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 4,531,741	\$ -	\$ -	\$ 4,531,741
Construction in progress	<u>5,465,067</u>	<u>978,227</u>	<u>769,953</u>	<u>5,673,341</u>
Total capital assets, not depreciated	<u>9,996,808</u>	<u>978,227</u>	<u>769,953</u>	<u>10,205,082</u>
Capital assets, depreciated:				
Buildings and improvements	54,542,072	378,896	-	54,920,968
Machinery and equipment	<u>23,809,376</u>	<u>2,909,973</u>	<u>156,234</u>	<u>26,563,115</u>
Total capital assets, depreciated	<u>78,351,448</u>	<u>3,288,869</u>	<u>156,234</u>	<u>81,484,083</u>
Less accumulated depreciation for:				
Buildings and improvements	28,595,089	1,459,661	-	30,054,750
Machinery and equipment	<u>16,212,753</u>	<u>1,849,174</u>	<u>143,576</u>	<u>17,918,351</u>
Total accumulated depreciation	<u>44,807,842</u>	<u>3,308,835</u>	<u>143,576</u>	<u>47,973,101</u>
Net capital assets, depreciated	<u>33,543,606</u>	<u>(19,966)</u>	<u>12,658</u>	<u>33,510,982</u>
Lease assets:				
Building	-	597,263	89,590	507,673
Equipment	<u>30,126</u>	<u>41,929</u>	<u>10,968</u>	<u>61,087</u>
Total lease assets being amortized, net	<u>30,126</u>	<u>639,192</u>	<u>100,558</u>	<u>568,760</u>
Governmental activities net capital assets	<u>\$ 43,570,540</u>	<u>\$ 1,597,453</u>	<u>\$ 883,169</u>	<u>\$ 44,284,824</u>

\* Amounts have been restated to include items related to the implementation of GASB Statement 87, *Leases*.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 6. Capital Assets (Continued)**

**Primary Government (Continued)**

<u>Business-Type Activities</u>	<u>Beginning Balance*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 1,220,571	\$ -	\$ -	\$ 1,220,571
Construction in progress	84,602	144,121	19,388	209,335
Total capital assets, not depreciated	1,305,173	144,121	19,388	1,429,906
Capital assets, depreciated:				
Buildings and improvements	22,989,083	20,921	-	23,010,004
Machinery and equipment	4,894,165	52,383	58,686	4,887,862
Total capital assets, depreciated	27,883,248	73,304	58,686	27,897,866
Less accumulated depreciation for:				
Buildings and improvements	14,939,910	627,508	-	15,567,418
Machinery and equipment	3,245,625	260,566	58,686	3,447,505
Total accumulated depreciation	18,185,535	888,074	58,686	19,014,923
Net capital assets, depreciated	9,697,713	(814,770)	-	8,882,943
Lease assets:				
Equipment	9,920	-	5,952	3,968
Total lease assets being amortized, net	9,920	-	5,952	3,968
Business-type activities net capital assets	<u>\$ 11,012,806</u>	<u>\$ (670,649)</u>	<u>\$ 25,340</u>	<u>\$ 10,316,817</u>

\* Amounts have been restated to include items related to the implementation of GASB Statement 87, *Leases*.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 6. Capital Assets (Continued)**

<u>Component Unit – School Board</u>	<u>Beginning Balance*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 2,082,837	\$ -	\$ -	\$ 2,082,837
Construction in progress	2,066,909	8,599,210	3,251,436	7,414,683
Total capital assets, not depreciated	4,149,746	8,599,210	3,251,436	9,497,520
Capital assets, depreciated:				
Buildings and improvements	263,375,411	3,892,769	-	267,268,180
Machinery and equipment	32,613,490	1,559,361	808,614	33,364,237
Total capital assets, depreciated	295,988,901	5,452,130	808,614	300,632,417
Less accumulated depreciation for:				
Buildings and improvements	143,024,344	6,206,975	-	149,231,319
Machinery and equipment	19,549,018	1,855,847	798,444	20,606,421
Total accumulated depreciation	162,573,362	8,062,822	798,444	169,837,740
Net capital assets, depreciated	133,415,539	(2,610,692)	10,170	130,794,677
Lease assets:				
Building	-	141,978	10,141	131,837
Equipment	12,851	640,444	127,709	525,586
Total lease assets being amortized, net	12,851	782,422	137,850	657,423
School Board net capital assets	<u>\$ 137,578,136</u>	<u>\$ 6,770,940</u>	<u>\$ 3,399,456</u>	<u>\$ 140,949,590</u>

\* Amounts have been restated to include items related to the implementation of GASB Statement 87, *Leases*.

Intangible right-to-use lease assets

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

Depreciation expense was charged to functions/programs as follows:

<b>Primary Government – Governmental Activities</b>	
General government administration	\$ 286,167
Judicial administration	406,209
Public safety	1,672,784
Public works	181,522
Health and welfare	176,393
Parks, recreation, and cultural	523,849
Community development	61,911
Total governmental activities	<u>\$ 3,308,835</u>
<b>Primary Government – Business-Type Activities</b>	
Nursing home	\$ 298,844
Solid waste	589,230
Total business-type activities	<u>\$ 888,074</u>
<b>Component Unit – School Board</b>	<u>\$ 8,062,822</u>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 7. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities:

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<b>Primary Government</b>					
Governmental activities:					
General obligation and lease revenue bonds					
School projects	\$ 74,690,000	\$ -	\$ 4,035,000	\$ 70,655,000	\$ 4,225,000
Bond premium	7,357,587	-	539,745	6,817,842	539,745
	<u>82,047,587</u>	<u>-</u>	<u>4,574,745</u>	<u>77,472,842</u>	<u>4,764,745</u>
Leases:					
County	419,935	639,191	140,226	918,900	177,640
School	4,409,461	-	526,441	3,883,020	537,147
Compensated absences	1,910,266	1,628,125	1,534,032	2,004,359	1,609,593
	<u>88,787,249</u>	<u>2,267,316</u>	<u>6,775,444</u>	<u>84,279,121</u>	<u>7,089,125</u>
Business-type activities:					
Leases	\$ 180,815	\$ -	\$ 92,303	\$ 88,512	\$ 71,384
Compensated absences	212,653	217,909	226,589	203,973	160,966
Landfill closure/postclosure costs	8,231,498	452,176	-	8,683,674	157,049
	<u>8,624,966</u>	<u>670,085</u>	<u>318,892</u>	<u>8,976,159</u>	<u>389,399</u>
<b>Component Unit</b>					
School Board					
Leases	\$ 4,124,911	\$ 2,218,846	\$ 1,486,775	\$ 4,856,982	\$ 1,402,807
Compensated absences	1,848,250	1,010,276	874,272	1,984,254	938,606
	<u>5,973,161</u>	<u>3,229,122</u>	<u>2,361,047</u>	<u>6,841,236</u>	<u>2,341,413</u>

\* Amounts have been restated to include items related to the implementation of GASB Statement 87, *Leases*.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 7. Long-Term Liabilities (Continued)**

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Primary Government Governmental Activities				Primary Government Business-Type Activities		Component Unit School Board	
	General Obligation and Lease Revenue Bonds		Leases		Leases		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 4,225,000	\$ 2,729,497	\$ 714,787	\$ 88,883	\$ 71,384	\$ 2,316	\$ 1,402,807	\$ 88,140
2024	4,425,000	2,515,244	752,100	73,598	17,128	120	1,232,583	59,739
2025	4,635,000	2,290,847	775,485	57,627	-	-	933,917	34,408
2026	4,850,000	2,055,882	784,132	41,333	-	-	645,212	17,409
2027	5,085,000	1,809,719	726,971	26,123	-	-	433,012	7,381
2028-2032	25,180,000	5,782,150	1,048,445	17,248	-	-	209,451	2,178
2033-2037	18,095,000	2,162,997	-	-	-	-	-	-
2038-2040	4,160,000	199,978	-	-	-	-	-	-
	<u>\$ 70,655,000</u>	<u>\$ 19,546,314</u>	<u>\$ 4,801,920</u>	<u>\$ 304,812</u>	<u>\$ 88,512</u>	<u>\$ 2,436</u>	<u>\$ 4,856,982</u>	<u>\$ 209,255</u>

The County's outstanding debt consists of General Obligation Bonds (including Virginia Public School Authority Bonds), Lease Revenue Bonds, and leases. The debt was issued to provide funds for the acquisition, construction, and improvement of major capital facilities for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. Lease revenue bonds and leases are backed by the general credit and faith of the County. Governmental activities compensated absences are generally liquidated by the General fund.

Details of long-term liabilities are as follows:

Purpose	Interest Rates	Date Issued	Final Maturity Date	Amount Issued	Amount Outstanding
<b>PRIMARY GOVERNMENT</b>					
<b>Governmental Activities:</b>					
<b>General Obligation Bonds</b>					
Schools:					
VPSA Bonds	4.10-5.10%	2008	2029	\$ 5,420,000	\$ 1,890,000
VPSA Bonds	3.05-5.05	2013	2031	23,788,000	16,535,000
VPSA Bonds	2.80-5.05	2017	2037	36,865,000	30,645,000
VPSA Bonds	3.05-5.05	2019	2040	20,275,000	18,995,000
Total general obligation bonds					<u>\$ 68,065,000</u>
<b>Lease Revenue Bonds</b>					
Schools:					
Bedford County EDA Refunding-Jefferson Forest High School	2.81%	2015	2031	\$ 5,700,000	<u>\$ 2,590,000</u>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 8. Leases**

County and Schools as lessee

In 2022, the County and Schools implemented the guidance of GASB No. 87, *Leases*, which for lessees requires reporting 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 and building space for periods expiring March 2023 through March 2027. 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 6. The related debt as well as principal and interest requirements to maturity are disclosed in Note 7.

The Schools have leases for various equipment (primarily copiers and building space) for periods expiring December 2022 through January 2027. The Schools use their 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 6. The related debt as well as principal and interest requirements to maturity are disclosed in Note 7.

The Schools also lease buses under various leases expiring at various dates through 2026. The bus assets acquired through leases are as follows:

	<b>Component Unit</b>
	<b>School Board</b>
Machinery and equipment	\$ 8,520,424
Less: accumulated depreciation	1,974,573
	\$ 6,545,851

**Note 9. Interfund Receivables and Payables and Transfers**

The \$153,295 due from the General Fund to the Solid Waste Fund represents revenues collected in the General Fund to finance solid waste programs in accordance with budgetary authorization.

**Note 10. Defined Benefit Pension Plan**

All full-time, salaried permanent employees of the County of Bedford, (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.

COUNTY OF BEDFORD, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

**Note 10. Defined Benefit Pension Plan (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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>County</u>
Inactive members or their beneficiaries currently receiving benefits	259
Inactive members:	
Vested	85
Non-vested	330
Inactive members active elsewhere in VRS	147
Total inactive members	562
Active members	493
Total covered employees	1,314

**Contributions**

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2022 was 8.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$2,009,006 and \$1,921,416 for the years ended June 30, 2022 and 2021, respectively.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 10. 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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

**Actuarial Assumptions**

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability, and no change to discount rate.

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

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 10. 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:

<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%	5.00 %	1.70 %
Fixed Income	15.00	0.57	0.09
Credit Strategies	14.00	4.49	0.63
Real Assets	14.00	4.76	0.67
Private Equity	14.00	9.94	1.39
MAPS – Multi-Asset Public Strategies	6.00	3.29	0.20
PIP – Private Investment Partnership	3.00	6.84	0.21
Total	100.00%		4.89
	Inflation		2.50
			<u>7.39%</u>

\* The above allocation provides for a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a medium return of 7.11%, including expected inflation of 2.50%.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 10. 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, 2021, the alternate rate was the employer contribution rate used in the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever is greater. From July 1, 2021 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) – (b)</b>
Balances at June 30, 2020	\$ 81,608,380	\$ 72,493,104	\$ 9,115,276
Changes for the year:			
Service cost	2,289,733	-	2,289,733
Interest	5,363,784	-	5,363,784
Differences between expected and actual experience	11,504	-	11,504
Assumption changes	2,831,347	-	2,831,347
Contributions – employer	-	1,779,084	(1,779,084)
Contributions – employee	-	1,014,907	(1,014,907)
Net investment income	-	19,686,177	(19,686,177)
Benefit payments, including refunds of employee contributions	(4,289,821)	(4,289,821)	-
Administrative expenses	-	(49,035)	49,035
Other changes	-	1,860	(1,860)
Net changes	6,206,547	18,143,172	(11,936,625)
Balances at June 30, 2021	\$ 87,814,927	\$ 90,636,276	\$ (2,821,349)

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 10. 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 (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:

<u>Net Pension Liability (Asset)</u>	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
Bedford County	\$ 9,211,527	\$ (2,821,349)	\$ (12,663,067)

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

For the year ended June 30, 2022, the political subdivision recognized pension expense of \$885,555. At June 30, 2022, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Bedford County</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 31,200	\$ 170,162
Change in assumptions	2,107,448	-
Net difference between projected and actual earnings on pension plan investments	-	9,765,241
Employer contributions subsequent to the measurement date	2,009,006	-
Total	<u>\$ 4,147,654</u>	<u>\$ 9,935,403</u>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

The \$2,009,006 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	County Reduction to Pension Expense
2023	\$ (1,295,228)
2024	(1,331,000)
2025	(2,201,535)
2026	(2,968,992)
2027	-
Thereafter	-

**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2021 *Comprehensive Annual Financial Report* (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Payables to the Pension Plan**

At June 30, 2022, \$274,677 was payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 11. Defined Benefit Pension Plan – School Nonprofessionals**

**Plan Description**

All full-time, salaried permanent non-professional employees (non-teachers) of the Bedford County School Board, (the “school division”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the “System”) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 10.

**Employees Covered by Benefit Terms**

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

	<b>School Board Non- Professional</b>
Inactive members or their beneficiaries currently receiving benefits	222
Inactive members:	
Vested	30
Non-vested	85
Inactive members active elsewhere in VRS	32
Total inactive members	147
Active members	207
Total covered employees	576

**Contributions**

The school division’s contractually required contribution rate for the year ended June 30, 2022 was 4.87% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

Contributions to the pension plan from the school division were \$308,439 and \$294,481 for the years ended June 30, 2022 and 2021, respectively.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 11. Defined Benefit Pension Plan – School Nonprofessionals (Continued)**

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

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) – (b)</b>
Balances at June 30, 2020	\$ 25,404,820	\$ 24,427,620	\$ 977,200
Changes for the year:			
Service cost	484,926	-	484,926
Interest	1,659,999	-	1,659,999
Differences between expected and actual experience	(259,734)	-	(259,734)
Assumption changes	746,967	-	746,967
Contributions – employer	-	264,495	(264,495)
Contributions – employee	-	244,599	(244,599)
Net investment income	-	6,549,386	(6,549,386)
Benefit payments, including refunds of employee contributions	(1,624,485)	(1,624,485)	-
Administrative expenses	-	(16,923)	16,923
Other changes	-	612	(612)
Net changes	1,007,673	5,417,684	(4,410,011)
Balances at June 30, 2021	\$ 26,412,493	\$ 29,845,304	\$ (3,432,811)

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

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

<b><u>Net Pension Asset</u></b>	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School Board Non-Professional	\$ (549,488)	\$ (3,432,811)	\$ (5,871,837)

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 11. Defined Benefit Pension Plan – School Nonprofessionals (Continued)**

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

For the year ended June 30, 2022, the school division recognized a pension expense of \$(353,469). At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>School Board Non-Professional</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 153,440
Change in assumptions	404,322	-
Net difference between projected and actual earnings on pension plan investments	-	3,234,610
Employer contributions subsequent to the measurement date	308,439	-
Total	\$ 712,761	\$ 3,388,050

The \$308,439 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>School Board Non- Professional Reduction to Pension Expense</b>
2023	\$ (546,827)
2024	(697,017)
2025	(752,139)
2026	(987,745)
2027	-
Thereafter	-

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 11. Defined Benefit Pension Plan – School Nonprofessionals (Continued)**

**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2021 *Comprehensive Annual Financial Report* (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Payables to the Pension Plan**

At June 30, 2022, \$1,335,002 was payable to the Virginia Retirement System for the legally required contributions related to June 2022 payroll.

**Note 12. 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 Bedford County School Board (the “school division”), are automatically covered by the VRS Teacher Retirement Plan upon employment. This multiple employer, cost sharing plan is administered by the Virginia Retirement System (the “System”) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 10.

*Contributions*

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division’s contractually required contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$8,860,532 and \$8,508,843 for the years ended June 30, 2022 and 2021, respectively.

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

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 12. 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, 2022, the school division reported a liability of \$47,252,656 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the net pension liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021 and 2022, the school division's proportion was 0.61%.

For the year ended June 30, 2022, the school division recognized pension expense of \$311,086. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>School Board Professional</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 4,024,610
Change in assumptions	8,278,365	-
Net difference between projected and actual earnings on pension plan investments	-	29,776,749
Changes in proportion and differences between employer contributions and proportionate share of contributions	395,885	1,461,281
Employer contributions subsequent to the measurement date	<u>8,860,532</u>	<u>-</u>
Total	<u>\$ 17,534,782</u>	<u>\$ 35,262,640</u>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 12. 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 \$8,860,532 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>School Board Professional Increase (Reduction) to Pension Expense</b>
2023	\$ (6,280,471)
2024	(5,470,384)
2025	(6,284,647)
2026	(8,559,403)
2027	6,543
Thereafter	-

*Net Pension Liability*

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

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

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)**

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

*Net Pension Liability (Continued)*

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

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

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

<b>Net Pension Liability</b>	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School division’s proportionate share of the VRS teacher employee retirement plan net pension liability	\$ 91,193,116	\$ 47,252,656	\$ 11,103,916

*Pension Plan Fiduciary Net Position*

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2021 *Comprehensive Annual Financial Report* (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 13. Fire and Rescue Length of Service Awards Program**

**A. Plan Description**

The County established a Length of Service Awards Program (LOSAP) on July 1, 2006, for the Bedford County Fire and Rescue Association members to recognize the service provided by the volunteers. The LOSAP is accounted for as a single employer defined benefit pension plan. The plan is administered by the Volunteer Fireman’s Insurance Services, Inc (the VFIS); amendments to the plan may be made at the discretion of the County Board of Supervisors.

The plan is open to any volunteer over the age of sixteen. Participants vest after five years of service and earn a fixed dollar benefit based on years of service. Benefits amortize on a level dollar basis, and are recognized when due and payable in accordance with the terms of the plan. Benefits accrue at the rate of \$12 per month for each month of active service with a maximum of \$300 per month. Since the County fully funds the benefit, refunds are not paid. The plan does not provide for post-retirement increases. The contribution rate is determined using an entry age Normal-Frozen Initial Liability Cost Method. The actuarial value of the plan assets is equal to the market value of the assets. Present and future assets in the plan are assumed to earn an investment rate of return of 4.75% compounded annually. There is no inflation factor or salary increase factor used since there is no covered payroll.

