



Fiscal Year Ended June 30, 2023

Annual Financial Report



County of Bedford, Virginia

www.bedfordcountyva.gov

COUNTY OF BEDFORD, VIRGINIA

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

DEPARTMENT OF FINANCE

COUNTY OF BEDFORD, VIRGINIA

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COUNTY OF BEDFORD, VIRGINIA

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INTRODUCTORY SECTION

**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	

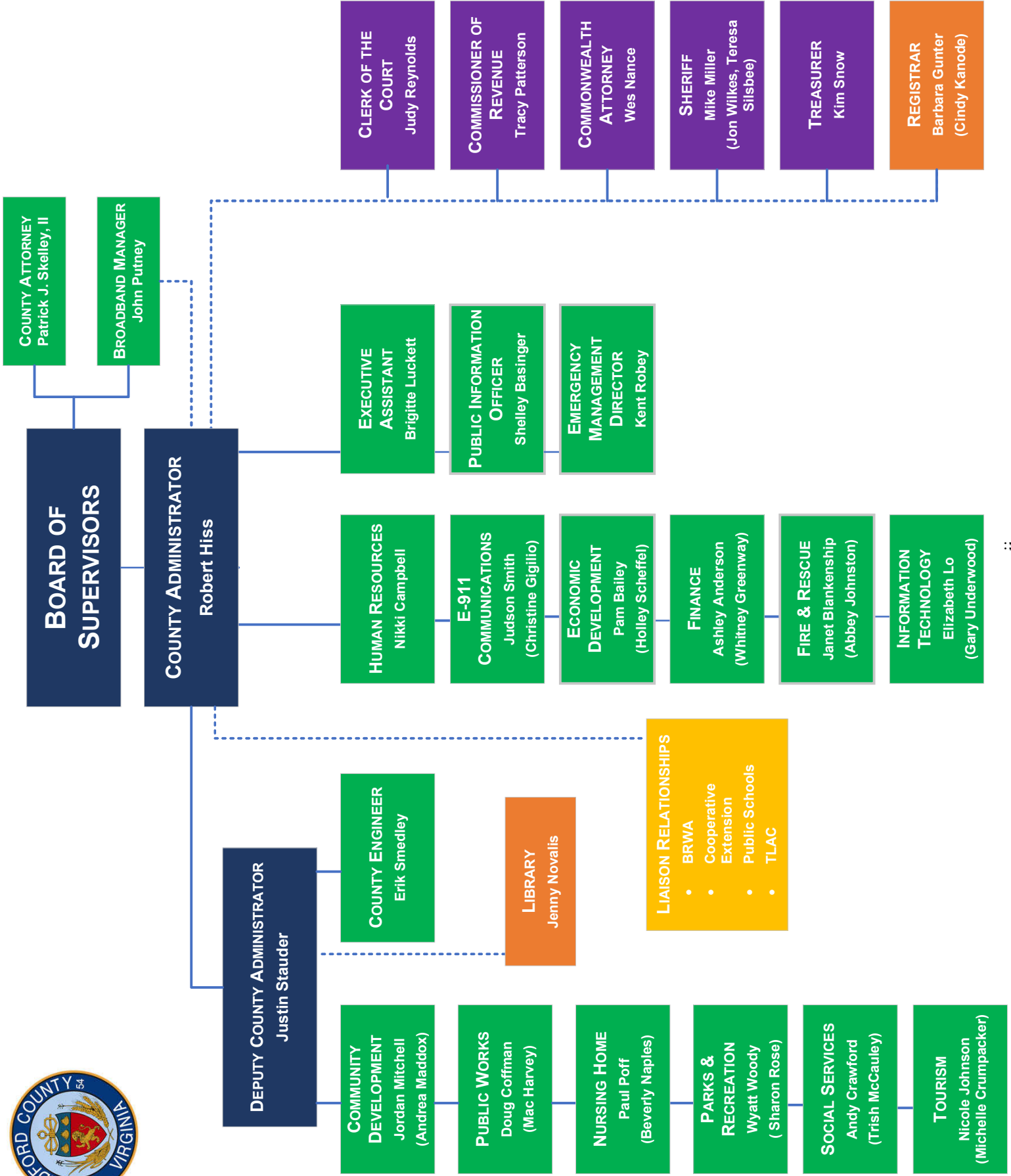
MEMBERS OF THE COUNTY SCHOOL BOARD

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	Assistant Superintendent of Finance and Operation
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



FINANCIAL SECTION



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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, 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 24 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of 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 December 12, 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
December 12, 2023

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BASIC FINANCIAL STATEMENTS

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments (Note 4)	\$ 95,983,168	\$ 11,536,146	\$ 107,519,314
Receivables, net (Note 5)	35,396,527	639,508	36,036,035
Internal balances (Note 10)	(1,191)	1,191	-
Due from primary government	-	-	-
Prepays	316,757	61,965	378,722
Inventories	48,591	-	48,591
Lease receivable			
Receivable within one year	-	-	-
Receivable in more than one year	-	-	-
Restricted assets: (Note 4)			
Cash, cash equivalents, and investments	12,428,194	72,912	12,501,106
Net pension asset (Note 12)	-	-	-
Capital assets: (Note 6)			
Nondepreciable	7,239,101	1,536,422	8,775,523
Depreciable, net	35,489,271	8,436,346	43,925,617
Right-of-use-assets, net (Note 6)	565,703	25,799	591,502
Subscription assets, net (Note 6)	93,267	37,575	130,842
Total assets	187,559,388	22,347,864	209,907,252
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,507,150	-	1,507,150
Deferred outflows related to pensions (Notes 11, 12, 13, and 14)	3,657,883	496,737	4,154,620
Deferred outflows related to other postemployment benefits (Notes 15 and 16)	411,809	85,475	497,284
Total deferred outflows of resources	5,576,842	582,212	6,159,054
LIABILITIES			
Accounts payable and accrued expenses	2,121,641	388,253	2,509,894
Accrued payroll and related liabilities	529,180	371,393	900,573
Accrued interest payable	1,187,806	-	1,187,806
Self insurance (Note 19)	483,531	-	483,531
Incentives and performance grants payable	-	-	-
Due to component units	7,958,083	-	7,958,083
Due to primary government	-	-	-
Liabilities payable from restricted assets	-	72,912	72,912
Noncurrent liabilities:			
Due within one year (Note 7)	7,732,565	402,176	8,134,741
Due in more than one year (Note 7)	71,674,248	8,987,392	80,661,640
Net pension liability (Notes 11, 13, and 14)	3,523,993	91,872	3,615,865
Net other postemployment benefit liability (Notes 15 and 16)	1,832,827	269,564	2,102,391
Total liabilities	97,043,874	10,583,562	107,627,436
DEFERRED INFLOWS OF RESOURCES			
Property taxes (Note 5)	25,406,834	-	25,406,834
Deferred inflows related to pensions (Notes 11, 12, 13, and 14)	4,864,212	589,321	5,453,533
Deferred inflows related to other postemployment benefits (Notes 15 and 16)	445,752	133,697	579,449
Lease-related deferred inflows	-	-	-
Total deferred inflows of resources	30,716,798	723,018	31,439,816
NET POSITION			
Net investment in capital assets	42,423,196	9,955,625	52,378,821
Restricted for:			
Donor requests	-	-	-
Pension	-	-	-
Unrestricted (deficit)	22,952,362	1,667,871	24,620,233
Total net position	\$ 65,375,558	\$ 11,623,496	\$ 76,999,054

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

Component Units				
School Board	Public Library	Economic Development Authority	Reclassifications (See Note 1)	Total
\$ 23,800,452	\$ 452,017	\$ 2,229,208	\$ -	\$ 134,000,991
6,796,927	-	736,998	-	43,569,960
-	-	-	-	-
7,956,495	2,562	-	-	7,959,057
142,210	34,663	-	-	555,595
175,917	-	8,413,397	-	8,637,905
-	-	195,580	-	195,580
-	-	4,216,866	-	4,216,866
-	59,526	32,301	-	12,592,933
1,781,581	252,555	-	-	2,034,136
5,280,438	-	612,790	-	14,668,751
138,160,504	493,600	4,692,265	-	187,271,986
352,397	-	-	-	943,899
461,093	-	-	-	591,935
<u>184,908,014</u>	<u>1,294,923</u>	<u>21,129,405</u>	<u>-</u>	<u>417,239,594</u>
-	-	-	-	1,507,150
15,618,457	101,632	-	-	19,874,709
3,798,286	8,794	-	-	4,304,364
<u>19,416,743</u>	<u>110,426</u>	<u>-</u>	<u>-</u>	<u>25,686,223</u>
2,737,572	43,823	18,222	-	5,309,511
12,565,118	29,938	-	-	13,495,629
58,621	-	-	-	1,246,427
1,522,072	-	-	-	2,005,603
-	-	520,225	-	520,225
-	-	-	-	7,958,083
-	974	-	-	974
-	-	-	-	72,912
2,699,941	74,229	119,013	-	11,027,924
3,865,383	-	2,281,172	-	86,808,195
57,070,277	-	-	-	60,686,142
14,153,650	38,651	-	-	16,294,692
<u>94,672,634</u>	<u>187,615</u>	<u>2,938,632</u>	<u>-</u>	<u>205,426,317</u>
-	-	-	-	25,406,834
14,069,389	113,343	-	-	19,636,265
4,264,205	9,510	-	-	4,853,164
-	-	4,425,235	-	4,425,235
<u>18,333,594</u>	<u>122,853</u>	<u>4,425,235</u>	<u>-</u>	<u>54,321,498</u>
139,640,526	491,448	3,537,535	(74,546,819)	121,501,511
-	58,351	32,301	-	90,652
1,781,581	252,555	-	-	2,034,136
(50,103,578)	292,527	10,195,702	74,546,819	59,551,703
<u>\$ 91,318,529</u>	<u>\$ 1,094,881</u>	<u>\$ 13,765,538</u>	<u>\$ -</u>	<u>\$ 183,178,002</u>

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

Function	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 6,686,853	\$ 411,095	\$ 688,605	\$ -
Judicial administration	2,846,397	131,552	1,548,319	-
Public safety	26,787,028	3,161,800	8,451,007	-
Public works	6,042,468	429,134	300,959	-
Health and welfare	16,442,996	195,311	10,585,492	-
Education	46,339,347	-	-	-
Parks, recreational, and cultural	4,164,111	43,786	4,500	-
Community development	13,748,347	313,150	11,359,153	-
Interest on long-term debt	2,277,702	-	-	-
Total governmental activities	<u>125,335,249</u>	<u>4,685,828</u>	<u>32,938,035</u>	<u>-</u>
Business-type activities:				
Nursing home	7,595,996	7,035,619	375,209	-
Solid waste	6,282,517	2,428,915	26,247	-
Total business-type activities	<u>13,878,513</u>	<u>9,464,534</u>	<u>401,456</u>	<u>-</u>
Total primary government	<u>\$ 139,213,762</u>	<u>\$ 14,150,362</u>	<u>\$ 33,339,491</u>	<u>\$ -</u>
Component Units:				
School Board	\$ 119,765,751	\$ 5,233,794	\$ 46,482,269	\$ -
Public Library	2,386,886	59,603	113,629	-
Economic Development Authority	887,043	-	446,725	-
Total component units	<u>\$ 123,039,680</u>	<u>\$ 5,293,397</u>	<u>\$ 47,042,623</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, as restated (Note 25)
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
\$ (5,587,153)	\$ -	\$ (5,587,153)	\$ -	\$ -	\$ -	\$ (5,587,153)
(1,166,526)	-	(1,166,526)	-	-	-	(1,166,526)
(15,174,221)	-	(15,174,221)	-	-	-	(15,174,221)
(5,312,375)	-	(5,312,375)	-	-	-	(5,312,375)
(5,662,193)	-	(5,662,193)	-	-	-	(5,662,193)
(46,339,347)	-	(46,339,347)	-	-	-	(46,339,347)
(4,115,825)	-	(4,115,825)	-	-	-	(4,115,825)
(2,076,044)	-	(2,076,044)	-	-	-	(2,076,044)
(2,277,702)	-	(2,277,702)	-	-	-	(2,277,702)
<u>(87,711,386)</u>	<u>-</u>	<u>(87,711,386)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,711,386)</u>
-	(185,168)	(185,168)	-	-	-	(185,168)
-	(3,827,355)	(3,827,355)	-	-	-	(3,827,355)
-	(4,012,523)	(4,012,523)	-	-	-	(4,012,523)
<u>(87,711,386)</u>	<u>(4,012,523)</u>	<u>(91,723,909)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(91,723,909)</u>
-	-	-	(68,049,688)	-	-	(68,049,688)
-	-	-	-	(2,213,654)	-	(2,213,654)
-	-	-	-	-	(440,318)	(440,318)
-	-	-	<u>(68,049,688)</u>	<u>(2,213,654)</u>	<u>(440,318)</u>	<u>(70,703,660)</u>
75,052,644	-	75,052,644	-	-	-	75,052,644
19,092,096	-	19,092,096	-	-	-	19,092,096
-	-	-	46,362,335	2,136,753	172,714	48,671,802
6,553,686	-	6,553,686	43,883,053	-	-	50,436,739
280,355	32,540	312,895	33,312	2,734	262,020	610,961
492,805	-	492,805	-	-	-	492,805
922,453	419,040	1,341,493	2,750,528	9,079	-	4,101,100
(1,834,674)	1,834,674	-	-	-	-	-
<u>100,559,365</u>	<u>2,286,254</u>	<u>102,845,619</u>	<u>93,029,228</u>	<u>2,148,566</u>	<u>434,734</u>	<u>198,458,147</u>
12,847,979	(1,726,269)	11,121,710	24,979,540	(65,088)	(5,584)	36,030,578
52,527,579	13,349,765	65,877,344	66,338,989	1,159,969	13,771,122	147,147,424
<u>\$ 65,375,558</u>	<u>\$ 11,623,496</u>	<u>\$ 76,999,054</u>	<u>\$ 91,318,529</u>	<u>\$ 1,094,881</u>	<u>\$ 13,765,538</u>	<u>\$ 183,178,002</u>

COUNTY OF BEDFORD, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUND
June 30, 2023**

	General Fund
Assets	
Cash, cash equivalents, and investments	\$ 94,279,405
Receivables, net	35,396,527
Prepays	316,757
Inventories	48,591
Restricted cash, cash equivalents, and investments	12,428,194
Total assets	\$ 142,469,474
Liabilities	
Accounts payable and accrued expenses	\$ 2,121,641
Accrued payroll and related liabilities	529,180
Due to other funds	1,191
Due to component units	7,894,690
Total liabilities	10,546,702
Deferred Inflows of Resources	
Unavailable revenue	32,420,517
Total deferred inflows of resources	32,420,517
Fund Balances	
Nonspendable	365,348
Restricted	8,694,655
Committed	14,641,984
Assigned	26,294,441
Unassigned	49,505,827
Total fund balances	99,502,255
Total liabilities, deferred inflows of resources, and fund balances	\$ 142,469,474

(Continued)

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

COUNTY OF BEDFORD, VIRGINIA

BALANCE SHEET –
GOVERNMENTAL FUND
June 30, 2023

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

Total Fund Balance, Governmental Funds		\$ 99,502,255
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 92,825,302	
Accumulated depreciation and amortization	<u>(49,437,960)</u>	43,387,342
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the fund.		7,013,683
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	3,657,883	
OPEB related deferred outflows	411,809	
Pension related deferred inflows	(4,864,212)	
OPEB related deferred inflows	(445,752)	
Net pension liability	(3,523,993)	
Other post-employment benefits	<u>(1,832,827)</u>	(6,597,092)
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		(63,393)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
Self insurance fund		1,220,232
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest payable	(1,187,806)	
General obligation and lease revenue bonds	(66,430,000)	
Premium on debt issued	(6,278,097)	
Deferred charges on refunding	1,507,150	
Leases	(4,224,364)	
Subscriptions	(85,655)	
Compensated absences	<u>(2,388,697)</u>	<u>(79,087,469)</u>
Net position of Governmental Activities		<u>\$ 65,375,558</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, 2023**

	General Fund
Revenues	
General property taxes	\$ 74,768,258
Other local taxes	19,008,871
Permits, privilege fees, and regulatory licenses	587,713
Fines and forfeitures	32,201
Revenue from use of money and property	1,040,528
Charges for services	3,171,724
Other	945,989
Recovered costs	756,513
Intergovernmental	37,700,956
Total revenues	138,012,753
Expenditures	
Current operating	
General government administration	6,262,835
Judicial administration	2,748,879
Public safety	25,296,762
Public works	5,766,693
Health and welfare	16,636,712
Education	39,520,279
Parks, recreation, and cultural	3,551,065
Community development	4,208,964
Debt service	
Principal	5,089,729
Interest and other fiscal charges	2,832,919
Capital projects	
Education	3,238,999
Other governmental activities	11,922,225
Total expenditures	127,076,061
Excess of revenues over expenditures	10,936,692
Other Financing Sources	
Transfers out	(3,017,744)
Total other financing sources	(3,017,744)
Net change in fund balance	7,918,948
Fund balance, beginning	91,583,307
Fund balance, ending	\$ 99,502,255

(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, 2023**

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	\$	7,918,948
<p>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.</p>		
Capital outlay expenditures that were capitalized	\$	2,477,032
Depreciation		(3,348,067)
GASB 87 lease capital outlay, net of amortization		(3,057)
GASB 96 subscription capital outlay, net of amortization		(88,263)
Loss on disposition of capital asset		(116,657)
		<u>(1,079,012)</u>
<p>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.</p>		
Employer pension contributions		1,973,795
Pension expenses		(744,936)
		<u>1,228,859</u>
<p>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.</p>		
Employer other postemployment benefit contributions		158,528
Other postemployment benefits expense		(93,731)
		<u>64,797</u>
<p>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.</p>		
Debt principal repayment		5,089,729
Amortization of bond premium on debt issuance		539,745
Change in accrued interest payable		182,817
Changes in deferred charges on debt issuance costs and refundings		(167,345)
		<u>5,644,946</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Changes in unavailable tax revenues		284,386
Other revenues		1,720,528
		<u>2,004,914</u>
<p>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.</p>		
Changes in operating settlement-School Board		(3,580,069)
Changes in compensated absences		(384,337)
		<u>(3,964,406)</u>
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.</p>		
Self insurance fund		1,220,232
Lease proceeds		(196,828)
SBITA inception due to the implementation of GASB 96		5,529
Total changes in net position of governmental activities	\$	<u><u>12,847,979</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, 2023

