

BEDFORD COUNTY

Virginia



Annual Financial Report
Fiscal Year Ending June 30, 2021



COUNTY OF BEDFORD, VIRGINIA

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

DEPARTMENT OF FINANCE

COUNTY OF BEDFORD, VIRGINIA

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Directory of Principal Officials.....	i
Organizational Chart.....	ii

FINANCIAL SECTION

Independent Auditor’s Report.....	1
------------------------------------------	----------

Basic Financial Statements

Government-Wide Financial Statements	
Exhibit 1 Statement of Net Position	4
Exhibit 2 Statement of Activities.....	5
Fund Financial Statements	
Exhibit 3 Balance Sheet – Governmental Fund.....	6
Exhibit 4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	8
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cash Basis – Governmental Fund.....	10
Exhibit 6 Statement of Net Position – Proprietary Funds.....	12
Exhibit 7 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	13
Exhibit 8 Statement of Cash Flows – Proprietary Funds.....	14
Exhibit 9 Statement of Fiduciary Net Position	16
Exhibit 10 Statement of Changes in Fiduciary Net Position	17
Notes to Financial Statements.....	18

Required Supplementary Information

Exhibit 11 Schedule of Changes in Net Pension Liability and Related Ratios – Primary Government	79
Exhibit 12 Schedule of Changes in Net Pension Liability and Related Ratios – Schools – Nonprofessional Employees	80
Exhibit 13 Schedule of Changes in Net Pension Liability and Related Ratios – Primary Government – Length of Service Awards Program.....	81
Exhibit 14 Schedules of Pension Contributions	82
Exhibit 15 Schedule of Employer’s Share of Net Pension Liability – VRS Teacher Retirement Plan.....	83
Exhibit 16 Schedule of Pension Contributions – VRS Teachers Retirement Plan	84
Exhibit 17 Schedule of Changes in Net OPEB Liability and Related Ratios – Local Plans	85
Exhibit 18 Schedule of OPEB Contributions – Local Plans.....	86
Exhibit 19 Schedule of Changes in Net OPEB Liability and Related Ratios – VRS Agent Plan – School – Nonprofessional Employees	87
Exhibit 20 Schedule of OPEB Contributions – VRS Agent Plan – School – Nonprofessional Employees	88
Exhibit 21 Schedule of Employer’s Share of Net OPEB Liability –VRS Cost Sharing Plans.....	89
Exhibit 22 Schedule of OPEB Contributions –VRS Cost Sharing Plans	90
Notes to Required Supplementary Information	91

COUNTY OF BEDFORD, VIRGINIA

TABLE OF CONTENTS

Page

Other Supplementary Information

Discretely Presented Component Unit – Bedford County School Board
Exhibit 23 Combining Balance Sheet..... 93
Exhibit 24 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... 95
Exhibit 25 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Cash Basis..... 97

Supporting Schedules

Schedule 1 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cash Basis – Governmental Fund..... 98
Schedule 2 Schedule of Expenditures of Federal Awards..... 105

STATISTICAL SECTION

Table 1 Net Position by Component..... 107
Table 2 Changes in Net Position 108
Table 3 Fund Balances, Governmental Funds 110
Table 4 Changes in Fund Balances, Governmental Funds 111
Table 5 Assessed Value and Estimated Actual Value of Taxable Property 113
Table 6 Direct Property Tax Rates 114
Table 7 Principal Real Property Tax Payers..... 115
Table 8 Real Property Tax Levies and Collections 116
Table 9 Ratios of Outstanding Debt by Type 117
Table 10 Ratios of General Bonded Debt Outstanding 118
Table 11 County Debt Policy 119
Table 12 Demographic and Economic Statistics 120
Table 13 Principal Employers 121
Table 14 County Government Employees by Function 122
Table 15 Operating Indicators by Function/Program 123
Table 16 Capital Asset Statistics by Function/Program 124
Table 17 Bedford County School Board Average Daily Membership..... 125
Table 18 Bedford County School Board Full-Time Equivalent Employees by Type 126
Table 19 Bedford County School Board Operating Statistics 127

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 128
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance..... 130
Summary of Compliance Matters 132
Schedule of Findings and Questioned Costs..... 133

INTRODUCTORY SECTION

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

MEMBERS OF THE BOARD OF SUPERVISORS

Tommy Scott, Chairperson
Tammy Parker, Vice Chairperson

John Sharp	Bob Davis
Edgar Tuck	Charla Bansley
Mickey Johnson	

MEMBERS OF THE COUNTY SCHOOL BOARD

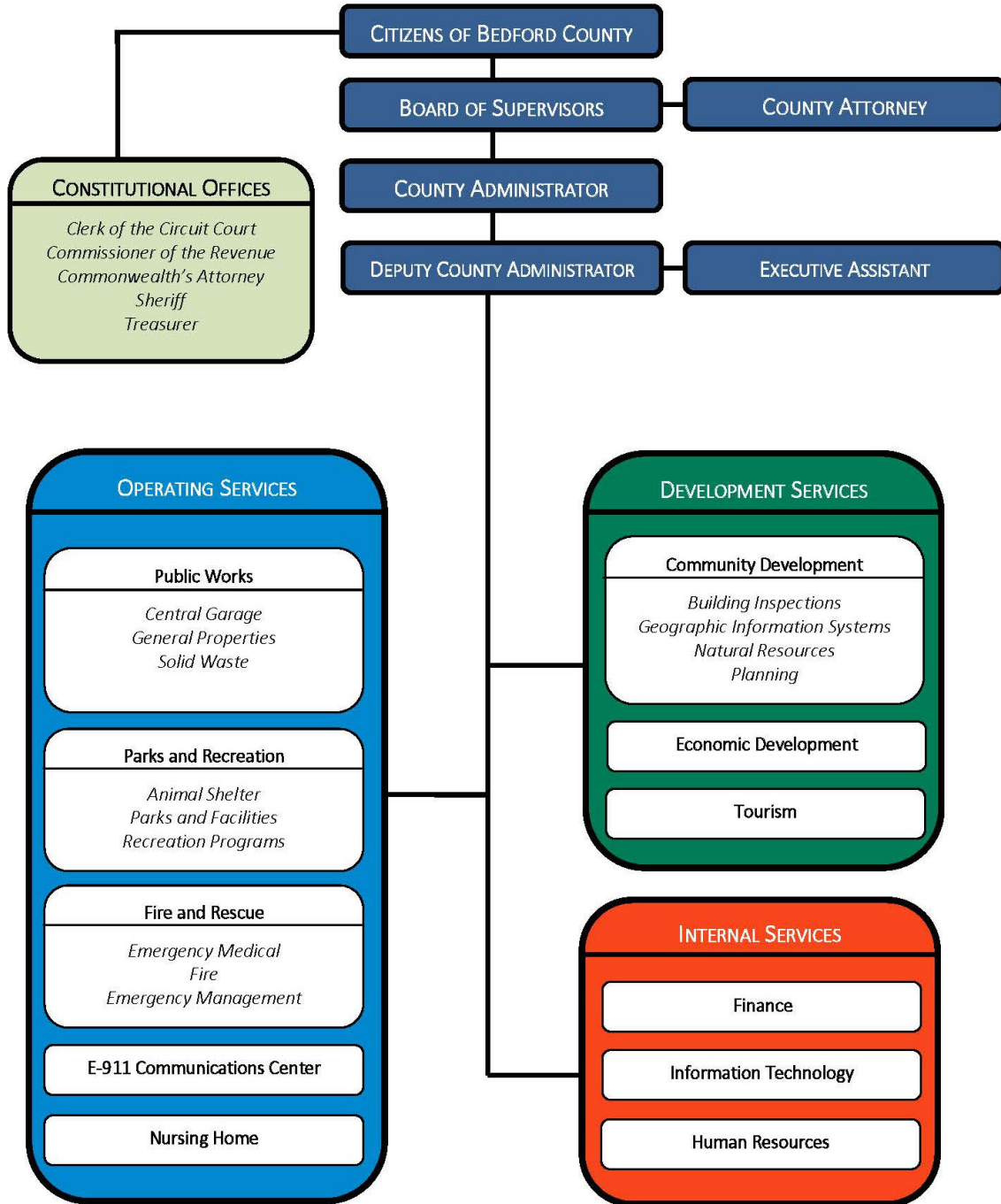
Jason W. Johnson, Chairperson
Susan F. Kirby, Vice Chairperson

Dr. Susan C. Mele	Martin F. Leamy
Dr. John H. Hicks, Jr.	Georgia W. Hairston
Marcus S. Hill	

OTHER OFFICIALS

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

Bedford County Organizational Chart



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bedford, Virginia (the "County") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns* and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on the Financial Statements (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, 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.

Adoption of New Accounting Standard

As described in Note 23 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, discretely presented School Board combining statements, Schedule 1, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The discretely presented School Board combining statements, Schedule 1, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2022 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
August 25, 2022

**BASIC FINANCIAL
STATEMENTS**

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 86,891,235	\$ 14,090,884	\$ 100,982,119
Receivables, net (Note 5)	28,442,795	699,028	29,141,823
Internal balances	(153,252)	153,252	-
Due from primary government	-	-	-
Due from component unit	148	10	158
Prepays	303,898	64,223	368,121
Inventories	57,156	-	57,156
Restricted assets:			
Cash, cash equivalents, and investments	2,054,430	60,625	2,115,055
Capital assets:			
Nondepreciable	9,996,808	1,305,173	11,301,981
Depreciable, net	33,543,606	9,697,713	43,241,319
Total assets	161,136,824	26,070,908	187,207,732
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,844,800	-	1,844,800
Deferred outflows related to pensions (Notes 9, 10, 11, and 12)	5,696,499	967,357	6,663,856
Deferred outflows related to other postemployment benefits (Notes 13 and 14)	641,454	147,325	788,779
Total deferred outflows of resources	8,182,753	1,114,682	9,297,435
LIABILITIES			
Accounts payable and accrued expenses	2,355,926	379,106	2,735,032
Accrued payroll and related liabilities	410,321	294,404	704,725
Accrued interest payable	1,370,623	-	1,370,623
Self insurance (Note 17)	-	-	-
Incentives and performance grants payable	-	-	-
Escrow payable	-	-	-
Due to component units	8,487,446	-	8,487,446
Liabilities payable from restricted assets	-	60,625	60,625
Noncurrent liabilities:			
Due within one year (Note 7)	6,400,151	420,233	6,820,384
Due in more than one year (Note 7)	82,355,810	8,194,090	90,549,900
Net pension liability (Notes 9, 10, 11, and 12)	11,781,954	1,607,024	13,388,978
Net other postemployment benefit liability (Notes 13 and 14)	2,346,151	395,348	2,741,499
Total liabilities	115,508,382	11,350,830	126,859,212
DEFERRED INFLOWS OF RESOURCES			
Property taxes (Note 5)	22,814,055	-	22,814,055
Deferred inflows related to pensions (Notes 9, 10, 11, and 12)	527,745	56,315	584,060
Deferred inflows related to other postemployment benefits (Notes 13 and 14)	175,534	116,877	292,411
Lease income	-	-	-
Total deferred inflows of resources	23,517,334	173,192	23,690,526
NET POSITION			
Net investment in capital assets	43,150,176	10,832,714	53,982,890
Restricted for:			
Donor requests	-	-	-
Unrestricted (deficit)	(12,856,315)	4,828,854	(8,027,461)
Total net position	\$ 30,293,861	\$ 15,661,568	\$ 45,955,429

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

EXHIBIT 1

Component Units				
School Board	Public Library	Economic Development Authority	Reclassifications (See Note 1)	Total
\$ 11,549,325	\$ 504,189	\$ 1,424,199	\$ -	\$ 114,459,832
5,359,212	10,448	848,489	-	35,359,972
-	-	-	-	-
8,482,268	5,178	-	-	8,487,446
-	-	-	-	158
138,076	40,027	-	-	546,224
112,622	-	11,043,735	-	11,213,513
-	63,024	45,148	-	2,223,227
4,149,746	-	1,482,754	-	16,934,481
133,415,539	529,780	1,007,197	-	178,193,835
<u>163,206,788</u>	<u>1,152,646</u>	<u>15,851,522</u>	<u>-</u>	<u>367,418,688</u>
-	-	-	-	1,844,800
23,302,795	209,232	-	-	30,175,883
3,380,448	11,289	-	-	4,180,516
<u>26,683,243</u>	<u>220,521</u>	<u>-</u>	<u>-</u>	<u>36,201,199</u>
2,195,635	34,252	454,238	-	5,419,157
12,263,428	61,927	-	-	13,030,080
71,611	-	-	-	1,442,234
1,090,307	-	-	-	1,090,307
-	-	649,450	-	649,450
-	-	39,710	-	39,710
-	-	-	-	8,487,446
-	-	-	-	60,625
1,990,332	69,440	12,424	-	8,892,580
3,969,511	31,955	1,196,940	-	95,748,306
90,407,454	21,319	-	-	103,817,751
15,855,430	53,569	-	-	18,650,498
<u>127,843,708</u>	<u>272,462</u>	<u>2,352,762</u>	<u>-</u>	<u>257,328,144</u>
-	-	-	-	22,814,055
6,783,828	-	-	-	7,367,888
5,109,753	4,551	-	-	5,406,715
-	-	142,296	-	142,296
<u>11,893,581</u>	<u>4,551</u>	<u>142,296</u>	<u>-</u>	<u>35,730,954</u>
133,453,692	510,914	2,489,951	(84,615,206)	105,822,241
-	61,984	45,148	-	107,132
(83,300,950)	523,256	10,821,365	84,615,206	4,631,416
<u>\$ 50,152,742</u>	<u>\$ 1,096,154</u>	<u>\$ 13,356,464</u>	<u>\$ -</u>	<u>\$ 110,560,789</u>