As of the most recent actuarial valuation date, the program membership consisted of the following:

Active participants	157
Vested-terminated	100
	257

Although the County’s Guaranteed Interest account is intended to fund the plan, this account consists of a “rabbi” trust, which is not a trust or equivalent arrangement where:

- Contributions to the pension plan and earning on those contributions are irrevocable.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator.

Therefore, the assets of the guaranteed interest account are not considered assets of the plan.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 13. Fire and Rescue Length of Service Awards Program (Continued)**

**B. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022 using the actuarial assumptions applied to all periods included in the measurement.

Inflation	0.0%
Salary increases	Not Applicable
Investment rate of return	3.69%, net of pension plan investment expense, including inflation
Mortality	No pre-retirement; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the July 1, 2021 actuarial valuation report. Calculations assume the plan remains unfunded and uses a discount rate of 3.69%, which is based on the 20-year AA general obligation bond rate as of June 30, 2021.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 13. Fire and Rescue Length of Service Awards Program (Continued)**

**C. Changes in Net Pension Liability**

	<b>Bedford County – LOSAP</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2021	\$ 4,273,702	\$ -	\$ 4,273,702
Changes for the year:			
Service cost	90,798	-	90,798
Interest	157,123	-	157,123
Differences between expected and actual experience	82,762	-	82,762
Benefit payments, including refunds of employee contributions	(35,548)	-	(35,548)
Changes in assumptions	(1,571,683)	-	(1,571,683)
Net changes	(1,276,548)	-	(1,276,548)
Balances at June 30, 2022	\$ 2,997,154	\$ -	\$ 2,997,154

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

The following presents the net pension liability of the LOSAP using the discount rate of 3.69%, as well as what the LOSAP's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current rate:

	<b>1.00% Decrease (2.69%)</b>	<b>Current Discount Rate (3.69%)</b>	<b>1.00% Increase (4.69%)</b>
Bedford County – LOSAP	\$ 3,784,431	\$ 2,997,154	\$ 2,400,234

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 13. Fire and Rescue Length of Service Awards Program (Continued)**

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

For the year ended June 30, 2022, the LOSAP recognized pension expense of \$228,356. At June 30, 2022, the LOSAP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Bedford County – LOSAP</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 165,230	\$ 141,291
Changes in assumptions	882,724	1,463,980
	\$ 1,047,954	\$ 1,605,271

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>Reduction to Pension Expense</b>
2023	\$ (19,565)
2024	(19,565)
2025	(19,567)
2026	(2,121)
2027	(82,808)
Thereafter	(413,691)

**Note 14. Other Postemployment Benefits Liability – Local Plan**

**Plan Description and Benefits Provided**

The County and School Board provide post-employment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add, or delete coverage as they deem appropriate and with the approval of the Board or School Board respectively. The plan does not grant retirees vested health benefits.

A retiree, eligible for post-employment medical coverage, is defined as a full-time employee who retires directly from the County or School Board who is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the County and School Board until the month the retiree turns 65. Retirees are responsible for the full cost of the plan.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 14. Other Postemployment Benefits Liability – Local Plan (Continued)**

**Employees Covered by Benefit Terms**

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

	<b>County</b>	<b>School Board</b>
Retirees currently receiving benefits	9	26
Active employees	413	1,116
	422	1,142

**Total OPEB Liability**

The County’s and School Board’s total OPEB liability of \$1,059,536 and \$2,683,068, respectively, was measured as of June 30, 2021 and was determined based on an actuarial valuation performed as of June 30, 2020.

**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:

	<b>County</b>	<b>School Board</b>
Inflation	2.50%	2.50%

Mortality rates: RP 2000 Combined Healthy Table, fully generational with Scale AA.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2019 through June 30, 2020.

There have been no changes in benefit terms.

Changes in County and School Board assumptions and other inputs reflect change in discount rate from 2.45% to 1.92% based on GASB 75 rules.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 14. Other Postemployment Benefits Liability – Local Plan (Continued)**

**Changes in the Total OPEB Liability**

	Bedford County			School Board		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at June 30, 2020	\$ 985,717	\$ -	\$ 985,717	\$ 2,416,253	\$ -	\$ 2,416,253
Changes for the year:						
Service cost	68,692	-	68,692	208,748	-	208,748
Interest	23,410	-	23,410	57,947	-	57,947
Changes in assumptions	42,110	-	42,110	102,245	-	102,245
Differences between expected and actual experience	(26,007)	-	(26,007)	364,157	-	364,157
Contributions – employer	-	34,386	(34,386)	-	466,282	(466,282)
Benefit payments, including refunds of employee contributions	(34,386)	(34,386)	-	(466,282)	(466,282)	-
Net changes	73,819	-	73,819	266,815	-	266,815
Balance at June 30, 2021	<u>\$ 1,059,536</u>	<u>\$ -</u>	<u>\$ 1,059,536</u>	<u>\$ 2,683,068</u>	<u>\$ -</u>	<u>\$ 2,683,068</u>

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

The following presents the total OPEB liability of the County and School Board, as well as what the County and School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (0.92%) or one percentage point higher (2.92%) than the current discount rate:

	<b>1.00% Decrease (0.92%)</b>	<b>Current Discount Rate (1.92%)</b>	<b>1.00% Increase (2.92%)</b>
Bedford County	<u>\$ 1,143,030</u>	<u>\$ 1,059,536</u>	<u>\$ 981,425</u>
Bedford County School Board	<u>\$ 2,884,093</u>	<u>\$ 2,683,068</u>	<u>\$ 2,490,620</u>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 14. Other Postemployment Benefits Liability – Local Plan (Continued)**

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

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

	<b>1.00% Decrease (3.00%)</b>	<b>Current Healthcare Cost Trend Rates (4.00%)</b>	<b>1.00% Increase (5.00%)</b>
Bedford County	\$ 935,073	\$ 1,059,536	\$ 1,208,312
Bedford County School Board	\$ 2,354,445	\$ 2,683,068	\$ 3,074,843

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$106,968 and the School Board recognized an OPEB benefit of \$(506,032). At June 30, 2022, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>County Local OPEB</b>		<b>School Board Local OPEB</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 110,649	\$ 56,746	\$ 312,135	\$ 3,302,992
Change in assumptions	68,505	71,284	798,047	106,159
Employer contributions subsequent to the measurement date	43,314	-	736,372	-
	\$ 222,468	\$ 128,030	\$ 1,846,554	\$ 3,409,151

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 14. Other Postemployment Benefits Liability – Local Plan (Continued)**

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

The \$43,314 and \$736,372 reported as deferred outflows of resources related to OPEB resulting from the retiree’s contributions subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Increase (Reduction) to Local OPEB Expense	
	County	Schools
2023	\$ 14,866	\$ (772,727)
2024	14,866	(772,726)
2025	20,936	(719,642)
2026	(2,232)	(55,559)
2027	2,688	(44,949)
Thereafter	-	66,634

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

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County of Bedford and the Bedford County School Board also participate 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>

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**Plan Descriptions (Continued)**

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 – Bedford County School Board-Nonprofessional

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

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

	<b>Number</b>
Inactive members or their beneficiaries currently receiving benefits	113
Inactive members – vested	7
Active members	207
Total covered employee	327

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2020 (General Employee HIC Program) and June 30, 2019 (GLI and Teacher HIC). The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**Contributions (Continued)**

Group Life Insurance Program-Bedford County

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2022 Contribution	\$121,666
June 30, 2021 Contribution	\$116,286

Group Life Insurance Program-Bedford County School Board-Teachers

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2022 Contribution	\$284,161
June 30, 2021 Contribution	\$273,268

Group Life Insurance Program-Bedford County School Board-Nonprofessional

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2022 Contribution	\$29,922
June 30, 2021 Contribution	\$27,252

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**Contributions (Continued)**

Teacher Health Insurance Credit Program-Bedford County School Board

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2022 Contribution	\$641,597
June 30, 2021 Contribution	\$617,044

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	0.78% of covered employee compensation.
June 30, 2022 Contribution	\$49,169
June 30, 2021 Contribution	\$10,417

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

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

Group Life Insurance Program-Bedford County

June 30, 2022 proportionate share of liability	\$ 1,223,184
June 30, 2021 proportion	0.11%
June 30, 2020 proportion	0.11%
June 30, 2022 expense	\$ 78,074

Group Life Insurance Program-Bedford County School Board-Teachers

June 30, 2022 proportionate share of liability	\$ 3,031,763
June 30, 2021 proportion	0.26%
June 30, 2020 proportion	0.26%
June 30, 2022 expense	\$ 103,717

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

Group Life Insurance Program-Bedford County School Board-Nonprofessional

June 30, 2022 proportionate share of liability	\$	292,116
June 30, 2021 proportion		0.03%
June 30, 2020 proportion		0.03%
June 30, 2022 expense	\$	(779)

Teacher Health Insurance Credit Program-Bedford County School Board

June 30, 2022 proportionate share of liability	\$	7,787,671
June 30, 2021 proportion		0.61%
June 30, 2020 proportion		0.61%
June 30, 2022 expense	\$	53,148

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 – Bedford County School Board-Nonprofessional

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

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) – (b)</b>
Balances at June 30, 2020	\$ 647,931	\$ -	\$ 647,931
Changes for the year:			
Service costs	7,637	-	7,637
Interest	43,735	-	43,735
Assumption changes	15,587	-	15,587
Contributions – employer	-	46,958	(46,958)
Net investment income	-	6,416	(6,416)
Administrative expenses	-	(209)	209
Net changes	66,959	53,165	13,794
Balances at June 30, 2021	\$ 714,890	\$ 53,165	\$ 661,725

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

In addition, for the year ended June 30, 2022, the School Board recognized OPEB expense of \$53,148 related to the General Employee Health Insurance Credit Program.

At June 30, 2022, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Group Life Insurance Program-Bedford County

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 139,508	\$ 9,320
Change in assumptions	67,434	167,358
Net difference between projected and actual earnings on OPEB plan investments	-	291,948
Changes in proportion	77,638	18,184
Employer contributions subsequent to the measurement date	<hr/> 121,666	<hr/> -
Total	<hr/> <b>\$ 406,246</b> <hr/>	<hr/> <b>\$ 486,810</b> <hr/>

Group Life Insurance Program-Bedford County School Board-Teachers

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 345,783	\$ 23,100
Change in assumptions	167,140	414,810
Net difference between projected and actual earnings on OPEB plan investments	-	723,617
Changes in proportion	35,122	89,490
Employer contributions subsequent to the measurement date	<hr/> 284,161	<hr/> -
Total	<hr/> <b>\$ 832,206</b> <hr/>	<hr/> <b>\$ 1,251,017</b> <hr/>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

Group Life Insurance Program-Bedford County School Board-Nonprofessional

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 33,317	\$ 2,226
Change in assumptions	16,104	39,968
Net difference between projected and actual earnings on OPEB plan investments	-	69,722
Changes in proportion	-	44,714
Employer contributions subsequent to the measurement date	29,922	-
Total	\$ 79,343	\$ 156,630

Teacher Health Insurance Credit Program-Bedford County School Board

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 135,894
Change in assumptions	210,515	31,298
Net difference between projected and actual earnings on OPEB plan investments	-	102,587
Changes in proportion	58,058	217,024
Employer contributions subsequent to the measurement date	641,597	-
Total	\$ 910,170	\$ 486,803

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Change in assumptions	\$ 11,474	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	3,870
Employer contributions subsequent to the measurement date	49,169	-
Total	\$ 60,643	\$ 3,870

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

The deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program-Bedford County

<u>Year Ending June 30,</u>	<u>Reduction to OPEB Expense</u>
2023	\$ (32,296)
2024	(28,362)
2025	(41,294)
2026	(84,632)
2027	(15,646)
Thereafter	-

Group Life Insurance Program-Bedford County School Board-Teachers

<u>Year Ending June 30,</u>	<u>Reduction to OPEB Expense</u>
2023	\$ (169,845)
2024	(127,179)
2025	(122,561)
2026	(235,939)
2027	(47,448)
Thereafter	-

Group Life Insurance Program-Bedford County School Board-Nonprofessional

<u>Year Ending June 30,</u>	<u>Reduction to OPEB Expense</u>
2023	\$ (27,137)
2024	(23,030)
2025	(21,372)
2026	(28,369)
2027	(7,301)
Thereafter	-

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

Teacher Health Insurance Credit Program-Bedford County School Board

Year Ending June 30,	Reduction to OPEB Expense
2023	\$ (58,352)
2024	(59,517)
2025	(43,460)
2025	(28,102)
2027	(14,085)
Thereafter	(14,714)

General Employee Health Insurance Credit Program – Bedford County School Board-  
Nonprofessional

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2023	\$ 3,145
2024	3,145
2025	2,280
2025	(966)
2027	-
Thereafter	-

**Actuarial Assumptions and Other Inputs**

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

Inflation	2.50%
Salary increases, including inflation:	
Locality – general employees	3.50 – 5.35%
Locality – hazardous duty employees	3.50 – 4.75%
Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
Under age 65	7.00 – 4.75%
Ages 65 and older	5.375 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

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

**Net OPEB Liabilities**

The net OPEB liabilities represent each program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

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

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

**Long-Term Expected Rate of Return**

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

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

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

Group Life Insurance and Health Insurance Credit Programs (Continued)

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

\* The above allocation provides for a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11, including inflation of 2.50%.

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**Discount Rate**

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2020, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	<b><u>1.00% Decrease (5.75%)</u></b>	<b><u>Current Discount Rate (6.75%)</u></b>	<b><u>1.00% Increase (7.75%)</u></b>
GLI net OPEB liability			
Bedford County	\$ 1,787,116	\$ 1,223,184	\$ 767,783
School Board - Teachers	4,429,516	3,031,763	1,903,015
School Board - Nonprofessional	426,792	292,116	183,359
Teacher HIC net OPEB liability			
School Board - Teachers	8,766,759	7,787,671	6,959,129
School Board - Nonprofessional	728,268	661,725	604,247

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**OPEB Plan Fiduciary Net Position**

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2021 *Comprehensive Annual Financial Report* (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 16. Landfill Closure and Postclosure Costs**

**Permit #30**

The County stopped accepting waste at its old landfill site, permit #30, on October 8, 1993. In accordance with federal and state laws, the County placed a final cover on this site and was required to perform certain maintenance and monitoring functions for ten years after closure. The site was certified as closed by the Virginia Department of Environmental Quality (DEQ) on July 2, 1996. The cumulative amount of estimated postclosure care costs to date for this site, less amounts expended for such costs to date, totals \$1,662,610.

The presence of certain contaminants in the groundwater extends the monitoring period in excess of the initial requirement. The estimated liability is based on the DEQ continuing to accept the current remedy enacted as discussed below and documented in the Corrective Action Permit dated November 21, 2006. If groundwater conditions change significantly prompting DEQ to require a change to the current remedy the actual costs will likely increase. Also, actual costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances. This amount is included in the long-term liabilities of the primary government.

The County's current plan of remediation consists of existing engineering and institutional controls (closure, capping, and site access restriction) coupled with groundwater remediation by monitored natural attenuation. This remedy consists of conducting groundwater and surface water monitoring at wells and springs on the site. It is the opinion of the County and its external engineer, based upon data observed to date, that during the next ten (10) years, the groundwater contaminants will decrease to an acceptable level and the County will be released from requirements of corrective action, and will petition DEQ to suspend all postclosure care activities including groundwater and gas monitoring.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 16. Landfill Closure and Postclosure Costs (Continued)**

Permit #560

The County's active landfill site, permit #560, began accepting waste on October 9, 1993. State and federal laws and regulations require the County to place a final cover on this landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for thirty (30) years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used, as of each balance sheet date. The \$7,021,064 reported as landfill closure and postclosure care liability as of June 30, 2022 represents the cumulative amount reported to date based on the use of approximately 88.1% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,667,976 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects its disposal area to reach capacity in 2024.

The County uses the financial test method for demonstrating assurance for postclosure care.

**Note 17. Fund Balances**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County classifies governmental fund balances as follows:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they legally or contractually required to be maintained intact.
- **Restricted** fund balance includes amounts that have constraints placed on the use by external sources such as creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the highest level of decision making authority – the Board. Formal Board action includes the annual adoption of the County's Budget and Appropriation Resolutions, budget amendments appropriating funds and resources, and budget amendments to carry forward appropriations that were unexpended at fiscal year end.
- **Assigned** fund balance includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Fund balance may be assigned either through the encumbrance process as a result of normal purchasing activity or by the Board or an official delegated that authority.
- **Unassigned** fund balance is the positive fund balance within the General Fund which has not been classified as Restricted, Committed, or Assigned and negative fund balances in other governmental funds.

The County considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents of contracts. When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the County considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 17. Fund Balances (Continued)**

The General Fund reserve target is 10% of current year budgeted appropriations. For the purpose of determining if the target has been met, the unassigned fund balance is compared with the annual appropriations budget.

A schedule of the County fund balances is on the following page.

	<u>General Fund</u>	<u>School Board</u>
<b>Nonspendable:</b>		
Prepays	\$ 322,331	\$ 141,454
Inventories	61,676	127,251
	<u>384,007</u>	<u>268,705</u>
<b>Total nonspendable</b>		
<b>Restricted for:</b>		
Public safety	2,671,483	-
Other purposes	7,930,340	-
	<u>10,601,823</u>	<u>-</u>
<b>Total restricted</b>		
<b>Committed to:</b>		
Public works	76,589	-
Health self insurance	-	4,903,533
Community development	1,604,616	-
Capital projects	6,200,748	3,310,808
	<u>7,881,953</u>	<u>8,214,341</u>
<b>Total committed</b>		
<b>Assigned to:</b>		
Judicial administration	46,803	-
Public safety	1,759,972	-
Health and welfare	25,243	-
Education-health self insurance	2,117,949	-
Education-nutrition	-	3,154,209
Education-textbooks	-	1,741,886
School activity fund	-	1,368,438
Funding of subsequent year budget	24,555,151	-
Subsequent year appropriation of fund balance	611,661	-
Encumbrances	136,760	-
	<u>29,253,539</u>	<u>6,264,533</u>
<b>Total assigned</b>		
<b>Unassigned</b>	<u>43,461,985</u>	<u>(4,243,338)</u>
<b>Total fund balances</b>	<u>\$ 91,583,307</u>	<u>\$ 10,504,241</u>

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 18. Risk Management**

The risk management programs of the County and School Board are as follows:

**Worker's Compensation**

Worker's Compensation Insurance is provided through VaCorp for both the County and the School Division. Benefits are those afforded through the Commonwealth of Virginia as outlined in *Code of Virginia* §65.2-100. Premiums are based on covered payroll, job rates, and claims experience. Total premiums paid for the current year were \$405,961 and \$283,292 for the County and School Division, respectively.

**General Liability and Other**

The County provides general liability and other insurance through VaCorp. General liability and business automobile have a \$2,000,000 limit. Boiler and machinery insurance has a \$125,000,000 limit and all other property insurance is covered as per the statement of values. Furthermore, public officials' liability insurance has a \$1,000,000 limit and line of duty coverage is provided pursuant to *Code of Virginia* §9.1-400. Total premiums for the current fiscal year were \$360,507.