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
Revenues				
General property taxes	\$ 71,626,000	\$ 71,626,000	\$ 74,454,669	\$ 2,828,669
Other local taxes	16,636,809	16,636,809	18,854,498	2,217,689
Permits, privilege fees, and regulatory licenses	580,800	580,800	587,725	6,925
Fines and forfeitures	65,000	65,000	39,150	(25,850)
Revenue from use of money and property	487,661	487,678	1,031,858	544,180
Charges for services	2,331,104	2,345,210	3,206,411	861,201
Miscellaneous	253,000	289,348	991,966	702,618
Recovered costs	736,912	779,412	702,831	(76,581)
Intergovernmental	24,750,584	55,684,556	37,357,407	(18,327,149)
Total revenues	<u>117,467,870</u>	<u>148,494,813</u>	<u>137,226,515</u>	<u>(11,268,298)</u>
Expenditures				
Current operating				
General government administration	6,624,506	7,205,093	6,272,833	932,260
Judicial administration	2,629,569	2,926,255	2,803,377	122,878
Public safety	23,768,750	29,760,950	26,116,606	3,644,344
Public works	5,986,503	6,104,367	5,974,682	129,685
Health and welfare	18,766,407	18,937,106	16,913,163	2,023,943
Education	36,393,028	38,310,947	38,282,130	28,817
Parks, recreation, and cultural	3,574,882	3,557,909	3,549,713	8,196
Community development	4,124,363	4,489,599	4,206,286	283,313
Debt service				
Principal	4,809,491	4,809,491	4,809,491	-
Interest and other fiscal charges	2,806,804	2,806,804	2,800,080	6,724
Capital projects				
Education	2,000,000	3,089,376	3,089,376	-
Other governmental activities	7,449,580	47,872,391	11,013,015	36,859,376
Total expenditures	<u>118,933,883</u>	<u>169,870,288</u>	<u>125,830,752</u>	<u>44,039,536</u>
Excess of revenues over expenditures	<u>(1,466,013)</u>	<u>(21,375,475)</u>	<u>11,395,763</u>	<u>32,771,238</u>
Other Financing Sources (Uses)				
Transfers to:				
Component units	(1,784,744)	(3,017,744)	(3,017,744)	-
Total other financing sources (uses)	<u>(1,784,744)</u>	<u>(3,017,744)</u>	<u>(3,017,744)</u>	<u>-</u>
Net change in fund balance	<u>\$ (3,250,757)</u>	<u>\$ (24,393,219)</u>	<u>\$ 8,378,019</u>	<u>\$ 32,771,238</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, 2023**

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

Total Revenues Budgetary Basis (Exhibit 5)	\$ 137,226,515
Tax and other accruals, grant deferrals, and other transfers	<u>786,238</u>
Total Revenues GAAP Basis (Exhibit 4)	<u><u>\$ 138,012,753</u></u>

Expenditures

Total Expenditures Budgetary Basis (Exhibit 5)	\$ 125,830,752
Adjustments to remove prior payables and other accruals	<u>1,245,309</u>
Total Expenditures GAAP Basis (Exhibit 4)	<u><u>\$ 127,076,061</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, 2023

	Business-Type Activities – Enterprise Funds			Governmental
	Nursing Home	Solid Waste	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash, cash equivalents, and investments	\$ 8,282,448	\$ 3,253,698	\$ 11,536,146	\$ 1,703,763
Receivables, net	498,553	140,955	639,508	-
Due from other funds	-	1,191	1,191	-
Prepays	52,606	9,359	61,965	-
Total current assets	<u>8,833,607</u>	<u>3,405,203</u>	<u>12,238,810</u>	<u>1,703,763</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	72,912	-	72,912	-
Capital assets, net	3,020,575	6,952,193	9,972,768	-
Right-of-use assets, net	25,799	-	25,799	-
Subscription assets, net	37,575	-	37,575	-
Total noncurrent assets	<u>3,156,861</u>	<u>6,952,193</u>	<u>10,109,054</u>	<u>-</u>
Total assets	<u>11,990,468</u>	<u>10,357,396</u>	<u>22,347,864</u>	<u>1,703,763</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	394,556	102,181	496,737	-
Deferred outflows related to other postemployment benefits	70,085	15,390	85,475	-
Total deferred outflows of resources	<u>464,641</u>	<u>117,571</u>	<u>582,212</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	132,525	255,728	388,253	-
Accrued payroll and related liabilities	307,846	63,547	371,393	-
Self insurance	-	-	-	483,531
Assets held in agency capacity	72,912	-	72,912	-
Compensated absences	138,275	40,718	178,993	-
Lease obligations	9,175	17,143	26,318	-
Subscription obligations	28,665	-	28,665	-
Landfill closure/postclosure	-	168,200	168,200	-
Total current liabilities	<u>689,398</u>	<u>545,336</u>	<u>1,234,734</u>	<u>483,531</u>
Noncurrent liabilities:				
Compensated absences	-	52,833	52,833	-
Net pension liability	72,970	18,902	91,872	-
Other post-employment benefits	199,729	69,835	269,564	-
Lease obligations	17,343	-	17,343	-
Subscription obligations	7,324	-	7,324	-
Landfill closure/postclosure	-	8,909,892	8,909,892	-
Total noncurrent liabilities	<u>297,366</u>	<u>9,051,462</u>	<u>9,348,828</u>	<u>-</u>
Total liabilities	<u>986,764</u>	<u>9,596,798</u>	<u>10,583,562</u>	<u>483,531</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	468,071	121,250	589,321	-
Deferred inflows related to other postemployment benefits	106,937	26,760	133,697	-
Total deferred inflows of resources	<u>575,008</u>	<u>148,010</u>	<u>723,018</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	3,020,575	6,935,050	9,955,625	-
Unrestricted	7,872,762	(6,204,891)	1,667,871	1,220,232
Total net position	<u>\$ 10,893,337</u>	<u>\$ 730,159</u>	<u>\$ 11,623,496</u>	<u>\$ 1,220,232</u>

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, 2023**

	Business-Type Activities – Enterprise Funds			Governmental
	Nursing	Solid	Total	Activities
	Home	Waste		Internal
				Service Fund
Operating Revenues				
Charges for services	\$ 7,035,619	\$ 2,428,915	\$ 9,464,534	-
Other	18,032	374,308	392,340	-
Total Operating Revenues	<u>7,053,651</u>	<u>2,803,223</u>	<u>9,856,874</u>	<u>-</u>
Operating Expenses				
Personal services	3,862,698	860,645	4,723,343	-
Employee benefits	983,856	256,664	1,240,520	-
Purchased services	1,074,255	815,516	1,889,771	-
Continuous charges	573,608	3,187,657	3,761,265	-
Supplies and materials	780,699	183,233	963,932	-
Equipment, property, and improvements	30,851	11,168	42,019	-
Landfill closure/postclosure	-	394,418	394,418	-
Depreciation and amortization	290,029	570,968	860,997	-
Total Operating Expenses	<u>7,595,996</u>	<u>6,280,269</u>	<u>13,876,265</u>	<u>-</u>
Operating loss	<u>(542,345)</u>	<u>(3,477,046)</u>	<u>(4,019,391)</u>	<u>-</u>
Non-Operating Revenues (Expenses)				
Interest income	22,382	10,158	32,540	232
Interest expense	-	(2,248)	(2,248)	-
Gain (loss) on disposal of capital assets	-	26,700	26,700	-
Grant income	375,209	26,247	401,456	-
Total Non-Operating Revenues (Expenses)	<u>397,591</u>	<u>60,857</u>	<u>458,448</u>	<u>232</u>
Income (Loss) before transfers	<u>(144,754)</u>	<u>(3,416,189)</u>	<u>(3,560,943)</u>	<u>232</u>
Transfers in	-	1,834,674	1,834,674	1,220,000
Total	<u>-</u>	<u>1,834,674</u>	<u>1,834,674</u>	<u>1,220,000</u>
Change in Net Position	<u>(144,754)</u>	<u>(1,581,515)</u>	<u>(1,726,269)</u>	<u>1,220,232</u>
Net Position, beginning	<u>11,038,091</u>	<u>2,311,674</u>	<u>13,349,765</u>	<u>-</u>
Net Position, ending	<u>\$ 10,893,337</u>	<u>\$ 730,159</u>	<u>\$ 11,623,496</u>	<u>\$ 1,220,232</u>

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, 2023**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Nursing Home	Solid Waste	Total	Internal Service Fund
Operating Activities				
Receipts from customers	\$ 6,958,169	\$ 2,377,794	\$ 9,335,963	\$ -
Other cash receipts	18,032	526,412	544,444	-
Insurance premiums from employees	-	-	-	483,531
Payments to employees	(3,813,592)	(860,645)	(4,674,237)	-
Payments for employee benefits	(1,301,244)	(286,257)	(1,587,501)	-
Payments to suppliers	(2,361,869)	(4,189,860)	(6,551,729)	-
Net Cash Provided by (Used in) Operating Activities	(500,504)	(2,432,556)	(2,933,060)	483,531
Noncapital Financing Activities				
Transfers from other funds	-	1,834,674	1,834,674	1,220,000
Grants received	375,209	26,247	401,456	-
Net Cash Provided by Noncapital Financing Activities	375,209	1,860,921	2,236,130	1,220,000
Capital and Related Financing Activities				
Acquisition and construction of capital assets	(195,938)	(290,311)	(486,249)	-
Proceeds from sale of capital assets	-	26,700	26,700	-
Principal paid on debt	(34,124)	(66,728)	(100,852)	-
Interest and other financial charges paid on debt	(2,084)	(2,248)	(4,332)	-
Net Cash Used in Capital and Related Financing Activities	(232,146)	(332,587)	(564,733)	-
Investing Activities				
Interest received	22,382	10,158	32,540	232
Net Increase (Decrease) in Cash and Cash Equivalents	(335,059)	(894,064)	(1,229,123)	1,703,763
Cash and Cash Equivalents Beginning of Year	8,690,419	4,147,762	12,838,181	-
Cash and Cash Equivalents End of Year	\$ 8,355,360	\$ 3,253,698	\$ 11,609,058	\$ 1,703,763
Reconciliation to Exhibit 6				
Cash and Cash Equivalents	\$ 8,282,448	\$ 3,253,698	\$ 11,536,146	\$ 1,703,763
Restricted Cash and Cash Equivalents	72,912	-	72,912	-
	\$ 8,355,360	\$ 3,253,698	\$ 11,609,058	\$ 1,703,763

(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, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Nursing	Solid	Total	Activities
	Home	Waste		Internal
				Service Fund
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Operating Loss	\$ (542,345)	\$ (3,477,046)	\$ (4,019,391)	\$ -
Adjustments Not Affecting Cash				
Depreciation and amortization	290,029	570,968	860,997	-
Landfill closure/postclosure	-	394,418	394,418	-
(Increase) Decrease in Assets				
Accounts receivable	(77,450)	(51,121)	(128,571)	-
Due from other funds	-	152,104	152,104	-
Prepays	435	2,424	2,859	-
(Increase) Decrease in Deferred Outflows of Resources				
Pension deferrals	169,760	26,020	195,780	-
Other postemployment benefit deferrals	24,014	4,430	28,444	-
Increase (Decrease) in Liabilities				
Accounts payable and accrued expenses	64,728	7,714	72,442	483,531
Accrued payroll and related liabilities	49,106	19,034	68,140	-
Assets held in agency capacity	32,816	-	32,816	-
Compensated absences	19,590	8,263	27,853	-
Net pension liability	482,912	106,364	589,276	-
Other post-employment benefits	(27,487)	688	(26,799)	-
Increase (Decrease) in Deferred Inflows of Resources				
Pension deferrals	(975,543)	(186,747)	(1,162,290)	-
Other postemployment benefit deferrals	(11,069)	(10,069)	(21,138)	-
Net Cash Provided by (Used in) Operating Activities	\$ (500,504)	\$ (2,432,556)	\$ (2,933,060)	\$ 483,531
Schedule of Noncash Activities				
Capital asset additions financed by accounts payable	\$ -	\$ 1,175	\$ 1,175	\$ -

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

COUNTY OF BEDFORD, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	Custodial Funds		
	Tri-County Lake Administrative Commission	Bedford Community Coalition	Bedford Wine Trail
ASSETS			
Cash and cash equivalents, restricted	\$ 535,499	\$ 1,247	\$ 2,378
Security deposits	900	-	-
Total assets	<u>\$ 536,399</u>	<u>\$ 1,247</u>	<u>\$ 2,378</u>
LIABILITIES			
Accounts payable	\$ 712	\$ -	\$ -
Accrued payroll and related liabilities	7,665	-	-
Total liabilities	<u>\$ 8,377</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted			
Amounts held for clients/others	<u>\$ 528,022</u>	<u>\$ 1,247</u>	<u>\$ 2,378</u>

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

Custodial Funds

Special Welfare Fund	Road Escrow Accounts	Land Disturbing Bonds	Sheriff Asset Seizures	Total
\$ 88,221	\$ 72,078	\$ 175,090	\$ 110,538	\$ 985,051
-	-	-	-	900
<u>\$ 88,221</u>	<u>\$ 72,078</u>	<u>\$ 175,090</u>	<u>\$ 110,538</u>	<u>\$ 985,951</u>
\$ -	\$ -	\$ -	\$ -	\$ 712
-	-	-	-	7,665
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,377</u>
<u>\$ 88,221</u>	<u>\$ 72,078</u>	<u>\$ 175,090</u>	<u>\$ 110,538</u>	<u>\$ 977,574</u>

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023**

	Custodial Funds		
	Tri-County Lake Administrative Commission	Bedford Community Coalition	Bedford Wine Trail
ADDITIONS			
Contributions received from localities	\$ 161,250	\$ -	\$ -
Interest earnings	1,307	3	-
Payments received from and on behalf of grant awards	700	-	-
Payments received from and on behalf of VPA clients	-	-	-
Confiscated proceeds	-	-	-
Other miscellaneous payments received	300	-	-
Total additions	<u>\$ 163,557</u>	<u>\$ 3</u>	<u>\$ -</u>
DEDUCTIONS			
Payments to vendors	\$ 95,463	\$ -	\$ 617
Payments to benefit individuals	-	-	-
Payments to employees	160,660	-	-
Release of land disturbing bonds	-	-	-
Release of confiscated proceeds	-	-	-
Total deductions	<u>\$ 256,123</u>	<u>\$ -</u>	<u>\$ 617</u>
Net increase (decrease) in fiduciary net position	\$ (92,566)	\$ 3	\$ (617)
NET POSITION - AT JULY 1	<u>620,588</u>	<u>1,244</u>	<u>2,995</u>
NET POSITION - AT JUNE 30	<u>\$ 528,022</u>	<u>\$ 1,247</u>	<u>\$ 2,378</u>

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

Custodial Funds				
Special Welfare Fund	Road Escrow Accounts	Land Disturbing Bonds	Sheriff Asset Seizures	Total
\$ -	\$ -	\$ -	\$ -	\$ 161,250
86	36	131	56	1,619
-	-	-	-	700
151,629	-	-	-	151,629
-	-	-	20,603	20,603
-	-	-	-	300
<u>\$ 151,715</u>	<u>\$ 36</u>	<u>\$ 131</u>	<u>\$ 20,659</u>	<u>\$ 336,101</u>
\$ -	\$ -	\$ -	\$ -	\$ 96,080
127,890	-	-	-	127,890
-	-	-	-	160,660
-	-	149,806	-	149,806
-	-	-	19,623	19,623
<u>\$ 127,890</u>	<u>\$ -</u>	<u>\$ 149,806</u>	<u>\$ 19,623</u>	<u>\$ 554,059</u>
\$ 23,825	\$ 36	\$ (149,675)	\$ 1,036	\$ (217,958)
64,396	72,042	324,765	109,502	1,195,532
<u>\$ 88,221</u>	<u>\$ 72,078</u>	<u>\$ 175,090</u>	<u>\$ 110,538</u>	<u>\$ 977,574</u>

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

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 annual comprehensive 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 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, 2023

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.

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.

(Continued)

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

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

(Continued)

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

Internal Service Fund – Accounts for goods or services provided by one department or other departments of the County that benefit multiple funds. The County’s internal service fund accounts for self-insurance health program which provides healthcare coverage for employees, retirees, and their dependents. The internal service fund is included in the governmental activities for government-wide reporting purposes. The excess revenue or expenses is allocated to the appropriate functional activity.

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.

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.

(Continued)

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 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	\$	2,008,322
General Fund – EMS transport fees		<u>121,484</u>
		<u>\$ 2,129,806</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, 2022, and the first installment (June 5) of the levy on assessed value at January 1, 2023. The installment due on June 5, 2023 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, 2023 is included as deferred inflows since these taxes are restricted for use until fiscal year 2024.

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

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 2022 tax bills, payable in fiscal year 2023, included a thirty-one and half (31.5) 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, 2023 of \$12,428,194, which consists of \$117,877 restricted for water and sewer projects, \$2,285,275 for the Volunteer Length of Service Awards Program, and treasury note investments with First Citizens valued at \$10,025,042. Business-type activities report restricted cash, cash equivalents, and investments of \$72,912 for Nursing Home resident and burial 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, 2023

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

Right-of-use leased assets and intangible right of use subscription assets are amortized using the straight-line method over the same estimated useful lives.

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, 2023, 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, 2023

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, 2023

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 judgments 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, 2023

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 \$74,546,819 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, 2023

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 \$37,598 for fiscal year 2023.

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, 2023

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	\$ 137,296,193
Principal and other debt service expenditures included in primary government	<u>7,553,498</u>
Total expenditures for school activities	<u><u>\$ 144,849,691</u></u>

(Continued)

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

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	\$ 82,323,018	NA	68.59%
Virginia LGIP	10,160,274	AAA _m	8.47
Virginia LGIP-EM	5,081,602	AAAF/S1+	4.23
Virginia Investment Pool	10,145,209	A-1	8.45
Treasury Funds	10,025,042	AA+	8.35
Guaranteed interest account	<u>2,285,275</u>	NA	<u>1.91</u>
Total deposits and investments – County	<u>\$ 120,020,420</u>		<u>100.00%</u>
Demand deposits	<u>\$ 23,800,452</u>	NA	<u>100.00%</u>
Total deposits and investments – School Board	<u>\$ 23,800,452</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 Aa2 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.

(Continued)

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

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:

	Primary Government	School Board Component Unit
Deposits and investments:		
Cash on hand	\$ 20,278	\$ -
Deposits	107,689,825	23,800,452
Investments	12,310,317	-
	\$ 120,020,420	\$ 23,800,452
Statement of net position:		
Cash and cash equivalents	\$ 107,519,314	\$ 23,800,452
Restricted cash, cash equivalents, and investments	12,501,106	-
	\$ 120,020,420	\$ 23,800,452

All investments are in compliance with the Policy.

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

Note 5. Receivables

Receivables are as follows:

	Primary Government				Component Unit School Board
	Governmental Activities	Business-Type Activities			
	General Fund	Nursing Home	Solid Waste	Total	
Receivables					
Taxes	\$ 28,478,134	\$ -	\$ -	\$ -	\$ -
Accounts	3,095,083	498,553	147,349	645,902	333,903
Intergovernmental	5,953,116	-	-	-	6,463,024
Gross receivables	37,526,333	498,553	147,349	645,902	6,796,927
Less: allowance for uncollectibles	(2,129,806)	-	(6,394)	(6,394)	-
Net total receivables	<u>\$ 35,396,527</u>	<u>\$ 498,553</u>	<u>\$ 140,955</u>	<u>\$ 639,508</u>	<u>\$ 6,796,927</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 7.05% 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 (94.12%) and private pay (5.88%).