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Function	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 22,395,626	\$ 689,705	\$ 538,477	\$ -
Judicial administration	3,051,594	77,772	1,205,670	-
Public safety	17,923,009	2,716,088	5,749,557	563,696
Public works	6,417,775	385,450	840,260	-
Health and welfare	16,924,548	269,037	22,544,745	-
Education	36,025,390	-	-	-
Parks, recreational, and cultural	3,817,554	26,401	4,500	-
Community development	3,794,110	241,316	4,098,223	-
Interest on long-term debt	2,853,180	-	-	-
Total governmental activities	<u>113,202,786</u>	<u>4,405,769</u>	<u>34,981,432</u>	<u>563,696</u>
Business-type activities:				
Nursing home	8,419,047	6,282,862	616,342	\$ -
Solid waste	4,919,613	2,619,474	-	-
Total business-type activities	<u>13,338,660</u>	<u>8,902,336</u>	<u>616,342</u>	<u>-</u>
Total primary government	<u>\$ 126,541,446</u>	<u>\$ 13,308,105</u>	<u>\$ 35,597,774</u>	<u>\$ 563,696</u>
Component Units:				
School Board	\$ 118,447,507	\$ 2,810,912	\$ 32,144,555	\$ -
Public Library	2,151,347	39,122	120,423	-
Economic Development Authority	1,224,977	-	521,256	-
Total component units	<u>\$ 121,823,831</u>	<u>\$ 2,850,034</u>	<u>\$ 32,786,234</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 23)
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
\$ (21,167,444)	\$ -	\$ (21,167,444)	\$ -	\$ -	\$ -	\$ (21,167,444)
(1,768,152)	-	(1,768,152)	-	-	-	(1,768,152)
(8,893,668)	-	(8,893,668)	-	-	-	(8,893,668)
(5,192,065)	-	(5,192,065)	-	-	-	(5,192,065)
5,889,234	-	5,889,234	-	-	-	5,889,234
(36,025,390)	-	(36,025,390)	-	-	-	(36,025,390)
(3,786,653)	-	(3,786,653)	-	-	-	(3,786,653)
545,429	-	545,429	-	-	-	545,429
(2,853,180)	-	(2,853,180)	-	-	-	(2,853,180)
<u>(73,251,889)</u>	<u>-</u>	<u>(73,251,889)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,251,889)</u>
-	(1,519,843)	(1,519,843)	-	-	-	(1,519,843)
-	(2,300,139)	(2,300,139)	-	-	-	(2,300,139)
-	(3,819,982)	(3,819,982)	-	-	-	(3,819,982)
<u>(73,251,889)</u>	<u>(3,819,982)</u>	<u>(77,071,871)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,071,871)</u>
-	-	-	(83,492,040)	-	-	(83,492,040)
-	-	-	-	(1,991,802)	-	(1,991,802)
-	-	-	-	-	(703,721)	(703,721)
-	-	-	<u>(83,492,040)</u>	<u>(1,991,802)</u>	<u>(703,721)</u>	<u>(86,187,563)</u>
69,190,893	-	69,190,893	-	-	-	69,190,893
16,979,126	-	16,979,126	-	-	-	16,979,126
-	-	-	36,035,480	1,875,189	275,831	38,186,500
6,535,954	-	6,535,954	43,573,533	-	-	50,109,487
324,972	66,634	391,606	30,309	1,523	6,654	430,092
108,006	-	108,006	-	-	-	108,006
915,978	330,259	1,246,237	886,706	9,913	-	2,142,856
(1,937,826)	1,937,826	-	-	-	-	-
<u>92,117,103</u>	<u>2,334,719</u>	<u>94,451,822</u>	<u>80,526,028</u>	<u>1,886,625</u>	<u>282,485</u>	<u>177,146,960</u>
18,865,214	(1,485,263)	17,379,951	(2,966,012)	(105,177)	(421,236)	13,887,526
11,428,647	17,146,831	28,575,478	53,118,754	1,201,331	13,777,700	96,673,263
<u>\$ 30,293,861</u>	<u>\$ 15,661,568</u>	<u>\$ 45,955,429</u>	<u>\$ 50,152,742</u>	<u>\$ 1,096,154</u>	<u>\$ 13,356,464</u>	<u>\$ 110,560,789</u>

COUNTY OF BEDFORD, VIRGINIA

BALANCE SHEET –
GOVERNMENTAL FUND
June 30, 2021

	<u>General Fund</u>
Assets	
Cash, cash equivalents, and investments	\$ 86,891,235
Receivables, net	28,442,795
Due from component unit	148
Prepays	303,898
Inventories	57,156
Restricted cash, cash equivalents, and investments	2,054,430
Total assets	<u><u>\$ 117,749,662</u></u>
Liabilities	
Accounts payable and accrued expenses	\$ 2,355,926
Accrued payroll and related liabilities	410,321
Due to other funds	153,252
Due to component units	8,713,867
Total liabilities	<u>11,633,366</u>
Deferred Inflows of Resources	
Unavailable revenue	25,419,893
Total deferred inflows of resources	<u>25,419,893</u>
Fund Balances	
Nonspendable	361,054
Restricted	8,735,008
Committed	1,328,596
Assigned	30,755,108
Unassigned	39,516,637
Total fund balances	<u>80,696,403</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 117,749,662</u></u>

(Continued)

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

COUNTY OF BEDFORD, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUND
June 30, 2021**

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

Total Fund Balance, Governmental Funds		\$ 80,696,403
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 88,348,256	
Accumulated depreciation	<u>(44,807,842)</u>	43,540,414
Receivables on the statement of net position that do not provide current financial resources are not reported in the governmental funds.		2,605,838
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	5,696,499	
OPEB related deferred outflows	641,454	
Pension related deferred inflows	(527,745)	
OPEB related deferred inflows	<u>(175,534)</u>	5,634,674
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		226,420
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest payable	(1,370,622)	
General obligation and lease revenue bonds	(74,690,000)	
Premium on debt issued	(7,357,587)	
Deferred charges on refunding	1,844,800	
Equipment leases	(4,798,108)	
Compensated absences	(1,910,266)	
Other post-employment benefits	(2,346,151)	
Net pension liability	<u>(11,781,954)</u>	<u>(102,409,888)</u>
Net position of Governmental Activities		<u>\$ 30,293,861</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
Year Ended June 30, 2021**

	General Fund
Revenues	
General property taxes	\$ 69,365,969
Other local taxes	16,981,217
Permits, privilege fees, and regulatory licenses	603,764
Fines and forfeitures	70,020
Revenue from use of money and property	586,126
Charges for services	2,545,432
Other	1,199,962
Recovered costs	747,607
Intergovernmental	43,817,563
Total revenues	135,917,660
Expenditures	
Current operating	
General government administration	17,866,410
Judicial administration	2,492,217
Public safety	17,213,823
Public works	5,520,292
Health and welfare	15,882,406
Education	33,340,251
Parks, recreation, and cultural	2,981,313
Community development	3,620,244
Debt service	
Principal	10,880,605
Interest and other fiscal charges	3,341,694
Capital projects	
Education	3,614,391
Other governmental activities	9,839,480
Total expenditures	126,593,126
Excess (deficiency) of revenues over expenditures	9,324,534
Other Financing Sources	
Transfers out	(1,937,826)
Capital lease proceeds	4,798,108
Total other financing sources	2,860,282
Net change in fund balance	12,184,816
Fund balance, beginning	68,511,587
Fund balance, ending	\$ 80,696,403

(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, 2021**

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		\$ 12,184,816
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures that were capitalized	\$ 6,063,346	
Depreciation	<u>(3,198,728)</u>	2,864,618
The net effect of various transactions involving capital assets (sales, trade ins) is to decrease net position		(131,391)
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions	1,582,704	
Pension expenses	<u>(3,192,726)</u>	(1,610,022)
Governmental funds report other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost of these benefits earned net of employee contributions is reported as other postemployment benefit expense.		
Employer other postemployment benefit contributions	130,137	
Other postemployment benefits expense	<u>(171,962)</u>	(41,825)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal repayment	6,082,497	
Amortization of bond premium on debt issuance	544,294	
Change in accrued interest payable	125,305	
Changes in deferred charges on debt issuance costs and refundings	<u>(181,084)</u>	6,571,012
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Changes in unavailable tax revenues	(178,273)	
Other revenues	<u>(1,733,562)</u>	(1,911,835)
Expenses in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Changes in operating settlement-School Board	929,252	
Changes in compensated absences	<u>10,589</u>	<u>939,841</u>
Total changes in net position of governmental activities		<u><u>\$ 18,865,214</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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
General property taxes	\$ 67,602,000	\$ 67,602,000	\$ 69,614,855	\$ 2,012,855
Other local taxes	13,280,070	13,280,070	16,617,504	3,337,434
Permits, privilege fees, and regulatory licenses	474,500	474,500	609,065	134,565
Fines and forfeitures	125,000	125,000	67,501	(57,499)
Revenue from use of money and property	394,493	440,344	527,887	87,543
Charges for services	2,370,204	2,370,204	2,651,168	280,964
Miscellaneous	363,350	363,850	1,066,414	702,564
Recovered costs	610,022	668,022	809,132	141,110
Intergovernmental	23,800,350	36,702,516	35,610,300	(1,092,216)
Total revenues	<u>109,019,989</u>	<u>122,026,506</u>	<u>127,573,826</u>	<u>5,547,320</u>
Expenditures				
Current operating				
General government administration	5,013,383	17,387,663	16,448,632	939,031
Judicial administration	2,551,652	2,624,595	2,487,335	137,260
Public safety	20,852,134	25,224,945	16,656,731	8,568,214
Public works	5,348,888	5,788,429	5,565,001	223,428
Health and welfare	18,047,261	18,090,316	16,035,682	2,054,634
Education	36,393,028	38,553,120	35,465,620	3,087,500
Parks, recreation, and cultural	3,345,323	3,372,823	3,000,920	371,903
Community development	3,910,106	4,038,529	3,616,440	422,089
Debt service				
Principal	6,121,160	10,894,268	10,894,268	-
Interest and other fiscal charges	4,098,323	3,689,251	3,328,032	361,219
Capital projects				
Education	1,000,000	8,384,209	5,435,779	2,948,430
Other governmental activities	5,350,143	18,869,728	10,345,919	8,523,809
Total expenditures	<u>112,031,401</u>	<u>156,917,876</u>	<u>129,280,359</u>	<u>27,637,517</u>
Excess of revenues over expenditures	<u>(3,011,412)</u>	<u>(34,891,370)</u>	<u>(1,706,533)</u>	<u>33,184,837</u>
Other Financing Sources (Uses)				
Transfers to:				
Component units	(1,470,836)	(1,470,836)	(1,223,333)	247,503
Capital lease proceeds	-	4,798,108	-	(4,798,108)
Total other financing sources (uses)	<u>(1,470,836)</u>	<u>3,327,272</u>	<u>(1,223,333)</u>	<u>(4,550,605)</u>
Net change in fund balance	<u>\$ (4,482,248)</u>	<u>\$ (31,564,098)</u>	<u>\$ (2,929,866)</u>	<u>\$ 28,634,232</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, 2021**

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

Total Revenues Budgetary Basis (Exhibit 5)	\$ 127,573,826
Tax and other accruals, grant deferrals, and other transfers	<u>8,343,834</u>
Total Revenues GAAP Basis (Exhibit 4)	<u><u>\$ 135,917,660</u></u>

Expenditures

Total Expenditures Budgetary Basis (Exhibit 5)	\$ 129,280,359
Adjustments to remove prior payables and other accruals	<u>(2,687,233)</u>
Total Expenditures GAAP Basis (Exhibit 4)	<u><u>\$ 126,593,126</u></u>

Other Financing Sources (Uses)

Total Other Financing Sources and Uses Budgetary Basis (Exhibit 5)	\$ (1,223,333)
Other accruals and lease proceeds	<u>4,083,615</u>
Total Other Financing Sources and Uses GAAP Basis (Exhibit 4)	<u><u>\$ 2,860,282</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, 2021

	Business-Type Activities – Enterprise Funds		
	Nursing Home	Solid Waste	Total
ASSETS			
Current assets:			
Cash, cash equivalents, and investments	\$ 9,582,290	\$ 4,508,594	\$ 14,090,884
Receivables, net	519,296	179,732	699,028
Due from other funds	-	153,258	153,258
Due from component unit	-	10	10
Prepays	55,086	9,137	64,223
Total current assets	<u>10,156,672</u>	<u>4,850,731</u>	<u>15,007,403</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	60,625	-	60,625
Capital assets, net	3,324,927	7,677,959	11,002,886
Total noncurrent assets	<u>3,385,552</u>	<u>7,677,959</u>	<u>11,063,511</u>
Total assets	<u>13,542,224</u>	<u>12,528,690</u>	<u>26,070,914</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	797,210	170,147	967,357
Deferred outflows related to other postemployment benefits	123,477	23,848	147,325
Total deferred outflows of resources	<u>920,687</u>	<u>193,995</u>	<u>1,114,682</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	194,164	184,942	379,106
Accrued payroll and related liabilities	255,081	39,323	294,404
Due to other funds	6	-	6
Assets held in agency capacity	60,625	-	60,625
Compensated absences	135,992	47,797	183,789
Capital lease obligations	-	86,301	86,301
Landfill closure/postclosure	-	150,143	150,143
Total current liabilities	<u>645,868</u>	<u>508,506</u>	<u>1,154,374</u>
Noncurrent liabilities:			
Compensated absences	-	28,864	28,864
Net pension liability	1,324,450	282,574	1,607,024
Other post-employment benefits	312,888	82,460	395,348
Capital lease obligations	-	83,871	83,871
Landfill closure/postclosure	-	8,081,355	8,081,355
Total noncurrent liabilities	<u>1,637,338</u>	<u>8,559,124</u>	<u>10,196,462</u>
Total liabilities	<u>2,283,206</u>	<u>9,067,630</u>	<u>11,350,836</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	46,413	9,902	56,315
Deferred inflows related to other postemployment benefits	85,763	31,114	116,877
Total deferred inflows of resources	<u>132,176</u>	<u>41,016</u>	<u>173,192</u>
NET POSITION			
Net investment in capital assets	3,324,927	7,507,787	10,832,714
Unrestricted	8,722,602	(3,893,748)	4,828,854
Total net position	<u>\$ 12,047,529</u>	<u>\$ 3,614,039</u>	<u>\$ 15,661,568</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, 2021**