The Bedford County Nursing Home has a separate policy for general liability insurance through GuideOne Mutual Insurance. The policy limit is \$1,000,000. Total premiums for the current fiscal year were \$36,587. Other Nursing Home insurance (i.e., worker's compensation, business auto, etc.) is included in the VaCorp policy and premiums noted in the preceding paragraph.

The School Division provides general liability and other insurance through VaCorp. General liability and business automobile have a \$2,000,000 limit. Boiler and machinery insurance has a \$50,000,000 limit and property insurance is covered as per the statement of values. Total premiums for the current fiscal year were \$412,037.

**Health Care**

The County carried commercial insurance for employee health insurance plans for the year ended June 30, 2022.

The School Board's professionally administered self-insured health program provides healthcare coverage for employees, retirees, and their dependents. Risk management activities are accounted for in the School Operating Fund. Monthly premiums are based upon estimates from the School Board's benefit consultant that should cover administrative expenses, stop loss insurance premiums, and claims. A stop loss insurance contract executed with an insurance carrier covers claims in excess of \$275,000 per covered individual per contract year. For the year ended June 30, total claims expense was \$8,879,689. Administrative fees and stop loss premiums for the year ended June 30 totaled \$1,641,422. Estimated incurred but not reported (IBNR) claims at June 30 based on prior experience totaled \$439,000. Changes in the balance of claims payable liability during the past year are follows:

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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

**Health Care (Continued)**

	<b>Health Insurance</b>
Unpaid claims at July 1	\$ 1,025,597
Incurred claims (including IBNR and changes in estimates)	9,879,689
Claim payments	(10,580,218)
Unpaid claims at June 30	\$ 325,068

**Note 19. Related Organizations, Jointly Governed Organizations, and Joint Ventures**

The following organizations are excluded from the accompanying financial statements:

**Related Organizations:**

*Bedford Regional Water Authority (BRWA)*

The BRWA (formerly the Bedford County Public Service Authority) was created pursuant to the Water and Sewer Authorities Act Chapter 28, Title 15.1 *Code of Virginia* of 1950, as amended, and in accordance with the Reversion Agreement executed in August 2012 between the Bedford County Board of Supervisors and the Bedford City Council. The BRWA operates on a Board-Administrator form of government. Its Board consists of a chairman and six other board members.

The BRWA serves the water and sewer needs of the Smith Mountain Lake, Forest, New London, and Boonsboro areas of the County as well as the Town of Bedford. The County contributes funding annually to the BRWA to assist in the payment of debt service for water and sewer lines and plant expansion.

**Jointly Governed Organizations:**

*Horizon Behavioral Health (HBH)*

The County, in conjunction with the Counties of Amherst, Appomattox, 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 \$116,000 for operations to HBH for 2022.

*Blue Ridge Regional Jail Authority (BRRJA)*

The County, in conjunction with the Counties of Amherst, Appomattox, 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.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 19. Related Organizations, Jointly Governed Organizations, and Joint Ventures (Continued)**

**Joint Ventures:**

*Region 2000 Radio Communications Board*

The County, along with the County of Amherst and City of Lynchburg, is a participant in the development and operation of a regional radio communication system, the Region 2000 Radio Communications Board (the "Board"). Each participant agreed to contribute its pro rata share for annual capital and operational costs, as well as any annual deficit. The Board issued debt of \$13.1 million in May 2012 for the upgrade and replacement of the existing system. Each participant agreed to contribute its pro rata share towards debt service payments of the Board. The County's share will be 41.90%, and annual contributions for debt service will approximate \$465,000 through May 2027. Should the Board fail to make the debt service payments, the member jurisdictions have a moral non-binding obligation to pay the debt service. During fiscal year 2022, the County paid the Board \$465,000 for debt service and \$461,927 for other operational costs.

*Tri-County Lake Administrative Commission (TLAC)*

The County, in conjunction with the Counties of Franklin and Pittsylvania, created TLAC, which is composed of an eight-member board of directors appointed by the participating localities to carry out lake planning duties as may be assigned by the respective Boards of Supervisors. Such duties may include, but are not limited to, navigation marker issues, debris cleanup, and coordination with American Electric Power on lake-related issues. The County is responsible for annual contributions to TLAC, which equaled \$57,270 for 2022. Separate financial statements for TLAC are not available.

**Note 20. Commitments and Contingencies**

Litigation

The County and School Board, in the normal course of conducting affairs, are each involved in various claims, judgements, and litigation. Officials estimate that any ultimate liability not covered by insurance will have an immaterial effect on financial position.

Special purpose grants

Special purpose grants are subject to audit to determine compliance with their requirements. County officials believe that if any refunds are required, they will be immaterial.

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 21. Tax Incentives**

The County and EDA have performance based tax incentive agreements with three local businesses. The agreements provide for a partial refund of Machinery and Tools tax paid for five years. The refund is based on the performance agreement investment of business machinery and tools. The refund percentage steps down by 10 percent during each year of the performance agreement (see schedule below):

Year 1	70%
Year 2	60
Year 3	50
Year 4	40
Year 5	30

During fiscal year 2022, there were no amounts refunded to businesses in accordance with the above mentioned agreements.

**Note 22. Other Matters**

On July 1, 2013, the City of Bedford, Virginia reverted to Town status. The reversion agreement provided for certain capital assets with a value of \$2,132,737 to be transferred to the County from the Town, including the Library and an elementary school. Due to the reversion, the School Board receives an increase in state education funding for 15 years. In consideration for the assets received from the Town, the County agreed to pay the Town \$500,000 annually for a period of 15 years. For any year in which the additional state education funding exceeds \$4 million, the County will pay the Town an additional \$250,000. For any year in which the additional state education funding is less than \$4 million, the payment to the Town will be reduced by a formula described in the reversion agreement. For the year ended June 30, 2022, the County paid the Town \$750,000, which was the Town's share of additional funding for the year.

**Note 23. Adoption of New Standard**

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

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

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note 24. New Accounting Standards**

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

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

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

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

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

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

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

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

# **REQUIRED SUPPLEMENTARY INFORMATION**

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**COUNTY OF BEDFORD, VIRGINIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –  
PRIMARY GOVERNMENT  
June 30, 2022**

	<b>Plan Year</b>	
	<b>2021</b>	<b>2020</b>
<b>Total Pension Liability</b>		
Service cost	\$ 2,289,733	\$ 2,202,410
Interest on total pension liability	5,363,784	5,171,252
Changes in benefit terms	-	-
Difference between expected and actual experience	11,504	(468,690)
Changes in assumptions	2,831,347	-
Benefit payments, including refunds of employee contributions	(4,289,821)	(3,815,452)
Net change in total pension liability	6,206,547	3,089,520
<b>Total pension liability – beginning</b>	<b>81,608,380</b>	<b>78,518,860</b>
<b>Total pension liability – ending</b>	<b>87,814,927</b>	<b>81,608,380</b>
<b>Plan Fiduciary Net Position</b>		
Contributions – employer	1,779,084	1,487,607
Contributions – employee	1,014,907	1,032,124
Net investment income	19,686,177	1,377,574
Benefit payments, including refunds of employee contributions	(4,289,821)	(3,815,452)
Administrative expenses	(49,035)	(47,102)
Other	1,860	(1,634)
Net change in plan fiduciary net position	18,143,172	33,117
<b>Plan fiduciary net position – beginning</b>	<b>72,493,104</b>	<b>72,459,987</b>
<b>Plan fiduciary net position – ending</b>	<b>90,636,276</b>	<b>72,493,104</b>
<b>Net pension liability (asset) – ending</b>	<b>\$ (2,821,349)</b>	<b>\$ 9,115,276</b>
Plan fiduciary net position as a percentage of total pension liability	103%	89%
Covered employee payroll	\$ 23,498,772	\$ 21,647,240
Net pension liability as a percentage of covered employee payroll	-12%	42%

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.

Schedule is intended to show information for 10 years. Since the 2015 fiscal year (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 the Required Supplementary Information are an integral part of this schedule.

		Plan Year									
		2019	2018	2017	2016	2015	2014				
\$	2,021,050	\$	2,006,400	\$	1,898,498	\$	1,804,637	\$	1,919,057	\$	1,936,109
	4,947,523		4,534,182		4,339,811		4,238,485		4,072,090		3,827,724
	-		-		517,512		-		-		-
	283,759		2,720,519		(451,977)		(1,711,831)		(1,101,052)		-
	2,366,146		-		(459,022)		-		-		-
	(3,557,037)		(3,155,426)		(2,980,765)		(2,786,780)		(2,239,267)		(2,306,520)
	6,061,441		6,105,675		2,864,057		1,544,511		2,650,828		3,457,313
	72,457,419		66,351,744		63,487,687		61,943,176		59,292,348		55,835,035
	78,518,860		72,457,419		66,351,744		63,487,687		61,943,176		59,292,348
	1,400,026		1,339,030		1,272,940		1,481,732		1,451,172		1,751,158
	989,164		957,613		909,120		826,393		812,546		860,090
	4,582,631		4,805,143		7,135,145		1,023,046		2,558,667		7,596,167
	(3,557,037)		(3,155,426)		(2,980,765)		(2,786,780)		(2,239,267)		(2,306,520)
	(45,242)		(41,325)		(41,144)		(36,107)		(34,521)		(40,277)
	(2,892)		132,140		(6,358)		(430)		(546)		400
	3,366,650		4,037,175		6,288,938		507,854		2,548,051		7,861,018
	69,093,337		65,056,162		58,767,224		58,259,370		55,711,319		47,850,301
	72,459,987		69,093,337		65,056,162		58,767,224		58,259,370		55,711,319
\$	6,058,873	\$	3,364,082	\$	1,295,582	\$	4,720,463	\$	3,683,806	\$	3,581,029
	92%		95%		98%		93%		94%		94%
\$	21,781,710	\$	21,353,372	\$	19,852,664	\$	18,450,608	\$	17,522,239	\$	18,233,530
	28%		16%		7%		26%		21%		20%

**COUNTY OF BEDFORD, VIRGINIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –  
SCHOOLS – NONPROFESSIONAL EMPLOYEES  
June 30, 2022**

	<b>Plan Year</b>	
	<b>2021</b>	<b>2020</b>
<b>Total Pension Liability</b>		
Service cost	\$ 484,926	\$ 526,618
Interest on total pension liability	1,659,999	1,627,059
Difference between expected and actual experience	(259,734)	(155,622)
Changes in assumptions	746,967	-
Benefit payments, including refunds of employee contributions	(1,624,485)	(1,395,613)
	<u>1,007,673</u>	<u>602,442</u>
Net change in total pension liability	1,007,673	602,442
<b>Total pension liability – beginning</b>	<u>25,404,820</u>	<u>24,802,378</u>
<b>Total pension liability – ending</b>	<u>26,412,493</u>	<u>25,404,820</u>
<b>Plan Fiduciary Net Position</b>		
Contributions – employer	264,495	239,271
Contributions – employee	244,599	253,638
Net investment income	6,549,386	470,154
Benefit payments, including refunds of employee contributions	(1,624,485)	(1,395,613)
Administrative expenses	(16,923)	(16,462)
Other	612	(551)
	<u>5,417,684</u>	<u>(449,563)</u>
Net change in plan fiduciary net position	5,417,684	(449,563)
<b>Plan fiduciary net position – beginning</b>	<u>24,427,620</u>	<u>24,877,183</u>
<b>Plan fiduciary net position – ending</b>	<u>29,845,304</u>	<u>24,427,620</u>
<b>Net pension liability (asset) – ending</b>	<u>\$ (3,432,811)</u>	<u>\$ 977,200</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	<u>113%</u>	<u>96%</u>
Covered employee payroll	<u>\$ 6,009,183</u>	<u>\$ 5,904,866</u>
Net pension liability (asset) as a percentage of covered employee payroll	<u>-57%</u>	<u>17%</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.

Schedule is intended to show information for 10 years. Since the 2015 fiscal year (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 the Required Supplementary Information are an integral part of this schedule.

Plan Year					
2019	2018	2017	2016	2015	2014
\$ 529,937	\$ 538,823	\$ 547,567	\$ 558,668	\$ 601,405	\$ 582,857
1,564,001	1,491,579	1,454,802	1,431,511	1,351,849	1,277,059
364,326	158,901	(164,960)	(638,390)	80,427	-
616,120	-	(224,914)	-	-	-
(1,229,744)	(1,079,678)	(1,094,549)	(943,544)	(847,770)	(735,199)
1,844,640	1,109,625	517,946	408,245	1,185,911	1,124,717
22,957,738	21,848,113	21,330,167	20,921,922	19,736,011	18,611,294
24,802,378	22,957,738	21,848,113	21,330,167	20,921,922	19,736,011
244,991	237,168	236,702	390,587	404,699	475,727
255,641	264,009	261,842	262,489	272,628	286,798
1,582,297	1,686,767	2,537,662	364,171	923,208	2,759,864
(1,229,744)	(1,079,678)	(1,094,549)	(943,544)	(847,770)	(735,199)
(16,057)	(14,762)	(14,951)	(13,042)	(12,637)	(14,693)
(993)	(1,492)	(2,243)	(154)	(196)	146
836,135	1,092,012	1,924,463	60,507	739,932	2,772,643
24,041,048	22,949,036	21,024,573	20,964,066	20,224,134	17,451,491
24,877,183	24,041,048	22,949,036	21,024,573	20,964,066	20,224,134
\$ (74,805)	\$ (1,083,310)	\$ (1,100,923)	\$ 305,594	\$ (42,144)	\$ (488,123)
100%	105%	105%	99%	100%	102%
\$ 6,232,346	\$ 6,239,209	\$ 6,134,885	\$ 6,058,761	\$ 5,777,679	\$ 6,064,075
-1%	-17%	-18%	5%	-1%	-8%

## COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –**  
**PRIMARY GOVERNMENT – LENGTH OF SERVICE AWARDS PROGRAM**  
**June 30, 2022**

	Plan Year					
	2021	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>						
Service cost	\$ 90,798	\$ 152,699	\$ 105,316	\$ 95,314	\$ 97,910	\$ 104,705
Interest on total pension liability	157,123	67,062	72,729	86,214	98,590	98,942
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	82,762	122,220	(49,104)	(182,357)	(49,620)	-
Changes in assumptions	(1,571,683)	538,789	549,356	329,430	(32,874)	(156,953)
Benefit payments, including refunds of employee contributions	(35,547)	(196,278)	(111,653)	(116,441)	(64,755)	(118,545)
Net change in total pension liability	(1,276,547)	684,492	566,644	212,160	49,251	(71,851)
<b>Total pension liability – beginning</b>	<u>4,273,701</u>	<u>3,589,209</u>	<u>3,022,565</u>	<u>2,810,405</u>	<u>2,761,154</u>	<u>2,833,005</u>
<b>Total pension liability – ending</b>	<u>2,997,154</u>	<u>4,273,701</u>	<u>3,589,209</u>	<u>3,022,565</u>	<u>2,810,405</u>	<u>2,761,154</u>
<b>Plan Fiduciary Net Position</b>						
Contributions – employer	-	-	-	-	-	-
Contributions – employee	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
<b>Plan fiduciary net position – beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position – ending</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net pension liability – ending</b>	<u>\$ 2,997,154</u>	<u>\$ 4,273,701</u>	<u>\$ 3,589,209</u>	<u>\$ 3,022,565</u>	<u>\$ 2,810,405</u>	<u>\$ 2,761,154</u>
Plan fiduciary net position as a percentage of total pension liability	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Covered employee payroll	<u>\$ -</u>					
Net pension liability as a percentage of covered employee payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Schedule is intended to show information for 10 years. Since the 2017 fiscal year 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 BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**June 30, 2022**

Entity Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Primary Government-All Employees</b>					
2022	\$ 2,009,006	\$ 2,009,006	\$ -	\$ 24,460,444	8.21 %
2021	1,921,416	1,921,416	-	23,498,772	8.18
2020	1,599,989	1,599,989	-	21,647,240	7.39
2019	1,480,062	1,480,062	-	21,781,710	6.79
2018	1,394,763	1,394,763	-	21,353,372	6.53
2017	1,308,922	1,308,922	-	19,852,664	6.59
2016	1,504,339	1,504,339	-	18,450,608	8.15
2015	1,461,696	1,461,696	-	17,522,239	8.34
<b>Schools – Nonprofessional Employees</b>					
2022	308,439	308,439	-	6,337,433	4.87
2021	294,481	294,481	-	6,009,183	4.90
2020	268,886	268,886	-	5,904,866	4.55
2019	260,351	260,351	-	6,232,346	4.18
2018	248,907	248,907	-	6,239,209	3.99
2017	253,457	253,457	-	6,134,885	4.13
2016	394,983	394,983	-	6,058,761	6.52
2015	403,169	403,169	-	5,777,679	6.98
<b>Primary Government-Length of Service Awards Program</b>					
2022	35,547	35,547	-	N/A	N/A
2021	196,278	196,278	-	N/A	N/A
2020	111,653	111,653	-	N/A	N/A
2019	93,369	93,369	-	N/A	N/A
2018	96,350	96,350	-	N/A	N/A
2017	105,469	105,469	-	N/A	N/A

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

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY –  
 VRS TEACHER RETIREMENT PLAN  
 June 30, 2022

<b>School Division Plan Year Ended June 30,</b>	<b>Employer's Proportion of the Net Pension Liability</b>	<b>Employer's Proportionate Share of the Net Pension Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2021	0.61 %	\$ 47,252,656	\$ 48,170,110	98.10 %	71.47 %
2020	0.61	89,430,254	47,893,326	186.73	73.51
2019	0.62	81,823,201	49,842,942	164.16	73.51
2018	0.62	72,970,000	48,371,493	150.85	74.81
2017	0.61	75,240,000	47,412,845	158.69	72.92
2016	0.63	88,270,000	48,619,400	181.55	68.28
2015	0.62	78,504,000	47,022,390	166.95	70.68
2014	0.67	80,535,000	49,087,777	164.06	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. 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.