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:

	Deferred Inflows	
	Unavailable/ Unearned	Unearned
Property taxes	\$ 29,481,029	\$ 25,406,834
Other receivables not available to liquidate liabilities of current period	2,939,488	-
Total unavailable/unearned revenue	<u>\$ 32,420,517</u>	<u>\$ 25,406,834</u>

(Continued)

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

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	5,673,341	1,397,342	4,363,323	2,707,360
Total capital assets, not depreciated	<u>10,205,082</u>	<u>1,397,342</u>	<u>4,363,323</u>	<u>7,239,101</u>
Capital assets, depreciated:				
Buildings and improvements	54,920,968	4,673,450	48,830	59,545,588
Machinery and equipment	26,563,115	769,563	2,493,458	24,839,220
Total capital assets, depreciated	<u>81,484,083</u>	<u>5,443,013</u>	<u>2,542,288</u>	<u>84,384,808</u>
Less accumulated depreciation for:				
Buildings and improvements	30,054,750	1,428,201	48,830	31,434,121
Machinery and equipment	17,918,351	1,919,866	2,376,801	17,461,416
Total accumulated depreciation	<u>47,973,101</u>	<u>3,348,067</u>	<u>2,425,631</u>	<u>48,895,537</u>
Net capital assets, depreciated	<u>33,510,982</u>	<u>2,094,946</u>	<u>116,657</u>	<u>35,489,271</u>
Lease assets:				
Building	507,673	148,997	169,118	487,552
Equipment	61,087	65,600	48,536	78,151
Total lease assets being amortized, net	<u>568,760</u>	<u>214,597</u>	<u>217,654</u>	<u>565,703</u>
Subscription assets:				
Software	181,530	-	88,263	93,267
Total subscription assets being amortized, net	<u>181,530</u>	<u>-</u>	<u>88,263</u>	<u>93,267</u>
Governmental activities net capital assets	<u>\$ 44,466,354</u>	<u>\$ 3,706,885</u>	<u>\$ 4,785,897</u>	<u>\$ 43,387,342</u>

* Amounts have been restated to include items related to the implementation of GASB Statement 96, *Subscription-based Information Technology Arrangements*.

(Continued)

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

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	\$ 9,454	\$ -	\$ 1,230,025
Construction in progress	209,335	97,062	-	306,397
Total capital assets, not depreciated	<u>1,429,906</u>	<u>106,516</u>	<u>-</u>	<u>1,536,422</u>
Capital assets, depreciated:				
Buildings and improvements	23,010,004	195,937	-	23,205,941
Machinery and equipment	4,887,862	183,795	124,927	4,946,730
Total capital assets, depreciated	<u>27,897,866</u>	<u>379,732</u>	<u>124,927</u>	<u>28,152,671</u>
Less accumulated depreciation for:				
Buildings and improvements	15,567,418	553,388	-	16,120,806
Machinery and equipment	3,447,505	272,941	124,927	3,595,519
Total accumulated depreciation	<u>19,014,923</u>	<u>826,329</u>	<u>124,927</u>	<u>19,716,325</u>
Net capital assets, depreciated	<u>8,882,943</u>	<u>(446,597)</u>	<u>-</u>	<u>8,436,346</u>
Lease assets:				
Equipment	3,968	28,318	6,487	25,799
Total lease assets being amortized, net	<u>3,968</u>	<u>28,318</u>	<u>6,487</u>	<u>25,799</u>
Subscription assets:				
Software	65,756	-	28,181	37,575
Total subscription assets being amortized, net	<u>65,756</u>	<u>-</u>	<u>28,181</u>	<u>37,575</u>
Business-type activities net capital assets	<u>\$ 10,382,573</u>	<u>\$ (311,763)</u>	<u>\$ 34,668</u>	<u>\$ 10,036,142</u>

* Amounts have been restated to include items related to the implementation of GASB Statement 96, *Subscription-based Information Technology Arrangements*.

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

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	7,414,683	8,447,133	12,664,215	3,197,601
Total capital assets, not depreciated	9,497,520	8,447,133	12,664,215	5,280,438
Capital assets, depreciated:				
Buildings and improvements	267,268,180	685,632	206,179	267,747,633
Machinery and equipment	33,364,237	14,991,567	1,132,256	47,223,548
Total capital assets, depreciated	300,632,417	15,677,199	1,338,435	314,971,181
Less accumulated depreciation for:				
Buildings and improvements	149,231,319	6,185,591	193,255	155,223,655
Machinery and equipment	20,606,421	2,112,930	1,132,329	21,587,022
Total accumulated depreciation	169,837,740	8,298,521	1,325,584	176,810,677
Net capital assets, depreciated	130,794,677	7,378,678	12,851	138,160,504
Lease assets:				
Building	131,837	-	20,282	111,555
Equipment	525,586	43,206	327,950	240,842
Total lease assets being amortized, net	657,423	43,206	348,232	352,397
Subscription assets:				
Software	33,516	533,058	105,481	461,093
Total subscription assets being amortized, net	33,516	533,058	105,481	461,093
School Board net capital assets	<u>\$ 140,983,136</u>	<u>\$ 16,402,075</u>	<u>\$ 13,130,779</u>	<u>\$ 144,254,432</u>

* Amounts have been restated to include items related to the implementation of GASB Statement 96, *Subscription-based Information Technology Arrangements*.

Intangible subscription assets

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

(Continued)

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

Note 6. Capital Assets (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government – Governmental Activities	
General government administration	\$ 254,849
Judicial administration	253,722
Public safety	1,773,452
Public works	189,952
Health and welfare	162,296
Parks, recreation, and cultural	518,256
Community development	195,540
	<u>3,348,067</u>
Total governmental activities	<u>\$ 3,348,067</u>
Primary Government – Business-Type Activities	
Nursing home	\$ 255,361
Solid waste	570,968
	<u>826,329</u>
Total business-type activities	<u>\$ 826,329</u>
Component Unit – School Board	<u>\$ 8,298,521</u>

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>
Primary Government					
Governmental activities:					
General obligation and lease revenue bonds					
School projects	\$ 70,655,000	\$ -	\$ 4,225,000	\$ 66,430,000	\$ 4,425,000
Bond premium	6,817,842	-	539,745	6,278,097	539,745
	<u>77,472,842</u>	<u>-</u>	<u>4,764,745</u>	<u>72,708,097</u>	<u>4,964,745</u>
Leases:					
County	918,900	196,828	237,237	878,491	252,105
School	3,883,020	-	537,147	3,345,873	566,375
Subscriptions	176,001	-	90,346	85,655	78,361
Compensated absences	2,004,359	1,954,280	1,569,942	2,388,697	1,870,979
	<u>84,455,122</u>	<u>2,151,108</u>	<u>7,199,417</u>	<u>79,406,813</u>	<u>7,732,565</u>
Business-type activities:					
Leases	\$ 88,512	\$ 28,318	\$ 73,169	\$ 43,661	\$ 26,318
Subscriptions	63,672	-	27,683	35,989	28,665
Compensated absences	203,973	191,686	163,832	231,827	178,993
Landfill closure/post-closure costs	8,683,674	394,418	-	9,078,092	168,200
	<u>9,039,831</u>	<u>614,422</u>	<u>264,684</u>	<u>9,389,569</u>	<u>402,176</u>

(Continued)

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

Note 7. Long-Term Liabilities (Continued)

	Beginning Balance*	Additions	Reductions	Ending Balance	Due within One Year
Component Unit					
School Board					
Leases	\$ 4,856,982	\$ 1,507,616	\$ 1,750,690	\$ 4,613,908	\$ 1,356,877
Subscriptions	28,720	533,057	561,777	-	-
Compensated absences	1,984,254	1,332,827	1,365,665	1,951,416	1,343,064
Total long-term liabilities	<u>\$ 6,869,956</u>	<u>\$ 3,373,500</u>	<u>\$ 3,678,132</u>	<u>\$ 6,565,324</u>	<u>\$ 2,699,941</u>

* Amounts have been restated to include items related to the implementation of GASB Statement 96, *Subscription-based Information Technology Arrangements*.

Annual debt service requirements to maturity are as follows:

Year Ending June 30	Primary Government Governmental Activities						Primary Government Business-Type Activities			
	General Obligation and Lease Revenue Bonds		Leases		Subscriptions		Leases		Subscriptions	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 4,425,000	\$ 2,515,244	\$ 818,480	\$ 77,933	\$ 78,361	\$ 2,269	\$ 26,318	\$ 902	\$ 28,665	\$ 886
2025	4,635,000	2,290,847	839,386	59,254	3,585	255	9,502	456	7,324	64
2026	4,850,000	2,055,882	791,081	41,463	3,709	130	7,841	123	-	-
2027	5,085,000	1,809,719	726,971	26,123	-	-	-	-	-	-
2028	5,310,000	1,571,227	703,088	14,399	-	-	-	-	-	-
2029-2033	23,260,000	4,870,862	345,358	2,849	-	-	-	-	-	-
2034-2038	16,050,000	1,612,945	-	-	-	-	-	-	-	-
2039-2040	2,815,000	90,091	-	-	-	-	-	-	-	-
	<u>\$ 66,430,000</u>	<u>\$ 16,816,817</u>	<u>\$ 4,224,364</u>	<u>\$ 222,021</u>	<u>\$ 85,655</u>	<u>\$ 2,654</u>	<u>\$ 43,661</u>	<u>\$ 1,481</u>	<u>\$ 35,989</u>	<u>\$ 950</u>

Year Ending June 30	Component Unit School Board	
	Leases	
	Principal	Interest
2024	\$ 1,356,877	\$ 100,615
2025	1,104,530	70,603
2026	853,799	46,909
2027	645,441	29,798
2028	429,970	17,296
2029-2033	223,291	7,659
2034-2038	-	-
2039-2040	-	-
2032	-	-
	<u>\$ 4,613,908</u>	<u>\$ 272,880</u>

(Continued)

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

Note 7. Long-Term Liabilities (Continued)

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:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
PRIMARY GOVERNMENT					
Governmental Activities:					
General Obligation Bonds					
Schools:					
VPSA Bonds	4.10-5.10%	2008	2029	\$ 5,420,000	\$ 1,620,000
VPSA Bonds	3.05-5.05	2013	2031	23,788,000	15,035,000
VPSA Bonds	2.80-5.05	2017	2037	36,865,000	29,135,000
VPSA Bonds	3.05-5.05	2019	2040	20,275,000	18,305,000
Total general obligation bonds					<u>\$ 64,095,000</u>
Lease Revenue Bonds					
Schools:					
Bedford County EDA Refunding-Jefferson Forest High School	2.81%	2015	2031	\$ 5,700,000	<u>\$ 2,335,000</u>

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 November 2024 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 July 2023 through March 2028. 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.

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

Note 8. Leases (Continued)

County and Schools as lessee (Continued)

The Schools also lease buses under various leases expiring at various dates through 2028. The bus assets acquired through leases are as follows:

	Component Unit
	School Board
Machinery and equipment	\$ 8,712,744
Less: accumulated depreciation	1,979,339
	\$ 6,733,405

Note 9. Subscriptions

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

The County has several subscriptions for periods expiring February 2024 through May 2026. These subscriptions are for a variety of software solutions to assist with agenda management, provide video and web conferencing infrastructure, allow for the preservation of court records, and aid in emergency dispatch. 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 subscription 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 subscriptions primarily for digital textbooks and related content, which expire in July 2028. 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 subscription 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.

Note 10. Interfund Receivables and Payables and Transfers

The \$1,191 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 11. 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.

(Continued)

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

Note 11. 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, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	County
Inactive members or their beneficiaries currently receiving benefits	267
Inactive members:	
Vested	90
Non-vested	354
Inactive members active elsewhere in VRS	145
Total inactive members	589
Active members	487
Total covered employees	1,343

Contributions

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

The political subdivision’s contractually required contribution rate for the year ended June 30, 2023 was 9.25% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$2,321,304 and \$2,009,006 for the years ended June 30, 2023 and 2022, respectively.

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

Note 11. Defined Benefit Pension Plan (Continued)

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

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

Note 11. 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%	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00%		5.33
	Inflation		2.50
			<u>7.83%</u>

* The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a medium return of 7.11%, including expected inflation of 2.50%.

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

Note 11. Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever is greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2021	\$ 87,814,927	\$ 90,636,276	\$ (2,821,349)
Changes for the year:			
Service cost	2,296,598	-	2,296,598
Interest	5,939,927	-	5,939,927
Differences between expected and actual experience	(2,058,062)	-	(2,058,062)
Contributions – employer	-	1,842,493	(1,842,493)
Contributions – employee	-	1,051,109	(1,051,109)
Net investment income	-	(95,987)	95,987
Benefit payments, including refunds of employee contributions	(4,225,212)	(4,225,212)	-
Administrative expenses	-	(56,301)	56,301
Other changes	-	2,095	(2,095)
Net changes	1,953,251	(1,481,803)	3,435,054
Balances at June 30, 2022	\$ 89,768,178	\$ 89,154,473	\$ 613,705

(Continued)

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

Note 11. 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:

Net Pension Liability (Asset)	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Bedford County	\$ 13,051,183	\$ 613,705	\$ (9,464,373)

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

For the year ended June 30, 2023, the political subdivision recognized pension expense of \$420,628. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Bedford County	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,034	\$ 1,392,939
Change in assumptions	992,809	-
Net difference between projected and actual earnings on pension plan investments	-	2,543,740
Employer contributions subsequent to the measurement date	2,321,304	-
Total	\$ 3,318,147	\$ 3,936,679

(Continued)

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

Note 11. Defined Benefit Pension Plan (Continued)

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

The \$2,321,304 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2024	\$ (783,588)
2025	(1,654,122)
2026	(1,735,559)
2027	1,233,433
2028	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2023, \$309,637 was payable to the Virginia Retirement System for the legally required contributions related to June 2023 payroll.

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

Note 12. Defined Benefit Pension Plan – School Nonprofessionals

Plan Description

All full-time, salaried permanent nonprofessional 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 11.

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	School Board Non- Professional
Inactive members or their beneficiaries currently receiving benefits	237
Inactive members:	
Vested	25
Non-vested	90
Inactive members active elsewhere in VRS	31
Total inactive members	146
Active members	194
Total covered employees	577

Contributions

The school division’s contractually required contribution rate for the year ended June 30, 2023 was 5.10% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Contributions to the pension plan from the school division were \$294,389 and \$308,439 for the years ended June 30, 2023 and 2022, respectively.

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

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

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2021	\$ 26,412,493	\$ 29,845,304	\$ (3,432,811)
Changes for the year:			
Service cost	478,719	-	478,719
Interest	1,762,842	-	1,762,842
Differences between expected and actual experience	(94,107)	-	(94,107)
Contributions – employer	-	277,810	(277,810)
Contributions – employee	-	255,112	(255,112)
Net investment income	-	(18,589)	18,589
Benefit payments, including refunds of employee contributions	(1,550,065)	(1,550,065)	-
Administrative expenses	-	(18,785)	18,785
Other changes	-	676	(676)
Net changes	597,389	(1,053,841)	1,651,230
Balances at June 30, 2022	\$ 27,009,882	\$ 28,791,463	\$ (1,781,581)

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:

<u>Net Pension Asset</u>	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Board Nonprofessional	\$ 1,191,048	\$ (1,781,581)	\$ (4,257,659)

(Continued)

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

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

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

For the year ended June 30, 2023, the school division recognized a pension expense/(income) of \$(167,490). At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	School Board Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 70,309
Change in assumptions	61,677	-
Net difference between projected and actual earnings on pension plan investments	-	878,566
Employer contributions subsequent to the measurement date	294,389	-
Total	\$ 356,066	\$ 948,875

The \$294,389 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	School Board Non- Professional Increase (Reduction) to Pension Expense
2024	\$ (342,620)
2025	(356,117)
2026	(588,104)
2027	399,643
2028	-
Thereafter	-

(Continued)

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

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

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2023, \$1,312,992 was payable to the Virginia Retirement System for the legally required contributions related to June 2023 payroll.

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

General Information about the Teacher Cost Sharing Plan

Plan Description

All full-time, salaried permanent (professional) employees of Virginia public school divisions, including 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 11.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division’s contractually required contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$9,724,539 and \$8,860,532 for the years ended June 30, 2023 and 2022, respectively.

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

(Continued)

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

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

General Information about the Teacher Cost Sharing Plan (Continued)

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

At June 30, 2023, the school division reported a liability of \$57,070,277 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the net pension liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022 and 2023, the school division's proportion was 0.61% and 0.60%, respectively.

For the year ended June 30, 2023, the school division recognized pension expense of \$2,369,847. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>School Board Professional</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,935,221
Change in assumptions	5,380,577	-
Net difference between projected and actual earnings on pension plan investments	-	7,440,769
Changes in proportion and differences between employer contributions and proportionate share of contributions	157,275	1,744,524
Employer contributions subsequent to the measurement date	<u>9,724,539</u>	<u>-</u>
Total	<u>\$ 15,262,391</u>	<u>\$ 13,120,514</u>

(Continued)

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

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

General Information about the Teacher Cost Sharing Plan (Continued)

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

The \$9,724,539 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	School Board Professional Increase (Reduction) to Pension Expense
2024	\$ (2,300,010)
2025	(3,103,899)
2026	(5,342,237)
2027	3,163,484
2028	-
Thereafter	-

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 54,732,329
Plan fiduciary net position	45,211,731
Employers’ net pension liability	\$ 9,520,598
Plan fiduciary net position as a percentage of the total pension liability	82.61%

(Continued)

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

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

General Information about the Teacher Cost Sharing Plan (Continued)

Net Pension Liability (Continued)

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

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

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

Net Pension Liability	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division’s proportionate share of the VRS teacher employee retirement plan net pension liability	\$ 101,931,883	\$ 57,070,277	\$ 20,543,064

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

Note 14. 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	164
Vested-terminated	94
Retired participants and beneficiaries	4
	262

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, 2023

Note 14. 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, 2022 rolled forward to June 30, 2023 using the actuarial assumptions applied to all periods included in the measurement.

Inflation	0.0%
Salary increases	Not Applicable
Investment rate of return	3.86%, 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, 2022 actuarial valuation report. Calculations assume the plan remains unfunded and uses a discount rate of 3.86%, which is based on the 20-year AA general obligation bond rate as of June 30, 2023.