	Business-Type Activities – Enterprise Funds		
	Nursing Home	Solid Waste	Total
Operating Revenues			
Charges for services	\$ 6,282,862	\$ 2,619,474	\$ 8,902,336
Other	24,909	259,042	283,951
Total Operating Revenues	6,307,771	2,878,516	9,186,287
Operating Expenses			
Personal services	3,706,367	789,907	4,496,274
Employee benefits	1,564,737	310,431	1,875,168
Purchased services	1,464,610	777,035	2,241,645
Continuous charges	539,853	1,481,122	2,020,975
Supplies and materials	776,673	344,645	1,121,318
Equipment, property, and improvements	37,062	10,517	47,579
Landfill closure/postclosure	-	279,081	279,081
Depreciation	329,745	916,663	1,246,408
Total Operating Expenses	8,419,047	4,909,401	13,328,448
Operating loss	(2,111,276)	(2,030,885)	(4,142,161)
Non-Operating Revenues (Expenses)			
Interest income	48,961	17,673	66,634
Interest expense	-	(10,212)	(10,212)
Gain (loss) on disposal of capital assets	(3,483)	49,791	46,308
Grant income	616,342	-	616,342
Total Non-Operating Revenues (Expenses)	661,820	57,252	719,072
Loss before transfers	(1,449,456)	(1,973,633)	(3,423,089)
Transfers in	686,116	1,251,710	1,937,826
Change in Net Position	(763,340)	(721,923)	(1,485,263)
Net Position, beginning	12,810,869	4,335,962	17,146,831
Net Position, ending	\$ 12,047,529	\$ 3,614,039	\$ 15,661,568

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, 2021

	Nursing Home	Solid Waste	Total
Operating Activities			
Receipts from customers	\$ 6,358,809	\$ 2,506,423	\$ 8,865,232
Other cash receipts	24,909	270,646	295,555
Payments to employees	(3,760,932)	(789,907)	(4,550,839)
Payments for employee benefits	(1,283,549)	(357,937)	(1,641,486)
Payments to suppliers	(2,687,135)	(2,777,847)	(5,464,982)
Net Cash Used in Operating Activities	<u>(1,347,898)</u>	<u>(1,148,622)</u>	<u>(2,496,520)</u>
Noncapital Financing Activities			
Transfers from other funds	686,116	1,251,710	1,937,826
Grants received	241,562	-	241,562
Net Cash Provided by Noncapital Financing Activities	<u>927,678</u>	<u>1,251,710</u>	<u>2,179,388</u>
Capital and Related Financing Activities			
Acquisition and construction of capital assets	(20,932)	(1,641,519)	(1,662,451)
Proceeds from sale of capital assets	-	227,300	227,300
Principal paid on debt	-	(200,733)	(200,733)
Interest paid on debt	-	(10,212)	(10,212)
Net Cash Used in Capital and Related Financing Activities	<u>(20,932)</u>	<u>(1,625,164)</u>	<u>(1,646,096)</u>
Investing Activities			
Interest received	48,961	17,673	66,634
Net Decrease in Cash and Cash Equivalents	<u>(392,191)</u>	<u>(1,504,403)</u>	<u>(1,896,594)</u>
Cash and Cash Equivalents Beginning of Year	<u>10,035,106</u>	<u>6,012,997</u>	<u>16,048,103</u>
Cash and Cash Equivalents End of Year	<u>\$ 9,642,915</u>	<u>\$ 4,508,594</u>	<u>\$ 14,151,509</u>
Reconciliation to Exhibit 6			
Cash and Cash Equivalents	\$ 9,582,290	\$ 4,508,594	\$ 14,090,884
Restricted Cash and Cash Equivalents	60,625	-	60,625
	<u>\$ 9,642,915</u>	<u>\$ 4,508,594</u>	<u>\$ 14,151,509</u>

(Continued)

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

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	<u>Nursing Home</u>	<u>Solid Waste</u>	<u>Total</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Loss	\$ (2,111,276)	\$ (2,030,885)	\$ (4,142,161)
Adjustments Not Affecting Cash			
Depreciation	329,745	916,663	1,246,408
Landfill closure/postclosure	-	279,081	279,081
(Increase) Decrease in Assets			
Accounts receivable	75,947	(113,051)	(37,104)
Due from other funds	-	11,614	11,614
Due from component unit	-	(10)	(10)
Prepays	120	(1,024)	(904)
(Increase) Decrease in Deferred Outflows of Resources			
Pension deferrals	(140,057)	(23,870)	(163,927)
Other postemployment benefit deferrals	1,439	98	1,537
Increase (Decrease) in Liabilities			
Accounts payable and accrued expenses	107,680	(164,528)	(56,848)
Accrued payroll and related liabilities	(54,565)	(104,980)	(159,545)
Due to other funds	6	-	6
Assets held in agency capacity	23,377	-	23,377
Compensated absences	15,494	8,378	23,872
Other post-employment benefits	(49,955)	(23,560)	(73,515)
Net pension liability	455,608	89,296	544,904
Increase (Decrease) in Deferred Inflows of Resources			
Pension deferrals	(56,807)	(13,060)	(69,867)
Other postemployment benefit deferrals	55,346	21,216	76,562
Net Cash Used in Operating Activities	<u>\$ (1,347,898)</u>	<u>\$ (1,148,622)</u>	<u>\$ (2,496,520)</u>

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

COUNTY OF BEDFORD, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

	Custodial Funds		
	Tri-County Lake Administrative Commission	Bedford Community Coalition	Bedford Wine Trail
ASSETS			
Cash and cash equivalents, restricted	\$ 669,795	\$ 1,240	\$ 3,005
Security deposits	900	-	-
Total assets	<u>\$ 670,695</u>	<u>\$ 1,240</u>	<u>\$ 3,005</u>
LIABILITIES			
Accounts payable	\$ 2,827	\$ -	\$ -
Accrued payroll and related liabilities	4,741	-	-
Total liabilities	<u>\$ 7,568</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted			
Amounts held for clients/others	<u>\$ 663,127</u>	<u>\$ 1,240</u>	<u>\$ 3,005</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
\$ 61,877	\$ 70,006	\$ 69,035	\$ 44,919	\$ 919,877
-	-	-	-	900
<u>\$ 61,877</u>	<u>\$ 70,006</u>	<u>\$ 69,035</u>	<u>\$ 44,919</u>	<u>\$ 920,777</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,827
-	-	-	-	4,741
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,568</u>
<u>\$ 61,877</u>	<u>\$ 70,006</u>	<u>\$ 69,035</u>	<u>\$ 44,919</u>	<u>\$ 913,209</u>

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2021

	Custodial Funds		
	Tri-County Lake Administrative Commission	Bedford Community Coalition	Bedford Wine Trail
ADDITIONS			
Contributions received from localities	\$ 147,563	\$ -	\$ -
Interest earnings	3,194	5	-
Payments received from and on behalf of grant awards	14,787	-	-
Payments received from and on behalf of VPA clients	-	-	-
Confiscated proceeds	-	-	-
Other miscellaneous payments received	11,001	-	600
Total additions	<u>\$ 176,545</u>	<u>\$ 5</u>	<u>\$ 600</u>
DEDUCTIONS			
Payments to vendors	\$ 91,605	\$ -	\$ 985
Payments to benefit individuals	-	-	-
Payments to employees	143,550	-	-
Release of confiscated proceeds	-	-	-
Total deductions	<u>\$ 235,155</u>	<u>\$ -</u>	<u>\$ 985</u>
Net increase (decrease) in fiduciary net position	\$ (58,610)	\$ 5	\$ (385)
NET POSITION - AT JULY 1	<u>721,737</u>	<u>1,235</u>	<u>3,390</u>
NET POSITION - AT JUNE 30	<u>\$ 663,127</u>	<u>\$ 1,240</u>	<u>\$ 3,005</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
\$ -	\$ -	\$ -	\$ -	\$ 147,563
310	47	46	31	3,633
-	-	-	-	14,787
119,583	-	-	-	119,583
-	-	-	28,176	28,176
-	-	-	-	11,601
<u>\$ 119,893</u>	<u>\$ 47</u>	<u>\$ 46</u>	<u>\$ 28,207</u>	<u>\$ 325,343</u>
\$ -	\$ -	\$ -	\$ -	\$ 92,590
128,522	-	-	-	128,522
-	-	-	-	143,550
-	-	-	27,835	27,835
<u>\$ 128,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,835</u>	<u>\$ 392,497</u>
\$ (8,629)	\$ 47	\$ 46	\$ 372	\$ (67,154)
70,506	69,959	68,989	44,547	980,363
<u>\$ 61,877</u>	<u>\$ 70,006</u>	<u>\$ 69,035</u>	<u>\$ 44,919</u>	<u>\$ 913,209</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

A blended component unit is an entity, that while legally separate, is in substance, part of the County’s operations, and so its financial information is combined with the financial statements of the County. The County can impose its will over this entity and is financially accountable for it.

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

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

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

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

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Blended Component Unit:

Bedford County Broadband Authority

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

Discretely Presented Component Units:

Bedford County School Board

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

Bedford Public Library System

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

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units: (Continued)

Bedford County Economic Development Authority

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

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Custodial funds use the economic resources measurement focus and the accrual basis of accounting.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

The County reports the following major governmental fund:

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

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

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

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

Additionally, the County reports the following fund category:

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

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

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

1. Deposits and Investments

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

2. Receivables and Payables

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

General Fund – Property tax receivables	\$ 2,139,258
General Fund – EMS transport fees	<u>342,150</u>
	<u>\$ 2,481,408</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, 2020, and the first installment (June 5) of the levy on assessed value at January 1, 2021. The installment due on June 5, 2021 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, 2021 is included as deferred inflows since these taxes are restricted for use until fiscal year 2022.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 2020 tax bills, payable in fiscal year 2021, included a forty-four and half (44.5) percent reduction on qualifying vehicles. All PPTRA payments received are classified as non-categorical State aid in the general fund.

3. Inventories and Prepays

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, 2021 of \$2,054,430, which consists of unspent bond proceeds and accumulated interest of \$466 restricted for School capital projects, \$155,914 restricted for water and sewer projects, and \$1,898,050 for the Volunteer Length of Service Awards Program. Business-type activities report restricted cash, cash equivalents, and investments of \$60,625 for Nursing Home resident funds. Restricted cash, cash equivalents, and investments of the component unit – Library consists of donations restricted as to purpose or time by donors.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

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

5. Capital Assets

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

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

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

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

Depreciation is charged as an expense in the statement of activities and accumulated depreciation is reported in the statement of net position. The Proprietary Funds also record depreciation expense and accumulated depreciation and capitalize interest, when material in amount. No significant construction projects were in progress during the year, therefore no interest was capitalized.

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, 2021, unearned revenues consist of proceeds received of grants for which revenue recognition criteria have not been met.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 position 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 position 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, 2021

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. 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.

12. 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.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

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

12. School Board Debt/Capital Assets Reporting (Continued)

Because this debt is related to capital assets of the reporting entity as a whole, the debt amount of \$84,615,206 is reclassified as shown on Exhibit 1 to present the total reporting entity column.

13. 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.

14. 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 \$259,125 for fiscal year 2021.

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.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 2. Stewardship, Compliance, and Accountability (Continued)

A. Budgetary Information (Continued)

- ◆ 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.

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	\$ 118,747,634
Principal and other debt service expenditures included in primary government	<u>12,674,494</u>
 Total expenditures for school activities	 <u><u>\$ 131,422,128</u></u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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	\$ 101,198,658	NA	98.16%
Virginia SNAP	466	AAAm	-
Guaranteed interest account	<u>1,898,050</u>	NA	<u>1.84</u>
Total deposits and investments – County	<u>\$ 103,097,174</u>		<u>100.00%</u>
Demand deposits	<u>\$ 11,549,325</u>	NA	<u>100.00%</u>
Total deposits and investments – School Board	<u>\$ 11,549,325</u>		<u>100.00%</u>

Credit Risk

The Policy requires that obligations of the Commonwealth of Virginia and its political subdivisions have a debt rating of at least AA by Standard & Poor’s (S&P) or equivalent by Moody’s Investors Service (Moody’s). Repurchase agreements are collateralized by Treasury or Agency obligations of which the market value is at least 102% of the purchase price of the agreement. Commercial paper must be issued by an entity incorporated in the U.S. and rated at least A-1 by S&P and P-1 by Moody’s. Corporate notes and bonds have a rating of at least AA by S&P and Aa by Moody’s. Money market mutual funds must trade on a constant net asset value and invest solely in securities otherwise eligible for investment under these guidelines.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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, 100.0% 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	\$ 19,022	\$ -
Deposits	101,179,635	11,549,325
Investments	1,898,517	-
	\$ 103,097,174	\$ 11,549,325
Statement of net position:		
Cash and cash equivalents	\$ 100,982,119	\$ 11,549,325
Restricted cash, cash equivalents, and investments	2,115,055	-
	\$ 103,097,174	\$ 11,549,325

All investments were in compliance with the Policy.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 5. Receivables

Receivables are as follows:

	Primary Government				Component Unit
	Governmental Activities	Business-Type Activities			
	General Fund	Nursing Home	Solid Waste	Total	
Receivables					
Taxes	\$ 23,352,689	\$ -	\$ -	\$ -	\$ -
Accounts	1,837,811	519,296	179,732	699,028	531,336
Intergovernmental	5,733,703	-	-	-	4,827,875
Gross receivables	30,924,203	519,296	179,732	699,028	5,359,211
Less: allowance for uncollectibles	(2,481,408)	-	-	-	-
Net total receivables	<u>\$ 28,442,795</u>	<u>\$ 519,296</u>	<u>\$ 179,732</u>	<u>\$ 699,028</u>	<u>\$ 5,359,211</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 9.16% 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 (98.12%) and private pay (1.88%).