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

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PENSION CONTRIBUTIONS –  
 VRS TEACHER RETIREMENT PLAN  
 June 30, 2022

<b>Entity Fiscal Year Ended June 30,</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer’s Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2022	\$ 8,860,532	\$ 8,860,532	\$ -	\$ 48,866,385	18.13 %
2021	8,508,843	8,508,843	-	48,170,110	17.66
2020	7,910,482	7,910,482	-	47,893,326	16.52
2019	8,128,483	8,128,483	-	49,842,942	16.31
2018	8,147,789	8,147,789	-	48,371,493	16.84
2017	6,950,571	6,950,571	-	47,412,846	14.66
2016	6,672,491	6,672,491	-	48,619,400	13.72
2015	6,677,180	6,677,180	-	47,022,390	14.20

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 school division’s fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

**COUNTY OF BEDFORD, VIRGINIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND  
RELATED RATIOS – LOCAL PLANS  
June 30, 2022**

	<b>Plan Year</b>				
	<b>Primary Government</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>					
Service cost	\$ 68,693	\$ 63,358	\$ 62,102	\$ 42,428	\$ 45,868
Interest on total OPEB liability	23,410	28,107	31,493	23,759	18,053
Difference between expected and actual experience	(26,007)	(52,610)	4,131	252,668	-
Changes in assumptions	42,110	50,121	(35,609)	(90,532)	(42,476)
Benefit payments	(34,386)	(18,846)	(28,857)	(13,755)	25,799
Net change in total OPEB liability	73,820	70,130	33,260	214,568	47,244
<b>Total OPEB liability – beginning</b>	<b>985,716</b>	<b>915,586</b>	<b>882,326</b>	<b>667,758</b>	<b>620,514</b>
<b>Total OPEB liability – ending</b>	<b>1,059,536</b>	<b>985,716</b>	<b>915,586</b>	<b>882,326</b>	<b>667,758</b>
<b>Plan Fiduciary Net Position</b>					
Contributions – employer	34,386	18,846	28,857	(13,755)	(25,799)
Benefit payments	(34,386)	(18,846)	(28,857)	13,755	25,799
Net change in plan fiduciary net position	-	-	-	-	-
<b>Plan fiduciary net position – beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position – ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net OPEB liability – ending</b>	<b>\$ 1,059,536</b>	<b>\$ 985,716</b>	<b>\$ 915,586</b>	<b>\$ 882,326</b>	<b>\$ 667,758</b>
Plan fiduciary net position as a percentage of total OPEB liability	0%	0%	0%	0%	0%
Covered payroll	\$ 23,498,772	\$ 21,647,240	\$ 21,781,710	\$ 21,353,372	\$ 19,852,664
Net OPEB liability as a percentage of covered payroll	4.51%	4.55%	4.20%	4.13%	3.36%

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 the Required Supplementary Information are an integral part of this schedule.

<b>Plan Year</b>				
<b>Schools</b>				
<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$ 208,748	\$ 221,313	\$ 206,165	\$ 432,439	\$ 460,509
57,947	89,696	100,233	242,932	196,367
364,157	(912,494)	(75,589)	(6,085,371)	-
102,245	131,449	1,344	1,436,739	(371,559)
(466,282)	(84,226)	(136,575)	(235,616)	(183,114)
266,815	(554,262)	95,578	(4,208,877)	102,203
2,416,253	2,970,515	2,874,937	7,083,814	6,981,611
2,683,068	2,416,253	2,970,515	2,874,937	7,083,814
466,282	84,226	136,575	235,616	183,114
(466,282)	(84,226)	(136,575)	(235,616)	(183,114)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 2,683,068	\$ 2,416,253	\$ 2,970,515	\$ 2,874,937	\$ 7,083,814
0%	0%	0%	0%	0%
\$ 54,179,293	\$ 53,798,192	\$ 56,075,288	\$ 54,610,702	\$ 53,547,731
4.95%	4.49%	5.30%	5.26%	13.23%

## COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS –**  
**LOCAL PLANS**  
**June 30, 2022**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Actuarially Determined Employer Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>County Local Plan</b>					
2022	\$ 43,314	\$ 43,314	\$ -	\$ 24,460,444	0.18 %
2021	34,386	34,386	-	23,498,772	0.15
2020	18,846	18,846	-	21,647,240	0.09
2019	471,580	471,580	-	21,781,710	2.17
2018	13,755	13,755	-	21,353,372	0.06
<b>Schools Local Plan</b>					
2022	736,372	736,372	-	55,203,818	1.33
2021	510,571	510,571	-	54,179,293	0.94
2020	198,370	198,370	-	53,798,192	0.37
2019	156,196	156,196	-	56,075,288	0.28
2018	235,616	235,616	-	54,610,702	0.43

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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 BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS –**  
**VRS AGENT PLAN – SCHOOLS – NONPROFESSIONAL EMPLOYEES**  
**June 30, 2022**

	Plan Year	
	2021	2020
<b>Total OPEB Liability</b>		
Service cost	\$ 7,637	\$ -
Interest on total OPEB liability	43,735	-
Changes in benefit terms	-	647,931
Changes in assumptions	15,587	-
Net change in total OPEB liability	66,959	647,931
<b>Total OPEB liability – beginning</b>	647,931	-
<b>Total OPEB liability – ending</b>	714,890	647,931
<b>Plan Fiduciary Net Position</b>		
Contributions – employer	46,958	-
Net investment income	6,416	-
Administrative expenses	(209)	-
Net change in plan fiduciary net position	53,165	-
<b>Plan fiduciary net position – beginning</b>	-	-
<b>Plan fiduciary net position – ending</b>	53,165	-
<b>Net OPEB liability – ending</b>	<u>\$ 661,725</u>	<u>\$ 647,931</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>1345%</u>	<u>0%</u>
Covered payroll	<u>\$ 6,009,183</u>	<u>\$ 5,904,866</u>
Net OPEB liability as a percentage of covered payroll	<u>11%</u>	<u>11%</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 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 plan, 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 BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF OPEB CONTRIBUTIONS –  
VRS AGENT PLAN – SCHOOLS – NONPROFESSIONAL EMPLOYEES  
June 30, 2022**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Actuarially Determined Employer Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>VRS Health Insurance Credit Non-Teachers</b>					
2022	\$ 49,169	\$ 49,169	-	\$ 6,337,433	0.78 %
2021	10,417	10,417	-	6,009,183	0.17

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## COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY –**  
**VRS COST SHARING PLANS**  
**June 30, 2022**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Employer's Proportion of the Net OPEB Liability</b>	<b>Employer's Proportionate Share of the Net OPEB Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
<b>Virginia Retirement System – Health Insurance Credit – Schools – Teachers</b>					
2022	0.61 %	\$ 7,787,671	\$ 48,170,110	16.17 %	13.15 %
2021	0.61	7,991,338	47,893,326	16.69	9.95
2020	0.62	8,110,000	49,842,942	16.27	8.97
2019	0.62	7,859,000	48,371,493	16.25	8.08
2018	0.61	7,739,000	47,412,846	16.32	7.04
<b>Virginia Retirement System – Group Life Insurance – Primary Government</b>					
2022	0.11	1,223,184	23,498,772	5.21	67.45
2021	0.11	1,755,783	21,647,240	8.11	52.64
2020	0.10	1,664,000	21,781,710	7.64	52.00
2019	0.10	1,583,000	21,353,372	7.41	51.22
2018	0.10	1,516,000	19,852,664	7.64	48.86
<b>Virginia Retirement System – Group Life Insurance – Schools – Nonprofessional Employees</b>					
2022	0.03	292,116	6,009,183	4.86	67.45
2021	0.03	436,401	5,904,866	7.39	52.64
2020	0.03	445,000	6,232,346	7.14	52.00
2019	0.03	441,000	6,239,209	7.07	51.22
2018	0.03	443,000	6,134,885	7.22	48.86
<b>Virginia Retirement System – Group Life Insurance – Schools-Teachers</b>					
2022	0.26	3,031,763	48,170,110	6.29	67.45
2021	0.26	4,363,507	47,893,326	9.11	52.64
2020	0.27	4,338,000	49,842,942	8.70	52.00
2019	0.26	4,014,000	48,371,493	8.30	51.22
2018	0.26	3,938,000	48,619,400	8.10	48.86

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

## COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF OPEB CONTRIBUTIONS –  
VRS COST SHARING PLANS  
June 30, 2022**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Virginia Retirement System – Health Insurance Credit – Schools – Teachers</b>					
2022	\$ 641,597	\$ 641,597	\$ -	\$ 48,866,385	1.31 %
2021	617,044	617,044	-	48,170,110	1.28
2020	606,005	606,005	-	47,893,326	1.27
2019	622,390	622,390	-	49,842,942	1.25
2018	614,318	614,318	-	48,371,493	1.27
<b>Virginia Retirement System – Group Life Insurance – Primary Government</b>					
2022	121,666	121,666	-	24,460,444	0.50
2021	116,286	116,286	-	23,498,772	0.49
2020	113,460	113,460	-	21,647,240	0.52
2019	105,040	105,040	-	21,781,710	0.48
2018	103,829	103,829	-	21,353,372	0.49
<b>Virginia Retirement System – Group Life Insurance – Schools- Nonprofessional Employees</b>					
2022	29,922	29,922	-	6,337,433	0.47
2021	27,252	27,252	-	6,009,183	0.45
2020	28,372	28,372	-	5,904,866	0.48
2019	29,198	29,198	-	6,232,346	0.47
2018	29,372	29,372	-	6,239,209	0.47
<b>Virginia Retirement System – Group Life Insurance – Schools- Teachers</b>					
2022	284,161	284,161	-	48,866,385	0.58
2021	273,268	273,268	-	48,170,110	0.57
2020	264,295	264,295	-	47,893,326	0.55
2019	271,777	271,777	-	49,842,942	0.55
2018	261,711	261,711	-	48,371,493	0.54

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

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

**COUNTY OF BEDFORD, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2022**

**Note 1. Changes of Benefit Terms**

Pension

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

Other Postemployment Benefits (OPEB)

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

**Note 2. Changes of Assumptions**

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

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

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 changes to salary scale.
- No change to line of duty rates.
- No change to discount rates.
- Applicable to: Pension, GLI OPEB, and LODA OPEB

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2022**

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

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

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

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.
- Applicable to: Pension, GLI OPEB, and LODA OPEB

Teacher cost-sharing pool

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

## **OTHER SUPPLEMENTARY INFORMATION**

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

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**SPECIAL REVENUE FUNDS** – Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The component unit – School Board has the following special revenue funds.

**School Operating Fund** – Accounts for the primary operating activities of the public school system.

**School Nutrition Fund** – Accounts for revenues and expenditures associated with the food services within the school system.

**School Textbook Fund** – Accounts for the state and local funds provided for the purchase of textbooks.

**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.

**CAPITAL PROJECTS FUNDS** – Capital projects funds are used to account for revenues and expenditures related to major construction and renovation. The component unit – School Board has the following capital projects fund.

**School Capital Projects Fund** – Accounts for revenues and expenditures related to major construction and renovation projects of the school system.

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD  
 COMBINING BALANCE SHEET  
 Year Ended June 30, 2022

	Special Revenue Funds				Capital Projects	Total Governmental Funds
	Operating	Nutrition	Textbooks	School Activities		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,971,125	\$ 3,502,229	\$ 1,745,703	\$ 1,368,438	\$ 10,842	\$ 13,598,337
Receivables, net	12,468,141	8,123	-	-	1,304,124	13,780,388
Due from primary government	6,200,617	-	-	-	304,713	6,505,330
Due from other funds	1,574,983	-	-	-	-	1,574,983
Prepays	117,682	23,772	-	-	-	141,454
Inventories	-	127,251	-	-	-	127,251
Total assets	<u>\$ 27,332,548</u>	<u>\$ 3,661,375</u>	<u>\$ 1,745,703</u>	<u>\$ 1,368,438</u>	<u>\$ 1,619,679</u>	<u>\$ 35,727,743</u>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 4,319,694	\$ 13,146	\$ 3,817	\$ -	\$ 304,713	\$ 4,641,370
Accrued payroll and related liabilities	12,156,880	342,997	-	-	-	12,499,877
Due to other funds	-	-	-	-	1,574,983	1,574,983
Self insurance	937,369	-	-	-	-	937,369
Deferred revenue	5,569,903	-	-	-	-	5,569,903
Total liabilities	<u>22,983,846</u>	<u>356,143</u>	<u>3,817</u>	<u>-</u>	<u>1,879,696</u>	<u>25,223,502</u>
<b>FUND BALANCES</b>						
Fund balances:						
Nonspendable	117,682	151,023	-	-	-	268,705
Committed	8,214,341	-	-	-	-	8,214,341
Assigned	-	3,154,209	1,741,886	1,368,438	-	6,264,533
Unassigned	(3,983,321)	-	-	-	(260,017)	(4,243,338)
Total fund balances	<u>4,348,702</u>	<u>3,305,232</u>	<u>1,741,886</u>	<u>1,368,438</u>	<u>(260,017)</u>	<u>10,504,241</u>
Total liabilities and fund balances	<u>\$ 27,332,548</u>	<u>\$ 3,661,375</u>	<u>\$ 1,745,703</u>	<u>\$ 1,368,438</u>	<u>\$ 1,619,679</u>	

(Continued)

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD  
 COMBINING BALANCE SHEET  
 Year Ended June 30, 2022

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

Total Fund Balance, Governmental Funds		\$ 10,504,241
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 310,925,210	
Accumulated depreciation and amortization	<u>(169,975,590)</u>	140,949,620
Other long-term assets not available to pay for current period expenditures and therefore are deferred in the funds.		5,569,903
Amounts due from the primary government are adjusted based on accruals as part of this government-wide conversion process, resulting in a reduction in the current year amount.		(3,516,676)
Financial statement elements related to pension and other postemployment benefits are applicable to future period and therefore, are not reported in the funds.		
Deferred outflows related to:		
Pensions	18,247,543	
Other postemployment benefits	3,728,916	
Deferred inflows related to:		
Pensions	(38,650,690)	
Other postemployment benefits	(5,307,471)	
Net pension asset	3,432,811	
Net pension liability	(47,252,656)	
Net other postemployment benefit liability	<u>(14,456,343)</u>	(80,257,890)
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest	(68,973)	
Leases	(4,856,982)	
Compensated absences	<u>(1,984,254)</u>	<u>(6,910,209)</u>
Net position of Governmental Activities		<u>\$ 66,338,989</u>

## COUNTY OF BEDFORD, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended June 30, 2022**

	<u>Special Revenue Funds</u>					<b>Total Governmental Funds</b>
	<u>Operating</u>	<u>Nutrition</u>	<u>Textbooks</u>	<u>School Activities</u>	<u>Capital Projects</u>	
<b>REVENUES</b>						
Revenue from use of money and property	\$ 18,045	\$ 4,005	\$ 8,688	\$ -	\$ 4	\$ 30,742
Charges for services	667,567	404,646	-	2,877,776	-	3,949,989
Other	1,079,235	-	-	-	-	1,079,235
Intergovernmental:						
County of Bedford	37,040,519	-	2,000,000	-	1,302,257	40,342,776
Commonwealth of Virginia	65,682,049	60,394	647,170	-	-	66,389,613
Federal government	12,658,997	5,718,598	-	-	1,304,125	19,681,720
Total revenues	<u>117,146,412</u>	<u>6,187,643</u>	<u>2,655,858</u>	<u>2,877,776</u>	<u>2,606,386</u>	<u>131,474,075</u>
<b>EXPENDITURES</b>						
Current:						
Instructional	77,760,583	-	1,609,431	2,804,867	-	82,174,881
Administration, attendance, and health	5,631,816	-	-	-	-	5,631,816
Pupil transportation services	9,063,003	-	-	-	-	9,063,003
Operations and maintenance services	18,196,766	-	-	-	-	18,196,766
Nutrition services	-	4,600,017	-	-	-	4,600,017
Technology	7,323,381	-	-	-	-	7,323,381
Debt service:						
Principal	1,486,775	-	-	-	-	1,486,775
Interest and other fiscal charges	216,609	-	-	-	-	216,609
Capital projects	782,422	-	-	-	1,885,282	2,667,704
Total expenditures	<u>120,461,355</u>	<u>4,600,017</u>	<u>1,609,431</u>	<u>2,804,867</u>	<u>1,885,282</u>	<u>131,360,952</u>
Excess (deficiency) of revenues over expenditures	<u>(3,314,943)</u>	<u>1,587,626</u>	<u>1,046,427</u>	<u>72,909</u>	<u>721,104</u>	<u>113,123</u>
<b>OTHER FINANCING SOURCES</b>						
Lease proceeds	2,218,846	-	-	-	-	2,218,846
Total other financing sources	2,218,846	-	-	-	-	2,218,846
Net change in fund balances	(1,096,097)	1,587,626	1,046,427	72,909	721,104	2,331,969
<b>Fund balance, beginning</b>	<u>5,444,799</u>	<u>1,717,606</u>	<u>695,459</u>	<u>1,295,529</u>	<u>(981,121)</u>	
<b>Fund balance, ending</b>	<u>\$ 4,348,702</u>	<u>\$ 3,305,232</u>	<u>\$ 1,741,886</u>	<u>\$ 1,368,438</u>	<u>\$ (260,017)</u>	

(Continued)

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2022

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

Net changes in fund balances - total governmental funds \$ 2,331,969

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. This is the amount by which depreciation exceeded capital outlays in the current period.

Table with 2 columns: Description and Amount. Rows include Capital outlay expenditures that were capitalized (\$ 10,799,904), Depreciation expense for governmental assets ((8,062,822)), GASB 87 lease capital outlay, net of amortization (657,423), and Loss on disposal of capital asset ((10,170)). Total: 3,384,335.

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.

Table with 2 columns: Description and Amount. Rows include Employer pension contributions (1,168,971) and Pension expense (496,524).

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.

Table with 2 columns: Description and Amount. Rows include Employer other postemployment benefit contributions (1,741,221) and Other postemployment expense ((191,384)).

The issuance of long-term debt 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 has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Table with 2 columns: Description and Amount. Rows include New long-term debt issued ((2,218,846)), Principal payments on long-term debt (1,486,775), and Increase in accrued interest payable (2,638). Total: (729,433).

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

Table with 2 columns: Description and Amount. Row includes Other revenues (133,366).

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

Table with 2 columns: Description and Amount. Row includes Compensated absences ((136,004)).