(Continued)

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

Note 14. Fire and Rescue Length of Service Awards Program (Continued)

C. Changes in Net Pension Liability

	Bedford County – LOSAP		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2022	\$ 2,997,154	\$ -	\$ 2,997,154
Changes for the year:			
Service cost	84,435	-	84,435
Interest	115,124	-	115,124
Differences between expected and actual experience	(42,978)	-	(42,978)
Benefit payments, including refunds of employee contributions	(34,096)	-	(34,096)
Changes in assumptions	(117,479)	-	(117,479)
Net changes	5,006	-	5,006
Balances at June 30, 2023	\$ 3,002,160	\$ -	\$ 3,002,160

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 3.86%, 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 (2.86%) or one percentage point higher (4.86%) than the current rate:

Net Pension Liability	1.00% Decrease (2.86%)	Current Discount Rate (3.86%)	1.00% Increase (4.86%)
Bedford County – LOSAP	\$ 3,778,149	\$ 3,002,160	\$ 2,412,225

(Continued)

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

Note 14. 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, 2023, the LOSAP recognized pension expense of \$162,166. At June 30, 2023, the LOSAP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Bedford County – LOSAP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 140,756	\$ 144,171
Changes in assumptions	695,717	1,372,683
	\$ 836,473	\$ 1,516,854

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

Year Ending June 30,	Reduction to Pension Expense
2024	\$ (37,393)
2025	(37,395)
2026	(19,949)
2027	(100,636)
2028	(100,643)
Thereafter	(384,365)

Note 15. 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, 2023

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the plan:

	County	School Board
Retirees currently receiving benefits	9	35
Active employees	399	995
	408	1,030

Total OPEB Liability

The County's and School Board's total OPEB liability of \$845,916 and \$2,631,325, respectively, was measured as of June 30, 2022 and was determined based on an actuarial valuation performed as of June 30, 2022.

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:

	County	School Board
Inflation	2.50%	2.50%

Mortality rates: SOA Pub-2010 Employees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2021 through June 30, 2022.

There have been no changes in benefit terms.

Changes in County and School Board assumptions and other inputs reflect change in discount rate from 1.92% to 3.69% based on GASB 75 rules.

(Continued)

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

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

Changes in the Total OPEB Liability

	<u>Bedford County</u>			<u>School Board</u>		
	<u>Increase (Decrease)</u>			<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) – (b)</u>	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) – (b)</u>
Balance at June 30, 2021	\$ 1,059,536	\$ -	\$ 1,059,536	\$ 2,683,068	\$ -	\$ 2,683,068
Changes for the year:						
Service cost	77,187	-	77,187	234,056	-	234,056
Interest	19,601	-	19,601	50,345	-	50,345
Changes in assumptions	(165,365)	-	(165,365)	(565,895)	-	(565,895)
Differences between expected and actual experience	(104,469)	-	(104,469)	941,191	-	941,191
Contributions – employer	-	40,574	(40,574)	-	711,440	(711,440)
Benefit payments, including refunds of employee contributions	(40,574)	(40,574)	-	(711,440)	(711,440)	-
Net changes	(213,620)	-	(213,620)	(51,743)	-	(51,743)
Balance at June 30, 2022	<u>\$ 845,916</u>	<u>\$ -</u>	<u>\$ 845,916</u>	<u>\$ 2,631,325</u>	<u>\$ -</u>	<u>\$ 2,631,325</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 (2.69%) or one percentage point higher (4.69%) than the current discount rate:

	<u>1.00% Decrease (2.69%)</u>	<u>Current Discount Rate (3.69%)</u>	<u>1.00% Increase (4.69%)</u>
Bedford County	<u>\$ 915,836</u>	<u>\$ 845,916</u>	<u>\$ 782,351</u>
Bedford County School Board	<u>\$ 2,807,465</u>	<u>\$ 2,631,325</u>	<u>\$ 2,463,079</u>

(Continued)

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

Note 15. 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:

	1.00% Decrease (2.94%)	Current Healthcare Cost Trend Rates (3.94%)	1.00% Increase (4.94%)
Bedford County	\$ 762,337	\$ 845,916	\$ 943,714
Bedford County School Board	\$ 2,385,957	\$ 2,631,325	\$ 2,914,502

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$57,687 and the School Board recognized an OPEB benefit of \$(425,777). At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	County Local OPEB		School Board Local OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,964	\$ 127,218	\$ 1,044,439	\$ 2,292,499
Change in assumptions	53,133	179,488	559,223	524,658
Employer contributions subsequent to the measurement date	44,071	-	350,479	-
	\$ 171,168	\$ 306,706	\$ 1,954,141	\$ 2,817,157

(Continued)

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

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

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

The \$44,071 and \$350,479 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, 2024. 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
2024	\$ (39,101)	\$ (710,177)
2025	(33,031)	(657,093)
2026	(56,199)	6,990
2027	(51,278)	17,600
2028	-	129,185
Thereafter	-	-

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

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County of 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, 2023

Note 16. 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, 2021 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	122
Inactive members – vested	4
Active members	194
Total covered employee	320

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021 (General Employee HIC Program) and June 30, 2021 (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:

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

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

Contributions (Continued)

Group Life Insurance Program-Bedford County

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$135,974
June 30, 2022 Contribution	\$121,666

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

Group Life Insurance Program-Bedford County School Board-Teachers

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$313,618
June 30, 2022 Contribution	\$284,161

Group Life Insurance Program-Bedford County School Board-Nonprofessional

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$31,878
June 30, 2022 Contribution	\$29,922

(Continued)

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

Note 16. 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, 2023 Contribution	\$708,518
June 30, 2022 Contribution	\$641,597

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

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:	0.91% of covered employee compensation.
June 30, 2023 Contribution	\$68,904
June 30, 2022 Contribution	\$49,169

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

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

Group Life Insurance Program-Bedford County

June 30, 2023 proportionate share of liability	\$	1,256,475
June 30, 2022 proportion		0.10%
June 30, 2021 proportion		0.11%
June 30, 2023 expense	\$	67,999

(Continued)

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

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

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

Group Life Insurance Program-Bedford County School Board-Teachers

June 30, 2023 proportionate share of liability	\$	3,082,607
June 30, 2022 proportion		0.26%
June 30, 2021 proportion		0.26%
June 30, 2023 expense	\$	71,491

Group Life Insurance Program-Bedford County School Board-Nonprofessional

June 30, 2023 proportionate share of liability	\$	308,730
June 30, 2022 proportion		0.03%
June 30, 2021 proportion		0.03%
June 30, 2023 expense	\$	(1,201)

Teacher Health Insurance Credit Program-Bedford County School Board

June 30, 2023 proportionate share of liability	\$	7,443,818
June 30, 2022 proportion		0.60%
June 30, 2021 proportion		0.61%
June 30, 2023 expense	\$	533,438

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:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) – (b)</u>
Balances at June 30, 2021	\$ 714,890	\$ 53,165	\$ 661,725
Changes for the year:			
Service costs	7,924	-	7,924
Interest	48,291	-	48,291
Assumption changes	39,397	-	39,397

(Continued)

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

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

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

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Difference between expected and actual experience	\$ (20,833)	\$ -	\$ (20,833)
Contributions – employer	-	50,313	(50,313)
Benefit payments, including refunds of employee contributions	(14,776)	(14,776)	-
Net investment income	-	(808)	808
Administrative expenses	-	(171)	171
Net changes	<u>60,003</u>	<u>34,558</u>	<u>25,445</u>
Balances at June 30, 2022	<u>\$ 774,893</u>	<u>\$ 87,723</u>	<u>\$ 687,170</u>

In addition, for the year ended June 30, 2023, the School Board recognized OPEB expense of \$60,897 related to the General Employee Health Insurance Credit Program.

At June 30, 2023, 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 99,497	\$ 50,407
Change in assumptions	46,865	122,386
Net difference between projected and actual earnings on OPEB plan investments	-	78,511
Changes in proportion	43,780	21,439
Employer contributions subsequent to the measurement date	<u>135,974</u>	<u>-</u>
Total	<u>\$ 326,116</u>	<u>\$ 272,743</u>

(Continued)

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

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

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

Group Life Insurance Program-Bedford County School Board-Teachers

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 244,104	\$ 123,667
Change in assumptions	114,976	300,258
Net difference between projected and actual earnings on OPEB plan investments	-	192,618
Changes in proportion	22,613	110,129
Employer contributions subsequent to the measurement date	313,618	-
	<hr/>	<hr/>
Total	\$ 695,311	\$ 726,672
	<hr/>	<hr/>

Group Life Insurance Program-Bedford County School Board-Nonprofessional

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 24,448	\$ 12,386
Change in assumptions	11,515	30,072
Net difference between projected and actual earnings on OPEB plan investments	-	19,291
Changes in proportion	6,473	32,158
Employer contributions subsequent to the measurement date	31,878	-
	<hr/>	<hr/>
Total	\$ 74,314	\$ 93,907
	<hr/>	<hr/>

Teacher Health Insurance Credit Program-Bedford County School Board

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ -	\$ 303,422
Change in assumptions	217,472	19,009
Net difference between projected and actual earnings on OPEB plan investments	-	7,472
Changes in proportion	41,974	281,379
Employer contributions subsequent to the measurement date	708,518	-
	<hr/>	<hr/>
Total	\$ 967,964	\$ 611,282
	<hr/>	<hr/>

(Continued)

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

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 36,081	\$ -
Differences between expected and actual experience	-	15,187
Net difference between projected and actual earnings on OPEB plan investments	1,571	-
Employer contributions subsequent to the measurement date	68,904	-
Total	\$ 106,556	\$ 15,187

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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program-Bedford County

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2024	\$ (3,790)
2025	(16,727)
2026	(59,773)
2027	8,722
2028	(11,033)
Thereafter	-

(Continued)

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

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

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

Group Life Insurance Program-Bedford County School Board-Teachers

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to OPEB Expense</u>
2024	\$ (71,964)
2025	(67,371)
2026	(178,945)
2027	6,500
2028	(33,199)
Thereafter	-

Group Life Insurance Program-Bedford County School Board-Nonprofessional

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to OPEB Expense</u>
2024	\$ (15,607)
2025	(13,945)
2026	(21,169)
2027	282
2028	(1,032)
Thereafter	-

Teacher Health Insurance Credit Program-Bedford County School Board

<u>Year Ending June 30,</u>	<u>Reduction to OPEB Expense</u>
2024	\$ (84,175)
2025	(68,181)
2026	(52,853)
2027	(39,242)
2028	(56,744)
Thereafter	(50,641)

(Continued)

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

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

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

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

Year Ending June 30,	Increase to OPEB Expense
2024	\$ 9,294
2025	8,429
2026	3,623
2027	1,119
2028	-
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, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary increases, including inflation:	
Locality – general employees	3.50 – 5.35%
Locality – hazardous duty employees	3.50 – 4.75%
Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
Under age 65	7.00 – 4.75%
Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 11.

(Continued)

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

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

Net OPEB Liabilities

The net OPEB liabilities represent each program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	\$ 3,672,085	\$ 1,470,891
Plan fiduciary net position	2,467,989	221,845
Employers’ net OPEB liability (asset)	1,204,096	1,249,046
Plan fiduciary net position as a percentage of total OPEB liability	67.21%	15.08%

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

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

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

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

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

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

* The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11, including inflation of 2.50%.

(Continued)

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

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

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liabilities of the County 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI net OPEB liability			
Bedford County	\$ 1,828,318	\$ 1,256,475	\$ 794,347
School Board - Teachers	4,485,554	3,082,607	1,948,834
School Board - Nonprofessional	449,239	308,730	195,180
Teacher HIC net OPEB liability			
School Board - Teachers	8,389,268	7,443,818	6,642,383
School Board - Nonprofessional	752,573	687,170	630,517

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

(Continued)

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

Note 17. Landfill Closure and Post-closure 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 post-closure care costs to date for this site, less amounts expended for such costs to date, totals \$1,780,654.

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 post-closure care activities including groundwater and gas monitoring.

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 post-closure 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 post-closure care costs as an operating expense in each period based on landfill capacity used, as of each balance sheet date. The \$7,297,437 reported as landfill closure and post-closure care liability as of June 30, 2023 represents the cumulative amount reported to date based on the use of approximately 85.5% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$1,618,705 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2023. 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 post-closure care.

(Continued)

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

Note 18. 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.

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

Note 18. Fund Balances (Continued)

The General Fund reserve target is 20% of the next fiscal year's General Fund recurring operating expenditures. To determine 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>
Nonspendable:		
Prepays	\$ 316,757	\$ 142,210
Inventories	48,591	175,917
	<hr/>	<hr/>
Total nonspendable	365,348	318,127
	<hr/>	<hr/>
Restricted for:		
Public safety	2,368,670	-
Other purposes	6,325,985	-
	<hr/>	<hr/>
Total restricted	8,694,655	-
	<hr/>	<hr/>
Committed to:		
Public works	267,524	-
Health self insurance	-	5,557,418
Community development	1,954,096	-
Capital projects	12,420,364	2,546,556
	<hr/>	<hr/>
Total committed	14,641,984	8,103,974
	<hr/>	<hr/>
Assigned to:		
Judicial administration	47,118	-
Public safety	1,958,890	-
Health and welfare	25,243	-
Education	28,817	-
Education-nutrition	-	2,897,128
Education-textbooks	-	1,013,872
Education-maintenance projects	-	5,848,161
Education-capital projects	-	448,262
School activity fund	-	1,407,678
Funding of subsequent year budget	23,897,440	-
Subsequent year appropriation of fund balance	194,350	-
Encumbrances	142,583	-
	<hr/>	<hr/>
Total assigned	26,294,441	11,615,101
	<hr/>	<hr/>
Unassigned	49,505,827	-
	<hr/>	<hr/>
Total fund balances	<u>\$ 99,502,255</u>	<u>\$ 20,037,202</u>

(Continued)

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

Note 19. 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 \$342,973 and \$257,016 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 \$389,815.

The Bedford County Nursing Home has a separate policy for general liability insurance through GuideOne Mutual Insurance. The policy limit is \$3,000,000. Total premiums for the current fiscal year were \$44,436. 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 \$419,877.

Health Care

The County carried commercial insurance for employee health insurance plans for the year ended June 30, 2023.

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 \$8,287,078. Administrative fees and stop loss premiums for the year ended June 30 totaled \$1,662,437. Estimated incurred but not reported (IBNR) claims at June 30 based on prior experience totaled \$680,000. 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, 2023

Note 19. Risk Management (Continued)

Health Care (Continued)

	Health Insurance
Unpaid claims at July 1	\$ 325,068
Incurred claims (including IBNR and changes in estimates)	8,287,078
Claim payments	(7,913,291)
Unpaid claims at June 30	\$ 698,855

Note 20. 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 2023.

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, 2023

Note 20. 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 2023, the County paid the Board \$447,668 for debt service and \$492,885 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 2023. Separate financial statements for TLAC are not available.

Note 21. Commitments and Contingencies

Litigation

The County and School Board, in the normal course of conducting affairs, are each involved in various claims, judgments, 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, 2023

Note 22. 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 2023, there were no amounts refunded to businesses in accordance with the above mentioned agreements.

Note 23. 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, 2023, the County paid the Town \$750,000, which was the Town's share of additional funding for the year.

Note 24. Adoption of New Standard

Effective July 1, 2022, the County and Schools adopted Government Accounting Standards Board (GASB) Statement No. 96, Subscription-based Information Technology Arrangements (SBITAs). The following discussions provide the County and Schools' accounting policy regarding lease agreements.

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

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

Note 25. Prior Period Restatement

During 2021, the Bedford County Economic Development Authority (the “Authority”) implemented a new financial system. During the data conversion, there was an error in the annual depreciation calculation which affected fiscal years 2021 and 2022. The Authority has recorded a prior period adjustment to correct the annual depreciation. The following is a summary of the restatement to beginning net position.

Net position, July 1, 2022, as previously reported	\$ 13,453,191
Correction of annual depreciation	<u>317,931</u>
Net position, July 1, 2022, as restated	<u>\$ 13,771,122</u>

Note 26. 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 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

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PRIMARY GOVERNMENT
June 30, 2023**

	Plan Year	
	2022	2021
Total Pension Liability		
Service cost	\$ 2,296,598	\$ 2,289,733
Interest on total pension liability	5,939,927	5,363,784
Changes in benefit terms	-	-
Difference between expected and actual experience	(2,058,062)	11,504
Changes in assumptions	-	2,831,347
Benefit payments, including refunds of employee contributions	(4,225,212)	(4,289,821)
Net change in total pension liability	1,953,251	6,206,547
Total pension liability – beginning	87,814,927	81,608,380
Total pension liability – ending	89,768,178	87,814,927
Plan Fiduciary Net Position		
Contributions – employer	1,842,493	1,779,084
Contributions – employee	1,051,109	1,014,907
Net investment income	(95,987)	19,686,177
Benefit payments, including refunds of employee contributions	(4,225,212)	(4,289,821)
Administrative expenses	(56,301)	(49,035)
Other	2,095	1,860
Net change in plan fiduciary net position	(1,481,803)	18,143,172
Plan fiduciary net position – beginning	90,636,276	72,493,104
Plan fiduciary net position – ending	89,154,473	90,636,276
Net pension liability (asset) – ending	\$ 613,705	\$ (2,821,349)
Plan fiduciary net position as a percentage of total pension liability	99%	103%
Covered employee payroll	\$ 24,460,444	\$ 23,498,772
Net pension liability as a percentage of covered employee payroll	3%	-12%

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.