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	\$ 24,231,628	\$ 22,814,055
Other receivables not available to liquidate liabilities of current period	1,188,265	-
Total unavailable/unearned revenue	<u>\$ 25,419,893</u>	<u>\$ 22,814,055</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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	3,501,963	4,254,945	2,291,841	5,465,067
Total capital assets, not depreciated	<u>8,033,704</u>	<u>4,254,945</u>	<u>2,291,841</u>	<u>9,996,808</u>
Capital assets, depreciated:				
Buildings and improvements	52,392,520	2,233,766	84,214	54,542,072
Machinery and equipment	23,473,079	1,898,073	1,561,776	23,809,376
Total capital assets, depreciated	<u>75,865,599</u>	<u>4,131,839</u>	<u>1,645,990</u>	<u>78,351,448</u>
Less accumulated depreciation for:				
Buildings and improvements	27,186,613	1,456,163	47,687	28,595,089
Machinery and equipment	15,905,504	1,774,162	1,466,913	16,212,753
Total accumulated depreciation	<u>43,092,117</u>	<u>3,230,325</u>	<u>1,514,600</u>	<u>44,807,842</u>
Net capital assets, depreciated	<u>32,773,482</u>	<u>901,514</u>	<u>131,390</u>	<u>33,543,606</u>
Governmental activities net capital assets	<u>\$ 40,807,186</u>	<u>\$ 5,156,459</u>	<u>\$ 2,423,231</u>	<u>\$ 43,540,414</u>
<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 1,220,571	\$ -	\$ -	\$ 1,220,571
Construction in progress	504,896	1,295,720	1,716,014	84,602
Total capital assets, not depreciated	<u>1,725,467</u>	<u>1,295,720</u>	<u>1,716,014</u>	<u>1,305,173</u>
Capital assets, depreciated:				
Buildings and improvements	21,268,133	1,735,056	14,106	22,989,083
Machinery and equipment	5,918,115	360,674	1,384,624	4,894,165
Total capital assets, depreciated	<u>27,186,248</u>	<u>2,095,730</u>	<u>1,398,730</u>	<u>27,883,248</u>
Less accumulated depreciation for:				
Buildings and improvements	14,017,307	933,397	10,794	14,939,910
Machinery and equipment	4,117,368	335,196	1,206,939	3,245,625
Total accumulated depreciation	<u>18,134,675</u>	<u>1,268,593</u>	<u>1,217,733</u>	<u>18,185,535</u>
Net capital assets, depreciated	<u>9,051,573</u>	<u>827,137</u>	<u>180,997</u>	<u>9,697,713</u>
Business-type activities net capital assets	<u>\$ 10,777,040</u>	<u>\$ 2,122,857</u>	<u>\$ 1,897,011</u>	<u>\$ 11,002,886</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 6. Capital Assets (Continued)

Primary Government (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	21,633,281	5,861,676	25,428,048	2,066,909
Total capital assets, not depreciated	23,716,118	5,861,676	25,428,048	4,149,746
Capital assets, depreciated:				
Buildings and improvements	239,779,299	23,596,112	-	263,375,411
Machinery and equipment	29,606,209	3,751,541	744,260	32,613,490
Total capital assets, depreciated	269,385,508	27,347,653	744,260	295,988,901
Less accumulated depreciation for:				
Buildings and improvements	136,854,272	6,170,072	-	143,024,344
Machinery and equipment	18,394,725	1,898,553	744,260	19,549,018
Total accumulated depreciation	155,248,997	8,068,625	744,260	162,573,362
Net capital assets, depreciated	114,136,511	19,279,028	-	133,415,539
School Board net capital assets	<u>\$ 137,852,629</u>	<u>\$ 25,140,704</u>	<u>\$ 25,428,048</u>	<u>\$ 137,565,285</u>

Depreciation expense was charged to functions/programs as follows:

Primary Government – Governmental Activities	
General government administration	\$ 231,983
Judicial administration	433,002
Public safety	1,589,906
Public works	179,995
Health and welfare	183,250
Parks, recreation, and cultural	517,388
Community development	63,204
Total governmental activities	<u>\$ 3,198,728</u>
Primary Government – Business-Type Activities	
Nursing home	\$ 329,745
Solid waste	916,663
Total business-type activities	<u>\$ 1,246,408</u>
Component Unit – School Board	<u>\$ 8,068,625</u>

The total increase in accumulated depreciation reflected on the previous page for governmental activities includes accumulated depreciation of items transferred from the business-type activities of \$31,597. Additionally, the total increase in accumulated depreciation on the previous page for business-type activities includes accumulated depreciation of items transferred from the governmental activities of \$22,185.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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					
County projects	\$ 1,048,000	\$ -	\$ 1,048,000	\$ -	\$ -
School projects	79,238,160	-	4,548,160	74,690,000	4,035,000
Bond premium	7,901,881	-	544,294	7,357,587	539,745
Total general obligation and revenue bonds	88,188,041	-	6,140,454	82,047,587	4,574,745
Capital Leases:					
County projects	429,388	388,647	429,388	388,647	46,400
School projects	4,855,057	4,409,461	4,855,057	4,409,461	526,441
Compensated absences	1,920,855	1,248,919	1,259,508	1,910,266	1,252,565
Total long-term liabilities	\$ 95,393,341	\$ 6,047,027	\$ 12,684,407	\$ 88,755,961	\$ 6,400,151
Business-type activities:					
Capital leases	\$ 370,905	\$ -	\$ 200,733	\$ 170,172	\$ 86,301
Compensated absences	188,781	229,043	205,171	212,653	183,789
Landfill closure/postclosure costs	7,952,417	279,081	-	8,231,498	150,143
Total long-term liabilities	\$ 8,512,103	\$ 508,124	\$ 405,904	\$ 8,614,323	\$ 420,233
Component Unit					
School Board					
Capital leases	\$ 4,016,308	\$ 1,416,128	\$ 1,320,843	\$ 4,111,593	\$ 1,136,213
Compensated absences	1,856,915	849,458	858,123	1,848,250	854,119
Total long-term liabilities	\$ 5,873,223	\$ 2,265,586	\$ 2,178,966	\$ 5,959,843	\$ 1,990,332

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 7. Long-Term Liabilities (Continued)

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Primary Government Governmental Activities				Primary Government Business-Type Activities		Component Unit School Board	
	General Obligation and Lease Revenue Bonds		Capital Leases		Capital Leases		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,035,000	\$ 2,933,984	\$ 572,841	\$ 68,229	\$ 86,301	\$ 5,291	\$ 1,136,213	\$ 81,099
2023	4,225,000	2,729,497	584,491	67,306	66,743	2,248	964,650	59,001
2024	4,425,000	2,515,244	616,295	57,531	17,128	120	789,175	39,856
2025	4,635,000	2,290,847	637,161	47,276	-	-	604,857	23,068
2026	4,850,000	2,055,882	647,936	36,718	-	-	408,703	9,910
2027-2031	26,990,000	6,816,541	1,739,384	43,097	-	-	207,995	2,864
2032-2036	17,510,000	2,745,867	-	-	-	-	-	-
2037-2040	8,020,000	392,436	-	-	-	-	-	-
	<u>\$ 74,690,000</u>	<u>\$ 22,480,298</u>	<u>\$ 4,798,108</u>	<u>\$ 320,157</u>	<u>\$ 170,172</u>	<u>\$ 7,659</u>	<u>\$ 4,111,593</u>	<u>\$ 215,798</u>

The County's outstanding debt consists of General Obligation Bonds (including Virginia Public School Authority Bonds), Lease Revenue Bonds, and capitalized 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 capital leases are backed by the general credit and faith of the County. Governmental activities compensated absences are generally liquidated by the General fund.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 7. Long-Term Liabilities (Continued)

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	\$ 2,160,000	
VPSA Bonds	3.05-5.05	2013	2031	23,788,000	17,960,000	
VPSA Bonds	2.80-5.05	2017	2037	36,865,000	32,080,000	
VPSA Bonds	3.05-5.05	2019	2040	20,275,000	19,650,000	
Total general obligation bonds					<u>\$ 71,850,000</u>	
Lease Revenue Bonds						
Schools:						
Bedford County EDA Refunding-Jefferson Forest High School	2.81%	2015	2031	\$ 5,700,000	<u>\$ 2,840,000</u>	
Capital Leases						
Capital One-Refinancing						
County	1.65%	2021	2029	\$ 388,647	\$ 388,647	
Schools	1.65	2021	2029	4,409,461	4,409,461	
Total capital leases					<u>\$ 4,798,108</u>	
Business-Type Activities:						
Capital Leases						
John Deere-Solid Waste equipment	3.25%	2017	2022	\$ 138,894	\$ 22,299	
Caterpillar-Solid Waste equipment	4.20	2018	2024	310,651	147,873	
Total capital leases-business-type activities					<u>\$ 170,172</u>	
COMPONENT UNIT						
School Board						
Capital leases:						
First Citizens Bank & Trust	14 buses	1.75	2015	2021	\$ 1,287,652	\$ 190,330
U.S. Bancorp Gov't Leasing	14 buses	1.456	2016	2022	1,305,270	380,959
U.S. Bancorp Gov't Leasing	14 buses	1.456	2017	2023	1,328,096	580,089
Bank of America, N.A.	14 buses	3.071	2018	2024	1,340,532	776,715
Bank of America, N.A.	14 buses	2.074	2019	2025	1,368,583	977,148
CN Financing, Inc.	14 buses	1.377	2020	2026	1,416,128	1,206,352
Total capital leases-School Board					<u>\$ 4,111,593</u>	

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 7. Long-Term Liabilities (Continued)

The Schools lease buses under various capital leases expiring at various dates through 2026.

The assets acquired through capital leases are as follows:

	Component Unit
	School Board
Machinery and equipment	\$ 8,046,261
Less: accumulated depreciation	1,801,324
	\$ 6,244,937

Note 8. Interfund Receivables and Payables and Transfers

The \$153,252 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 9. 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.

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>.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 9. Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Terms

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

	County
Inactive members or their beneficiaries currently receiving benefits	239
Inactive members:	
Vested	79
Non-vested	301
Inactive members active elsewhere in VRS	143
Total inactive members	523
Active members	459
Total covered employees	1,221

Contributions

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2021 was 8.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$1,921,416 and \$1,599,989 for the years ended June 30, 2021 and 2020, respectively.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to the measurement date of June 30, 2020.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 9. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability for General Employees in the Political Subdivision’s Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable RP-2014 Mortality Table Projected to 2020 with various set backs or set forwards for both males and females.

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rates at older ages, changed final retirement from 70 to 75; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; lowered disability rates, no change to salary scale, increased rate of line of duty disability from 14% to 20% (Largest 10) or 15% (All Others), and decreased discount rate from 7.00% to 6.75%.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rate at older ages; adjusted rates of withdrawal and disability to better fit experience; changes to line of duty rates, no changes to salary scale, and decreased discount rate from 7.00% to 6.75%.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 9. 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%	4.65%	1.58%
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00%		4.64
	Inflation		2.50
			<u>7.14%</u>

* The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the fiscal year 2020 actuarial valuation, provide a median return of 6.81%.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 9. 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, 2019, 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, 2020 actuarial valuations, whichever is greater. From July 1, 2020 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2019	\$ 78,518,860	\$ 72,459,987	\$ 6,058,873
Changes for the year:			
Service cost	2,202,410	-	2,202,410
Interest	5,171,252	-	5,171,252
Differences between expected and actual experience	(468,690)	-	(468,690)
Contributions – employer	-	1,487,607	(1,487,607)
Contributions – employee	-	1,032,124	(1,032,124)
Net investment income	-	1,377,574	(1,377,574)
Benefit payments, including refunds of employee contributions	(3,815,452)	(3,815,452)	-
Administrative expenses	-	(47,102)	47,102
Other changes	-	(1,634)	1,634
Net changes	3,089,520	33,117	3,056,403
Balances at June 30, 2020	<u>\$ 81,608,380</u>	<u>\$ 72,493,104</u>	<u>\$ 9,115,276</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 9. Defined Benefit Pension Plan (Continued)

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

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

Net Pension Liability	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Bedford County	\$ 19,834,509	\$ 9,115,276	\$ 269,020

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

For the year ended June 30, 2021, the political subdivision recognized pension expense of \$3,560,812. At June 30, 2021, 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	\$ 465,058	\$ 319,426
Change in assumptions	918,962	-
Net difference between projected and actual earnings on pension plan investments	2,181,747	-
Employer contributions subsequent to the measurement date	1,921,416	-
Total	\$ 5,487,183	\$ 319,426

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 9. Defined Benefit Pension Plan (Continued)

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

The \$1,921,416 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	County Increase to Pension Expense
2022	\$ 1,086,969
2023	750,762
2024	714,990
2025	693,620
2026	-
Thereafter	-

Pension Plan Data

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

Payables to the Pension Plan

At June 30, 2021, \$274,677 was payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 10. Defined Benefit Pension Plan – School Nonprofessionals

Plan Description

All full-time, salaried permanent non-professional employees (non-teachers) of the Bedford County School Board, (the “School division”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 9.