The lease inception due to the implementation of GASB 87 (13,318)

Total changes in net position of governmental activities \$ 16,186,247

**COUNTY OF BEDFORD, VIRGINIA**

**DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – CASH BASIS  
Year Ended June 30, 2022**

	<u>Operating</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Revenue from use of money and property	\$ 50,000	\$ 50,000	\$ 18,045	\$ (31,955)
Charges for services	650,000	650,000	667,567	17,567
Other	50,000	513,641	881,725	368,084
Intergovernmental:				
County of Bedford	37,893,028	39,005,030	38,587,081	(417,949)
Commonwealth of Virginia	64,231,066	64,397,476	64,517,077	119,601
Federal government	8,169,160	10,903,737	10,156,571	(747,166)
 Total revenues	<u>111,043,254</u>	<u>115,519,884</u>	<u>114,828,066</u>	<u>(691,818)</u>
 <b>EXPENDITURES</b>				
Current:				
Instructional	77,065,621	78,792,562	77,288,574	1,503,988
Administration, attendance, and health	5,408,175	5,741,809	5,533,999	207,810
Pupil transportation services	8,866,244	9,113,566	8,978,734	134,832
Operations and maintenance services	13,028,589	15,017,322	15,490,317	(472,995)
Nutrition services	-	-	-	-
Technology	6,674,625	6,854,625	6,815,606	39,019
 Total expenditures	<u>111,043,254</u>	<u>115,519,884</u>	<u>114,107,230</u>	<u>1,412,654</u>
 Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>720,836</u>	<u>720,836</u>
 Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 720,836</u>	<u>\$ 720,836</u>

Nutrition				Textbooks			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 7,000	\$ 7,000	\$ 4,006	\$ (2,994)	\$ -	\$ -	\$ 8,689	\$ 8,689
2,229,577	2,229,577	404,646	(1,824,931)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,000,000	2,000,000	-
50,376	50,376	60,394	10,018	653,443	653,443	647,170	(6,273)
2,342,410	2,342,410	5,767,216	3,424,806	2,000,000	2,000,000	-	(2,000,000)
4,629,363	4,629,363	6,236,262	1,606,899	2,653,443	4,653,443	2,655,859	(1,997,584)
-	-	-	-	2,653,443	4,653,443	1,628,865	3,024,578
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,629,363	4,629,363	4,576,177	53,186	-	-	-	-
-	-	-	-	-	-	-	-
4,629,363	4,629,363	4,576,177	53,186	2,653,443	4,653,443	1,628,865	3,024,578
-	-	1,660,085	1,660,085	-	-	1,026,994	1,026,994
\$ -	\$ -	\$ 1,660,085	\$ 1,660,085	\$ -	\$ -	\$ 1,026,994	\$ 1,026,994

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# **SUPPORTING SCHEDULES**

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## COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 45,350,000	\$ 45,350,000	\$ 45,555,868	\$ 205,868
Real and personal public service corporation property taxes	1,675,000	1,675,000	1,598,641	(76,359)
Personal property taxes (local remittance)	16,325,000	16,325,000	18,181,037	1,856,037
Machinery and tools taxes	3,757,500	3,757,500	3,627,209	(130,291)
Mobile home taxes	111,000	111,000	105,061	(5,939)
Penalties and interest	836,000	836,000	756,881	(79,119)
Total general property taxes	<u>68,054,500</u>	<u>68,054,500</u>	<u>69,824,697</u>	<u>1,770,197</u>
Other local taxes:				
Local sales and use taxes	7,625,867	7,625,867	9,078,658	1,452,791
Consumer utility taxes	1,250,900	1,250,900	1,284,171	33,271
Utility license tax	75,000	75,000	40,642	(34,358)
Bank stock taxes	440,000	440,000	936,017	496,017
Taxes on recordations and wills	1,292,000	1,292,000	2,115,237	823,237
Transient occupancy tax	975,000	975,000	1,435,776	460,776
Meals tax	1,800,000	1,800,000	2,258,391	458,391
Communications sales tax	1,300,000	1,300,000	1,369,507	69,507
Game of skills tax	-	-	21,024	21,024
Total other local taxes	<u>14,758,767</u>	<u>14,758,767</u>	<u>18,539,423</u>	<u>3,780,656</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	30,000	30,000	25,514	(4,486)
Building permits	290,000	290,000	453,421	163,421
Other permits and licenses	110,000	110,000	58,280	(51,720)
Planning permits and fees	67,300	67,300	92,133	24,833
Total permits, privilege fees, and regulatory licenses	<u>497,300</u>	<u>497,300</u>	<u>629,348</u>	<u>132,048</u>
Fines and forfeitures	<u>75,000</u>	<u>75,000</u>	<u>65,060</u>	<u>(9,940)</u>
Revenue from use of money and property:				
Revenue from use of money	240,050	240,104	261,649	21,545
Revenue from use of property	148,581	148,581	178,104	29,523
Total revenue from use of money and property	<u>388,631</u>	<u>388,685</u>	<u>439,753</u>	<u>51,068</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Charges for services:				
Court costs	\$ 131,204	\$ 131,204	\$ 225,981	\$ 94,777
Commonwealth attorney	4,000	4,000	5,141	1,141
Law enforcement and traffic control	115,000	115,000	99,489	(15,511)
Welfare and social services	50,000	50,000	116,724	66,724
Recreation fees	56,400	56,400	87,734	31,334
EMS cost recoveries	1,950,000	1,950,000	2,221,456	271,456
Other	22,500	22,500	45,859	23,359
Total charges for services	<u>2,329,104</u>	<u>2,329,104</u>	<u>2,802,384</u>	<u>473,280</u>
Miscellaneous	<u>239,000</u>	<u>289,000</u>	<u>1,237,678</u>	<u>948,678</u>
Recovered costs:				
Town of Bedford-communications	40,000	40,000	705	(39,295)
Social services	37,620	37,620	-	(37,620)
Bedford County School Board	59,780	59,780	59,780	-
Bedford Public Library	35,000	35,000	34,858	(142)
Tri-County Lake Administrative Commission	10,000	10,000	-	(10,000)
Central Garage	180,000	180,000	213,451	33,451
Nursing home	275,000	275,000	285,000	10,000
Other	58,000	70,742	284,948	214,206
Total recovered costs	<u>695,400</u>	<u>708,142</u>	<u>878,742</u>	<u>170,600</u>
Total revenue from local sources	<u>87,037,702</u>	<u>87,100,498</u>	<u>94,417,085</u>	<u>7,316,587</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Personal property taxes (state remittance)	6,086,051	6,086,051	6,086,051	-
Rental taxes	90,000	90,000	139,572	49,572
Mobile home titling taxes	85,000	85,000	180,678	95,678
Railroad rolling stock taxes	160,000	160,000	155,835	(4,165)
Total non-categorical aid	<u>6,421,051</u>	<u>6,421,051</u>	<u>6,562,136</u>	<u>141,085</u>
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	629,651	629,651	599,811	(29,840)
Sheriff	2,616,717	2,788,667	2,779,471	(9,196)
Commissioner of the Revenue	274,804	274,804	272,607	(2,197)
Treasurer	248,693	248,693	246,814	(1,879)
Registrar and Electoral board	51,000	51,000	86,252	35,252
Clerk of the Circuit Court	496,576	549,885	591,958	42,073
Communications	160,819	160,819	146,779	(14,040)
Total shared expenses	<u>4,478,260</u>	<u>4,703,519</u>	<u>4,723,692</u>	<u>20,173</u>

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
Year Ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Other:				
Social services	\$ 2,921,213	\$ 2,921,213	\$ 2,224,330	\$ (696,883)
Comprehensive services	4,287,356	4,287,356	3,989,017	(298,339)
Forfeited asset seizure proceeds	-	4,250	4,250	-
State internet crimes	-	2,522,636	2,335,437	(187,199)
Primary/Election reimbursement	-	-	9,606	9,606
EMS Four for Life	85,000	85,000	180,435	95,435
Fire funds	250,000	250,000	277,966	27,966
Victim witness coordinator	38,033	38,033	36,788	(1,245)
Domestic violence grants	210,542	189,271	255,829	66,558
VJCCCA	70,751	70,751	70,751	-
Wireless E-911 grant	220,000	223,000	308,160	85,160
Tourism grants	-	41,061	11,595	(29,466)
VA Commission of Arts	4,500	4,500	4,500	-
Juror and witness reimbursement	-	-	27,522	27,522
Virginia Tobacco Commission grants	80,000	80,000	22,809	(57,191)
Virginia telecommunication initiative grant	-	17,672,461	-	(17,672,461)
Other	37,621	166,079	356,509	190,430
Total other categorical aid	8,205,016	28,555,611	10,115,504	(18,440,107)
Total categorical aid	12,683,276	33,259,130	14,839,196	(18,419,934)
Total revenue from the Commonwealth	19,104,327	39,680,181	21,401,332	(18,278,849)
Revenue from the federal government:				
Payments in lieu of taxes	75,000	75,000	80,490	5,490
Categorical aid:				
Social services	4,701,008	4,701,008	4,166,388	(534,620)
Sheriff – DMV grants	-	56,413	13,870	(42,543)
Justice assistance grants	-	976,360	478,749	(497,611)
Internet crimes grant	-	200,000	4,284	(195,716)
Bulletproof vest grant	-	35,366	16,437	(18,929)
Victim witness coordinator	114,100	114,100	110,364	(3,736)
Domestic violence grants	132,591	153,862	122,101	(31,761)
American rescue plan act grants	-	15,379,828	7,707,708	(7,672,120)
Other	169,419	202,677	195,603	(7,074)
Total categorical aid	5,117,118	21,819,614	12,815,504	(9,004,110)
Total revenue from the federal government	5,192,118	21,894,614	12,895,994	(8,998,620)
Total intergovernmental revenues	24,296,445	61,574,795	34,297,326	(27,277,469)
Total general fund	\$ 111,334,147	\$ 148,675,293	\$ 128,714,411	\$ (19,960,882)

(Continued)

## COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
Year Ended June 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Expenditures</b>				
General government administration:				
Legislative:				
Board of Supervisors	\$ 130,582	\$ 135,708	\$ 133,689	\$ 2,019
General and financial administration:				
County administration	1,073,194	1,102,847	722,508	380,339
County attorney	231,105	225,979	216,646	9,333
Independent auditor	75,000	85,560	64,250	21,310
Commissioner of the Revenue	1,091,948	1,426,340	952,913	473,427
Treasurer	791,135	791,135	737,308	53,827
Finance	871,824	871,824	852,536	19,288
Information technology	1,101,815	1,435,879	1,435,879	-
Human resources	362,415	362,415	339,306	23,109
Electoral board	248,613	270,235	145,633	124,602
Registrar	303,089	304,688	289,564	15,124
Total general and financial administration	6,150,138	6,876,902	5,756,543	1,120,359
Total general government administration	6,280,720	7,012,610	5,890,232	1,122,378
Judicial administration:				
Courts:				
Circuit Court	97,368	97,368	97,368	-
District Court	14,325	14,325	13,888	437
Magistrates	2,600	2,600	2,233	367
Juvenile and Domestic Relations District Court	16,395	16,395	13,413	2,982
Clerk of the Circuit Court	1,110,061	1,272,885	1,237,982	34,903
Victim Witness Program	229,378	229,378	201,935	27,443
Law Library	14,050	14,050	10,656	3,394
Other court services	12,000	12,000	12,000	-
Total courts	1,496,177	1,659,001	1,589,475	69,526
Commonwealth's Attorney	1,103,913	1,146,455	1,060,018	86,437
Total judicial administration	2,600,090	2,805,456	2,649,493	155,963
Public safety:				
Law enforcement and traffic control:				
Sheriff	7,627,067	7,613,541	7,845,928	(232,387)
Internet Crimes Grant	-	3,698,997	1,986,837	1,712,160
Law enforcement grants	-	148,130	52,213	95,917
Total law enforcement and traffic control	7,627,067	11,460,668	9,884,978	1,575,690
Fire and rescue services:				
Volunteer fire companies	1,448,400	2,082,996	2,064,840	18,156
Volunteer rescue squads	929,205	1,077,819	1,050,732	27,087
Total fire and rescue services	2,377,605	3,160,815	3,115,572	45,243

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Correction and detention:				
Blue Ridge Regional Jail	\$ 2,000,000	\$ 2,310,387	\$ 2,310,387	\$ -
VJCCA	178,625	104,095	104,064	31
Juvenile secure detention	200,000	208,580	208,580	-
Total correction and detention	<u>2,378,625</u>	<u>2,623,062</u>	<u>2,623,031</u>	<u>31</u>
Building inspections	<u>549,551</u>	<u>553,418</u>	<u>557,504</u>	<u>(4,086)</u>
Other protection:				
Animal shelter	208,857	220,732	214,501	6,231
Animal control	302,455	339,704	321,792	17,912
Emergency services	4,711,357	4,357,815	3,933,567	424,248
Communications center	2,971,977	2,977,837	2,744,235	233,602
Transportation Safety Committee	995	995	-	995
Total other protection	<u>8,195,641</u>	<u>7,897,083</u>	<u>7,214,095</u>	<u>682,988</u>
Total public safety	<u>21,128,489</u>	<u>25,695,046</u>	<u>23,395,180</u>	<u>2,299,866</u>
Public works:				
Sanitation and waste removal:				
Refuse collection	<u>3,686,057</u>	<u>3,686,057</u>	<u>3,519,964</u>	<u>166,093</u>
Total sanitation and waste removal	<u>3,686,057</u>	<u>3,686,057</u>	<u>3,519,964</u>	<u>166,093</u>
Maintenance – buildings and grounds:				
Housekeeping	458,230	458,230	329,147	129,083
General properties	1,358,141	1,233,162	1,154,135	79,027
Central garage	335,878	341,922	341,425	497
Total maintenance – buildings and grounds	<u>2,152,249</u>	<u>2,033,314</u>	<u>1,824,707</u>	<u>208,607</u>
Total public works	<u>5,838,306</u>	<u>5,719,371</u>	<u>5,344,671</u>	<u>374,700</u>
Health and welfare:				
Health:				
Supplement to local health department	<u>707,509</u>	<u>707,509</u>	<u>683,930</u>	<u>23,579</u>
Welfare:				
Social services	11,024,818	11,024,818	9,536,500	1,488,318
Comprehensive services	6,645,888	6,645,888	5,580,697	1,065,191
Domestic violence	544,802	544,802	497,360	47,442
Total welfare	<u>18,215,508</u>	<u>18,215,508</u>	<u>15,614,557</u>	<u>2,600,951</u>
Total health and welfare	<u>18,923,017</u>	<u>18,923,017</u>	<u>16,298,487</u>	<u>2,624,530</u>
Education	<u>36,393,028</u>	<u>42,705,030</u>	<u>40,587,081</u>	<u>2,117,949</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Parks, recreation, and cultural:				
Recreation department	\$ 1,555,337	\$ 1,568,807	\$ 1,335,753	\$ 233,054
Cultural enrichment	139,644	175,232	165,239	9,993
Contribution to Regional Library	1,766,052	1,766,052	1,766,052	-
Total parks, recreation, and cultural	<u>3,461,033</u>	<u>3,510,091</u>	<u>3,267,044</u>	<u>243,047</u>
Community development:				
Planning and community development:				
Planning commission	53,018	53,018	50,818	2,200
Planning and zoning	867,645	877,645	794,114	83,531
GIS	341,427	341,427	322,497	18,930
Board of appeals	3,485	3,485	1,075	2,410
Economic development	559,983	659,983	568,878	91,105
Joint City/County Economic development	750,000	750,000	750,000	-
Broadband Authority	114,500	204,208	173,997	30,211
Tourism	769,601	819,325	737,763	81,562
Total planning and community development	<u>3,459,659</u>	<u>3,709,091</u>	<u>3,399,142</u>	<u>309,949</u>
Environmental management:				
Natural Resources	337,022	337,022	335,113	1,909
Soil and Water Conservation District	14,250	14,250	14,250	-
Tri-County Lake Administrative Commission	57,271	57,271	57,270	1
Total environmental management	<u>408,543</u>	<u>408,543</u>	<u>406,633</u>	<u>1,910</u>
Cooperative Extension Program:				
VPI & SU Extension Office	79,275	79,275	78,169	1,106
Cannery	19,075	19,075	8,158	10,917
Total cooperative extension program	<u>98,350</u>	<u>98,350</u>	<u>86,327</u>	<u>12,023</u>
Total community development	<u>3,966,552</u>	<u>4,215,984</u>	<u>3,892,102</u>	<u>323,882</u>
Debt Service:				
Principal retirement	4,575,000	4,575,000	4,607,841	(32,841)
Interest and other fiscal charges	3,066,662	3,066,662	3,005,211	61,451
Total debt service	<u>7,641,662</u>	<u>7,641,662</u>	<u>7,613,052</u>	<u>28,610</u>

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –  
GOVERNMENTAL FUND  
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Capital projects:				
General governmental	\$ 1,565,300	\$ 1,861,192	\$ 601,697	\$ 1,259,495
Public safety	1,669,664	4,479,911	1,746,217	2,733,694
Public works	822,000	4,010,630	1,002,504	3,008,126
Health and welfare	-	15,300	-	15,300
Education	1,500,000	2,848,430	1,959,054	889,376
Parks, recreation, and cultural	485,475	1,179,597	343,682	835,915
Community and economic development	2,660,000	33,395,266	3,017,267	30,377,999
Total capital projects	<u>8,702,439</u>	<u>47,790,326</u>	<u>8,670,421</u>	<u>39,119,905</u>
Total expenditures	<u>114,935,336</u>	<u>166,018,593</u>	<u>117,607,763</u>	<u>48,410,830</u>
Excess of Revenues over Expenditures	<u>(3,601,189)</u>	<u>(17,343,300)</u>	<u>11,106,648</u>	<u>28,449,948</u>
Other Financing Sources (Uses):				
Transfers to:				
Component units	<u>(1,784,744)</u>	<u>(1,784,744)</u>	<u>(1,784,744)</u>	<u>-</u>
Total other financing sources and uses	<u>(1,784,744)</u>	<u>(1,784,744)</u>	<u>(1,784,744)</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,385,933)</u>	<u>\$ (19,128,044)</u>	<u>\$ 9,321,904</u>	<u>\$ 28,449,948</u>

## COUNTY OF BEDFORD, VIRGINIA

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

<b><u>Federal Grantor/Pass-Through Grantor (Commonwealth of Virginia)/Program Title</u></b>	<b><u>Assistance Listing Number</u></b>	<b><u>Federal Expenditures</u></b>
<b><u>Department of Agriculture:</u></b>		
<b><u>Pass-Through Payments:</u></b>		
<b><u>Department of Social Services:</u></b>		
Supplemental Nutrition Assistance Program	10.561	\$ 1,318,473
<b><u>Department of the Agriculture and Consumer Services:</u></b>		
Child Nutrition Cluster – National School Lunch Program (Commodities)	10.555	375,278
Emergency Food Assistance Program (Food Commodities)	10.569	511
<b><u>Department of Education:</u></b>		
Child Nutrition Cluster – National School Breakfast Program	10.553	1,398,711
Child Nutrition Cluster – National School Lunch Program	10.555	4,215,702
Child Nutrition Cluster – Summer Food Service for Children	10.559	147,833
<b><u>Department of Justice:</u></b>		
<b><u>Direct Payments:</u></b>		
Missing Children’s Assistance	16.543	519,868
Bulletproof Vest Partnership Program	16.607	10,550
JAG Program Cluster – Edward Byrne Memorial Justice Assistance Grant	16.738	11,311
<b><u>Pass-Through Payments:</u></b>		
<b><u>Department of Criminal Justice Services:</u></b>		
Crime Victim Assistance	16.575	225,465
Violence Against Women Formula Grants	16.588	6,374
<b><u>Department of Transportation:</u></b>		
<b><u>Pass-Through Payments:</u></b>		
<b><u>Department of Motor Vehicles:</u></b>		
Highway Safety Cluster – State and Community Highway Safety (Section 402)	20.600	14,970
National Priority Safety Programs	20.616	770
<b><u>Department of Treasury:</u></b>		
<b><u>Direct Payments:</u></b>		
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	38,187
<b><u>Pass-through Payments:</u></b>		
<b><u>Virginia Department of Accounts:</u></b>		
Coronavirus Relief Fund - COVID-19	21.019	380,041
<b><u>Department of Criminal Justice Services:</u></b>		
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	23,248
<b><u>Department of Education:</u></b>		
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	1,169,440
<b><u>Department of Housing and Community Development:</u></b>		
Coronavirus Relief Fund - Municipal Utility Relief Program – COVID-19	21.019	50,936
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	35,588
<b><u>Department of Education:</u></b>		
<b><u>Direct Payments:</u></b>		
Twenty-First Century Community Learning Centers	84.287	186,272
<b><u>Pass-through Payments:</u></b>		
<b><u>Department of Education:</u></b>		
Adult Education Grants to States	84.002	84,832
Title I: Grants to Local Educational Agencies	84.010	2,084,229
Special Education Cluster – Special Education – Grants to States	84.027	2,252,029

(Continued)

## COUNTY OF BEDFORD, VIRGINIA

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

<u>Federal Grantor/Pass-Through Grantor (Commonwealth of Virginia)/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>Department of Education:</u>		
Vocational Education – Basic Grants to States	84.048	\$ 188,673
Special Education Cluster – Special Education – Preschool Grants	84.173	65,668
English Language Acquisition Grants	84.365	10,640
No Child Left Behind Act Improving Teacher Quality State Grants	84.367	238,727
Student Support and Academic Enrichment Program	84.424	153,040
Education Stabilization Fund – Governor's Emergency Education Relief (GEER) Fund – COVID-19	84.425C	25,376
Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER) Fund – COVID-19	84.425D	7,607,852
<u>Department of Health and Human Services:</u>		
<u>Direct Payments:</u>		
Provider Relief Funds – COVID-19	93.498	205,182
<u>Pass-through Payments:</u>		
<u>Department of Social Services:</u>		
Guardianship Assistance	93.090	49
Title IV-E Prevention Program	93.472	15,870
Promoting Safe and Stable Families	93.556	54,931
TANF Block Grant	93.558	488,114
Refugee and Entrant Assistance – State Administered Program	93.566	1,335
Low Income Home Energy Assistance	93.568	49,732
CCDF Cluster – Child Care Development Fund	93.596	72,232
Chafee Education & Training Vouchers Program	93.599	1,847
Adoption Incentives Payment Program	93.603	351
Child Welfare Services – State Grants	93.645	765
Foster Care – Title IV-E	93.658	624,790
Adoption Assistance	93.659	832,105
Social Service Block Grant	93.667	421,194
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	682
Independent Living	93.674	14,530
Virginia Children's Medical Insurance Plan	93.767	7,192
Medical Assistance Program (Medicaid; Title XIX)	93.778	687,408
Total Expenditures of Federal Awards		<u>\$ 26,318,903</u>

Note 1. Basis of Accounting

This schedule was prepared on the budgetary (cash) basis.