EXHIBIT 11

		Plan Year					
2020	2019	2018	2017	2016	2015	2014	
\$ 2,202,410	\$ 2,021,050	\$ 2,006,400	\$ 1,898,498	\$ 1,804,637	\$ 1,919,057	\$ 1,936,109	
5,171,252	4,947,523	4,534,182	4,339,811	4,238,485	4,072,090	3,827,724	
-	-	-	517,512	-	-	-	
(468,690)	283,759	2,720,519	(451,977)	(1,711,831)	(1,101,052)	-	
-	2,366,146	-	(459,022)	-	-	-	
<u>(3,815,452)</u>	<u>(3,557,037)</u>	<u>(3,155,426)</u>	<u>(2,980,765)</u>	<u>(2,786,780)</u>	<u>(2,239,267)</u>	<u>(2,306,520)</u>	
3,089,520	6,061,441	6,105,675	2,864,057	1,544,511	2,650,828	3,457,313	
78,518,860	72,457,419	66,351,744	63,487,687	61,943,176	59,292,348	55,835,035	
<u>81,608,380</u>	<u>78,518,860</u>	<u>72,457,419</u>	<u>66,351,744</u>	<u>63,487,687</u>	<u>61,943,176</u>	<u>59,292,348</u>	
1,487,607	1,400,026	1,339,030	1,272,940	1,481,732	1,451,172	1,751,158	
1,032,124	989,164	957,613	909,120	826,393	812,546	860,090	
1,377,574	4,582,631	4,805,143	7,135,145	1,023,046	2,558,667	7,596,167	
(3,815,452)	(3,557,037)	(3,155,426)	(2,980,765)	(2,786,780)	(2,239,267)	(2,306,520)	
(47,102)	(45,242)	(41,325)	(41,144)	(36,107)	(34,521)	(40,277)	
<u>(1,634)</u>	<u>(2,892)</u>	<u>132,140</u>	<u>(6,358)</u>	<u>(430)</u>	<u>(546)</u>	<u>400</u>	
33,117	3,366,650	4,037,175	6,288,938	507,854	2,548,051	7,861,018	
72,459,987	69,093,337	65,056,162	58,767,224	58,259,370	55,711,319	47,850,301	
<u>72,493,104</u>	<u>72,459,987</u>	<u>69,093,337</u>	<u>65,056,162</u>	<u>58,767,224</u>	<u>58,259,370</u>	<u>55,711,319</u>	
<u>\$ 9,115,276</u>	<u>\$ 6,058,873</u>	<u>\$ 3,364,082</u>	<u>\$ 1,295,582</u>	<u>\$ 4,720,463</u>	<u>\$ 3,683,806</u>	<u>\$ 3,581,029</u>	
<u>89%</u>	<u>92%</u>	<u>95%</u>	<u>98%</u>	<u>93%</u>	<u>94%</u>	<u>94%</u>	
<u>\$ 21,647,240</u>	<u>\$ 21,781,710</u>	<u>\$ 21,353,372</u>	<u>\$ 19,852,664</u>	<u>\$ 18,450,608</u>	<u>\$ 17,522,239</u>	<u>\$ 18,233,530</u>	
<u>42%</u>	<u>28%</u>	<u>16%</u>	<u>7%</u>	<u>26%</u>	<u>21%</u>	<u>20%</u>	

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
SCHOOLS – NONPROFESSIONAL EMPLOYEES
June 30, 2023**

	<u>Plan Year</u>	
	<u>2022</u>	<u>2021</u>
Total Pension Liability		
Service cost	\$ 478,719	\$ 484,926
Interest on total pension liability	1,762,842	1,659,999
Difference between expected and actual experience	(94,107)	(259,734)
Changes in assumptions	-	746,967
Benefit payments, including refunds of employee contributions	<u>(1,550,065)</u>	<u>(1,624,485)</u>
Net change in total pension liability	597,389	1,007,673
Total pension liability – beginning	<u>26,412,493</u>	<u>25,404,820</u>
Total pension liability – ending	<u>27,009,882</u>	<u>26,412,493</u>
Plan Fiduciary Net Position		
Contributions – employer	277,810	264,495
Contributions – employee	255,112	244,599
Net investment income	(18,589)	6,549,386
Benefit payments, including refunds of employee contributions	(1,550,065)	(1,624,485)
Administrative expenses	(18,785)	(16,923)
Other	<u>676</u>	<u>612</u>
Net change in plan fiduciary net position	(1,053,841)	5,417,684
Plan fiduciary net position – beginning	<u>29,845,304</u>	<u>24,427,620</u>
Plan fiduciary net position – ending	<u>28,791,463</u>	<u>29,845,304</u>
Net pension liability (asset) – ending	<u>\$ (1,781,581)</u>	<u>\$ (3,432,811)</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	<u>107%</u>	<u>113%</u>
Covered employee payroll	<u>\$ 6,337,433</u>	<u>\$ 6,009,183</u>
Net pension liability (asset) as a percentage of covered employee payroll	<u>-28%</u>	<u>-57%</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					
2020	2019	2018	2017	2016	2015	2014	
\$ 526,618	\$ 529,937	\$ 538,823	\$ 547,567	\$ 558,668	\$ 601,405	\$ 582,857	
1,627,059	1,564,001	1,491,579	1,454,802	1,431,511	1,351,849	1,277,059	
(155,622)	364,326	158,901	(164,960)	(638,390)	80,427	-	
-	616,120	-	(224,914)	-	-	-	
<u>(1,395,613)</u>	<u>(1,229,744)</u>	<u>(1,079,678)</u>	<u>(1,094,549)</u>	<u>(943,544)</u>	<u>(847,770)</u>	<u>(735,199)</u>	
602,442	1,844,640	1,109,625	517,946	408,245	1,185,911	1,124,717	
24,802,378	22,957,738	21,848,113	21,330,167	20,921,922	19,736,011	18,611,294	
<u>25,404,820</u>	<u>24,802,378</u>	<u>22,957,738</u>	<u>21,848,113</u>	<u>21,330,167</u>	<u>20,921,922</u>	<u>19,736,011</u>	
239,271	244,991	237,168	236,702	390,587	404,699	475,727	
253,638	255,641	264,009	261,842	262,489	272,628	286,798	
470,154	1,582,297	1,686,767	2,537,662	364,171	923,208	2,759,864	
(1,395,613)	(1,229,744)	(1,079,678)	(1,094,549)	(943,544)	(847,770)	(735,199)	
(16,462)	(16,057)	(14,762)	(14,951)	(13,042)	(12,637)	(14,693)	
<u>(551)</u>	<u>(993)</u>	<u>(1,492)</u>	<u>(2,243)</u>	<u>(154)</u>	<u>(196)</u>	<u>146</u>	
(449,563)	836,135	1,092,012	1,924,463	60,507	739,932	2,772,643	
24,877,183	24,041,048	22,949,036	21,024,573	20,964,066	20,224,134	17,451,491	
<u>24,427,620</u>	<u>24,877,183</u>	<u>24,041,048</u>	<u>22,949,036</u>	<u>21,024,573</u>	<u>20,964,066</u>	<u>20,224,134</u>	
<u>\$ 977,200</u>	<u>\$ (74,805)</u>	<u>\$ (1,083,310)</u>	<u>\$ (1,100,923)</u>	<u>\$ 305,594</u>	<u>\$ (42,144)</u>	<u>\$ (488,123)</u>	
<u>96%</u>	<u>100%</u>	<u>105%</u>	<u>105%</u>	<u>99%</u>	<u>100%</u>	<u>102%</u>	
<u>\$ 5,904,866</u>	<u>\$ 6,232,346</u>	<u>\$ 6,239,209</u>	<u>\$ 6,134,885</u>	<u>\$ 6,058,761</u>	<u>\$ 5,777,679</u>	<u>\$ 6,064,075</u>	
<u>17%</u>	<u>-1%</u>	<u>-17%</u>	<u>-18%</u>	<u>5%</u>	<u>-1%</u>	<u>-8%</u>	

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, 2023

	Plan Year						
	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability							
Service cost	\$ 84,435	\$ 90,798	\$ 152,699	\$ 105,316	\$ 95,314	\$ 97,910	\$ 104,705
Interest on total pension liability	115,124	157,123	67,062	72,729	86,214	98,590	98,942
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(42,978)	82,762	122,220	(49,104)	(182,357)	(49,620)	-
Changes in assumptions	(117,479)	(1,571,683)	538,789	549,356	329,430	(32,874)	(156,953)
Benefit payments, including refunds of employee contributions	(34,096)	(35,547)	(196,278)	(111,653)	(116,441)	(64,755)	(118,545)
Net change in total pension liability	5,006	(1,276,547)	684,492	566,644	212,160	49,251	(71,851)
Total pension liability – beginning	<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>	<u>2,833,005</u>
Total pension liability – ending	<u>3,002,160</u>	<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							
Contributions – employer	-	-	-	-	-	-	-
Contributions – employee	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position – beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position – ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net pension liability – ending	<u>\$ 3,002,160</u>	<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>	<u>0%</u>
Covered employee payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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>	<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.

COUNTY OF BEDFORD, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2023

Entity Fiscal Year Ended June 30,	Actuarially Determined Contribution		Contributions in Relation to Actuarially Determined Contribution		Contributions as a Percentage of Covered Payroll
	Primary Government-All Employees	Nonprofessional Employees	Contributions	Deficiency (Excess)	
2023	\$ 2,321,304	\$ 2,321,304	\$ -	\$ -	8.47 %
2022	2,009,006	2,009,006	-	-	8.21
2021	1,921,416	1,921,416	-	-	8.18
2020	1,599,989	1,599,989	-	-	7.39
2019	1,480,062	1,480,062	-	-	6.79
2018	1,394,763	1,394,763	-	-	6.53
2017	1,308,922	1,308,922	-	-	6.59
2016	1,504,339	1,504,339	-	-	8.15
2015	1,461,696	1,461,696	-	-	8.34
Schools – Nonprofessional Employees					
2023	294,389	294,389	-	-	3.91
2022	308,439	308,439	-	-	4.87
2021	294,481	294,481	-	-	4.90
2020	268,886	268,886	-	-	4.55
2019	260,351	260,351	-	-	4.18
2018	248,907	248,907	-	-	3.99
2017	253,457	253,457	-	-	4.13
2016	394,983	394,983	-	-	6.52
2015	403,169	403,169	-	-	6.98
Primary Government-Length of Service Awards Program					
2023	34,096	34,096	-	-	N/A
2022	35,547	35,547	-	-	N/A
2021	196,278	196,278	-	-	N/A
2020	111,653	111,653	-	-	N/A
2019	93,369	93,369	-	-	N/A
2018	96,350	96,350	-	-	N/A
2017	105,469	105,469	-	-	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, 2023

School Division Plan Year Ended June 30,	Employer's Proportion of the Net Pension Liability	Employer's		Employer's		Employer's		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		Proportionate Share of the Net Pension Liability	Employer's Share of Payroll	Employer's Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Proportionate Share of the Net Pension Liability	Percentage of the Total Pension Liability	
2022	0.60 %	\$ 57,070,277	\$ 48,866,385	116.79 %	82.61 %			
2021	0.61	47,251,645	48,170,110	98.09	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.

COUNTY OF BEDFORD, VIRGINIA

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

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution		Contribution Deficiency (Excess)	Employer's Covered Payroll		Contributions as a Percentage of Covered Payroll
		\$	\$		\$	%	
2023	9,724,539	9,724,539	-	-	55,140,604	17.64	17.64
2022	8,860,532	8,860,532	-	-	48,866,385	18.13	18.13
2021	8,508,843	8,508,843	-	-	48,170,110	17.66	17.66
2020	7,910,482	7,910,482	-	-	47,893,326	16.52	16.52
2019	8,128,483	8,128,483	-	-	49,842,942	16.31	16.31
2018	8,147,789	8,147,789	-	-	48,371,493	16.84	16.84
2017	6,950,571	6,950,571	-	-	47,412,846	14.66	14.66
2016	6,672,491	6,672,491	-	-	48,619,400	13.72	13.72
2015	6,677,180	6,677,180	-	-	47,022,390	14.20	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, 2023**

	Plan Year					
	Primary Government					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 77,187	\$ 68,693	\$ 63,358	\$ 62,102	\$ 42,428	\$ 45,868
Interest on total OPEB liability	19,601	23,410	28,107	31,493	23,759	18,053
Difference between expected and actual experience	(104,469)	(26,007)	(52,610)	4,131	252,668	-
Changes in assumptions	(165,365)	42,110	50,121	(35,609)	(90,532)	(42,476)
Benefit payments	(40,574)	(34,386)	(18,846)	(28,857)	(13,755)	25,799
Net change in total OPEB liability	(213,620)	73,820	70,130	33,260	214,568	47,244
Total OPEB liability – beginning	1,059,536	985,716	915,586	882,326	667,758	620,514
Total OPEB liability – ending	845,916	1,059,536	985,716	915,586	882,326	667,758
Plan Fiduciary Net Position						
Contributions – employer	40,574	34,386	18,846	28,857	(13,755)	(25,799)
Benefit payments	(40,574)	(34,386)	(18,846)	(28,857)	13,755	25,799
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position – beginning	-	-	-	-	-	-
Plan fiduciary net position – ending	-	-	-	-	-	-
Net OPEB liability – ending	\$ 845,916	\$ 1,059,536	\$ 985,716	\$ 915,586	\$ 882,326	\$ 667,758
Plan fiduciary net position as a percentage of total OPEB liability	0%	0%	0%	0%	0%	0%
Covered payroll	\$ 24,460,444	\$ 23,498,772	\$ 21,647,240	\$ 21,781,710	\$ 21,353,372	\$ 19,852,664
Net OPEB liability as a percentage of covered payroll	3.46%	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.

Plan Year					
Schools					
2022	2021	2020	2019	2018	2017
\$ 234,056	\$ 208,748	\$ 221,313	\$ 206,165	\$ 432,439	\$ 460,509
50,345	57,947	89,696	100,233	242,932	196,367
941,191	364,157	(912,494)	(75,589)	(6,085,371)	-
(565,895)	102,245	131,449	1,344	1,436,739	(371,559)
(711,440)	(466,282)	(84,226)	(136,575)	(235,616)	(183,114)
(51,743)	266,815	(554,262)	95,578	(4,208,877)	102,203
2,683,068	2,416,253	2,970,515	2,874,937	7,083,814	6,981,611
2,631,325	2,683,068	2,416,253	2,970,515	2,874,937	7,083,814
711,440	466,282	84,226	136,575	235,616	183,114
(711,440)	(466,282)	(84,226)	(136,575)	(235,616)	(183,114)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 2,631,325	\$ 2,683,068	\$ 2,416,253	\$ 2,970,515	\$ 2,874,937	\$ 7,083,814
0%	0%	0%	0%	0%	0%
\$ 55,203,818	\$ 54,179,293	\$ 53,798,192	\$ 56,075,288	\$ 54,610,702	\$ 53,547,731
4.77%	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, 2023

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
County Local Plan					
2023	\$ 44,071	\$ 44,071	-	\$ 27,394,405	0.16 %
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
Schools Local Plan					
2023	350,479	350,479	-	62,678,207	0.56
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

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

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

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

	Plan Year		
	2022	2021	2020
Total OPEB Liability			
Service cost	\$ 7,924	\$ 7,637	\$ -
Interest on total OPEB liability	48,291	43,735	-
Changes in benefit terms	-	-	647,931
Difference between expected and actual experience	(20,833)	-	-
Changes in assumptions	39,397	15,587	-
Benefit payments	(14,776)	-	-
Net change in total OPEB liability	60,003	66,959	647,931
Total OPEB liability – beginning	714,890	647,931	-
Total OPEB liability – ending	774,893	714,890	647,931
Plan Fiduciary Net Position			
Contributions – employer	50,313	46,958	-
Net investment income	(808)	6,416	-
Benefit payments	(14,776)	-	-
Administrative expenses	(171)	(209)	-
Net change in plan fiduciary net position	34,558	53,165	-
Plan fiduciary net position – beginning	53,165	-	-
Plan fiduciary net position – ending	87,723	53,165	-
Net OPEB liability – ending	\$ 687,170	\$ 661,725	\$ 647,931
Plan fiduciary net position as a percentage of total OPEB liability	883%	1345%	0%
Covered payroll	\$ 6,337,433	\$ 6,009,183	\$ 5,904,866
Net OPEB liability as a percentage of covered payroll	11%	11%	11%

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, 2023**

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
VRS Health Insurance Credit Non-Teachers					
2023	\$ 68,904	\$ 68,904	-	\$ 7,537,603	0.91 %
2022	49,169	49,169	-	6,337,433	0.78
2021	10,417	10,417	-	6,009,183	0.17

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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 EMPLOYER'S SHARE OF NET OPEB LIABILITY –
VRS COST SHARING PLANS
June 30, 2023

Entity Fiscal Year Ended June 30,	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System – Health Insurance Credit – Schools – Teachers					
2023	0.60 %	\$ 7,443,818	\$ 48,866,385	15.23 %	15.09 %
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
Virginia Retirement System – Group Life Insurance – Primary Government					
2023	0.10	1,256,475	24,460,444	5.14	67.21
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
Virginia Retirement System – Group Life Insurance – Schools – Nonprofessional Employees					
2023	0.03	308,730	6,337,433	4.87	67.21
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
Virginia Retirement System – Group Life Insurance – Schools-Teachers					
2023	0.26	3,082,607	48,866,385	6.31	67.21
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

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 measurement period, which is the twelve months prior to the entity'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 OPEB CONTRIBUTIONS –
VRS COST SHARING PLANS
June 30, 2023

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System – Health Insurance Credit – Schools – Teachers					
2023	\$ 708,518	\$ 708,518	\$ -	\$ 55,140,604	1.28 %
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
Virginia Retirement System – Group Life Insurance – Primary Government					
2023	135,974	135,974	-	27,394,405	0.50
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
Virginia Retirement System – Group Life Insurance – Schools- Nonprofessional Employees					
2023	31,878	31,878	-	7,537,603	0.42
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
Virginia Retirement System – Group Life Insurance – Schools- Teachers					
2023	313,618	313,618	-	55,140,604	0.57
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, 2023

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector 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 age and service through 9 years of service.
- No change in 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, 2023**

Note 2. Changes of Assumptions (Continued)

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

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

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, 2023**

	<u>Special Revenue Funds</u>				<u>Capital Projects</u>	<u>Total Governmental Funds</u>
	<u>Operating</u>	<u>Nutrition</u>	<u>Textbooks</u>	<u>School Activities</u>		
ASSETS						
Cash and cash equivalents	\$ 17,630,775	\$ 3,288,675	\$ 1,025,062	\$ 1,407,678	\$ 448,262	\$ 23,800,452
Receivables, net	6,796,927	-	-	-	-	6,796,927
Due from primary government	7,893,102	-	-	-	-	7,893,102
Prepays	118,316	23,894	-	-	-	142,210
Inventories	-	175,917	-	-	-	175,917
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 32,439,120</u>	<u>\$ 3,488,486</u>	<u>\$ 1,025,062</u>	<u>\$ 1,407,678</u>	<u>\$ 448,262</u>	<u>\$ 38,808,608</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 2,695,264	\$ 31,118	\$ 11,190	\$ -	\$ -	\$ 2,737,572
Accrued payroll and related liabilities	12,204,689	360,429	-	-	-	12,565,118
Self insurance	1,522,072	-	-	-	-	1,522,072
Deferred revenue	1,946,644	-	-	-	-	1,946,644
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>18,368,669</u>	<u>391,547</u>	<u>11,190</u>	<u>-</u>	<u>-</u>	<u>18,771,406</u>
FUND BALANCES						
Fund balances:						
Nonspendable	118,316	199,811	-	-	-	318,127
Committed	8,103,974	-	-	-	-	8,103,974
Assigned	5,848,161	2,897,128	1,013,872	1,407,678	448,262	11,615,101
Unassigned	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>14,070,451</u>	<u>3,096,939</u>	<u>1,013,872</u>	<u>1,407,678</u>	<u>448,262</u>	<u>20,037,202</u>
Total liabilities and fund balances	<u>\$ 32,439,120</u>	<u>\$ 3,488,486</u>	<u>\$ 1,025,062</u>	<u>\$ 1,407,678</u>	<u>\$ 448,262</u>	

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING BALANCE SHEET
Year Ended June 30, 2023**

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

Total Fund Balance, Governmental Funds		\$ 20,037,202
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 321,696,491	
Accumulated depreciation and amortization	<u>(177,442,059)</u>	144,254,432
Other long-term assets not available to pay for current period expenditures and therefore are deferred in the funds.		
		1,946,644
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.		
		63,393
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	15,618,457	
Other postemployment benefits	3,798,286	
Deferred inflows related to:		
Pensions	(14,069,389)	
Other postemployment benefits	(4,264,205)	
Net pension asset	1,781,581	
Net pension liability	(57,070,277)	
Net other postemployment benefit liability	<u>(14,153,650)</u>	(68,359,197)
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest	(58,621)	
Leases	(4,613,908)	
Compensated absences	<u>(1,951,416)</u>	<u>(6,623,945)</u>
Net position of Governmental Activities		<u>\$ 91,318,529</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, 2023**