Employees Covered by Benefit Terms

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

	School Board Non- Professional
Inactive members or their beneficiaries currently receiving benefits	210
Inactive members:	
Vested	24
Non-vested	81
Inactive members active elsewhere in VRS	31
Total inactive members	136
Active members	226
Total covered employees	572

Contributions

The school division’s contractually required contribution rate for the year ended June 30, 2021 was 4.90% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

Contributions to the pension plan from the school division were \$294,481 and \$268,886 for the years ended June 30, 2021 and 2020, respectively.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 10. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2019	\$ 24,802,378	\$ 24,877,183	\$ (74,805)
Changes for the year:			
Service cost	526,618	-	526,618
Interest	1,627,059	-	1,627,059
Differences between expected and actual experience	(155,622)	-	(155,622)
Contributions – employer	-	239,271	(239,271)
Contributions – employee	-	253,638	(253,638)
Net investment income	-	470,154	(470,154)
Benefit payments, including refunds of employee contributions	(1,395,613)	(1,395,613)	-
Administrative expenses	-	(16,462)	16,462
Other changes	-	(551)	551
Net changes	602,442	(449,563)	1,052,005
Balances at June 30, 2020	\$ 25,404,820	\$ 24,427,620	\$ 977,200

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

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

<u>Net Pension Liability (Asset)</u>	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Board Non-Professional	\$ 3,609,717	\$ 977,200	\$ (1,263,934)

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 10. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

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

For the year ended June 30, 2021, the school division recognized a pension expense of \$875,401. At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	School Board Non-Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,720	\$ 84,236
Change in assumptions	102,686	-
Net difference between projected and actual earnings on pension plan investments	729,149	-
Employer contributions subsequent to the measurement date	294,481	-
Total	\$ 1,187,036	\$ 84,236

The \$294,481 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	School Board Non- Professional Increase to Pension Expense
2022	\$ 104,805
2023	217,415
2024	250,495
2025	235,604
2026	-
Thereafter	-

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 10. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Pension Plan Data

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

Payables to the Pension Plan

At June 30, 2021, \$1,274,611 was payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll.

Note 11. 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 9.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division’s contractually required contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$8,508,843 and 7,910,482 for the years ended June 30, 2021 and 2020, respectively.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 11. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

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

At June 30, 2021, the school division reported a liability of \$89,430,254 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was 0.61% as compared to 0.62% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$9,365,984. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>School Board Professional</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,241,991
Change in assumptions	6,104,736	-
Net difference between projected and actual earnings on pension plan investments	6,802,161	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	700,019	1,457,601
Employer contributions subsequent to the measurement date	<u>8,508,843</u>	<u>-</u>
Total	<u>\$ 22,115,759</u>	<u>\$ 6,699,592</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 11. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

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

The \$8,508,843 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	School Board Professional Increase (Reduction) to Pension Expense
2022	\$ (234,483)
2023	2,158,111
2024	2,974,424
2025	2,153,575
2026	(144,303)
Thereafter	-

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

Total pension liability	\$ 51,001,855
Plan fiduciary net position	<u>36,449,229</u>
Employers’ net pension liability	<u>\$ 14,552,626</u>
Plan fiduciary net position as a percentage of the total pension liability	71.47%

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 11. 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 (Asset)	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	\$ 131,214,267	\$ 89,430,254	\$ 54,869,593

Pension Plan Fiduciary Net Position

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 12. Fire and Rescue Length of Service Awards Program

A. Plan Description

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

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

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

Active participants	157
Vested-terminated	100
	257

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

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

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 12. 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, 2020 rolled forward to June 30, 2021 using the actuarial assumptions applied to all periods included in the measurement.

Inflation	0.0%
Salary increases	Not Applicable
Investment rate of return	1.92%, 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, 2020 actuarial valuation report. Calculations assume the plan remains unfunded and uses a discount rate of 1.92%, which is based on the 20-year AA general obligation bond rate as of June 30, 2020.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 12. 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, 2020	\$ 3,589,209	\$ -	\$ 3,589,209
Changes for the year:			
Service cost	152,699	-	152,699
Interest	67,063	-	67,063
Differences between expected and actual experience	122,220	-	122,220
Benefit payments, including refunds of employee contributions	(196,278)	-	(196,278)
Changes in assumptions	538,789	-	538,789
Net changes	684,493	-	684,493
Balances at June 30, 2021	\$ 4,273,702	\$ -	\$ 4,273,702

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 1.92%, 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 (0.92%) or one percentage point higher (2.92%) than the current rate:

Net Pension Liability	1.00% Decrease (0.92%)	Current Discount Rate (1.92%)	1.00% Increase (2.92%)
Bedford County – LOSAP	\$ 4,584,781	\$ 4,273,702	\$ 3,955,606

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 12. 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, 2021, the LOSAP recognized pension expense of \$365,631. At June 30, 2021, 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	\$ 106,942	\$ 176,614
Changes in assumptions	1,069,731	88,020
	\$ 1,176,673	\$ 264,634

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

Year Ended June 30,	Increase to Pension Expense
2022	\$ 145,870
2023	145,870
2024	145,870
2025	145,870
2026	163,314
Thereafter	165,247

Note 13. 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.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

Employees Covered by Benefit Terms

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

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

Total OPEB Liability

The County's and School Board's total OPEB liability of 985,717 and \$2,416,253, respectively, was measured as of June 30, 2020 and was determined based on an actuarial valuation performed as of June 30, 2020.

Actuarial Assumptions and other inputs

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	County	School Board
Inflation	2.50%	2.50%

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

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

There have been no changes in benefit terms.

Changes in County and School Board assumptions and other inputs reflect change in discount rate from 3.13% to 2.45% based on GASB 75 rules.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 13. 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, 2019	\$ 915,587	\$ -	\$ 915,587	\$ 2,970,515	\$ -	\$ 2,970,515
Changes for the year:						
Service cost	63,358	-	63,358	221,313	-	221,313
Interest	28,107	-	28,107	89,696	-	89,696
Changes in assumptions	50,121	-	50,121	131,449	-	131,449
Differences between expected and actual experience	(52,610)	-	(52,610)	(912,494)	-	(912,494)
Contributions – employer		18,846	(18,846)		84,226	(84,226)
Benefit payments, including refunds of employee contributions	(18,846)	(18,846)	-	(84,226)	(84,226)	-
Net changes	70,130	-	70,130	(554,262)	-	(554,262)
Balance at June 30, 2020	<u>\$ 985,717</u>	<u>\$ -</u>	<u>\$ 985,717</u>	<u>\$ 2,416,253</u>	<u>\$ -</u>	<u>\$ 2,416,253</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 (1.45%) or one percentage point higher (3.45%) than the current discount rate:

	<u>1.00% Decrease (1.45%)</u>	<u>Current Discount Rate (2.45%)</u>	<u>1.00% Increase (3.45%)</u>
Bedford County	<u>\$ 1,064,065</u>	<u>\$ 985,717</u>	<u>\$ 912,935</u>
Bedford County School Board	<u>\$ 2,599,376</u>	<u>\$ 2,416,253</u>	<u>\$ 2,241,499</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 13. 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 (3.00%)	Current Healthcare Cost Trend Rates (4.00%)	1.00% Increase (5.00%)
Bedford County	\$ 881,516	\$ 985,717	\$ 1,109,352
Bedford County School Board	\$ 2,138,338	\$ 2,416,253	\$ 2,745,556

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$103,648 and the School Board recognized an OPEB benefit of \$528,346. At June 30, 2021, 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	\$ 147,334	\$ 43,842	\$ -	\$ 4,313,485
Change in assumptions	41,767	95,372	934,626	159,239
Employer contributions subsequent to the measurement date	34,386	-	510,571	-
	\$ 223,487	\$ 139,214	\$ 1,445,197	\$ 4,472,724

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

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

The \$34,386 and \$510,571 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 year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Increase (Reduction) to Local OPEB Expense	
	County	Schools
2022	\$ 12,183	\$ (839,355)
2023	12,183	(839,355)
2024	12,183	(839,354)
2025	18,253	(786,270)
2026	(4,915)	(122,187)
Thereafter	-	(111,577)

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County of 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, 2021

Note 14. 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, 2019 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Active members	226

Contributions

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

Contributions (Continued)

Group Life Insurance Program-Bedford County

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2021 Contribution	\$116,286
June 30, 2020 Contribution	\$113,460

Group Life Insurance Program-Bedford County School Board-Teachers

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2021 Contribution	\$273,268
June 30, 2020 Contribution	\$264,295

Group Life Insurance Program-Bedford County School Board-Nonprofessional

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2021 Contribution	\$27,252
June 30, 2020 Contribution	\$28,372

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 14. 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, 2021 Contribution	\$617,044
June 30, 2020 Contribution	\$606,005

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:	0.17% of covered employee compensation.
June 30, 2021 Contribution	\$10,417

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

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

Group Life Insurance Program-Bedford County

June 30, 2021 proportionate share of liability	\$ 1,755,783
June 30, 2020 proportion	0.11%
June 30, 2019 proportion	0.10%
June 30, 2021 expense	\$ 97,740

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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

Group Life Insurance Program-Bedford County School Board-Teachers

June 30, 2021 proportionate share of liability	\$	4,363,507
June 30, 2020 proportion		0.26%
June 30, 2019 proportion		0.27%
June 30, 2021 expense	\$	154,642

Group Life Insurance Program-Bedford County School Board-Nonprofessional

June 30, 2021 proportionate share of liability	\$	436,401
June 30, 2020 proportion		0.03%
June 30, 2019 proportion		0.03%
June 30, 2021 expense	\$	7,115

Teacher Health Insurance Credit Program-Bedford County School Board

June 30, 2021 proportionate share of liability	\$	7,991,338
June 30, 2020 proportion		0.61%
June 30, 2019 proportion		0.62%
June 30, 2021 expense	\$	630,476

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:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2019	\$ -	\$ -	\$ -
Changes for the year:			
Benefit changes	647,931	-	647,931
Balances at June 30, 2020	<u>\$ 647,931</u>	<u>\$ -</u>	<u>\$ 647,931</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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

In addition, for the year ended June 30, 2021, the School Board recognized OPEB expense of \$647,931 related to the General Employee Health Insurance Credit Program.

At June 30, 2021, 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	\$ 112,617	\$ 15,769
Change in assumptions	87,809	36,662
Net difference between projected and actual earnings on OPEB plan investments	52,742	-
Changes in proportion	111,496	21,243
Employer contributions subsequent to the measurement date	116,286	-
Total	<u>\$ 480,950</u>	<u>\$ 73,674</u>

Group Life Insurance Program-Bedford County School Board-Teachers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 279,879	\$ 39,192
Change in assumptions	218,226	91,113
Net difference between projected and actual earnings on OPEB plan investments	131,076	-
Changes in proportion	47,631	105,138
Employer contributions subsequent to the measurement date	273,268	-
Total	<u>\$ 950,080</u>	<u>\$ 235,443</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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

Group Life Insurance Program-Bedford County School Board-Nonprofessional

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 27,991	\$ 3,920
Change in assumptions	21,825	9,112
Net difference between projected and actual earnings on OPEB plan investments	13,109	-
Changes in proportion	-	41,645
Employer contributions subsequent to the measurement date	<u>27,252</u>	<u>-</u>
Total	<u>\$ 90,177</u>	<u>\$ 54,677</u>

Teacher Health Insurance Credit Program-Bedford County School Board

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 106,720
Change in assumptions	157,977	43,662
Net difference between projected and actual earnings on OPEB plan investments	35,414	-
Changes in proportion	74,142	196,527
Employer contributions subsequent to the measurement date	<u>617,044</u>	<u>-</u>
Total	<u>\$ 884,577</u>	<u>\$ 346,909</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions subsequent to the measurement date	<u>\$ 10,417</u>	<u>\$ -</u>
Total	<u>\$ 10,417</u>	<u>\$ -</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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

The deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Group Life Insurance Program-Bedford County

Year Ended June 30,	Increase to OPEB Expense
2022	\$ 57,230
2023	72,125
2024	76,079
2025	63,147
2026	19,748
Thereafter	2,661

Group Life Insurance Program-Bedford County School Board-Teachers

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2022	\$ 53,967
2023	90,983
2024	133,787
2025	138,412
2026	24,594
Thereafter	(374)

Group Life Insurance Program-Bedford County School Board-Nonprofessional

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2022	\$ (2,953)
2023	749
2024	4,993
2025	6,657
2026	(776)
Thereafter	(422)

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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

Teacher Health Insurance Credit Program-Bedford County School Board

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2022	\$ (23,963)
2023	(20,453)
2024	(21,629)
2025	(5,537)
2026	9,837
Thereafter	(17,631)

Actuarial Assumptions and Other Inputs

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

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

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment rate for GASB purposes of slightly more than the assumed percent above. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be the percent noted above to simplify preparation of OPEB liabilities.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

Actuarial Assumptions and Other Inputs (Continued)

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 9.

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

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

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, 2021

Note 14. 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%	4.65%	1.58%
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00%		4.64%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.14%

* The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the fiscal year 2020 valuations provide a median return of 6.81%.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

Discount Rate

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

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

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

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
GLI net OPEB liability			
Bedford County	\$ 2,308,111	\$ 1,755,783	\$ 1,307,240
School Board - Teachers	5,736,164	4,363,507	3,248,780
School Board - Nonprofessional	573,682	436,401	324,915
Teacher HIC net OPEB liability			
School Board - Teachers	8,945,469	7,991,338	7,180,395
School Board - Nonprofessional	710,877	647,931	593,312

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

OPEB Plan Fiduciary Net Position

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

Note 15. Landfill Closure and Postclosure Costs

Permit #30

The County stopped accepting waste at its old landfill site, permit #30, on October 8, 1993. In accordance with federal and state laws, the County placed a final cover on this site and was required to perform certain maintenance and monitoring functions for ten years after closure. The site was certified as closed by the Virginia Department of Environmental Quality (DEQ) on July 2, 1996. The cumulative amount of estimated postclosure care costs to date for this site, less amounts expended for such costs to date, totals \$1,589,493.

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

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

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 15. Landfill Closure and Postclosure Costs (Continued)

Permit #560

The County's active landfill site, permit #560, began accepting waste on October 9, 1993. State and federal laws and regulations require the County to place a final cover on this landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for thirty (30) years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used, as of each balance sheet date. The \$6,642,005 reported as landfill closure and postclosure care liability as of June 30, 2021 represents the cumulative amount reported to date based on the use of approximately 87.8% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,662,763 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects its disposal area to reach capacity in 2024.