Note 2. Nonmonetary Assistance

Nonmonetary assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the food commodities or food stamps disbursed.

Note 3. Indirect Costs

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

Note 4. Outstanding Loan Balances

At June 30, 2022, the County had no outstanding loan balances requiring continuing disclosure.

Note 5. Provider Relief Funds

The amount reported for Provider Relief Funds on this Schedule is based on the September 2022 reporting Health and Human Services that covers all amounts received by the County through June 30, 2021.

# STATISTICAL SECTION

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This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

## Contents

**Financial Trends** – These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

**Revenue Capacity** – These tables contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.

**Debt Capacity** – These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

**Demographic and Economic Information** – These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

**Operating Information** – These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

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

COUNTY OF BEDFORD, VIRGINIA

**Net Position by Component  
Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 24,869,124	\$ 26,704,166	\$ 28,334,835	\$ 30,177,071	\$ 33,534,872	\$ 37,032,856	\$ 39,730,712	\$ 39,341,946	\$ 43,150,176	\$ 43,376,776
Restricted	127,265	18,033	1,079	1,778,497	-	-	-	387,285	-	2,323,945
Unrestricted	(15,860,897)	(13,795,499)	(6,360,819)	5,347,098	1,390,438	(17,107,846)	(12,947,519)	(28,300,584)	(12,856,315)	6,826,858
<b>Total governmental activities net position</b>	<b>\$ 9,135,492</b>	<b>\$ 12,926,700</b>	<b>\$ 21,975,095</b>	<b>\$ 37,302,666</b>	<b>\$ 34,925,310</b>	<b>\$ 19,925,010</b>	<b>\$ 26,783,193</b>	<b>\$ 11,428,647</b>	<b>\$ 30,293,861</b>	<b>\$ 52,527,579</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 13,012,464	\$ 12,464,508	\$ 11,690,734	\$ 10,903,022	\$ 11,032,423	\$ 10,294,047	\$ 10,801,945	\$ 10,406,135	\$ 10,832,714	\$ 10,228,978
Restricted	-	-	-	-	-	-	-	-	-	497,404
Unrestricted	3,078,850	2,819,835	3,656,443	5,412,132	6,526,534	7,892,213	6,691,283	6,740,696	4,828,854	2,623,383
<b>Total business-type activities net position</b>	<b>\$ 16,091,314</b>	<b>\$ 15,284,343</b>	<b>\$ 15,347,177</b>	<b>\$ 16,315,154</b>	<b>\$ 17,558,957</b>	<b>\$ 18,186,260</b>	<b>\$ 17,493,228</b>	<b>\$ 17,146,831</b>	<b>\$ 15,661,568</b>	<b>\$ 13,349,765</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 37,881,588	\$ 39,168,674	\$ 40,025,569	\$ 41,080,093	\$ 44,567,295	\$ 47,326,903	\$ 50,532,657	\$ 49,748,081	\$ 53,982,890	\$ 53,605,754
Restricted	127,265	18,033	1,079	1,778,497	-	-	-	387,285	-	2,821,349
Unrestricted	(12,782,047)	(10,975,664)	(2,704,376)	10,759,230	7,916,972	(9,215,633)	(6,256,236)	(21,559,888)	(8,027,461)	9,450,241
<b>Total primary government net position</b>	<b>\$ 25,226,806</b>	<b>\$ 28,211,043</b>	<b>\$ 37,322,272</b>	<b>\$ 53,617,820</b>	<b>\$ 52,484,267</b>	<b>\$ 38,111,270</b>	<b>\$ 44,276,421</b>	<b>\$ 28,575,478</b>	<b>\$ 45,955,429</b>	<b>\$ 65,877,344</b>
<b>Component Unit-School Board (1)</b>										
Net investment in capital assets	\$ 96,063,553	\$ 94,486,617	\$ 91,638,957	\$ 89,284,475	\$ 99,440,616	\$ 120,580,237	\$ 119,753,017	\$ 133,836,321	\$ 133,453,692	\$ 136,092,022
Restricted	4	6	6	-	-	-	-	74,805	-	3,432,811
Unrestricted	3,915,714	3,727,386	(80,768,278)	(76,737,675)	(75,767,336)	(90,361,598)	(83,093,633)	(82,157,986)	(83,300,950)	(73,185,844)
<b>Total component unit-School Board net position</b>	<b>\$ 99,979,271</b>	<b>\$ 98,214,009</b>	<b>\$ 10,870,685</b>	<b>\$ 12,546,800</b>	<b>\$ 23,673,280</b>	<b>\$ 30,218,639</b>	<b>\$ 36,659,384</b>	<b>\$ 51,753,140</b>	<b>\$ 50,152,742</b>	<b>\$ 66,338,989</b>

(1) School Board component unit, net position components are included in this table due to Public Schools being a significant portion of the County. In Virginia, the County issues debt to finance the construction of school facilities for the Public Schools because Public Schools do not have borrowing or taxing authority.

(2) GASB Statement No. 68 was adopted in fiscal year 2015.

(3) GASB Statement No. 75 was adopted in fiscal year 2018.

COUNTY OF BEDFORD, VIRGINIA

**Changes in Net Position  
Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Primary Government:</b>										
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,691,404	\$ 4,032,123	\$ 3,903,841	\$ 3,686,970	\$ 4,135,945	\$ 4,324,995	\$ 5,020,465	\$ 5,019,953	\$ 22,395,626	\$ 7,899,840
Judicial administration	2,328,645	2,434,093	2,339,469	2,419,173	2,588,187	2,621,336	2,683,103	2,950,095	3,051,594	2,974,109
Public safety	17,641,751	19,756,848	18,263,579	18,985,844	20,680,112	21,976,031	21,460,096	24,496,837	17,923,009	25,020,861
Public works	4,688,457	4,963,878	4,569,759	4,523,662	4,736,339	4,996,039	5,823,881	7,347,749	6,417,775	5,555,347
Health and welfare	9,706,770	9,868,303	9,929,076	10,643,689	11,668,977	13,154,429	14,123,419	17,297,660	16,924,548	16,033,838
Education	40,154,179	34,743,918	29,271,434	33,713,688	48,102,859	60,391,126	41,340,447	58,005,165	36,025,390	37,042,431
Parks, recreational, and cultural	2,838,982	3,312,492	3,116,385	3,753,755	3,344,715	3,448,466	3,563,515	3,589,381	3,817,554	3,784,816
Community development	5,703,012	6,341,152	7,308,128	5,114,090	5,254,616	5,444,352	5,988,002	7,055,199	3,794,110	3,921,142
Interest on long-term debt	3,674,625	2,709,301	2,484,060	2,201,911	2,989,864	2,911,990	2,841,510	3,236,998	2,853,180	3,320,619
Total governmental activities expenses	90,427,825	88,162,108	81,185,731	85,042,782	103,501,614	119,268,764	102,844,438	128,999,037	113,202,786	105,553,003
Business-type activities:										
Group homes	1,452,772	-	-	-	-	-	-	-	-	-
Nursing home	5,226,464	5,491,294	5,279,264	5,323,100	5,752,404	5,958,786	7,158,320	7,759,530	8,419,047	7,017,961
Solid waste	3,700,318	3,456,334	3,127,530	3,360,369	3,324,130	3,528,516	4,599,966	5,181,169	4,919,613	6,116,669
Total business-type activities expenses	10,379,554	8,947,628	8,406,794	8,683,469	9,076,534	9,487,302	11,758,286	12,940,699	13,338,660	13,134,630
Total primary government expenses	\$ 100,807,379	\$ 97,109,736	\$ 89,592,525	\$ 93,726,251	\$ 112,578,148	\$ 128,756,066	\$ 114,602,724	\$ 141,939,736	\$ 126,541,446	\$ 118,687,633
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	\$ 2,780,427	\$ 2,229,697	\$ 2,237,790	\$ 2,322,194	\$ 2,190,308	\$ 3,316,833	\$ 2,713,928	\$ 2,708,587	\$ 2,716,088	\$ 3,318,927
Health and welfare	846,663	324,979	119,175	132,634	141,947	121,645	167,992	158,016	269,037	269,855
Community development	190,748	243,713	247,451	241,294	255,561	293,703	267,484	292,024	241,316	242,008
Other activities	854,456	605,163	747,100	824,510	958,722	998,692	1,150,890	1,208,727	1,179,328	1,363,146
Operating grants and contributions	11,475,946	12,958,689	12,680,711	13,479,122	14,505,883	14,894,113	18,009,891	22,283,832	34,981,432	25,771,659
Capital grants and contributions	218,081	278,842	104,082	346,027	239,004	53,637	12,500	158,779	563,696	-
Total governmental activities program revenues	16,366,321	16,641,083	16,136,309	17,345,781	18,291,425	19,678,623	22,322,685	26,809,965	39,950,897	30,965,595
Business-type activities:										
Charges for services:										
Group Homes	1,067,380	-	-	-	-	-	-	-	-	-
Nursing Home	5,543,359	5,645,133	6,737,547	6,802,536	7,244,858	7,209,455	7,742,767	7,600,312	6,282,862	5,884,474
Solid Waste	1,973,378	2,084,227	2,330,680	2,493,612	2,610,092	2,685,029	2,887,895	2,624,487	2,619,474	2,475,035
Operating grants and contributions	397,699	397,947	351,149	295,454	378,572	359,322	332,733	-	616,342	75,980
Total business-type activities program revenues	8,981,816	8,127,307	9,419,376	9,591,602	10,233,522	10,253,806	10,963,395	10,224,799	9,518,678	8,435,489
Total primary government program revenues	25,348,137	24,768,390	25,555,685	26,937,383	28,524,947	29,932,429	33,286,080	37,034,764	49,469,575	39,401,084
<b>Net (expense) revenue (1)</b>										
Governmental activities	(74,061,504)	(71,521,025)	(65,049,422)	(67,697,001)	(85,210,189)	(99,590,141)	(80,521,753)	(102,189,072)	(73,251,889)	(74,587,408)
Business-type activities	(1,397,738)	(820,321)	1,012,582	908,133	1,156,988	766,504	(794,891)	(2,715,900)	(3,819,982)	(4,699,141)
Total primary government net expense	(75,459,242)	(72,341,346)	(64,036,840)	(66,788,868)	(84,053,201)	(98,823,637)	(81,316,644)	(104,904,972)	(77,071,871)	(79,286,549)

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**Changes in Net Position  
Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 52,749,509	\$ 56,345,681	\$ 59,963,137	\$ 61,722,532	\$ 63,956,257	\$ 65,118,037	\$ 66,324,332	\$ 65,118,037	\$ 69,190,893	\$ 71,897,356
Other local taxes	10,435,809	10,955,993	11,657,187	12,118,186	12,529,640	13,221,452	13,522,591	13,221,452	16,979,126	18,540,409
Noncategorical state aid	6,611,332	6,685,461	6,595,703	6,701,673	6,871,458	6,814,314	6,783,138	6,814,314	6,535,954	6,786,999
Investment earnings-unrestricted	246,068	241,059	150,908	261,818	274,992	250,275	396,118	250,275	324,972	197,744
Investment earnings-restricted for capital projects, debt service and length of service award program	14,986	1,925	1,233	55,460	263,835	337,943	215,960	337,943	108,006	63,905
Miscellaneous	946,856	229,025	205,121	573,225	1,677,067	226,623	137,797	226,623	915,978	1,119,457
Transfers	162,292	35,205	2,867	-	5,751	(50,000)	-	(50,000)	-	(1,784,744)
Special Item - contribution of capital assets	-	817,884	-	-	-	-	-	-	(1,937,826)	-
<b>Total governmental activities</b>	<b>71,166,852</b>	<b>75,312,233</b>	<b>78,576,156</b>	<b>81,432,894</b>	<b>85,579,000</b>	<b>85,918,644</b>	<b>87,379,936</b>	<b>85,918,644</b>	<b>92,117,103</b>	<b>96,821,126</b>
Business-type activities:										
Investment earnings-unrestricted and restricted	38,382	42,071	15,811	58,686	29,687	36,750	97,692	36,750	66,635	38,947
Miscellaneous	3,777	6,484	-	1,158	62,879	1,512	4,167	1,512	330,259	563,647
Transfers	(162,292)	(35,205)	(2,867)	-	(5,751)	50,000	-	50,000	1,937,826	1,784,744
<b>Total business-type activities</b>	<b>(120,133)</b>	<b>13,350</b>	<b>12,944</b>	<b>59,844</b>	<b>86,815</b>	<b>88,262</b>	<b>101,859</b>	<b>88,262</b>	<b>2,334,720</b>	<b>2,387,338</b>
<b>Total primary government</b>	<b>\$ 71,046,719</b>	<b>\$ 75,325,583</b>	<b>\$ 78,589,100</b>	<b>\$ 81,492,738</b>	<b>\$ 85,665,815</b>	<b>\$ 86,006,906</b>	<b>\$ 87,481,795</b>	<b>\$ 86,006,906</b>	<b>\$ 94,451,823</b>	<b>\$ 99,208,464</b>
<b>Change in Net Position</b>										
Governmental activities	\$ (2,894,652)	\$ 3,791,208	\$ 13,526,734	\$ 13,735,893	\$ 368,811	\$ (13,671,497)	\$ 6,858,183	\$ (16,270,428)	\$ 18,865,214	\$ 22,233,718
Business-type activities	(1,517,871)	(806,971)	1,025,526	967,977	1,243,803	854,766	(693,032)	(2,627,638)	(1,485,262)	(2,311,803)
<b>Total Primary Government</b>	<b>\$ (4,412,523)</b>	<b>\$ 2,984,237</b>	<b>\$ 14,552,260</b>	<b>\$ 14,703,870</b>	<b>\$ 1,612,614</b>	<b>\$ (12,816,731)</b>	<b>\$ 6,165,151</b>	<b>\$ (18,898,066)</b>	<b>\$ 17,379,952</b>	<b>\$ 19,921,915</b>
<b>Component Unit-School Board: (2)</b>										
<b>Expenses</b>										
Education	\$ 102,516,696	\$ 101,586,480	\$ 98,554,187	\$ 99,876,493	\$ 103,236,399	\$ 104,889,393	\$ 104,774,662	\$ 104,889,393	\$ 118,447,507	\$ 115,421,194
<b>Program Revenues</b>										
Charges for services	8,405,921	2,518,530	2,859,682	2,656,725	2,581,361	2,786,113	2,646,055	2,786,113	2,810,912	3,949,989
Operating grants and contributions	19,374,378	22,127,815	22,640,803	24,797,005	22,774,064	25,133,669	24,858,468	25,133,669	32,144,555	46,174,711
<b>Total component unit program revenues</b>	<b>27,780,299</b>	<b>24,646,345</b>	<b>25,500,485</b>	<b>27,453,730</b>	<b>25,355,425</b>	<b>27,919,782</b>	<b>27,504,523</b>	<b>27,919,782</b>	<b>34,955,467</b>	<b>50,124,700</b>
<b>Net (expense)/revenue</b>	<b>(74,736,397)</b>	<b>(76,940,135)</b>	<b>(73,053,702)</b>	<b>(72,422,763)</b>	<b>(77,880,974)</b>	<b>(76,969,611)</b>	<b>(77,270,139)</b>	<b>(76,969,611)</b>	<b>(83,492,040)</b>	<b>(65,296,494)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Contribution from primary government	40,152,454	34,718,131	29,269,553	33,711,812	48,100,970	60,389,231	41,339,555	60,389,231	36,035,480	37,042,431
State aid	32,282,549	38,663,168	40,709,409	39,980,964	40,596,771	40,508,443	42,222,047	40,508,443	43,573,533	43,330,333
Investment earnings-unrestricted	-	-	-	791	1,073	1,110	14,708	1,110	30,309	30,742
Investment earnings-restricted for capital projects and debt service	1,101	968	651	-	-	-	-	-	-	-
Miscellaneous	274,752	471,503	109,450	405,311	308,640	114,525	134,574	114,525	886,706	1,079,235
Special Item - contribution of capital assets	-	1,321,103	-	-	-	-	-	-	-	-
<b>Total general revenues and other changes in net assets</b>	<b>72,710,856</b>	<b>75,174,873</b>	<b>70,089,063</b>	<b>74,098,878</b>	<b>89,007,454</b>	<b>101,013,309</b>	<b>83,710,884</b>	<b>101,013,309</b>	<b>80,526,028</b>	<b>81,482,741</b>
<b>Total Component Unit-School Board Change in Net Position</b>	<b>\$ (2,025,541)</b>	<b>\$ (1,765,262)</b>	<b>\$ (2,964,639)</b>	<b>\$ 1,676,115</b>	<b>\$ 11,126,480</b>	<b>\$ 24,043,698</b>	<b>\$ 6,440,745</b>	<b>\$ 24,043,698</b>	<b>\$ (2,966,012)</b>	<b>\$ 16,186,247</b>

(1) Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses are net expenses indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

(2) Component unit change in net position is included in this table due to the School Board being a significant portion of the County.