	<u>Special Revenue Funds</u>					<u>Total Governmental Funds</u>
	<u>Operating</u>	<u>Nutrition</u>	<u>Textbooks</u>	<u>School Activities</u>	<u>Capital Projects</u>	
REVENUES						
Revenue from use of money and property	\$ 24,911	\$ 5,013	\$ 3,382	\$ -	\$ 6	\$ 33,312
Charges for services	601,741	1,106,357	-	3,525,696	-	5,233,794
Other	2,750,528	-	-	-	-	2,750,528
Intergovernmental:						
County of Bedford	42,659,278	-	100,000	-	-	42,759,278
Commonwealth of Virginia	73,796,936	102,640	795,898	-	-	74,695,474
Federal government	14,481,129	4,126,693	-	-	708,273	19,316,095
Total revenues	<u>134,314,523</u>	<u>5,340,703</u>	<u>899,280</u>	<u>3,525,696</u>	<u>708,279</u>	<u>144,788,481</u>
EXPENDITURES						
Current:						
Instructional	80,711,096	-	1,094,237	3,486,456	-	85,291,789
Administration, attendance, and health	5,971,259	-	-	-	-	5,971,259
Pupil transportation services	10,271,471	-	-	-	-	10,271,471
Operations and maintenance services	19,792,821	-	-	-	-	19,792,821
Nutrition services	-	5,548,996	-	-	-	5,548,996
Technology	7,444,973	-	-	-	-	7,444,973
Debt service:						
Principal	1,779,411	-	533,057	-	-	2,312,468
Interest and other fiscal charges	86,153	-	-	-	-	86,153
Capital projects	43,206	-	533,057	-	-	576,263
Total expenditures	<u>126,100,390</u>	<u>5,548,996</u>	<u>2,160,351</u>	<u>3,486,456</u>	<u>-</u>	<u>137,296,193</u>
Excess (deficiency) of revenues over expenditures	<u>8,214,133</u>	<u>(208,293)</u>	<u>(1,261,071)</u>	<u>39,240</u>	<u>708,279</u>	<u>7,492,288</u>
OTHER FINANCING SOURCES						
Lease proceeds	1,507,616	-	-	-	-	1,507,616
SBITA proceeds	-	-	533,057	-	-	533,057
Total other financing sources	<u>1,507,616</u>	<u>-</u>	<u>533,057</u>	<u>-</u>	<u>-</u>	<u>2,040,673</u>
Net change in fund balances	9,721,749	(208,293)	(728,014)	39,240	708,279	9,532,961
Fund balance, beginning	<u>4,348,702</u>	<u>3,305,232</u>	<u>1,741,886</u>	<u>1,368,438</u>	<u>(260,017)</u>	
Fund balance, ending	<u>\$ 14,070,451</u>	<u>\$ 3,096,939</u>	<u>\$ 1,013,872</u>	<u>\$ 1,407,678</u>	<u>\$ 448,262</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, 2023**

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

Net changes in fund balances - total governmental funds		\$ 9,532,961
<p>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.</p>		
Capital outlay expenditures that were capitalized	\$ 11,460,189	
Depreciation expense for governmental assets	(8,298,521)	
GASB 87 lease capital outlay, net of amortization	(305,027)	
GASB 96 subscription capital outlay, net of amortization	432,373	
Loss on disposal of capital asset	<u>(12,923)</u>	3,276,091
<p>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.</p>		
Employer pension contributions		10,018,928
Pension expense		464,436
<p>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.</p>		
Employer other postemployment benefit contributions		1,473,397
Other postemployment expense		(58,068)
<p>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.</p>		
New long-term debt issued	(2,040,673)	
Principal payments on long-term debt	2,312,468	
Increase in accrued interest payable	<u>10,352</u>	282,147
<p>Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Other revenues		(43,190)
<p>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.</p>		
Compensated absences		<u>32,838</u>
Total changes in net position of governmental activities		<u>\$ 24,979,540</u>

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, 2023**

	<u>Operating</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from use of money and property	\$ 50,000	\$ 50,000	\$ 24,911	\$ (25,089)
Charges for services	650,000	650,000	586,935	(63,065)
Other	782,322	1,453,894	1,943,990	490,096
Intergovernmental:				
County of Bedford	38,293,028	40,410,947	41,271,506	860,559
Commonwealth of Virginia	73,842,792	75,152,792	74,421,169	(731,623)
Federal government	18,659,801	18,659,801	15,575,063	(3,084,738)
 Total revenues	<u>132,277,943</u>	<u>136,377,434</u>	<u>133,823,574</u>	<u>(2,553,860)</u>
EXPENDITURES				
Current:				
Instructional	82,312,960	81,327,089	81,204,725	122,364
Administration, attendance, and health	5,937,643	6,046,603	5,948,342	98,261
Pupil transportation services	9,993,524	10,313,524	10,311,221	2,303
Operations and maintenance services	27,286,540	31,422,942	21,731,123	9,691,819
Nutrition services	-	-	-	-
Technology	6,747,276	7,267,276	7,014,588	252,688
 Total expenditures	<u>132,277,943</u>	<u>136,377,434</u>	<u>126,209,999</u>	<u>10,167,435</u>
 Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>7,613,575</u>	<u>7,613,575</u>
 Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,613,575</u>	<u>\$ 7,613,575</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	\$ 5,013	\$ (1,987)	\$ -	\$ -	\$ 3,383	\$ 3,383
2,229,577	2,229,577	1,121,163	(1,108,414)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	100,000	100,000	100,000	-
121,679	121,679	102,640	(19,039)	770,171	770,171	795,898	25,727
2,541,521	2,541,521	4,134,816	1,593,295	-	-	-	-
4,899,777	4,899,777	5,363,632	463,855	870,171	870,171	899,281	29,110
-	-	-	-	870,171	870,171	1,619,922	(749,751)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,899,777	4,899,777	5,557,857	(658,080)	-	-	-	-
-	-	-	-	-	-	-	-
4,899,777	4,899,777	5,557,857	(658,080)	870,171	870,171	1,619,922	(749,751)
-	-	(194,225)	(194,225)	-	-	(720,641)	(720,641)
\$ -	\$ -	\$ (194,225)	\$ (194,225)	\$ -	\$ -	\$ (720,641)	\$ (720,641)

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SUPPORTING SCHEDULES

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 46,600,000	\$ 46,600,000	\$ 49,430,737	\$ 2,830,737
Real and personal public service corporation property taxes	1,650,000	1,650,000	1,433,150	(216,850)
Personal property taxes (local remittance)	18,925,000	18,925,000	19,032,628	107,628
Machinery and tools taxes	3,505,000	3,505,000	3,461,020	(43,980)
Mobile home taxes	110,000	110,000	114,286	4,286
Penalties and interest	836,000	836,000	982,848	146,848
Total general property taxes	<u>71,626,000</u>	<u>71,626,000</u>	<u>74,454,669</u>	<u>2,828,669</u>
Other local taxes:				
Local sales and use taxes	8,927,109	8,927,109	9,835,207	908,098
Consumer utility taxes	1,257,700	1,257,700	1,276,986	19,286
Utility license tax	40,000	40,000	29,637	(10,363)
Bank stock taxes	500,000	500,000	435,601	(64,399)
Taxes on recordations and wills	1,677,000	1,677,000	1,496,342	(180,658)
Transient occupancy tax	1,100,000	1,100,000	1,973,347	873,347
Meals tax	1,900,000	1,900,000	2,470,674	570,674
Communications sales tax	1,235,000	1,235,000	1,336,704	101,704
Total other local taxes	<u>16,636,809</u>	<u>16,636,809</u>	<u>18,854,498</u>	<u>2,217,689</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	28,000	28,000	18,567	(9,433)
Building permits	375,000	375,000	424,894	49,894
Other permits and licenses	77,800	77,800	74,221	(3,579)
Planning permits and fees	100,000	100,000	70,043	(29,957)
Total permits, privilege fees, and regulatory licenses	<u>580,800</u>	<u>580,800</u>	<u>587,725</u>	<u>6,925</u>
Fines and forfeitures	<u>65,000</u>	<u>65,000</u>	<u>39,150</u>	<u>(25,850)</u>
Revenue from use of money and property:				
Revenue from use of money	275,100	275,117	772,929	497,812
Revenue from use of property	212,561	212,561	258,929	46,368
Total revenue from use of money and property	<u>487,661</u>	<u>487,678</u>	<u>1,031,858</u>	<u>544,180</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, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Charges for services:				
Court costs	\$ 121,604	\$ 121,604	\$ 203,182	\$ 81,578
Commonwealth attorney	4,000	4,000	5,328	1,328
Law enforcement and traffic control	105,000	105,000	138,862	33,862
Welfare and social services	50,000	50,000	115,580	65,580
Recreation fees	76,500	76,500	109,409	32,909
EMS cost recoveries	1,950,000	1,964,106	2,598,230	634,124
Other	24,000	24,000	35,820	11,820
Total charges for services	<u>2,331,104</u>	<u>2,345,210</u>	<u>3,206,411</u>	<u>861,201</u>
Miscellaneous	<u>253,000</u>	<u>289,348</u>	<u>991,966</u>	<u>702,618</u>
Recovered costs:				
Town of Bedford-Communications	40,000	40,000	53,389	13,389
Town of Bedford-Sheriff's office	-	-	4,081	4,081
Horizon-Social services	60,200	60,200	67,230	7,030
Economic Development Authority	16,712	16,712	4,429	(12,283)
Bedford Public Library	35,000	35,000	35,000	-
Tri-County Lake Administrative Commission	10,000	10,000	10,000	-
Central Garage	180,000	180,000	239,801	59,801
Nursing home	275,000	275,000	282,919	7,919
Other	120,000	162,500	5,982	(156,518)
Total recovered costs	<u>736,912</u>	<u>779,412</u>	<u>702,831</u>	<u>(76,581)</u>
Total revenue from local sources	<u>92,717,286</u>	<u>92,810,257</u>	<u>99,869,108</u>	<u>7,058,851</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	110,000	110,000	149,292	39,292
Mobile home titling taxes	100,000	100,000	202,899	102,899
Railroad rolling stock taxes	155,000	155,000	155,950	950
Total non-categorical aid	<u>6,451,051</u>	<u>6,451,051</u>	<u>6,594,192</u>	<u>143,141</u>
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	661,316	661,316	641,407	(19,909)
Sheriff	2,750,176	2,750,176	2,871,817	121,641
Commissioner of the Revenue	288,270	288,270	269,632	(18,638)
Treasurer	261,222	261,222	269,838	8,616
Registrar and Electoral board	67,008	67,008	92,380	25,372
Clerk of the Circuit Court	520,252	614,858	614,858	-
Communications	168,860	168,860	160,819	(8,041)
Total shared expenses	<u>4,717,104</u>	<u>4,811,710</u>	<u>4,920,751</u>	<u>109,041</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, 2023

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other:				
Social services	\$ 2,403,674	\$ 2,403,674	\$ 2,420,445	\$ 16,771
Comprehensive services	4,588,574	4,588,574	3,403,533	(1,185,041)
Forfeited asset seizure proceeds	-	-	134	134
State internet crimes	-	2,070,095	1,750,982	(319,113)
EMS Four for Life	87,000	87,000	-	(87,000)
Fire funds	275,000	275,000	292,101	17,101
Public safety grants	-	1,152,789	77,543	(1,075,246)
Victim witness coordinator	45,640	55,010	48,290	(6,720)
Domestic violence grants	173,000	221,405	149,764	(71,641)
VJCCCA	70,751	70,751	70,751	-
Wireless E-911 grant	220,000	223,795	277,404	53,609
Tourism grants	-	19,590	19,565	(25)
Record preservation grant	-	63,644	34,903	(28,741)
VA Commission of Arts	4,500	4,500	4,500	-
Juror and witness reimbursement	-	-	20,490	20,490
Virginia Tobacco Commission grants	-	65,500	680,159	614,659
Agriculture and forestry industries development grants	-	30,500	-	(30,500)
VDOT revenue sharing grant	120,000	162,500	-	(162,500)
Virginia telecommunication initiative grant	-	17,672,461	3,022,386	(14,650,075)
Other	-	-	60,699	60,699
Total other categorical aid	<u>7,988,139</u>	<u>29,166,788</u>	<u>12,333,649</u>	<u>(16,833,139)</u>
Total categorical aid	<u>12,705,243</u>	<u>33,978,498</u>	<u>17,254,400</u>	<u>(16,724,098)</u>
Total revenue from the Commonwealth	<u>19,156,294</u>	<u>40,429,549</u>	<u>23,848,592</u>	<u>(16,580,957)</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>75,000</u>	<u>75,000</u>	<u>85,870</u>	<u>10,870</u>
Categorical aid:				
Social services	5,280,206	5,280,206	4,756,930	(523,276)
Sheriff – DMV grants	-	78,356	21,211	(57,145)
Justice assistance grants	-	33,258	17,127	(16,131)
Internet crimes grant	-	1,220,980	567,663	(653,317)
Bulletproof vest grant	-	30,835	15,687	(15,148)
Other law enforcement grants	-	115,410	-	(115,410)
Victim witness coordinator	106,493	134,604	114,443	(20,161)
Domestic violence grants	132,591	132,591	129,493	(3,098)
American rescue plan act grants	-	8,153,767	7,800,391	(353,376)
Total categorical aid	<u>5,519,290</u>	<u>15,180,007</u>	<u>13,422,945</u>	<u>(1,757,062)</u>
Total revenue from the federal government	<u>5,594,290</u>	<u>15,255,007</u>	<u>13,508,815</u>	<u>(1,746,192)</u>
Total intergovernmental revenues	<u>24,750,584</u>	<u>55,684,556</u>	<u>37,357,407</u>	<u>(18,327,149)</u>
Total general fund	<u>\$ 117,467,870</u>	<u>\$ 148,494,813</u>	<u>\$ 137,226,515</u>	<u>\$ (11,268,298)</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, 2023**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures				
General government administration:				
Legislative:				
Board of Supervisors	\$ 150,082	\$ 160,082	\$ 160,081	\$ 1
General and financial administration:				
County administration	788,216	782,729	750,949	31,780
County attorney	249,112	258,245	253,726	4,519
Independent auditor	75,000	129,675	115,075	14,600
Commissioner of the Revenue	946,192	1,422,447	1,291,648	130,799
Treasurer	854,483	892,981	850,158	42,823
Finance	970,523	943,617	913,396	30,221
Information technology	1,432,824	1,441,436	1,132,147	309,289
Human resources	434,699	447,276	363,404	83,872
Electoral board	246,253	246,253	128,744	117,509
Registrar	477,122	480,352	313,505	166,847
Total general and financial administration	<u>6,474,424</u>	<u>7,045,011</u>	<u>6,112,752</u>	<u>932,259</u>
Total general government administration	<u>6,624,506</u>	<u>7,205,093</u>	<u>6,272,833</u>	<u>932,260</u>
Judicial administration:				
Courts:				
Circuit Court	100,083	99,368	90,092	9,276
District Court	12,275	14,067	14,067	-
Magistrates	2,400	2,400	1,327	1,073
Juvenile and Domestic Relations District Court	18,731	18,731	18,163	568
Clerk of the Circuit Court	1,126,093	1,364,436	1,332,915	31,521
Victim Witness Program	226,492	229,722	211,284	18,438
Law Library	13,500	13,500	10,656	2,844
Other court services	12,000	12,000	12,000	-
Total courts	<u>1,511,574</u>	<u>1,754,224</u>	<u>1,690,504</u>	<u>63,720</u>
Commonwealth's Attorney	1,117,995	1,172,031	1,112,873	59,158
Total judicial administration	<u>2,629,569</u>	<u>2,926,255</u>	<u>2,803,377</u>	<u>122,878</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	8,850,952	8,933,235	8,557,766	375,469
Internet Crimes Grant	-	3,512,504	2,331,774	1,180,730
Law enforcement grants	-	1,595,955	153,292	1,442,663
Total law enforcement and traffic control	<u>8,850,952</u>	<u>14,041,694</u>	<u>11,042,832</u>	<u>2,998,862</u>
Fire and rescue services:				
Volunteer fire companies	1,554,375	1,638,949	1,588,987	49,962
Volunteer rescue squads	932,605	1,011,209	1,007,482	3,727
Total fire and rescue services	<u>2,486,980</u>	<u>2,650,158</u>	<u>2,596,469</u>	<u>53,689</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, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Correction and detention:				
Blue Ridge Regional Jail	\$ 2,500,000	\$ 2,955,857	\$ 2,955,857	\$ -
VJCCCA	105,625	141,969	141,969	-
Juvenile secure detention	200,000	163,656	154,298	9,358
Total correction and detention	2,805,625	3,261,482	3,252,124	9,358
Building inspections	581,192	587,651	548,812	38,839
Other protection:				
Animal shelter	220,282	272,025	271,279	746
Animal control	341,866	355,313	352,687	2,626
Emergency services	5,302,809	5,359,045	5,029,387	329,658
Communications center	3,179,044	3,233,582	3,023,016	210,566
Total other protection	9,044,001	9,219,965	8,676,369	543,596
Total public safety	23,768,750	29,760,950	26,116,606	3,644,344
Public works:				
Sanitation and waste removal:				
Refuse collection	3,754,213	3,803,970	3,803,970	-
Total sanitation and waste removal	3,754,213	3,803,970	3,803,970	-
Maintenance – buildings and grounds:				
Housekeeping	463,941	470,400	414,765	55,635
General properties	1,400,250	1,409,818	1,380,702	29,116
Central garage	368,099	420,179	375,245	44,934
Total maintenance – buildings and grounds	2,232,290	2,300,397	2,170,712	129,685
Total public works	5,986,503	6,104,367	5,974,682	129,685
Health and welfare:				
Health:				
Supplement to local health agencies	683,930	683,930	667,803	16,127
Welfare:				
Social services	10,873,362	10,965,414	10,569,061	396,353
Comprehensive services	6,636,000	6,636,000	5,184,508	1,451,492
Domestic violence	573,115	651,762	491,791	159,971
Total welfare	18,082,477	18,253,176	16,245,360	2,007,816
Total health and welfare	18,766,407	18,937,106	16,913,163	2,023,943
Education	36,393,028	38,310,947	38,282,130	28,817