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

Note 16. Fund Balances

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

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

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

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 16. Fund Balances (Continued)

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

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

	General Fund	School Board
Nonspendable:		
Prepays	\$ 303,898	\$ 138,076
Inventories	57,156	112,622
Total nonspendable	361,054	250,698
Restricted for:		
Public safety	1,984,190	-
Other purposes	6,750,818	-
Total restricted	8,735,008	-
Committed to:		
Public works	401,903	-
Health self insurance	-	5,486,815
Education-operating	-	-
Community development	926,693	-
Capital projects	-	2,366,159
Total committed	1,328,596	7,852,974
Assigned to:		
Judicial administration	47,006	-
Public safety	1,688,136	-
Health and welfare	25,243	-
Education-health self insurance	3,052,777	-
Education-nutrition	-	1,580,251
Education-textbooks	-	695,459
School activity fund	-	1,295,529
Funding of subsequent year budget	25,677,455	-
Subsequent year appropriation of fund balance	264,491	-
Total assigned	30,755,108	3,571,239
Unassigned	39,516,637	(3,502,639)
Total fund balances	\$ 80,696,403	\$ 8,172,272

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 17. 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 \$462,695 and \$404,792 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 \$356,083.

The Bedford County Nursing Home has a separate policy for general liability insurance through GuideOne Mutual Insurance. The policy limit is \$1,000,000. Total premiums for the current fiscal year were \$35,780. 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 the 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 \$415,689.

Health Care

The County carried commercial insurance for employee health insurance plans for the year ended June 30, 2021.

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 \$8,803,826. Administrative fees and stop loss premiums for the year ended June 30 totaled \$1,794,833. Estimated incurred but not reported (IBNR) claims at June 30 based on prior experience totaled \$587,000. Changes in the balance of claims payable liability during the past year is as follows:

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 17. Risk Management (Continued)

Health Care (Continued)

	Health Insurance
Unpaid claims at July 1	\$ 907,997
Incurred claims (including IBNR and changes in estimates)	8,803,826
Claim payments	(8,686,226)
Unpaid claims at June 30	\$ 1,025,597

Note 18. 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 2021.

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, 2021

Note 18. 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 2021, the County paid the Board \$465,000 for debt service and \$484,880 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 \$53,703 for 2021. Separate financial statements for TLAC are not available.

Note 19. Commitments and Contingencies

Litigation

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

Special purpose grants

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

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 20. 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 2021, there were no amounts refunded to businesses in accordance with the above mentioned agreements.

Note 21. 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, 2021, the County paid the Town \$750,000, which was the Town’s share of additional funding for the year.

Note 22. COVID-19 Impact

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The County’s operations are heavily dependent on the ability to raise taxes, assess fees, and access the capital markets. Additionally, access to grants and contracts from federal and state governments may decrease or may not be available depending on appropriations. The outbreak will have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation has potentially depressed the tax bases and other areas in which the County received revenue during fiscal year 2021. As such, the County’s financial condition and liquidity may be negatively impacted for the fiscal year 2022.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 22. COVID-19 Impact (Continued)

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude the pandemic will have on the County’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the continued evolution of the COVID-19 outbreak and the global responses to curb its spread, the Government is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

Note 23. Adoption and New Standard and Prior Period Restatement

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

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

	School Activities	School Governmental Activities
Fund balance/Net position July 1, 2020 as previously reported	\$ -	\$ 51,753,140
Recognition of Fiduciary Activities in accordance with GASB No. 84	1,365,614	1,365,614
Fund balance/Net Position July 1, 2020, as restated	\$ 1,365,614	\$ 53,118,754

The County previously presented the Tri-County Lake Administrative Commission, Bedford Community Coalition, Bedford Wine Trail, Special Welfare, Road Escrow, Land Disturbing Bonds, and Asset Seizure funds as agency funds. The relationship between the County and these funds have not changed, however, under GASB 84, these funds are presented as custodial funds. In addition, the liability presented previously as “Amounts Held for Clients/Others” is restated as beginning net position.

Note 24. Subsequent Events

In December 2021, the Schools approved multiple HVAC projects for 6 County Schools totaling approximately \$14.4 million.

In March 2022, the County approved two broadband expansion projects totaling approximately \$17 million.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 25. New Accounting Standards

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

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

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

In January 2020, the GASB issued Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement addresses accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84*, and a Supersession of GASB Statement No. 32. This Statement provides a more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021.

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

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PRIMARY GOVERNMENT
June 30, 2021**

	Plan Year	
	2020	2019
Total Pension Liability		
Service cost	\$ 2,202,410	\$ 2,021,050
Interest on total pension liability	5,171,252	4,947,523
Changes in benefit terms	-	-
Difference between expected and actual experience	(468,690)	283,759
Changes in assumptions	-	2,366,146
Benefit payments, including refunds of employee contributions	(3,815,452)	(3,557,037)
Net change in total pension liability	3,089,520	6,061,441
Total pension liability – beginning	78,518,860	72,457,419
Total pension liability – ending	81,608,380	78,518,860
Plan Fiduciary Net Position		
Contributions – employer	1,487,607	1,400,026
Contributions – employee	1,032,124	989,164
Net investment income	1,377,574	4,582,631
Benefit payments, including refunds of employee contributions	(3,815,452)	(3,557,037)
Administrative expenses	(47,102)	(45,242)
Other	(1,634)	(2,892)
Net change in plan fiduciary net position	33,117	3,366,650
Plan fiduciary net position – beginning	72,459,987	69,093,337
Plan fiduciary net position – ending	72,493,104	72,459,987
Net pension liability – ending	\$ 9,115,276	\$ 6,058,873
Plan fiduciary net position as a percentage of total pension liability	89%	92%
Covered employee payroll	\$ 21,647,240	\$ 21,781,710
Net pension liability as a percentage of covered employee payroll	42%	28%

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

COUNTY OF BEDFORD, VIRGINIA

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

	Plan Year	
	2020	2019
Total Pension Liability		
Service cost	\$ 526,618	\$ 529,937
Interest on total pension liability	1,627,059	1,564,001
Difference between expected and actual experience	(155,622)	364,326
Changes in assumptions	-	616,120
Benefit payments, including refunds of employee contributions	(1,395,613)	(1,229,744)
Net change in total pension liability	602,442	1,844,640
Total pension liability – beginning	24,802,378	22,957,738
Total pension liability – ending	25,404,820	24,802,378
Plan Fiduciary Net Position		
Contributions – employer	239,271	244,991
Contributions – employee	253,638	255,641
Net investment income	470,154	1,582,297
Benefit payments, including refunds of employee contributions	(1,395,613)	(1,229,744)
Administrative expenses	(16,462)	(16,057)
Other	(551)	(993)
Net change in plan fiduciary net position	(449,563)	836,135
Plan fiduciary net position – beginning	24,877,183	24,041,048
Plan fiduciary net position – ending	24,427,620	24,877,183
Net pension liability (asset) – ending	\$ 977,200	\$ (74,805)
Plan fiduciary net position as a percentage of total pension liability (asset)	96%	100%
Covered employee payroll	\$ 5,904,866	\$ 6,232,346
Net pension liability (asset) as a percentage of covered employee payroll	17%	-1%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 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				
2018	2017	2016	2015	2014
\$ 538,823	\$ 547,567	\$ 558,668	\$ 601,405	\$ 582,857
1,491,579	1,454,802	1,431,511	1,351,849	1,277,059
158,901	(164,960)	(638,390)	80,427	-
-	(224,914)	-	-	-
(1,079,678)	(1,094,549)	(943,544)	(847,770)	(735,199)
1,109,625	517,946	408,245	1,185,911	1,124,717
21,848,113	21,330,167	20,921,922	19,736,011	18,611,294
22,957,738	21,848,113	21,330,167	20,921,922	19,736,011
237,168	236,702	390,587	404,699	475,727
264,009	261,842	262,489	272,628	286,798
1,686,767	2,537,662	364,171	923,208	2,759,864
(1,079,678)	(1,094,549)	(943,544)	(847,770)	(735,199)
(14,762)	(14,951)	(13,042)	(12,637)	(14,693)
(1,492)	(2,243)	(154)	(196)	146
1,092,012	1,924,463	60,507	739,932	2,772,643
22,949,036	21,024,573	20,964,066	20,224,134	17,451,491
24,041,048	22,949,036	21,024,573	20,964,066	20,224,134
\$ (1,083,310)	\$ (1,100,923)	\$ 305,594	\$ (42,144)	\$ (488,123)
105%	105%	99%	100%	102%
\$ 6,239,209	\$ 6,134,885	\$ 6,058,761	\$ 5,777,679	\$ 6,064,075
-17%	-18%	5%	-1%	-8%

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PRIMARY GOVERNMENT – LENGTH OF SERVICE AWARDS PROGRAM
June 30, 2021**

	Plan Year				
	2021	2020	2019	2018	2017
Total Pension Liability					
Service cost	\$ 152,699	\$ 105,316	\$ 95,314	\$ 97,910	\$ 104,705
Interest on total pension liability	67,062	72,729	86,214	98,590	98,942
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	122,220	(49,104)	(182,357)	(49,620)	-
Changes in assumptions	538,789	549,356	329,430	(32,874)	(156,953)
Benefit payments, including refunds of employee contributions	(196,278)	(111,653)	(116,441)	(64,755)	(118,545)
Net change in total pension liability	684,492	566,644	212,160	49,251	(71,851)
Total pension liability – beginning	<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>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>
Plan fiduciary net position – ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net pension liability – ending	<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>
Covered employee payroll	<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>

Schedule is intended to show information for 10 years. Since the 2017 fiscal year was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

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

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2021

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

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COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY –
 VRS TEACHER RETIREMENT PLAN
 June 30, 2021

School Division Plan Year Ended June 30,	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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, 2021

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
2021	\$ 8,508,843	\$ 8,508,843	\$ -	\$ 48,170,110	17.66 %
2020	7,910,482	7,910,482	-	47,893,326	16.52
2019	8,128,483	8,128,483	-	49,842,942	16.31
2018	8,147,789	8,147,789	-	48,371,493	16.84
2017	6,950,571	6,950,571	-	47,412,846	14.66
2016	6,672,491	6,672,491	-	48,619,400	13.72
2015	6,677,180	6,677,180	-	47,022,390	14.20

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

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

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND
RELATED RATIOS – LOCAL PLANS
June 30, 2021**

	Plan Year			
	Primary Government			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 63,358	\$ 62,102	\$ 42,428	\$ 45,868
Interest on total OPEB liability	28,107	31,493	23,759	18,053
Difference between expected and actual experience	(52,610)	4,131	252,668	-
Changes in assumptions	50,121	(35,609)	(90,532)	(42,476)
Benefit payments	(18,846)	(28,857)	(13,755)	25,799
Net change in total OPEB liability	70,130	33,260	214,568	47,244
Total OPEB liability – beginning	915,586	882,326	667,758	620,514
Total OPEB liability – ending	985,716	915,586	882,326	667,758
Plan Fiduciary Net Position				
Contributions – employer	18,846	28,857	(13,755)	(25,799)
Benefit payments	(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	\$ 985,716	\$ 915,586	\$ 882,326	\$ 667,758
Plan fiduciary net position as a percentage of total OPEB liability	0%	0%	0%	0%
Covered payroll	\$ 21,647,240	\$ 21,781,710	\$ 21,353,372	\$ 19,852,664
Net OPEB liability as a percentage of covered payroll	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			
2020	2019	2018	2017
\$ 221,313	\$ 206,165	\$ 432,439	\$ 460,509
89,696	100,233	242,932	196,367
(912,494)	(75,589)	(6,085,371)	-
131,449	1,344	1,436,739	(371,559)
(84,226)	(136,575)	(235,616)	(183,114)
(554,262)	95,578	(4,208,877)	102,203
2,970,515	2,874,937	7,083,814	6,981,611
2,416,253	2,970,515	2,874,937	7,083,814
84,226	136,575	235,616	183,114
(84,226)	(136,575)	(235,616)	(183,114)
-	-	-	-
-	-	-	-
-	-	-	-
\$ 2,416,253	\$ 2,970,515	\$ 2,874,937	\$ 7,083,814
0%	0%	0%	0%
\$ 53,798,192	\$ 56,075,288	\$ 54,610,702	\$ 53,547,731
4.49%	5.30%	5.26%	13.23%

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS –
LOCAL PLANS
June 30, 2021**

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					
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					
2021	510,571	510,571	-	54,179,293	0.94
2020	198,370	198,370	-	53,798,192	0.37
2019	156,196	156,196	-	56,075,288	0.28
2018	235,616	235,616	-	54,610,702	0.43

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

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS –
VRS AGENT PLAN – SCHOOLS – NONPROFESSIONAL EMPLOYEES
June 30, 2021

	Plan Year
	2020
Total OPEB Liability	
Changes in benefit terms	\$ 647,931
Net change in total OPEB liability	647,931
Total OPEB liability – beginning	-
Total OPEB liability – ending	\$ 647,931
Covered payroll	\$ 5,904,866
Net OPEB liability as a percentage of covered payroll	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, 2021**

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					
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, 2021

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					
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					
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					
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					
2021	0.26	4,363,507	47,893,326	9.11	52.64
2020	0.27	4,338,000	49,842,942	8.70	52.00
2019	0.26	4,014,000	48,371,493	8.30	51.22
2018	0.26	3,938,000	48,619,400	8.10	48.86

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The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS –
VRS COST SHARING PLANS
June 30, 2021**

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					
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					
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					
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					
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, 2021**

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

Largest 10 – Non-Hazardous Duty:

- Update mortality table to RP-2014 projected to 2020
- Lowered rates at older ages and extended final retirement age from 70 to 75
- Update withdrawal rates to better fit experience at each age and service through 9 years of service
- Lowered rates of disability retirement
- No changes to salary rates
- Increase Line of Duty Disability rates from 14% to 20%
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages
- Update withdrawal rates to better fit experience at each age and service year
- Increased disability rates
- No changes to salary rates
- Increased Line of Duty Disability rates from 60% to 70%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and LODA OPEB