COUNTY OF BEDFORD, VIRGINIA

**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Funds</b>										
General Fund										
Nonspendable	\$ 617,553	\$ 617,465	\$ 234,600	\$ 268,645	\$ 278,565	\$ 296,607	\$ 284,498	\$ 310,661	\$ 361,054	\$ 384,007
Restricted	770,552	305,038	1,657,857	1,850,461	29,704,078	6,072,001	24,385,995	4,420,914	8,735,008	10,601,823
Committed	7,710,886	9,999,808	6,366,387	7,624,489	5,570,652	7,290,318	6,836,238	7,432,663	1,328,596	7,881,953
Assigned	22,154,070	22,687,070	25,789,032	24,936,650	31,471,282	30,428,808	30,658,140	27,687,939	30,755,108	29,253,539
Unassigned	18,055,021	13,274,315	19,916,759	25,244,877	25,656,556	24,082,774	25,640,778	28,659,410	39,516,637	43,461,985
<b>Total governmental funds</b>	<b>\$ 49,308,082</b>	<b>\$ 46,883,696</b>	<b>\$ 53,964,635</b>	<b>\$ 59,925,122</b>	<b>\$ 92,681,133</b>	<b>\$ 68,170,508</b>	<b>\$ 87,805,649</b>	<b>\$ 68,511,587</b>	<b>\$ 80,696,403</b>	<b>\$ 91,583,307</b>

COUNTY OF BEDFORD, VIRGINIA

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years (1)**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
General property taxes	\$ 52,987,699	\$ 56,556,779	\$ 60,043,733	\$ 61,700,495	\$ 63,520,537	\$ 65,013,122	\$ 66,303,730	\$ 68,497,980	\$ 69,365,969	\$ 69,525,120
Other local taxes	10,491,533	10,943,326	11,647,448	12,149,638	12,529,553	13,215,433	13,463,926	14,632,059	16,981,217	18,561,403
Permits, privilege fees, and regulatory licenses	491,867	535,127	540,118	512,450	515,652	530,735	611,793	540,747	603,764	629,344
Fines and forfeitures	159,438	144,501	122,821	115,017	155,382	145,480	129,851	89,712	70,020	68,384
Revenue from use of money and property	296,329	279,244	275,960	476,458	736,247	786,376	809,401	1,049,371	586,126	439,692
Charges for services	2,038,596	1,825,779	1,840,840	2,002,289	2,015,902	2,818,251	2,448,328	2,429,251	2,545,432	2,902,012
Other	881,022	615,778	541,357	535,437	446,039	593,612	631,471	1,016,225	1,199,962	1,230,217
Recovered costs	1,759,014	520,202	503,792	460,022	541,654	522,472	634,755	626,730	747,607	884,604
Intergovernmental	18,393,111	19,765,553	19,565,405	20,456,296	20,845,343	22,167,811	23,989,020	28,331,036	43,817,563	32,927,755
<b>Total revenues</b>	<b>87,498,609</b>	<b>91,186,289</b>	<b>95,081,474</b>	<b>98,408,102</b>	<b>101,306,309</b>	<b>105,793,292</b>	<b>109,022,275</b>	<b>117,213,111</b>	<b>135,917,660</b>	<b>127,168,531</b>
<b>Expenditures</b>										
General government administration	3,501,138	3,815,479	3,790,833	3,563,822	3,772,199	4,190,871	4,522,841	4,214,240	17,866,410	5,888,445
Judicial administration	1,945,807	2,075,807	2,025,961	2,132,148	2,210,515	2,314,015	2,388,617	2,421,382	2,492,217	2,635,608
Public safety	16,754,396	18,666,873	17,824,591	18,828,269	19,344,212	21,303,220	20,941,980	22,179,931	17,213,823	23,443,567
Public works	4,061,034	4,118,593	4,142,247	4,417,932	4,572,428	4,792,171	5,052,857	5,244,561	5,520,292	5,408,706
Health and welfare	9,548,473	9,769,392	9,879,615	10,729,572	11,626,797	13,281,249	14,709,600	16,888,732	15,882,406	16,025,103
Education	32,546,495	33,595,489	29,496,706	32,875,682	33,950,706	37,302,935	36,098,010	36,524,702	33,340,251	35,840,519
Parks, recreation, and cultural	2,583,097	2,883,655	2,823,541	2,849,528	2,993,734	3,165,687	3,130,561	3,027,537	2,981,313	3,273,363
Community development	3,101,816	3,189,462	3,099,227	3,098,928	3,247,165	3,393,749	3,487,754	3,519,175	3,620,244	3,892,513
Debt service										
Principal	5,788,415	6,067,408	6,048,314	5,777,279	5,701,156	6,362,167	6,093,223	6,034,618	10,880,605	4,607,841
Interest and other fiscal charges	3,619,767	2,599,921	2,684,171	2,363,660	2,175,912	3,543,651	3,066,792	3,324,295	3,341,694	3,113,407
Capital projects	10,563,835	6,828,596	7,396,780	5,866,985	19,127,991	30,604,202	12,466,286	31,076,259	13,453,871	7,167,811
<b>Total expenditures</b>	<b>94,014,273</b>	<b>93,610,675</b>	<b>89,211,986</b>	<b>92,503,805</b>	<b>108,722,815</b>	<b>130,253,917</b>	<b>111,958,521</b>	<b>134,455,432</b>	<b>126,593,126</b>	<b>111,296,883</b>
Excess of revenues over (under) expenditures	(6,515,664)	(2,424,386)	5,869,488	5,904,297	(7,416,506)	(24,460,625)	(2,936,246)	(17,242,321)	9,324,534	15,871,648
<b>Other Financing Sources (Uses)</b>										
Transfers in	-	-	-	-	-	-	-	179,826	-	-
Transfers out	(813,133)	-	-	-	-	(50,000)	-	(2,231,567)	(1,937,826)	(4,984,744)
Issuance of debt	-	-	-	-	36,865,000	-	20,275,000	-	-	-
Refunding bonds issued	23,788,000	-	-	7,225,000	-	-	-	-	-	-
Premiums on issuance of debt	4,395,064	-	-	-	3,220,678	-	2,296,387	-	-	-
Payment to refunded bond escrow agent	(28,026,995)	-	-	(7,168,810)	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	4,798,108	-
<b>Total other financing sources and uses</b>	<b>(657,064)</b>	<b>-</b>	<b>-</b>	<b>56,190</b>	<b>40,085,678</b>	<b>(50,000)</b>	<b>22,571,387</b>	<b>(2,051,741)</b>	<b>2,860,282</b>	<b>(4,984,744)</b>
<b>Net change in fund balances</b>	<b>\$ (7,172,728)</b>	<b>\$ (2,424,386)</b>	<b>\$ 5,869,488</b>	<b>\$ 5,960,487</b>	<b>\$ 32,669,172</b>	<b>\$ (24,510,625)</b>	<b>\$ 19,635,141</b>	<b>\$ (19,294,062)</b>	<b>\$ 12,184,816</b>	<b>\$ 10,886,904</b>

COUNTY OF BEDFORD, VIRGINIA

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years (1)**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Debt Service as a Percentage of Noncapital Expenditures:</b>										
<b>Primary Government:</b>										
Total debt service	\$ 9,408,182	\$ 8,667,329	\$ 8,732,485	\$ 8,140,939	\$ 7,877,068	\$ 9,905,818	\$ 9,160,015	\$ 9,358,913	\$ 14,222,299	\$ 7,721,248
Total expenditures	\$ 94,014,273	\$ 93,610,675	\$ 89,211,986	\$ 92,503,805	\$ 108,722,815	\$ 130,253,917	\$ 111,958,521	\$ 134,455,432	\$ 126,593,126	\$ 111,296,883
Capital outlay primary government only	1,221,496	2,178,092	3,669,703	3,097,784	3,461,038	5,352,233	5,040,542	3,989,973	6,063,346	3,497,143
Noncapital expenditures	\$ 92,792,777	\$ 91,432,583	\$ 85,542,283	\$ 89,406,021	\$ 105,261,777	\$ 124,901,684	\$ 106,917,979	\$ 130,465,459	\$ 120,529,780	\$ 107,799,740
Debt service as a percentage of noncapital expenditures	10.14%	9.48%	10.21%	9.11%	7.48%	7.93%	8.57%	7.17%	11.80%	7.16%
<b>Component Unit-School Board:</b>										
Total debt service	\$ 923,386	\$ 882,627	\$ 834,643	\$ 787,048	\$ 868,173	\$ 946,533	\$ 1,155,846	\$ 1,363,602	\$ 1,320,842	\$ 1,347,842
School expenditures excluding County contribution	\$ 61,962,350	\$ 65,148,912	\$ 67,289,716	\$ 66,399,289	\$ 67,688,200	\$ 69,839,335	\$ 69,256,503	\$ 71,917,820	\$ 81,792,992	\$ 90,235,754
Capital outlay Component Unit - School Board	3,330,385	3,044,830	3,004,319	4,025,400	16,465,629	27,492,948	6,631,490	22,446,974	7,781,281	10,551,058
Noncapital expenditures	\$ 58,631,965	\$ 62,104,082	\$ 64,285,397	\$ 62,373,889	\$ 51,222,571	\$ 42,346,387	\$ 62,625,013	\$ 49,470,846	\$ 74,011,711	\$ 79,684,696
<b>Primary Government and Component Unit-Schools:</b>										
Total debt service	\$ 10,331,568	\$ 9,549,956	\$ 9,567,128	\$ 8,927,987	\$ 8,745,241	\$ 10,852,351	\$ 10,315,861	\$ 10,722,515	\$ 15,543,141	\$ 9,069,090
Total noncapital expenditure	\$ 151,424,742	\$ 153,536,665	\$ 149,827,680	\$ 151,779,910	\$ 156,484,348	\$ 167,248,071	\$ 169,542,992	\$ 179,936,305	\$ 194,541,491	\$ 187,484,436
Debt service as a percentage of noncapital expenditures	6.82%	6.22%	6.39%	5.88%	5.59%	6.49%	6.08%	5.96%	7.99%	4.84%

(1) In Virginia, the County issues debt to finance the construction of school facilities for the Public Schools because Public Schools do not have borrowing or taxing authority, therefore the debt service payments related to School facilities are presented as debt service of the component unit. Debt service as a percentage of noncapital expenditures for the Primary Government and School Board more appropriately reflects the unique Virginia school debt requirements. Only School Board capital lease debt service is selected in the Component Unit-School Board.

COUNTY OF BEDFORD, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property (1)  
Last Ten Calendar Years

Calendar Year	Real Property				Less: Tax Deferred Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Agricultural Property	Public Service			
2012	\$ 6,453,481,865	\$ 520,095,300	\$ 1,780,679,000	\$ 259,179,258	\$ 1,173,245,800	\$ 7,840,189,623	\$ 0.50
2013	6,817,604,111	642,022,000	1,780,412,600	266,427,161	1,206,268,100	8,300,197,772	0.50
2014	6,889,739,371	649,039,700	1,785,041,800	278,858,917	1,215,882,300	8,386,797,488	0.52
2015	6,952,590,383	681,652,300	1,788,524,700	294,371,167	1,211,313,400	8,505,825,150	0.52
2016	7,042,927,820	698,322,700	1,795,584,700	331,448,764	1,214,727,200	8,653,556,784	0.52
2017	7,120,334,172	705,261,700	1,795,644,600	326,010,950	1,216,871,300	8,730,380,122	0.52
2018	7,188,214,159	702,798,700	1,792,912,100	325,277,869	1,206,883,300	8,802,319,528	0.52
2019	7,706,088,008	732,381,400	1,811,686,506	337,948,360	1,196,989,900	9,391,114,374	0.50
2020	7,787,276,322	747,763,100	1,811,271,123	335,644,449	1,191,853,800	9,490,101,194	0.50
2021	7,894,488,883	748,473,300	1,807,586,606	320,057,058	1,192,123,300	9,578,482,547	0.50

(1) Property in Bedford County is reassessed once every four years at actual market value. Property is assessed at 100 percent of estimated actual value. Tax rates are per \$100 of assessed value.

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

**Direct Property Tax Rates**  
**Last Ten Calendar Years**  
*(rate per \$100 of assessed value)*

<b>Type of Tax</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Real Estate:										
General Fund	\$ 0.50	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

Principal Real Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	2021 Calendar Year			2012 Calendar Year		
	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation
Appalachian Power Co	153,235,973	1	1.60%	125,545,970	1	1.60%
Norfolk & Western Railway Co	36,163,986	2	0.38%	35,171,225	4	0.45%
Avet LLC	34,406,900	3	0.36%	44,992,300	2	0.57%
GP (Georgia Pacific) Big Island LLC	26,881,200	4	0.28%	17,515,600	6	0.22%
Southside Electric Corporation	24,932,780	5	0.26%	25,610,120	5	0.33%
NBI Development	21,352,700	6	0.22%	-		0.00%
Verizon Virginia Inc	19,613,954	7	0.20%	42,288,196	3	0.54%
B & A Properties	14,842,600	8	0.15%	-		0.00%
Cottontown Investments LLC	14,659,300	9	0.15%	-		0.00%
Carriage Square	13,379,400	10	0.14%	-		0.00%
Wal-Mart	-		0.00%	9,945,300	7	0.13%
Boonsboro Country Club	-		0.00%	9,761,400	8	0.12%
Center for Advanced Engineering & Research	-		0.00%	9,156,700	9	0.12%
Crystal Shores Marina Resort	-		-	8,743,900	10	0.11%
<b>Total</b>	<b>\$ 359,468,793</b>		<b>3.75%</b>	<b>\$ 373,723,011</b>		<b>4.77%</b>

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

Real Property Tax Levies and Collections  
Last Ten Fiscal Years

Tax Year	Tax Levied for the Tax Year	Adjustments	Total Adjusted Levy	Collection within the Tax Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2012	\$ 38,826,705	66,080	\$ 38,892,785	\$ 37,047,971	95.42%	\$ 1,839,683	\$ 38,887,654	99.99%
2013	40,110,895	99,073	40,209,968	38,498,853	95.98%	1,703,899	40,202,752	99.98%
2014	43,252,910	109,317	43,362,227	41,430,823	95.79%	1,921,634	43,352,457	99.98%
2015	43,857,517	140,104	43,997,621	42,162,884	96.14%	1,822,235	43,985,119	99.97%
2016	44,613,788	118,703	44,732,491	42,884,139	96.12%	1,829,462	44,713,601	99.96%
2017	45,009,233	153,560	45,162,793	43,137,025	95.84%	1,987,535	45,124,560	99.92%
2018	45,388,928	174,890	45,563,818	42,947,960	94.62%	2,523,904	45,471,864	99.80%
2019	46,730,571	110,292	46,840,863	44,809,346	95.89%	1,877,795	46,687,141	99.67%
2020	47,260,573	186,829	47,447,402	45,343,493	95.94%	1,832,662	47,176,154	99.43%
2021	47,710,058	146,522	47,856,580	39,437,400	82.66%	7,478,346	46,915,747	98.03%

## COUNTY OF BEDFORD, VIRGINIA

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

*The County has no overlapping debt*

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Virginia Public School Authority Bonds	Lease Revenue Bonds	Leases (2)	Lease Revenue Bonds	Leases (2)			
2013	\$ 1,960,000	\$ 43,704,770	\$ 16,640,000	\$ 8,000,000	\$ -	\$ 295,291	\$ 70,600,061	2.20%	\$ 925
2014	1,555,000	40,732,362	14,125,000	7,825,000	-	176,119	64,413,481	2.04%	834
2015	1,155,000	38,024,048	11,540,000	7,470,000	-	52,708	58,241,756	1.81%	751
2016	760,000	35,408,169	9,360,000	7,093,600	-	-	52,621,769	1.60%	679
2017	375,000	69,802,952	6,925,000	6,682,661	-	413,965	84,199,578	2.41%	1,082
2018	-	65,276,932	5,905,000	6,241,515	-	330,964	77,754,411	2.11%	993
2019	-	80,943,552	4,885,000	5,776,671	-	518,288	92,123,511	2.45%	1,166
2020	-	76,426,160	3,860,000	5,284,445	-	365,906	85,936,511	2.18%	1,088
2021	-	71,850,000	2,840,000	4,798,108	-	170,172	79,658,280	1.85%	997
2022	-	68,065,000	2,590,000	4,801,920	-	88,512	75,545,432	*	*

(1) Bureau of Economic Analysis, includes Bedford Town and County

(2) The County implemented GASB Statement No. 87, *Leases*, which resulted recording all leases as liabilities.

\* Unavailable

COUNTY OF BEDFORD, VIRGINIA

Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Real Property (1)	Per Capita (2)
	County General Obligation	School General Obligation	Total Primary Government		
2013	\$ 1,960,000	\$ 43,704,770	\$ 45,664,770	0.59%	\$ 598
2014	1,742,000	40,545,362	42,287,362	0.54%	548
2015	1,342,000	37,837,048	39,179,048	0.47%	505
2016	947,000	35,221,169	36,168,169	0.43%	467
2017	562,000	69,615,952	70,177,952	0.83%	902
2018	144,000	65,132,932	65,276,932	0.75%	833
2019	96,000	80,847,552	80,943,552	0.93%	1,025
2020	48,000	76,378,160	76,426,160	0.87%	968
2021	-	71,850,000	71,850,000	0.77%	900
2022	-	68,065,000	68,065,000	0.72%	*

(1) Source - Taxable Value of Assessed Real Property obtained from the Commissioner of Revenue.

(2) Source - Schedule of Demographic and Economic Statistics Table 12 for personal income and population data.

\* Unavailable

COUNTY OF BEDFORD, VIRGINIA

County Debt Policy (1)  
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net debt applicable to parameter	\$ 70,304,770	\$ 64,237,362	\$ 58,189,048	\$ 52,621,769	\$ 83,785,613	\$ 77,423,447	\$ 91,605,223	\$ 85,570,605	\$ 79,488,108	\$ 75,456,920
Net debt as a percentage of assessed value (not to exceed 3.5%)	0.85%	0.77%	0.68%	0.61%	0.96%	0.88%	0.98%	0.90%	0.83%	*
Net debt per capita (not to exceed \$1,750)	\$ 921	\$ 832	\$ 751	\$ 679	\$ 1,077	\$ 988	\$ 1,160	\$ 1,083	\$ 995	*
Debt service as a percentage of General Governmental Expenditures (not to exceed 15%)	7.27%	6.41%	6.55%	5.99%	6.21%	7.64%	6.36%	7.02%	8.31%	4.93%

- (1) The *Code of Virginia* has no legal debt margin limit set on the Counties. However, Bedford County has established a policy with the following three parameters:
- Net Debt as a percentage of Assessed Value will not exceed 3.5%. (Net Debt is General Obligation debt and Lease Obligation exclusive of debt or leases payable from Proprietary Funds)
  - Net Debt per Capita will not exceed \$1,750 per capita.
  - General Obligation Debt Service and Capital Lease payments as a percentage of General Governmental Expenditures will not exceed 15%.