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2023**

	<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	\$ 1,534,930	\$ 1,517,957	\$ 1,509,761	\$ 8,196
Cultural enrichment	129,652	129,652	129,652	-
Contribution to Regional Library	1,910,300	1,910,300	1,910,300	-
Total parks, recreation, and cultural	<u>3,574,882</u>	<u>3,557,909</u>	<u>3,549,713</u>	<u>8,196</u>
Community development:				
Planning and community development:				
Planning commission	55,493	55,493	53,561	1,932
Planning and zoning	884,882	898,254	936,705	(38,451)
GIS	377,951	380,104	319,909	60,195
Board of appeals	2,891	2,891	535	2,356
Economic development	609,527	651,180	589,918	61,262
Joint City/County Economic development	750,000	750,000	750,000	-
Broadband Authority	76,305	201,600	172,138	29,462
Tourism	800,576	976,569	834,298	142,271
Total planning and community development	<u>3,557,625</u>	<u>3,916,091</u>	<u>3,657,064</u>	<u>259,027</u>
Environmental management:				
Natural Resources	388,569	393,952	392,672	1,280
Soil and Water Conservation District	14,250	14,250	14,250	-
Tri-County Lake Administrative Commission	60,049	60,049	57,270	2,779
Total environmental management	<u>462,868</u>	<u>468,251</u>	<u>464,192</u>	<u>4,059</u>
Cooperative Extension Program:				
VPI & SU Extension Office	84,595	84,595	64,368	20,227
Cannery	19,275	20,662	20,662	-
Total cooperative extension program	<u>103,870</u>	<u>105,257</u>	<u>85,030</u>	<u>20,227</u>
Total community development	<u>4,124,363</u>	<u>4,489,599</u>	<u>4,206,286</u>	<u>283,313</u>
Debt Service:				
Principal retirement	4,809,491	4,809,491	4,809,491	-
Interest and other fiscal charges	2,806,804	2,806,804	2,800,080	6,724
Total debt service	<u>7,616,295</u>	<u>7,616,295</u>	<u>7,609,571</u>	<u>6,724</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, 2023**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Capital projects:				
General governmental	\$ 91,650	\$ 876,650	\$ 152,833	\$ 723,817
Public safety	2,617,912	6,639,684	436,940	6,202,744
Public works	1,754,739	4,312,073	1,061,484	3,250,589
Health and welfare	-	15,300	-	15,300
Education	2,000,000	3,089,376	3,089,376	-
Parks, recreation, and cultural	243,928	1,003,828	459,376	544,452
Community and economic development	2,741,351	35,024,856	8,902,382	26,122,474
Total capital projects	<u>9,449,580</u>	<u>50,961,767</u>	<u>14,102,391</u>	<u>36,859,376</u>
Total expenditures	<u>118,933,883</u>	<u>169,870,288</u>	<u>125,830,752</u>	<u>44,039,536</u>
Excess of Revenues over Expenditures	<u>(1,466,013)</u>	<u>(21,375,475)</u>	<u>11,395,763</u>	<u>32,771,238</u>
Other Financing Sources (Uses):				
Transfers to:				
Component units	(1,784,744)	(3,017,744)	(3,017,744)	-
Total other financing sources and uses	<u>(1,784,744)</u>	<u>(3,017,744)</u>	<u>(3,017,744)</u>	<u>-</u>
Net change in fund balance	<u>\$ (3,250,757)</u>	<u>\$ (24,393,219)</u>	<u>\$ 8,378,019</u>	<u>\$ 32,771,238</u>

COUNTY OF BEDFORD, VIRGINIA

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

<u>Federal Grantor/Pass-Through Grantor (Commonwealth of Virginia)/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>Department of Agriculture:</u>		
<u>Pass-Through Payments:</u>		
<u>Department of Social Services:</u>		
SNAP Cluster – Supplemental Nutrition Assistance Program	10.561	\$ 1,472,206
<u>Department of the Agriculture and Consumer Services:</u>		
Child Nutrition Cluster – National School Lunch Program (Commodities)	10.555	389,502
Food Distribution Cluster – Emergency Food Assistance Program (Food Commodities)	10.569	618
<u>Department of Education:</u>		
Child Nutrition Cluster – National School Breakfast Program	10.553	995,472
Child Nutrition Cluster – National School Lunch Program	10.555	3,084,486
Child and Adult Care Food Program	10.558	1,746
Child Nutrition Cluster – Summer Food Service for Children	10.559	25,151
Child Nutrition Discretionary Grants	10.579	24,826
Pandemic EBT Administrative Costs	10.649	3,135
<u>Department of Justice:</u>		
<u>Direct Payments:</u>		
Missing Children’s Assistance	16.543	522,764
Bulletproof Vest Partnership Program	16.607	13,283
Edward Byrne Memorial Justice Assistance Grant	16.738	7,111
<u>Pass-Through Payments:</u>		
<u>Department of Criminal Justice Services:</u>		
Crime Victim Assistance	16.575	214,489
Violence Against Women Formula Grants	16.588	14,889
<u>Department of Transportation:</u>		
<u>Pass-Through Payments:</u>		
<u>Department of Motor Vehicles:</u>		
Highway Safety Cluster – State and Community Highway Safety (Section 402)	20.600	13,286
<u>Department of Treasury:</u>		
<u>Direct Payments:</u>		
Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – COVID-19	21.027	2,765,575
<u>Pass-through Payments:</u>		
<u>Department of Criminal Justice Services:</u>		
Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – COVID-19	21.027	6,294
<u>Department of Education:</u>		
Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – COVID-19	21.027	425,572
<u>Virginia Tourism Corporation:</u>		
Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – COVID-19	21.027	37,280
<u>Department of Education:</u>		
<u>Direct Payments:</u>		
Twenty-First Century Community Learning Centers	84.287	192,588
<u>Pass-through Payments:</u>		
<u>Department of Education:</u>		
Adult Education Grants to States	84.002	94,073
Title I: Grants to Local Educational Agencies	84.010	1,799,623
Special Education Cluster – Special Education – Grants to States	84.027	2,333,994

(Continued)

COUNTY OF BEDFORD, VIRGINIA

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

<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	\$ 157,116
Special Education Cluster – Special Education – Preschool Grants	84.173	71,916
English Language Acquisition Grants	84.365	9,060
No Child Left Behind Act Improving Teacher Quality State Grants	84.367	263,923
Student Support and Academic Enrichment Program	84.424	162,184
Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER) Fund – COVID-19	84.425D	8,316,561
<u>Department of Health and Human Services:</u>		
<u>Direct Payments:</u>		
Provider Relief Funds – COVID-19	93.498	75,980
<u>Pass-through Payments:</u>		
<u>Department of Social Services:</u>		
Guardianship Assistance	93.090	94
Title IV-E Prevention Program	93.472	17,398
Promoting Safe and Stable Families	93.556	58,170
TANF Block Grant	93.558	408,735
Refugee and Entrant Assistance – State Administered Program	93.566	1,596
Low Income Home Energy Assistance	93.568	76,744
CCDF Cluster – Child Care Development Fund	93.596	91,092
Chafee Education & Training Vouchers Program	93.599	9,863
Adoption Incentives Payment Program	93.603	1,995
Child Welfare Services – State Grants	93.645	406
Foster Care – Title IV-E	93.658	491,924
Adoption Assistance	93.659	1,052,006
Social Service Block Grant	93.667	541,152
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	19,809
Independent Living	93.674	13,834
Virginia Children’s Medical Insurance Plan	93.767	7,007
Medicaid Cluster – Medical Assistance Program (Medicaid; Title XIX)	93.778	767,283
<u>Department of Homeland Security:</u>		
<u>Pass-through Payments:</u>		
Emergency Management Performance Grants	97.042	13,304
Total Expenditures of Federal Awards		<u>\$ 27,067,115</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, 2023, 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 covers all amounts received by the County through June 30, 2022.

STATISTICAL SECTION

This part of the annual 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)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 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	\$ 42,423,196
Restricted	18,033	1,079	1,778,497	-	-	-	387,285	-	2,323,945	-
Unrestricted	(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	22,952,362
Total governmental activities net position	\$ 12,926,700	\$ 21,975,095	\$ 37,302,666	\$ 34,925,310	\$ 19,925,010	\$ 26,783,193	\$ 11,428,647	\$ 30,293,861	\$ 52,527,579	\$ 65,375,558
Business-type activities										
Net investment in capital assets	\$ 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	\$ 9,955,625
Restricted	-	-	-	-	-	-	-	-	497,404	-
Unrestricted	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	1,667,871
Total business-type activities net position	\$ 15,284,343	\$ 15,347,177	\$ 16,315,154	\$ 17,558,957	\$ 18,186,260	\$ 17,493,228	\$ 17,146,831	\$ 15,661,568	\$ 13,349,765	\$ 11,623,496
Primary government										
Net investment in capital assets	\$ 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	\$ 52,378,821
Restricted	18,033	1,079	1,778,497	-	-	-	387,285	-	2,821,349	-
Unrestricted	(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	24,620,233
Total primary government net position	\$ 28,211,043	\$ 37,322,272	\$ 53,617,820	\$ 52,484,267	\$ 38,111,270	\$ 44,276,421	\$ 28,575,478	\$ 45,955,429	\$ 65,877,344	\$ 76,999,054
Component Unit-School Board (1)										
Net investment in capital assets	\$ 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	\$ 139,640,526
Restricted	6	6	-	-	-	-	74,805	-	3,432,811	1,781,581
Unrestricted	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)	(50,103,578)
Total component unit-School Board net position	\$ 98,214,009	\$ 10,870,685	\$ 12,546,800	\$ 23,673,280	\$ 30,218,639	\$ 36,659,384	\$ 51,753,140	\$ 50,152,742	\$ 66,338,989	\$ 91,318,529

(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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government:										
Expenses										
Governmental activities:										
General government	\$ 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	\$ 6,686,853
Judicial administration	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	2,846,398
Public safety	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	26,787,027
Public works	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	6,042,468
Health and welfare	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	16,442,996
Education	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	46,362,335
Parks, recreational, and cultural	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	4,164,111
Community development	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	13,748,347
Interest on long-term debt	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	2,277,702
Total governmental activities expenses	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	125,358,237
Business-type activities:										
Nursing home	5,491,294	5,279,264	5,323,100	5,752,404	5,958,786	7,158,320	7,759,530	8,419,047	7,017,861	7,595,996
Solid waste	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	6,282,517
Total business-type activities expenses	8,947,628	8,406,794	8,683,469	9,076,534	9,487,302	11,758,286	12,940,699	13,338,660	13,134,530	13,878,513
Total primary government expenses	\$ 97,109,736	\$ 89,592,525	\$ 93,726,251	\$ 112,578,148	\$ 128,756,066	\$ 114,602,724	\$ 141,939,736	\$ 126,541,446	\$ 118,687,533	\$ 139,236,750
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	\$ 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	\$ 3,161,800
Health and welfare	324,979	119,175	132,634	141,947	121,645	167,992	158,016	269,037	269,855	195,311
Community development	243,713	247,451	241,294	255,561	293,703	267,484	292,024	242,008	242,008	313,150
Other activities	605,163	747,100	824,510	958,722	998,692	1,150,890	1,208,727	1,179,328	1,363,146	1,015,567
Operating grants and contributions	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	32,938,035
Capital grants and contributions	278,842	104,082	346,027	239,004	53,637	12,500	158,779	563,696	-	-
Total governmental activities program revenues	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	37,623,863
Business-type activities:										
Charges for services:										
Nursing Home	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	7,035,619
Solid Waste	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	2,428,915
Operating grants and contributions	397,947	351,149	295,454	378,572	359,322	332,733	-	616,342	75,980	401,456
Total business-type activities program revenues	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	9,865,990
Total primary government program revenues	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	47,489,853
Net (expense) revenue (1)										
Governmental activities	(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)	(87,734,374)
Business-type activities	(820,321)	1,012,582	908,133	1,156,988	766,504	(794,891)	(2,715,900)	(3,819,982)	(4,699,041)	(4,012,523)
Total primary government net expense	(72,341,346)	(64,036,840)	(66,788,868)	(84,053,201)	(98,823,637)	(81,316,644)	(104,904,972)	(77,071,871)	(79,286,449)	(91,746,897)

COUNTY OF BEDFORD, VIRGINIA

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 75,052,644
Other local taxes	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	19,092,096
Noncategorical state aid	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	6,553,686
Investment earnings-unrestricted	241,059	150,908	261,818	274,992	250,275	396,118	250,275	324,972	197,744	280,355
Investment earnings-restricted for capital projects, debt service and length of service award program	1,925	1,233	55,460	263,835	337,943	215,960	337,943	108,006	63,905	492,805
Miscellaneous	229,025	205,121	573,225	1,677,067	226,623	137,797	226,623	915,978	1,119,457	922,453
Transfers	35,205	2,867	-	5,751	(50,000)	-	(50,000)	-	(1,784,744)	(1,834,674)
Special Item - contribution of capital assets	817,884	-	-	-	-	-	-	(1,937,826)	-	-
Total governmental activities	\$ 75,312,233	\$ 78,576,156	\$ 81,432,894	\$ 85,579,000	\$ 85,918,644	\$ 87,379,936	\$ 85,918,644	\$ 92,117,103	\$ 96,821,126	\$ 100,559,365
Business-type activities:										
Investment earnings-unrestricted and restricted	42,071	15,811	58,686	29,687	36,750	97,692	36,750	66,635	38,947	32,540
Miscellaneous	6,484	-	1,158	62,879	1,512	4,167	1,512	330,259	563,647	419,040
Transfers	(35,205)	(2,867)	-	(5,751)	50,000	-	50,000	1,937,826	1,784,744	1,834,674
Total business-type activities	\$ 13,350	\$ 12,944	\$ 59,844	\$ 86,815	\$ 88,262	\$ 101,859	\$ 88,262	\$ 2,334,720	\$ 2,387,338	\$ 2,286,254
Total primary government	\$ 75,325,583	\$ 78,589,100	\$ 81,492,738	\$ 85,665,815	\$ 86,006,906	\$ 87,481,795	\$ 86,006,906	\$ 94,451,823	\$ 99,208,464	\$ 102,845,619
Change in Net Position										
Governmental activities	\$ 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	\$ 12,824,991
Business-type activities	(806,971)	1,025,526	967,977	1,243,803	854,766	(693,032)	(2,627,638)	(1,485,262)	(2,311,703)	(1,726,269)
Total Primary Government	\$ 2,984,237	\$ 14,552,260	\$ 14,703,870	\$ 1,612,614	\$ (12,816,731)	\$ 6,165,151	\$ (18,898,066)	\$ 17,379,952	\$ 19,922,015	\$ 11,098,722
Component Unit-School Board: (2)										
Expenses	\$ 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	\$ 119,765,751
Education	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	5,233,794
Charges for services	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	46,482,269
Operating grants and contributions	24,646,345	25,500,485	27,453,730	25,355,425	27,919,782	27,504,523	27,919,782	34,955,467	50,124,700	51,716,063
Total component unit program revenues	(76,940,135)	(73,053,702)	(72,422,763)	(77,880,974)	(76,969,611)	(77,270,139)	(76,969,611)	(83,492,040)	(65,296,494)	(68,049,688)
Net (expense)/revenue	\$ 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	\$ 46,362,335
Contribution from primary government	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	43,883,053
State aid	-	-	791	1,073	1,110	14,708	1,110	30,309	30,742	33,312
Investment earnings-unrestricted	968	651	-	-	-	-	-	-	-	-
Investment earnings-restricted for capital projects and debt service	471,503	109,450	405,311	308,640	114,525	134,574	114,525	886,706	1,079,235	2,750,528
Miscellaneous	1,321,103	-	-	-	-	-	-	-	-	-
Special Item - contribution of capital assets	75,174,873	70,089,063	74,098,878	89,007,454	101,013,309	83,710,884	101,013,309	80,526,028	81,482,741	93,029,228
Total general revenues and other changes in net assets	\$ (1,765,262)	\$ (2,964,639)	\$ 1,676,115	\$ 11,126,480	\$ 24,043,698	\$ 6,440,745	\$ 24,043,698	\$ (2,966,012)	\$ 16,186,247	\$ 24,979,540
Total Component Unit-School Board Change in Net Position										

(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 indicates 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Funds										
General Fund										
Nonspendable	\$ 617,465	\$ 234,600	\$ 268,645	\$ 278,565	\$ 296,607	\$ 284,498	\$ 310,661	\$ 361,054	\$ 384,007	\$ 365,348
Restricted	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	8,694,655
Committed	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	14,641,984
Assigned	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	26,294,441
Unassigned	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	49,505,827
Total governmental funds	\$ 46,883,696	\$ 53,964,635	\$ 59,925,122	\$ 92,681,133	\$ 68,170,508	\$ 87,805,649	\$ 68,511,587	\$ 80,696,403	\$ 91,583,307	\$ 99,502,255

COUNTY OF BEDFORD, VIRGINIA

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
General property taxes	\$ 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	\$ 74,768,258
Other local taxes	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	19,008,871
Permits, privilege fees, and regulatory licenses	535,127	540,118	512,450	515,652	530,735	611,793	540,747	603,764	629,344	587,713
Fines and forfeitures	144,501	122,821	115,017	155,382	145,480	129,851	89,712	70,020	68,384	32,201
Revenue from use of money and property	279,244	275,960	476,458	736,247	786,376	809,401	1,049,371	586,126	439,692	1,040,528
Charges for services	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	3,171,724
Other	615,778	541,357	535,437	446,039	593,612	631,471	1,016,225	1,199,962	1,230,217	945,989
Recovered costs	520,202	503,792	460,022	541,654	522,472	634,755	626,730	747,607	884,604	756,513
Intergovernmental	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	37,700,956
Total revenues	91,186,289	95,081,474	98,408,102	101,306,309	105,793,292	109,022,275	117,213,111	135,917,660	127,168,531	138,012,753
Expenditures										
General government administration	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	6,262,835
Judicial administration	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	2,748,879
Public safety	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	25,296,762
Public works	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	5,766,693
Health and welfare	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	16,636,712
Education	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	39,520,279
Parks, recreation, and cultural	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	3,551,065
Community development	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	4,208,964
Debt service										
Principal	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	5,089,729
Interest and other fiscal charges	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	2,832,919
Capital projects	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	15,161,224
Total expenditures	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	127,076,061
Excess of revenues over (under) expenditures	(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	10,936,692
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	179,826	-	-	-
Transfers out	-	-	-	-	(50,000)	-	(2,231,567)	(1,937,826)	(4,984,744)	(3,017,744)
Issuance of debt	-	-	-	36,865,000	-	20,275,000	-	-	-	-
Refunding bonds issued	-	-	7,225,000	-	-	-	-	-	-	-
Premiums on issuance of debt	-	-	-	3,220,678	-	2,296,387	-	-	-	-
Payment to refunded bond escrow agent	-	-	(7,168,810)	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	4,798,108	-	-
Total other financing sources and uses	-	56,190	40,085,678	(50,000)	(50,000)	22,571,387	(2,051,741)	2,860,282	(4,984,744)	(3,017,744)
Net change in fund balances	\$ (2,424,386)	\$ 5,869,488	\$ 5,960,487	\$ 32,669,172	\$ (24,510,625)	\$ 19,635,141	\$ (19,294,062)	\$ 12,184,816	\$ 10,886,904	\$ 7,918,948