(Continued)

COUNTY OF BEDFORD, VIRGINIA

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

Note 2. Changes of Assumptions (Continued)

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

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered disability rates
- No changes to salary rates
- Increased Line of Duty Disability rate from 14% to 15%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

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

- Update mortality table to RP-2014 projected to 2020
- Increased retirement rate at age 50 and lowered rates at older ages
- Update withdrawal rates to better fit experience at each age and service year
- Update disability rates to better fit experience
- No changes to salary rates
- Lowered Line of Duty Disability rate from 60% to 45%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and LODA OPEB

Teacher cost-sharing pool

- Update mortality table to RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each year age and service through 9 years of service
- Update disability rates to better fit experience
- No changes to salary rates
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

OTHER SUPPLEMENTARY INFORMATION

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DISCRETELY PRESENTED COMPONENT UNIT – 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, 2021**

	<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	\$ 7,703,507	\$ 1,820,742	\$ 718,710	\$ 1,295,529	\$ 10,837	\$ 11,549,325
Receivables, net	5,275,522	83,689	-	-	-	5,359,211
Due from primary government	7,747,179	-	-	-	961,510	8,708,689
Due from other funds	991,958	-	-	-	-	991,958
Prepays	113,343	24,733	-	-	-	138,076
Inventories	-	112,622	-	-	-	112,622
	<u>\$ 21,831,509</u>	<u>\$ 2,041,786</u>	<u>\$ 718,710</u>	<u>\$ 1,295,529</u>	<u>\$ 972,347</u>	<u>\$ 26,859,881</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 1,193,874	\$ 17,000	\$ 23,251	\$ -	\$ 961,510	\$ 2,195,635
Accrued payroll and related liabilities	11,956,248	307,180	-	-	-	12,263,428
Due to other funds	-	-	-	-	991,958	991,958
Self insurance	1,090,307	-	-	-	-	1,090,307
Deferred revenue	2,146,281	-	-	-	-	2,146,281
	<u>16,386,710</u>	<u>324,180</u>	<u>23,251</u>	<u>-</u>	<u>1,953,468</u>	<u>18,687,609</u>
FUND BALANCES						
Fund balances:						
Nonspendable	113,343	137,355	-	-	-	250,698
Committed	7,000,056	-	-	-	852,918	7,852,974
Assigned	-	1,580,251	695,459	1,295,529	-	3,571,239
Unassigned	(1,668,600)	-	-	-	(1,834,039)	(3,502,639)
	<u>5,444,799</u>	<u>1,717,606</u>	<u>695,459</u>	<u>1,295,529</u>	<u>(981,121)</u>	<u>8,172,272</u>
Total liabilities and fund balances	<u>\$ 21,831,509</u>	<u>\$ 2,041,786</u>	<u>\$ 718,710</u>	<u>\$ 1,295,529</u>	<u>\$ 972,347</u>	

(Continued)

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
 COMBINING BALANCE SHEET
 Year Ended June 30, 2021

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

Total Fund Balance, Governmental Funds		\$ 8,172,272
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 300,138,647	
Accumulated depreciation	<u>(162,573,362)</u>	137,565,285
Other long-term assets not available to pay for current period expenditures and therefore are deferred in the funds.		2,146,281
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.		(226,420)
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	23,302,795	
Other postemployment benefits	3,380,448	
Deferred inflows related to:		
Pensions	(6,783,828)	
Other postemployment benefits	(5,109,753)	
Net pension liability	(90,407,454)	
Net other postemployment benefit liability	<u>(15,855,430)</u>	(91,473,222)
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest	(71,611)	
Capital leases	(4,111,593)	
Compensated absences	<u>(1,848,250)</u>	<u>(6,031,454)</u>
Net position of Governmental Activities		<u>\$ 50,152,742</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, 2021**

	<u>Special Revenue Funds</u>					Total Governmental Funds
	<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	\$ 24,200	\$ 4,231	\$ 1,871	\$ -	\$ 7	\$ 30,309
Charges for services	632,228	133,977	-	2,044,707	-	2,810,912
Other	886,706	-	-	-	-	886,706
Intergovernmental:						
County of Bedford	33,340,251	-	-	-	3,614,391	36,954,642
Commonwealth of Virginia	63,211,352	47,437	461,940	-	-	63,720,729
Federal government	7,553,039	3,273,303	174,694	-	-	11,001,036
Total revenues	<u>105,647,776</u>	<u>3,458,948</u>	<u>638,505</u>	<u>2,044,707</u>	<u>3,614,398</u>	<u>115,404,334</u>
EXPENDITURES						
Current:						
Instructional	75,277,081	-	440,957	2,114,792	-	77,832,830
Administration, attendance, and health	4,501,434	-	-	-	-	4,501,434
Pupil transportation services	8,590,446	-	-	-	-	8,590,446
Operations and maintenance services	10,857,756	-	-	-	-	10,857,756
Nutrition services	-	3,645,717	-	-	-	3,645,717
Technology	6,919,180	-	-	-	-	6,919,180
Debt service:						
Principal	1,320,843	-	-	-	-	1,320,843
Interest and other fiscal charges	87,925	-	-	-	-	87,925
Capital projects	-	-	-	-	4,991,503	4,991,503
Total expenditures	<u>107,554,665</u>	<u>3,645,717</u>	<u>440,957</u>	<u>2,114,792</u>	<u>4,991,503</u>	<u>118,747,634</u>
Excess (deficiency) of revenues over expenditures	<u>(1,906,889)</u>	<u>(186,769)</u>	<u>197,548</u>	<u>(70,085)</u>	<u>(1,377,105)</u>	<u>(3,343,300)</u>
OTHER FINANCING SOURCES						
Capital lease proceeds	1,416,128	-	-	-	-	1,416,128
Total other financing sources	1,416,128	-	-	-	-	1,416,128
Net change in fund balances	(490,761)	(186,769)	197,548	(70,085)	(1,377,105)	(1,927,172)
Fund balance, beginning, as restated	<u>5,935,560</u>	<u>1,904,375</u>	<u>497,911</u>	<u>1,365,614</u>	<u>395,984</u>	
Fund balance, ending	<u>\$ 5,444,799</u>	<u>\$ 1,717,606</u>	<u>\$ 695,459</u>	<u>\$ 1,295,529</u>	<u>\$ (981,121)</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, 2021

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

Net changes in fund balances - total governmental funds \$ (1,927,172)

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.

Capital outlay expenditures that were capitalized	\$ 7,781,281	
Depreciation expense for governmental assets	<u>(8,068,625)</u>	(287,344)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned, net of employee contributions is reported as pension expense.

Employer pension contributions		8,803,324
Pension expense		<u>(10,021,926)</u>

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned, net of employee contributions is reported as pension expense.

Employer other postemployment benefit contributions		1,438,552
Other postemployment expense		<u>(970,406)</u>

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.

New long-term debt issued	(1,416,128)	
Principal payments on long-term debt	1,320,843	
Increase in accrued interest payable	<u>8,419</u>	(86,866)

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

Other revenues		77,161
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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.

Compensated absences		<u>8,665</u>
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Total changes in net position of governmental activities		<u><u>\$ (2,966,012)</u></u>
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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, 2021**

	<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	\$ 24,200	\$ (25,800)
Charges for services	650,000	650,000	632,228	(17,772)
Other	50,000	182,750	566,557	383,807
Intergovernmental:				
County of Bedford	36,393,028	36,393,028	33,313,442	(3,079,586)
Commonwealth of Virginia	62,512,435	62,585,395	62,993,244	407,849
Federal government	<u>5,036,785</u>	<u>7,710,373</u>	<u>7,204,946</u>	<u>(505,427)</u>
Total revenues	<u>104,692,248</u>	<u>107,571,546</u>	<u>104,734,617</u>	<u>(2,836,929)</u>
EXPENDITURES				
Current:				
Instructional	75,280,954	76,970,438	74,957,175	2,013,263
Administration, attendance, and health	4,531,044	4,531,044	4,474,275	56,769
Pupil transportation services	8,966,629	9,132,389	8,552,547	579,842
Operations and maintenance services	9,494,652	10,016,006	9,878,269	137,737
Nutrition services	-	-	-	-
Technology	<u>6,418,969</u>	<u>6,921,669</u>	<u>6,721,798</u>	<u>199,871</u>
Total expenditures	<u>104,692,248</u>	<u>107,571,546</u>	<u>104,584,064</u>	<u>2,987,482</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>150,553</u>	<u>150,553</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,553</u>	<u>\$ 150,553</u>

Nutrition				Textbooks			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 7,000	\$ 7,000	\$ 4,231	\$ (2,769)	\$ -	\$ -	\$ 1,192	\$ 1,192
2,229,577	2,229,577	133,977	(2,095,600)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,376	50,376	47,437	(2,939)	504,877	504,877	461,940	(42,937)
2,240,000	2,240,000	3,285,459	1,045,459	-	-	174,694	174,694
4,526,953	4,526,953	3,471,104	(1,055,849)	504,877	504,877	637,826	132,949
-	-	-	-	504,877	504,877	417,706	87,171
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,526,953	4,526,953	3,563,420	963,533	-	-	-	-
-	-	-	-	-	-	-	-
4,526,953	4,526,953	3,563,420	963,533	504,877	504,877	417,706	87,171
-	-	(92,316)	(92,316)	-	-	220,120	220,120
\$ -	\$ -	\$ (92,316)	\$ (92,316)	\$ -	\$ -	\$ 220,120	\$ 220,120