\* Unavailable

## COUNTY OF BEDFORD, VIRGINIA

Demographic and Economic Statistics  
Last Ten Calendar Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (5) (in thousands)</u>	<u>Per Capita Personal Income (2) (6)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2013	76,309	\$ 3,206,247	\$ 42,314	10,302	5.7%
2014	77,213	3,163,386	41,307	10,023	5.1%
2015	77,525	3,226,628	41,514	9,915	4.4%
2016	77,465	3,280,745	42,082	9,674	4.1%
2017	77,807	3,489,643	44,602	9,545	3.9%
2018	78,329	3,678,030	46,707	9,543	3.1%
2019	78,997	3,759,493	47,590	9,474	2.9%
2020	78,984	3,947,219	49,457	9,368	5.1%
2021	79,865	4,315,912	53,861	8,952	3.4%
2022	*	*	*	8,812	2.8%

- Sources: (1) Weldon Cooper Center for Public Service, University of Virginia, estimates for FY 2013 through FY 2021.  
(2) Bureau of Economic Analysis, includes Bedford Town and County  
(3) March 31 ADM  
(4) Virginia Employment Commission calendar year data for 2012-2022. Data for 2021 was updated to reflect final calendar year figure. Data for 2022 is average for January 1, 2022 through June 30, 2022.  
(5) Personal income is the income received by all persons from all sources.  
(6) Per capita personal income is calculated as the personal income of residents of a given area divided by the resident population of the area.  
\* Unavailable

## COUNTY OF BEDFORD, VIRGINIA

Principal Employers  
Current Year and Nine Years Ago

Taxpayer	2022		2013	
	Employees	Rank	Employees	Rank
Bedford County School Board	1,000+	1	1,000+	1
County of Bedford	500-999	2	500-999	2
Centra Health	500-999	3	-	-
Walmart	250-499	4	250-499	7
* Elwood Staffing Services Inc	250-499	5	100-249	9
GP (Georgia Pacific) Big Island LLC	250-499	6	250-499	5
Food Lion	100-249	7	100-249	8
Sam Moore Furniture LLC	100-249	8	-	-
Sentry Equipment Erectors	100-249	9	100-249	10
* Workforce Solutions	100-249	10	-	-
** Teva Pharmaceuticals Industries Ltd	-	-	500-999	3
Mail America Communications	-	-	250-499	4
* Staffmark Investment LLC	-	-	250-499	6

Source: Virginia Labor Market Information (LMI)

\* Staffing agencies that provided temporary workers for Bedford County and surrounding locality businesses.

\*\* Formerly known as Barr Laboratories.

COUNTY OF BEDFORD, VIRGINIA

County Government Employees by Function  
Last Ten Fiscal Years

<u>Function/Program</u>	<b>Full-Time Equivalent Employees as of June 30</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General government administration	45.0	46.8	46.3	48.0	49.5	49.5	49.5	50.0	53.5	57.8
Judicial administration	28.8	29.0	29.0	30.0	30.8	30.8	30.8	31.6	31.9	31.3
Public safety	154.3	159.3	154.5	149.0	161.5	161.5	161.5	172.0	174.7	175.2
Public works	49.0	49.0	48.0	49.0	50.5	50.5	50.5	51.4	51.4	53.0
Health & welfare	83.8	87.0	83.0	81.5	88.5	88.5	88.5	106.2	105.6	106.7
Parks, recreation, and cultural	12.5	11.5	12.3	12.8	14.3	14.3	14.3	16.3	15.2	17.0
Community development	25.5	25.0	25.0	24.0	24.0	24.0	24.0	32.5	33.6	34.0
Other funds										
Group homes	23.0	-	-	-	-	-	-	-	-	-
Nursing home	96.8	96.8	97.0	94.5	94.0	94.0	94.0	97.1	92.5	84.6
Solid waste	18.0	16.8	16.6	15.8	15.5	15.5	15.5	15.8	15.0	14.6
Other funds	137.8	113.6	113.6	110.3	109.5	109.5	109.5	112.9	107.5	99.2
Total primary government	536.7	521.2	511.6	504.6	528.5	528.6	528.6	572.9	573.4	574.2
Education	1,615.0	1,648.0	1,673.0	1,697.0	1,687.0	1,694.0	1,714.00	1,674.00	1,641.0	1,638.0
Total	2,151.7	2,169.2	2,184.6	2,201.6	2,215.5	2,222.6	2,242.6	2,246.9	2,214.4	2,212.2

Source: Bedford County Department of Finance and Bedford County School Board

COUNTY OF BEDFORD, VIRGINIA

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
<b>(5) Sheriff</b>										
Number of calls	35,686	38,370	42,501	43,097	43,847	46,717	44,540	42,984	41,445	46,618*
Criminal warrants served	1,197	1,694	1,544	1,485	1,560	2,027	1,889	1,662	1,766	1,622*
Other warrants/protective orders served	1,052	1,155	1,099	1,290	941	1,240	1,321	1,303	1,186	1,324*
Civil papers handled	20,090	19,749	18,076	17,281	18,124	22,338	22,200	22,237	20,663	18,290*
Building inspections										
<b>(2)</b> Number of permits	1,417	1,509	1,471	1,537	1,561	1,565	1,562	1,788	1,983	2,427
Value of permits	\$ 90,876,889	\$ 103,159,994	\$ 143,043,939	\$ 113,302,338	\$ 123,863,855	\$ 132,571,974	\$ 141,727,024	\$ 167,939,287	\$ 178,738,809	\$ 199,764,728
Fire and rescue										
<b>(4)</b> Number of Volunteers	600	571	558	655	739	703	764	700	300	300
Number of EMS calls	15,951	15,380	17,029	18,603	18,595	16,435	5,296	5,129	5,129	8,049
Number of fire calls	3,051	2,995	3,482	3,843	4,023	3,221	3,715	3,796	3,796	2,074
Public Works										
<b>(3) Refuse collection</b>										
Incoming waste tonnage										
Industrial	25	30	2,946	3,246	4,452	4,383	4,352	1,586	663	260
Commercial	14,315	17,218	19,095	20,379	20,772	23,051	25,136	12,449	12,182	12,730
County collection system	23,698	23,403	23,590	25,030	25,707	25,322	26,539	29,907	29,808	28,222
Commercial hauled residential	1,538	1,555	1,849	1,932	1,928	1,821	1,893	1,977	1,809	1,146
Residential hauled	2,095	2,018	2,135	2,479	2,915	2,979	3,622	3,998	3,675	3,676
Total	41,671	44,224	49,615	53,066	55,774	57,556	61,542	49,917	48,137	46,034
Recyclable tonnage collected	1,977	1,974	1,962	1,981	2,072	2,079	2,512	2,239	2,290	2,296
Parks, recreation, and cultural										
<b>(1) Parks and recreation</b>										
Number of child participants	5,822	5,667	5,585	6,331	6,525	6,894	6,782	4,192	4,335	5,717
Number of adult participants	945	575	563	776	621	617	648	396	185	450
Number of senior participants	3,987	2,684	3,987	3,069	3,200	1,832	1,232	1,056	215	2,365
Scheduled events	8	8	8	9	8	16	18	10	6	8
Number of event participants	1,001	765	1,001	1,091	1,253	2,048	2,187	1,106	915	1,575
Trips/tours	24	22	24	30	25	25	14	6	-	11
Number of trip participants	355	396	355	507	350	363	230	115	-	231

\*Statistical data for the first half of fiscal year 2022 was lost due to a system failure in November 2021. Data available from the second half of the fiscal year was used to project the annual total.

Source: Various County Departments

- (1) Participant data for Parks & Recreation is for the calendar year for 2004 through 2009. Email Wyatt Woody for yearly statistical numbers
- (2) Building Inspections - email dept for annual building report
- (3) Refuse Collection - email dept (Vicki Espositio) for their statistics and recycle tonnage report
- (4) Fire and Rescue - email Sheila Layne or Jeff Johnson
- (5) Sheriff - email Teresa Silsbee

COUNTY OF BEDFORD, VIRGINIA

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Sheriff										
Stations	5	4	4	4	4	4	5	5	5	5
Patrol units	107	113	111	112	116	117	115	115	115	117
Fire & rescue										
Rescue squads	11	11	11	11	10	10	10	10	9	9
Satellite rescue squads	5	5	5	5	5	5	2	2	2	2
Fire companies	10	11	11	11	11	11	12	12	11	11
Marine based fire company	1	1	1	1	1	1	1	1	1	1
Satellite fire companies	9	9	8	8	7	7	6	6	6	6
Public works										
Refuse collection										
County convenience centers										
Unstaffed	1	1	1	1	1	1	1	1	1	1
Partially staffed	4	4	4	4	3	3	3	3	3	3
Fully staffed	10	10	10	10	11	11	12	12	12	12
Total county convenience centers	15	15	15	15	15	15	16	16	16	16
Leased convenience centers										
Partially staffed	10	10	10	10	10	10	9	9	9	9
Total leased convenience centers	10	10	10	10	10	10	9	9	9	9
Recycling centers	13	13	13	13	14	14	15	15	15	15
Parks, recreation, and cultural										
Parks & recreation										
Acreage	625	625	625	492	492	492	492	548	548	548
County parks	4	4	4	3	3	3	3	4	4	4
Leased parks	8	8	8	8	9	9	9	7	7	7
Skate Park	1	1	1	1	1	1	1	1	1	1
Walking/biking trails - miles developed	23	23	27	27	34	40	40	44	44	44
County baseball/softball diamonds	4	4	4	4	4	4	4	10	10	10
Leased baseball/softball diamonds	39	44	44	44	44	44	44	33	33	33
Football fields	4	4	4	4	4	4	4	4	4	4
County soccer fields	3	3	3	3	3	3	3	4	4	4
Leased soccer fields	37	37	37	38	39	39	39	38	38	38
Community centers	2	2	2	2	3	3	3	3	3	3
County Gymnasium	-	1	1	1	1	1	1	1	1	1

Sources: Various county departments

COUNTY OF BEDFORD, VIRGINIA

Bedford County School Board  
 March 31st Average Daily Membership  
 Last Ten Fiscal Years

<u>Grade</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
K	733	689	686	661	672	659	694	701	617	650
1	769	728	688	662	664	693	673	676	641	610
2	718	759	710	686	690	683	704	686	659	661
3	750	704	742	694	686	704	682	676	658	647
4	784	739	713	739	709	693	697	681	652	648
5	756	798	745	707	756	734	711	700	647	659
6	796	734	806	737	699	754	726	691	663	665
7	782	793	744	807	740	726	750	738	702	663
8	804	782	801	742	803	752	736	763	727	699
9	934	833	822	833	801	836	797	761	776	776
10	837	877	805	800	781	763	799	753	746	738
11	809	787	865	750	775	748	738	789	716	679
12	830	800	788	856	769	798	767	753	748	717
<b>Total</b>	<b>10,302</b>	<b>10,023</b>	<b>9,915</b>	<b>9,674</b>	<b>9,545</b>	<b>9,543</b>	<b>9,474</b>	<b>9,368</b>	<b>8,952</b>	<b>8,812</b>
Elementary school membership	6,088	5,944	5,834	5,693	5,616	5,646	5,637	5,549	5,239	5,203
Secondary school membership	4,214	4,079	4,081	3,981	3,929	3,897	3,837	3,819	3,713	3,609
<b>Total</b>	<b>10,302</b>	<b>10,023</b>	<b>9,915</b>	<b>9,674</b>	<b>9,545</b>	<b>9,543</b>	<b>9,474</b>	<b>9,368</b>	<b>8,952</b>	<b>8,812</b>

Source: Bedford County School Board

**TABLE 18**

**COUNTY OF BEDFORD, VIRGINIA**

**Bedford County School Board  
Full-Time Equivalent Employees by Type  
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Supervisory</b>										
Principals	22	22	22	21	21	21	21	21	21	21
Assistant principals	15	15	14	14	13	14	14	15	18	15
Clerical/secretarial	50	51	53	50	49	52	51	50	54	55
Guidance	36	36	38	37	33	36	36	38	39	37
Librarians	19	18	20	20	20	19	21	16	17	18
Total supervisory	142	142	147	142	136	142	143	140	149	146
<b>Instruction</b>										
Elementary classroom teachers	425	451	448	434	416	422	437	438	424	420
Secondary classroom teachers	323	315	319	323	308	296	306	299	300	287
Substitutes	51	47	53	52	53	50	51	38	26	41
Other teachers	58	54	54	58	53	55	38	37	45	48
Technology Teachers	24	24	22	23	27	28	27	27	26	24
Aides	164	168	172	189	194	197	213	192	185	184
Total instruction	1,045	1,059	1,068	1,079	1,051	1,048	1,072	1,031	1,006	1,004
<b>Student Services</b>										
Technical support	5	6	5	4	4	5	4	5	21	27
Visiting teachers/social workers	-	-	-	-	-	-	3	4	3	3
Psychologists	7	8	9	7	5	6	7	7	7	8
Nurses	26	27	27	25	26	25	24	24	23	21
Total student services	38	41	41	36	35	36	38	40	54	59
<b>Support and Administration</b>										
Board members	8	7	7	7	7	7	7	7	7	7
Instruction administration	14	16	19	21	22	22	16	18	14	12
Support administration	10	12	10	12	15	14	12	12	14	15
Clerical/secretarial	21	22	23	23	25	24	22	22	22	20
Service workers	292	309	323	340	358	362	367	367	334	335
Skilled crafts	37	40	39	37	39	40	42	42	39	40
Total support and administration	382	406	421	440	466	469	466	468	430	429
Total employees	1,607	1,648	1,677	1,697	1,688	1,695	1,719	1,679	1,639	1,638
Teachers and administrators	1,023	1,033	1,043	1,032	993	993	1,002	979	970	966
Other employees	584	615	634	665	695	702	717	700	669	672
Total employees	1,607	1,648	1,677	1,697	1,688	1,695	1,719	1,679	1,639	1,638

Source: Bedford County School Board

COUNTY OF BEDFORD, VIRGINIA

Bedford County School Board  
 Operating Statistics  
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Debt Service Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2013	10,302	\$ 92,976,273	\$ 9,025	4.16%	\$ 4,329,483	\$ 420	-48.57%	748	13.77	35%
2014	10,023	95,992,543	9,577	6.12%	4,706,151	470	11.73%	766	13.08	35%
2015	9,915	95,893,402	9,672	0.98%	4,626,404	467	-0.62%	767	12.93	37%
2016	9,674	98,432,050	10,175	5.20%	5,933,984	613	31.46%	757	12.78	37%
2017	9,545	96,688,413	10,130	-0.44%	5,623,434	589	-3.95%	725	13.17	37%
2018	9,542	101,495,428	10,637	5.00%	7,775,881	815	38.32%	718	13.29	37%
2019	9,475	101,065,093	10,667	0.28%	7,355,530	776	-4.74%	743	12.75	39%
2020	9,366	102,435,750	10,937	2.54%	7,615,577	813	4.74%	737	12.71	39%
2021	8,954	104,343,634	11,653	6.55%	8,301,779	927	14.03%	724	12.37	39%
2022	8,812	109,582,852	12,436	6.71%	7,558,128	858	-7.49%	707	12.46	39%

Source: Bedford County School Board

# **COMPLIANCE SECTION**

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

To the Honorable Members of the Board of Supervisors  
County of Bedford, 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 Audits of 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 Bedford, Virginia (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 22, 2023.

**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 and significant deficiencies may exist that have not been identified. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of finding, and questioned costs as item 2022-002, 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.**

## County of Bedford, Virginia's Response to Finding

*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  
May 22, 2023



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

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

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

*Opinion on Compliance for Each Major Federal Program*

We have audited the County of Bedford, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Bedford, 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 Bedford, 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 controls over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or grant agreements applicable to the County of Bedford, Virginia's federal programs.

## Report on Compliance for Each Major Federal Program (Continued)

### *Auditor's Responsibilities for the Audit of Compliance*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Bedford, Virginia'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 Bedford, 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 Bedford, 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 2022-001. 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 findings identified in our audit is 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 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, S. L. P.*

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia  
May 22, 2023

**COUNTY OF BEDFORD, VIRGINIA**  
**SUMMARY OF COMPLIANCE MATTERS**  
**June 30, 2022**

As more fully described in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the County’s compliance with certain provisions of the 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  
Local Retirement Systems  
Debt Provisions  
Procurement Laws  
Uniform Disposition of Unclaimed Property Act  
Comprehensive Services Act  
Sheriff Internal Controls

State Agency Requirements

Education  
Social Services  
Fire Programs Aid to Localities

**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 BEDFORD, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONS COSTS

June 30, 2022

A. SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiencies and no material weaknesses** relating to the audit of the financial statements were 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. **There were no instances of noncompliance** material to the financial statements 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 for Each Major Program and on Internal Control over Compliance required by 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 were:

<u>Name of Program:</u>	<u>Assistance Listing #</u>
Coronavirus State and Local Fiscal Recovery Fund	21.027
Special Education – Grants to States (Special Education Cluster)	84.024
Special Education – Preschool Grants (Special Education Cluster)	84.173
Education Stabilization Fund	84.425
Adoption Assistance – Title IV-E	93.659

8. The **threshold for** distinguishing Type A and B programs was **\$789,567**.
9. The County of Bedford was **not** determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

**2022-002 Untimely Reconciliation of Bank Accounts (Significant Deficiency)**

*Condition:*

The County finance department was several months behind on reconciling bank accounts for fiscal year 2022, with multiple months being reconciled after year end.

*Criteria:*

Bank accounts should be reconciled promptly after receipt of statements to allow for timely resolution of any issues.

*Cause:*

The finance department has dealt with both significant turnover which contributed to the delays.

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONS COSTS

June 30, 2022

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

**2022-002 Untimely Reconciliation of Bank Accounts (Significant Deficiency) (Continued)**

*Effect:*

Untimely reconciliations could result in errors not being resolved due to the delays.

*Recommendation:*

Staff should work to get processes in place to allow for more timely reconciliations.

*Views of Responsible Officials:*

Staff has made progress in getting bank reconciliations caught up and more timely since the end of fiscal year 2022.

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

**2022-001: Coronavirus State and Local Fiscal Recovery Fund – AL# 21.027; Special Education – Grants to States (Special Education Cluster) – AL# 84.024, Special Education – Preschool Grants (Special Education Cluster) – AL# 84.173, Education Stabilization Fund – AL# 84.425, Adoption Assistance – Title IV-E – AL# 93.659, Late Filing of Data Collection Form**

*Condition:*

The County did not file the data collection form for the year ended June 30, 2021 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 30<sup>th</sup> for the County of Bedford).

*Cause:*

Management did not complete and certify auditee portion of the form before the deadline. The form was not completed until September 10, 2022.

*Effect:*

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

(Continued)

**COUNTY OF BEDFORD, VIRGINIA**

**SCHEDULE OF FINDINGS AND QUESTIONS COSTS**

**June 30, 2022**

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

**2022-001: Coronavirus State and Local Fiscal Recovery Fund – AL# 21.027; Special Education – Grants to States (Special Education Cluster) – AL# 84.024, Special Education – Preschool Grants (Special Education Cluster) – AL# 84.173, Education Stabilization Fund – AL# 84.425, Adoption Assistance – Title IV-E – AL# 93.659, Late Filing of Data Collection Form (Continued)**

*Recommendation:*

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

*Views of Responsible Officials and Planned Corrective Action:*

The entire 2021 audit was late. Management will work to ensure future audits are completed more timely.

**D. FINDINGS – COMMONWEALTH OF VIRGINIA**

None.