COUNTY OF BEDFORD, VIRGINIA

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Service as a Percentage of Noncapital Expenditures:										
Primary Government:										
Total debt service	\$ 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	\$ 7,922,648
Total expenditures	\$ 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	\$ 127,076,061
Capital outlay primary government only	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	2,477,031
Noncapital expenditures	\$ 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	\$ 124,599,030
Debt service as a percentage of noncapital expenditures	9.48%	10.21%	9.11%	7.48%	7.93%	8.57%	7.17%	11.80%	7.16%	6.36%
Component Unit-School Board:										
Total debt service	\$ 882,627	\$ 834,643	\$ 787,048	\$ 868,173	\$ 946,533	\$ 1,155,846	\$ 1,363,602	\$ 1,320,842	\$ 1,347,842	\$ 1,394,486
School expenditures excluding County contribution	\$ 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	\$ 94,536,915
Capital outlay Component Unit - School Board	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	11,460,189
Noncapital expenditures	\$ 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	\$ 83,076,726
Primary Government and Component Unit-Schools:										
Total debt service	\$ 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	\$ 9,317,134
Total noncapital expenditure	\$ 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	\$ 207,675,756
Debt service as a percentage of noncapital expenditures	6.22%	6.39%	5.88%	5.59%	6.49%	6.08%	5.96%	7.99%	4.84%	4.49%

(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 reflected 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			Public Service	Less: Tax Deferred Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Agricultural Property				
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
2022	8,002,736,300	772,156,900	1,805,254,300	287,009,053	1,159,642,200	9,707,514,353	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

TABLE 6

COUNTY OF BEDFORD, VIRGINIA

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

Type of Tax	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real Estate:										
General Fund	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.41

Source: Bedford County Commissioner of the Revenue

TABLE 7

COUNTY OF BEDFORD, VIRGINIA

Principal Real Property Tax Payers
Current Year and Nine Years Ago

	2022 Calendar Year			2013 Calendar Year		
	Taxpayer	Assessed Valuation	Rank	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation
	Appalachian Power Co	\$ 153,235,973	1	\$ 137,564,819	1	1.66%
	Norfolk & Western Railway Co	36,163,986	2	36,334,261	3	0.44%
	Avet LLC	34,406,900	3	-		
	GP (Georgia Pacific) Big Island LLC	26,881,200	4	18,789,300	6	0.23%
	Southside Electric Corporation	24,932,780	5	27,052,140	5	0.33%
	NBI Development	21,352,700	6	-		-
	Verizon Virginia Inc	19,613,954	7	31,672,021	4	0.38%
	B & A Properties	14,842,600	8	-		-
	Cottontown Investments LLC	14,659,300	9	-		-
	Carriage Square	13,379,400	10	-		-
	Teva Pharmaceuticals Industries Ltd	-		44,992,300	2	0.54%
	Wal-Mart	-		9,945,300	7	0.12%
	Boonsboro Country Club	-		9,649,600	8	0.12%
	Center for Advanced Engineering & Re:	-		9,156,700	9	0.11%
	Crystal Shores Marina Resort	-		8,743,900	10	0.11%
	Total	\$ 359,468,793		\$ 333,900,341		4.04%

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
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	189,829	47,447,402	45,343,493	95.94%	1,832,661	47,176,154	99.43%
2021	47,710,058	146,522	47,856,580	39,437,400	82.66%	7,478,347	46,915,747	98.03%
2022	47,102,886	206,303	47,309,189	43,526,317	92.41%	2,591,989	46,118,306	97.48%

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	Public School Authority Bonds	Lease Revenue Bonds	Capital Leases	Lease Revenue Bonds	Capital Leases	Total Primary Government				
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	*	*		
2023	-	64,095,000	2,335,000	4,224,367	-	43,661	70,698,028	*	*		

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

* Unavailable

COUNTY OF BEDFORD, VIRGINIA

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Total Primary Government	Percentage of Actual Taxable Value of Real Property (1)	Per Capita (2)
	County General Obligation	School General Obligation				
2014	1,742,000	40,545,362		42,287,362	0.51%	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	0.81%	902
2018	144,000	65,132,932		65,276,932	0.75%	833
2019	96,000	80,847,552		80,943,552	0.92%	1,025
2020	48,000	76,378,160		76,426,160	0.81%	968
2021	-	71,850,000		71,850,000	0.76%	900
2022	-	68,065,000		68,065,000	0.71%	*
2023	-	64,095,000		64,095,000	0.66%	*

(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) (2)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net debt applicable to parameter	\$ 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	\$ 70,654,367
Net debt as a percentage of assessed value (not to exceed 3.5%)	0.77%	0.69%	0.62%	0.97%	0.89%	1.04%	0.91%	0.84%	0.79%	0.73%
Net debt per capita (not to exceed \$1,750)	\$ 832	\$ 751	\$ 679	\$ 1,077	\$ 988	\$ 1,160	\$ 1,083	\$ 995	\$ 944	*
Debt service as a percentage of General Governmental Expenditures (not to exceed 15%)	6.41%	6.55%	5.99%	6.21%	7.64%	6.36%	7.02%	8.31%	4.93%	4.78%

- (1) The *Code of Virginia* has no legal debt margin limit set on the Counties. However, through the fiscal year ended June 30, 2022, Bedford County applied 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 Capital 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%.
- (2) Bedford County revised its debt policy in the fiscal year ended June 30, 2023. The following parameters became effective June 12, 2023:
- Net Debt as a percentage of Assessed Value will not exceed 3.5% (Net Debt is General Obligation debt and Capital Lease Obligations exclusive of debt or leases payable from Proprietary Funds)
 - General Obligation Debt Service and Capital Lease payments as a percentage of General Government Expenditures will not exceed 10%.

* Not applicable

TABLE 12

COUNTY OF BEDFORD, VIRGINIA

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (1)	Personal Income (2) (5) <i>(in thousands)</i>	Per Capita Personal Income (2) (6)	School Enrollment (3)	Unemployment Rate (4)
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	79,943	*	*	8,812	2.9%
2023	*	*	*	8,818	2.9%

Sources: (1) Weldon Cooper Center for Public Service, University of Virginia, estimates for FY 2014 through FY 2022.

(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 2022 was updated to reflect final calendar year figure. Data for 2023 is average for January 1, 2023 through June 30, 2023.

(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	2023		2014	
	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
GP (Georgia Pacific) Big Island LLC	250-499	5	250-499	5
Food Lion	100-249	6	100-249	8
* Elwood Staffing Services Inc	100-249	7	100-249	9
Sentry Equipment Erectors	100-249	8	100-249	10
Kroger	100-249	9	-	-
Uos, LLC (Custom Truck One Source)	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>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government administration	46.8	46.3	48.0	49.5	49.5	49.5	50.0	53.5	57.8	60.6
Judicial administration	29.0	29.0	30.0	30.8	30.8	30.8	31.6	31.9	31.3	30.7
Public safety	159.3	154.5	149.0	161.5	161.5	161.5	172.0	174.7	175.2	183.3
Public works	49.0	48.0	49.0	50.5	50.5	50.5	51.4	51.4	53.0	54.6
Health & welfare	87.0	83.0	81.5	88.5	88.5	88.5	106.2	105.6	106.7	112.7
Parks, recreation, and cultural	11.5	12.3	12.8	14.3	14.3	14.3	16.3	15.2	17.0	16.6
Community development	25.0	25.0	24.0	24.0	24.0	24.0	32.5	33.6	34.0	35.3
Other funds										
Group homes	-	-	-	-	-	-	-	-	-	-
Nursing home	96.8	97.0	94.5	94.0	94.0	94.0	97.1	92.5	84.6	84.8
Solid waste	16.8	16.6	15.8	15.5	15.5	15.5	15.8	15.0	14.6	16.3
Other funds	113.6	113.6	110.3	109.5	109.5	109.5	112.9	107.5	99.2	101.1
Total primary government	521.2	511.6	504.6	528.5	528.6	528.6	572.9	573.4	574.2	594.9
Education	1,648.0	1,673.0	1,697.0	1,687.0	1,694.0	1,714.00	1,674.00	1,639.0	1,638.0	1,631.0
Total	2,169.2	2,184.6	2,201.6	2,215.5	2,222.6	2,242.6	2,246.9	2,212.4	2,212.2	2,225.9

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
(5) Sheriff										
Number of calls	38,370	42,501	43,097	43,847	46,717	44,540	42,984	41,445	46,618*	42,412
Criminal warrants served	1,694	1,544	1,485	1,560	2,027	1,889	1,662	1,766	1,622*	1,939
Other warrants/protective orders served	1,155	1,099	1,290	941	1,240	1,321	1,303	1,186	1,324*	1,182
Civil papers handled	19,749	18,076	17,281	18,124	22,338	22,200	22,237	20,663	18,290*	19,419
Building inspections										
(2) Number of permits	1,509	1,471	1,537	1,561	1,565	1,562	1,788	1,983	2,427	2,479
Value of permits	\$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	212,883,171
Fire and rescue										
(4) Number of Volunteers	571	558	655	739	703	764	700	300	300	260
Number of EMS calls	15,380	17,029	18,603	18,595	16,435	5,296	5,129	5,129	8,049	10,221
Number of fire calls	2,995	3,482	3,843	4,023	3,221	3,715	3,796	3,796	2,074	3,549
Public Works										
(3) Refuse collection										
Incoming waste tonnage										
Industrial	30	2,946	3,246	4,452	4,383	4,352	1,586	663	260	83
Commercial	17,218	19,095	20,379	20,772	23,051	25,136	12,449	12,182	12,730	14,613
County collection system	23,403	23,590	25,030	25,707	25,322	26,539	29,907	29,808	28,222	27,654
Commercial hauled residential	1,555	1,849	1,932	1,928	1,821	1,893	1,977	1,809	1,146	696
Residential hauled	2,018	2,135	2,479	2,915	2,979	3,622	3,998	3,675	3,676	4,066
Total	44,224	49,615	53,066	55,774	57,556	61,542	49,917	48,137	46,034	47,112
Recyclable tonnage collected	1,974	1,962	1,981	2,072	2,079	2,512	2,239	2,290	2,296	2,621
Parks, recreation, and cultural										
(1) Parks and recreation										
Number of child participants	5,667	5,585	6,331	6,525	6,894	6,782	4,192	4,335	5,717	6,208
Number of adult participants	575	563	776	621	617	648	396	185	450	737
Number of senior participants	2,684	3,987	3,069	3,200	1,832	1,232	1,056	215	2,365	2,460
Scheduled events	8	8	9	8	16	18	10	6	8	22
Number of event participants	765	1,001	1,091	1,253	2,048	2,187	1,106	915	1,575	1,575
Trips/tours	22	24	30	25	25	14	6	-	11	11
Number of trip participants	396	355	507	350	363	230	115	-	231	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 Esposito) 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government - none										
Judicial Administration - none										
Public safety										
Sheriff										
Stations	4	4	4	4	4	5	5	5	5	5
Patrol units	113	111	112	116	117	115	115	115	117	117
Fire & rescue										
Rescue squads	11	11	11	10	10	10	10	9	9	9
Satellite rescue squads	5	5	5	5	5	2	2	2	2	2
Fire companies	11	11	11	11	11	12	12	11	11	11
Marine based fire company	1	1	1	1	1	1	1	1	1	1
Satellite fire companies	9	8	8	7	7	6	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	3	3	3	3	3	3	4
Fully staffed	10	10	10	11	11	12	12	12	12	12
Total county convenience centers	15	15	15	15	15	16	16	16	16	17
Leased convenience centers										
Partially staffed	10	10	10	10	10	9	9	9	9	9
Total leased convenience centers	10	10	10	10	10	9	9	9	9	9
Recycling centers	13	13	13	14	14	15	15	15	15	15
Parks, recreation, and cultural										
Parks & recreation										
Acreage	625	625	492	492	492	492	548	548	548	548
County parks	4	4	3	3	3	3	4	4	4	4
Leased parks	8	8	8	9	9	9	7	7	7	7
Skate Park	1	1	1	1	1	1	1	1	1	1
Walking/biking trails - miles developed	23	27	27	34	40	40	44	44	44	44
County baseball/softball diamonds	4	4	4	4	4	4	10	10	10	10
Leased baseball/softball diamonds	44	44	44	44	44	44	33	33	33	33
Football fields	4	4	4	4	4	4	4	4	4	4
County soccer fields	3	3	3	3	3	3	4	4	4	4
Leased soccer fields	37	37	38	39	39	39	38	38	38	38
Community centers	2	2	2	3	3	3	3	3	3	3
County Gymnasium	1	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**

Grade	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
K	689	686	661	672	659	694	701	617	650	651
1	728	688	662	664	693	673	676	641	610	662
2	759	710	686	690	683	704	686	659	661	600
3	704	742	694	686	704	682	676	658	647	671
4	739	713	739	709	693	697	681	652	648	657
5	798	745	707	756	734	711	700	647	659	662
6	734	806	737	699	754	726	691	663	665	673
7	793	744	807	740	726	750	738	702	663	666
8	782	801	742	803	752	736	763	727	699	689
9	833	822	833	801	836	797	761	776	776	753
10	877	805	800	781	763	799	753	746	738	738
11	787	865	750	775	748	738	789	716	679	718
12	800	788	856	769	798	767	753	748	717	678
Total	10,023	9,915	9,674	9,545	9,543	9,474	9,368	8,952	8,812	8,818
Elementary school membership	5,944	5,834	5,693	5,616	5,646	5,637	5,549	5,239	5,203	5,242
Secondary school membership	4,079	4,081	3,981	3,929	3,897	3,837	3,819	3,713	3,609	3,576
Total	10,023	9,915	9,674	9,545	9,543	9,474	9,368	8,952	8,812	8,818

Source: Bedford County School Board

COUNTY OF BEDFORD, VIRGINIA

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Based Support										
Principals	22	22	21	21	21	21	21	21	21	21
Assistant principals	15	14	14	13	14	14	15	18	15	16
Clerical/secretarial	51	53	50	49	52	51	50	54	55	57
Guidance	36	38	37	33	36	36	38	39	37	37
Librarians	18	20	20	20	19	21	16	17	18	18
Total supervisory	142	147	142	136	142	143	140	149	146	149
Instruction										
Elementary classroom teachers	451	448	434	416	422	437	438	424	420	402
Secondary classroom teachers	315	319	323	308	296	306	299	300	287	287
Substitutes	47	53	52	53	50	51	38	26	41	45
Other teachers	54	54	58	53	55	38	37	45	48	43
Technology Teachers	24	22	23	27	28	27	27	26	24	26
Aides	168	172	189	194	197	213	192	185	184	195
Total instruction	1,059	1,068	1,079	1,051	1,048	1,072	1,031	1,006	1,004	998
Student Services										
Technical support	6	5	4	4	5	4	5	21	27	25
Visiting teachers/social workers	-	-	-	-	-	3	4	3	3	4
Psychologists	8	9	7	5	6	7	7	7	8	9
Nurses	27	27	25	26	25	24	24	23	21	20
Total student services	41	41	36	35	36	38	40	54	59	58
Support and Administration										
Board members	7	7	7	7	7	7	7	7	7	7
Instruction administration	16	19	21	22	22	16	18	14	12	11
Support administration	12	10	12	15	14	12	12	14	15	15
Clerical/secretarial	22	23	23	25	24	22	22	22	20	21
Service workers	309	323	340	358	362	367	367	334	335	329
Skilled crafts	40	39	37	39	40	42	42	39	40	43
Total support and administration	406	421	440	466	469	466	468	430	429	426
Total employees	1,648	1,677	1,697	1,688	1,695	1,719	1,679	1,639	1,638	1,631
Teachers and administrators	1,033	1,043	1,032	993	993	1,002	979	970	966	952
Other employees	615	634	665	695	702	717	700	669	672	679
Total employees	1,648	1,677	1,697	1,688	1,695	1,719	1,679	1,639	1,638	1,631

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		Debt Service Expenditures	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			Operating Expenditures	Cost Per Pupil					
2014	10,023	95,992,543	9,577	470	4,706,151	6.12%	766	13.08	35%
2015	9,915	95,893,402	9,672	467	4,626,404	0.98%	767	12.93	37%
2016	9,674	98,432,050	10,175	613	5,933,984	5.20%	757	12.78	37%
2017	9,545	96,688,413	10,130	589	5,623,434	-0.44%	725	13.17	37%
2018	9,542	101,495,428	10,637	815	7,775,881	5.00%	718	13.29	37%
2019	9,475	101,065,093	10,667	776	7,355,530	0.28%	743	12.75	39%
2020	9,366	102,435,750	10,937	813	7,615,577	2.54%	737	12.71	39%
2021	8,954	104,343,634	11,653	927	8,301,779	6.55%	724	12.37	39%
2022	8,812	109,582,852	12,436	858	7,558,128	6.71%	707	12.46	39%
2023	8,818	117,002,437	13,269	857	7,553,498	6.70%	689	12.79	39%

Source: Bedford County School Board

COMPLIANCE SECTION



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

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 12, 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. However, material weaknesses or significant deficiencies may exist that have not been identified.**

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*.**

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
December 12, 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, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the County of 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, statutes, 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 judgment 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 2023-001. 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, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 12, 2023

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

As more fully described in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the County’s compliance with certain provisions of 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
Comprehensive Services Act
Uniform Disposition of Unclaimed Property 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 QUESTIONED COSTS
June 30, 2023

A. SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies or 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>
Supplemental Nutrition Assistance Program	10.561
Child Nutrition Cluster – National School Breakfast Program	10.553
Child Nutrition Cluster – National School Lunch Program	10.555
Child Nutrition Cluster – Summer Food Service Program for Children	10.559
Coronavirus State and Local Fiscal Recovery Fund – COVID-19	21.027
Title I Grants to Local Educational Agencies	84.010
Education Stabilization Fund – GEER – COVID-19	84.425C
Education Stabilization Fund – ESSER II and III – COVID-19	84.425D
Education Stabilization Fund – ARP ESSER – COVID-19	84.425U
Temporary Assistance for Needy Families	93.558
Medical Assistance Program	93.778

8. The **threshold for** distinguishing Type A and B programs was **\$812,013**.
9. The County of Bedford was **not** determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

COUNTY OF BEDFORD, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2023-001: Supplemental Nutrition Assistance Program – AL# 10.561; Child Nutrition Cluster – AL# 10.553, 10.555, 10.559; Coronavirus State and Local Fiscal Recovery Fund – AL# 21.027; Title I Grants to Local Educational Agencies – AL# 84.010; Education Stabilization Fund – AL# 84.425C, 84.425D, 84.425U; Temporary Assistance for Needy Families – AL# 93.558; Medical Assistance Program – AL# 93.778, Late Filing of Data Collection Form

Condition:

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

Criteria:

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

Cause:

Management did not complete and certify auditee portion of the form before the deadline. The form was not completed until June 14, 2023.

Effect:

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

The data collection form for the year ended June 30, 2022, was not filed timely. This late filing was due to the 2022 audit being completed late because of significant staff turnover. Management has since filled vacant positions, added one position, and restructured the department to help with staff workload. The June 30, 2023, audit will be completed timely and should result in a timely filing of the June 30, 2023 data collection form.

C. FINDINGS – COMMONWEALTH OF VIRGINIA

None.

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

A. 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.

Recommendation:

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

Current Status:

During our testing of the bank reconciliations, we noted the April 2023 General Account bank reconciliation was prepared and reviewed in a timely manner. Condition no longer exists.

B. 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.

Recommendation:

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

Current Status:

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