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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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 45,100,000	\$ 45,100,000	\$ 46,177,232	\$ 1,077,232
Real and personal public service corporation property taxes	1,690,000	1,690,000	1,684,774	(5,226)
Personal property taxes (local remittance)	16,100,000	16,100,000	16,946,816	846,816
Machinery and tools taxes	3,805,000	3,805,000	3,726,521	(78,479)
Mobile home taxes	111,000	111,000	115,530	4,530
Penalties and interest	796,000	796,000	963,982	167,982
Total general property taxes	<u>67,602,000</u>	<u>67,602,000</u>	<u>69,614,855</u>	<u>2,012,855</u>
Other local taxes:				
Local sales and use taxes	6,177,370	6,177,370	8,363,894	2,186,524
Consumer utility taxes	1,259,200	1,259,200	1,273,841	14,641
Utility license tax	80,000	80,000	49,105	(30,895)
Bank stock taxes	415,000	415,000	368,365	(46,635)
Taxes on recordations and wills	1,123,500	1,123,500	1,791,039	667,539
Transient occupancy tax	875,000	875,000	1,244,278	369,278
Meals tax	1,850,000	1,850,000	1,958,136	108,136
Communications sales tax	1,500,000	1,500,000	1,450,479	(49,521)
Game of skills tax	-	-	118,367	118,367
Total other local taxes	<u>13,280,070</u>	<u>13,280,070</u>	<u>16,617,504</u>	<u>3,337,434</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	40,000	40,000	28,940	(11,060)
Building permits	275,000	275,000	400,720	125,720
Other permits and licenses	59,500	59,500	85,523	26,023
Planning permits and fees	100,000	100,000	93,882	(6,118)
Total permits, privilege fees, and regulatory licenses	<u>474,500</u>	<u>474,500</u>	<u>609,065</u>	<u>134,565</u>
Fines and forfeitures	<u>125,000</u>	<u>125,000</u>	<u>67,501</u>	<u>(57,499)</u>
Revenue from use of money and property:				
Revenue from use of money	240,050	285,901	374,769	88,868
Revenue from use of property	154,443	154,443	153,118	(1,325)
Total revenue from use of money and property	<u>394,493</u>	<u>440,344</u>	<u>527,887</u>	<u>87,543</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Charges for services:				
Court costs	\$ 166,704	\$ 166,704	\$ 163,582	\$ (3,122)
Commonwealth attorney	5,000	5,000	4,537	(463)
Law enforcement and traffic control	160,000	160,000	92,589	(67,411)
Welfare and social services	49,000	49,000	123,096	74,096
Recreation fees	84,000	84,000	40,144	(43,856)
EMS cost recoveries	1,875,000	1,875,000	2,205,818	330,818
Other	30,500	30,500	21,402	(9,098)
Total charges for services	<u>2,370,204</u>	<u>2,370,204</u>	<u>2,651,168</u>	<u>280,964</u>
Miscellaneous	<u>363,350</u>	<u>363,850</u>	<u>1,066,414</u>	<u>702,564</u>
Recovered costs:				
Town of Bedford-communications	40,000	40,000	127,675	87,675
Social services	40,242	40,242	-	(40,242)
Bedford County School Board	59,780	59,780	74,725	14,945
Bedford Public Library	35,000	35,000	52,500	17,500
Tri-County Lake Administrative Commission	10,000	10,000	10,000	-
Central Garage	175,000	175,000	203,568	28,568
Nursing home	250,000	250,000	289,594	39,594
Other	-	58,000	51,070	(6,930)
Total recovered costs	<u>610,022</u>	<u>668,022</u>	<u>809,132</u>	<u>141,110</u>
Total revenue from local sources	<u>85,219,639</u>	<u>85,323,990</u>	<u>91,963,526</u>	<u>6,639,536</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	79,123	(30,877)
Mobile home titling taxes	95,000	95,000	125,126	30,126
Recordation taxes	250,000	250,000	155,742	(94,258)
Railroad rolling stock taxes	163,000	163,000	159,713	(3,287)
Total non-categorical aid	<u>6,704,051</u>	<u>6,704,051</u>	<u>6,605,755</u>	<u>(98,296)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	599,056	599,056	597,090	(1,966)
Sheriff	2,597,287	2,597,287	2,519,390	(77,897)
Commissioner of the Revenue	261,320	261,320	253,538	(7,782)
Treasurer	241,091	241,091	235,020	(6,071)
Registrar and Electoral board	47,700	47,700	121,534	73,834
Clerk of the Circuit Court	473,838	473,838	482,648	8,810
Communications	153,161	153,161	140,447	(12,714)
Total shared expenses	<u>4,373,453</u>	<u>4,373,453</u>	<u>4,349,667</u>	<u>(23,786)</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other:				
Social services	\$ 2,704,754	\$ 2,704,754	\$ 2,156,490	\$ (548,264)
Comprehensive services	3,990,834	3,990,834	3,337,014	(653,820)
Forfeited asset seizure proceeds	-	6,308	6,308	-
State internet crimes	-	3,662,182	997,767	(2,664,415)
Primary/Election reimbursement	-	71,618	-	(71,618)
EMS Four for Life	85,000	85,000	89,264	4,264
Fire funds	240,000	316,000	364,388	48,388
Victim witness coordinator	38,033	38,033	29,908	(8,125)
Domestic violence grants	210,542	210,542	183,420	(27,122)
VJCCCA	70,751	70,751	70,751	-
Wireless E-911 grant	220,000	223,000	290,459	67,459
Tourism grants	-	39,406	10,000	(29,406)
VA Commission of Arts	4,500	4,500	4,500	-
Juror and witness reimbursement	25,000	25,000	450	(24,550)
Virginia Tobacco Commission grants	-	-	3,938,497	3,938,497
VDOT Revenue Sharing	90,000	90,000	299,481	209,481
Other	35,000	411,609	60,723	(350,886)
Total other categorical aid	<u>7,714,414</u>	<u>11,949,537</u>	<u>11,839,420</u>	<u>(110,117)</u>
Total categorical aid	<u>12,087,867</u>	<u>16,322,990</u>	<u>16,189,087</u>	<u>(133,903)</u>
Total revenue from the Commonwealth	<u>18,791,918</u>	<u>23,027,041</u>	<u>22,794,842</u>	<u>(232,199)</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>75,000</u>	<u>75,000</u>	<u>78,373</u>	<u>3,373</u>
Categorical aid:				
Social services	4,496,547	4,496,547	4,235,714	(260,833)
Sheriff – DMV grants	-	52,205	17,752	(34,453)
Justice assistance grants	-	789,650	490,739	(298,911)
Internet crimes grant	-	200,000	-	(200,000)
Bulletproof vest grant	-	25,277	4,992	(20,285)
Victim witness coordinator	114,100	114,100	89,725	(24,375)
Domestic violence grants	161,785	161,785	104,750	(57,035)
Coronavirus relief fund grants	-	7,599,911	7,599,911	-
Other	161,000	161,000	193,502	32,502
Total categorical aid	<u>4,933,432</u>	<u>13,600,475</u>	<u>12,737,085</u>	<u>(863,390)</u>
Total revenue from the federal government	<u>5,008,432</u>	<u>13,675,475</u>	<u>12,815,458</u>	<u>(860,017)</u>
Total intergovernmental revenues	<u>23,800,350</u>	<u>36,702,516</u>	<u>35,610,300</u>	<u>(1,092,216)</u>
Total general fund	<u>\$ 109,019,989</u>	<u>\$ 122,026,506</u>	<u>\$ 127,573,826</u>	<u>\$ 5,547,320</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government administration:				
Legislative:				
Board of Supervisors	\$ 153,557	\$ 148,511	\$ 142,600	\$ 5,911
General and financial administration:				
County administration	477,990	12,717,296	12,368,847	348,449
County attorney	177,401	197,447	195,560	1,887
Independent auditor	75,000	75,000	56,045	18,955
Commissioner of the Revenue	607,340	625,340	601,162	24,178
Treasurer	756,247	756,247	755,195	1,052
Finance	825,960	829,260	713,162	116,098
Information technology	1,103,255	1,103,255	800,958	302,297
Human resources	301,985	304,485	300,980	3,505
Electoral board	276,921	316,335	233,668	82,667
Registrar	257,727	314,487	280,455	34,032
Total general and financial administration	4,859,826	17,239,152	16,306,032	933,120
Total general government administration	5,013,383	17,387,663	16,448,632	939,031
Judicial administration:				
Courts:				
Circuit Court	94,685	94,685	63,476	31,209
District Court	16,825	15,487	10,676	4,811
Magistrates	2,600	2,600	1,312	1,288
Juvenile and Domestic Relations District Court	19,314	20,652	20,652	-
Clerk of the Circuit Court	1,039,207	1,112,150	1,073,976	38,174
Victim Witness Program	219,424	219,424	216,452	2,972
Law Library	13,550	13,550	10,364	3,186
Other court services	12,000	12,000	12,000	-
Total courts	1,417,605	1,490,548	1,408,908	81,640
Commonwealth's Attorney	1,134,047	1,134,047	1,078,427	55,620
Total judicial administration	2,551,652	2,624,595	2,487,335	137,260
Public safety:				
Law enforcement and traffic control:				
Sheriff	7,478,592	7,478,608	5,769,091	1,709,517
Internet Crimes Grant	511,070	4,651,832	2,599,651	2,052,181
Law enforcement grants	-	114,183	62,435	51,748
Total law enforcement and traffic control	7,989,662	12,244,623	8,431,177	3,813,446
Fire and rescue services:				
Volunteer fire companies	1,492,050	1,492,050	1,475,955	16,095
Volunteer rescue squads	943,505	943,505	939,799	3,706
Total fire and rescue services	2,435,555	2,435,555	2,415,754	19,801

(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, 2021**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Correction and detention:				
Blue Ridge Regional Jail	\$ 1,900,000	\$ 2,044,851	\$ 2,044,850	\$ 1
VJCCA	175,625	175,625	125,209	50,416
Juvenile secure detention	275,000	130,149	66,666	63,483
Total correction and detention	<u>2,350,625</u>	<u>2,350,625</u>	<u>2,236,725</u>	<u>113,900</u>
Building inspections	<u>522,838</u>	<u>526,338</u>	<u>465,772</u>	<u>60,566</u>
Other protection:				
Animal shelter	203,129	213,129	190,628	22,501
Animal control	287,600	295,950	242,530	53,420
Emergency services	4,295,413	4,371,413	1,158,474	3,212,939
Communications center	2,766,267	2,786,267	1,515,666	1,270,601
Transportation Safety Committee	1,045	1,045	5	1,040
Total other protection	<u>7,553,454</u>	<u>7,667,804</u>	<u>3,107,303</u>	<u>4,560,501</u>
Total public safety	<u>20,852,134</u>	<u>25,224,945</u>	<u>16,656,731</u>	<u>8,568,214</u>
Public works:				
Sanitation and waste removal:				
Refuse collection	<u>3,256,151</u>	<u>3,671,725</u>	<u>3,671,725</u>	<u>-</u>
Total sanitation and waste removal	<u>3,256,151</u>	<u>3,671,725</u>	<u>3,671,725</u>	<u>-</u>
Maintenance – buildings and grounds:				
Housekeeping	426,202	426,202	394,064	32,138
General properties	1,341,242	1,365,209	1,185,037	180,172
Central garage	325,293	325,293	314,175	11,118
Total maintenance – buildings and grounds	<u>2,092,737</u>	<u>2,116,704</u>	<u>1,893,276</u>	<u>223,428</u>
Total public works	<u>5,348,888</u>	<u>5,788,429</u>	<u>5,565,001</u>	<u>223,428</u>
Health and welfare:				
Health:				
Supplement to local health department	<u>707,509</u>	<u>707,509</u>	<u>698,110</u>	<u>9,399</u>
Welfare:				
Social services	10,202,494	10,245,494	9,300,316	945,178
Comprehensive services	6,574,500	6,574,500	5,535,240	1,039,260
Domestic violence	562,758	562,813	502,016	60,797
Total welfare	<u>17,339,752</u>	<u>17,382,807</u>	<u>15,337,572</u>	<u>2,045,235</u>
Total health and welfare	<u>18,047,261</u>	<u>18,090,316</u>	<u>16,035,682</u>	<u>2,054,634</u>
Education	<u>36,393,028</u>	<u>38,553,120</u>	<u>35,465,620</u>	<u>3,087,500</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Parks, recreation, and cultural:				
Recreation department	\$ 1,525,903	\$ 1,525,903	\$ 1,154,000	\$ 371,903
Cultural enrichment	144,644	172,144	172,144	-
Contribution to Regional Library	1,674,776	1,674,776	1,674,776	-
Total parks, recreation, and cultural	<u>3,345,323</u>	<u>3,372,823</u>	<u>3,000,920</u>	<u>371,903</u>
Community development:				
Planning and community development:				
Planning commission	52,609	52,609	50,612	1,997
Planning and zoning	814,200	814,200	623,316	190,884
GIS	358,282	358,282	340,515	17,767
Board of appeals	3,854	3,854	1,848	2,006
Economic development	580,546	656,650	595,098	61,552
Joint City/County Economic development	750,000	750,000	750,000	-
Broadband Authority	117,400	117,400	58,141	59,259
Tourism	745,181	793,250	721,118	72,132
Total planning and community development	<u>3,422,072</u>	<u>3,546,245</u>	<u>3,140,648</u>	<u>405,597</u>
Environmental management:				
Natural Resources	320,011	321,761	317,237	4,524
Soil and Water Conservation District	14,250	14,250	14,250	-
Tri-County Lake Administrative Commission	53,704	53,704	53,704	-
Total environmental management	<u>387,965</u>	<u>389,715</u>	<u>385,191</u>	<u>4,524</u>
Cooperative Extension Program:				
VPI & SU Extension Office	78,100	80,600	76,341	4,259
Cannery	21,969	21,969	14,260	7,709
Total cooperative extension program	<u>100,069</u>	<u>102,569</u>	<u>90,601</u>	<u>11,968</u>
Total community development	<u>3,910,106</u>	<u>4,038,529</u>	<u>3,616,440</u>	<u>422,089</u>
Debt Service:				
Principal retirement	6,121,160	10,894,268	10,894,268	-
Interest and other fiscal charges	4,098,323	3,689,251	3,328,032	361,219
Total debt service	<u>10,219,483</u>	<u>14,583,519</u>	<u>14,222,300</u>	<u>361,219</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, 2021**

	<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	\$ 587,966	\$ 1,671,883	\$ 615,589	\$ 1,056,294
Judicial administration	-	8,855	-	8,855
Public safety	1,175,250	2,829,739	582,619	2,247,120
Public works	857,000	3,504,931	746,551	2,758,380
Health and welfare	6,000	6,055	-	6,055
Education	1,000,000	8,384,209	5,435,779	2,948,430
Parks, recreation, and cultural	633,927	1,365,710	196,859	1,168,851
Community and economic development	2,090,000	9,482,555	8,204,301	1,278,254
Total capital projects	<u>6,350,143</u>	<u>27,253,937</u>	<u>15,781,698</u>	<u>11,472,239</u>
Total expenditures	<u>112,031,401</u>	<u>156,917,876</u>	<u>129,280,359</u>	<u>27,637,517</u>
Excess of Revenues over Expenditures	<u>(3,011,412)</u>	<u>(34,891,370)</u>	<u>(1,706,533)</u>	<u>33,184,837</u>
Other Financing Sources (Uses):				
Transfers to:				
Component units	\$ (1,470,836)	\$ (1,470,836)	\$ (1,223,333)	\$ 247,503
Capital lease proceeds	-	4,798,108	-	(4,798,108)
Total other financing sources and uses	<u>(1,470,836)</u>	<u>3,327,272</u>	<u>(1,223,333)</u>	<u>247,503</u>
Net change in fund balance	<u>\$ (4,482,248)</u>	<u>\$ (31,564,098)</u>	<u>\$ (2,929,866)</u>	<u>\$ 28,634,232</u>

COUNTY OF BEDFORD, VIRGINIA

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

<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>		
Supplemental Nutrition Assistance Program	10.561	\$ 1,125,544
<u>Department of the Agriculture and Consumer Services:</u>		
Child Nutrition Cluster – National School Lunch Program (Commodities)	10.555	213,179
Emergency Food Assistance Program (Food Commodities)	10.569	335
<u>Department of Forestry</u>		
Cooperative Forestry Assistance	10.665	13,659
<u>Department of Education:</u>		
Child Nutrition Cluster – Summer Food Service for Children	10.559	2,857,485
Child Nutrition Cluster – Summer Food Service for Children – COVID-19	10.559	434,283
<u>Department of Justice:</u>		
<u>Direct Payments:</u>		
Missing Children’s Assistance	16.543	357,667
Bulletproof Vest Partnership Program	16.607	12,814
<u>Pass-Through Payments:</u>		
<u>Department of Criminal Justice Services:</u>		
Crime Victim Assistance	16.575	219,721
Violence Against Women Formula Grants	16.588	14,120
<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	13,849
National Priority Safety Programs	20.616	10,807
<u>Department of Treasury:</u>		
<u>Pass-through Payments:</u>		
<u>Virginia Department of Accounts</u>		
Coronavirus Relief Fund - COVID-19	21.019	14,995,656
<u>Department of Housing and Community Development:</u>		
Coronavirus Relief Fund - Municipal Utility Relief Program – COVID-19	21.019	90,404
Coronavirus Relief Fund - Broadband Expansion Program – COVID-19	21.019	564,500
<u>Department of Education:</u>		
<u>Direct Payments:</u>		
Twenty-First Century Community Learning Centers	84.287	117,956
<u>Pass-through Payments:</u>		
<u>Department of Education:</u>		
Adult Education Grants to States	84.002	60,013
Title I: Grants to Local Educational Agencies	84.010	1,211,355
Special Education Cluster – Special Education – Grants to States	84.027	2,280,255

(Continued)

COUNTY OF BEDFORD, VIRGINIA

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

<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	\$ 176,928
Special Education Cluster – Special Education – Preschool Grants	84.173	40,681
English Language Acquisition Grants	84.365	2,967
No Child Left Behind Act Improving Teacher Quality State Grants	84.367	259,318
Student Support and Academic Enrichment Program	84.424	147,340
Education Stabilization Fund – Governor's Emergency Education Relief (GEER) Fund – COVID-19	84.425C	165,050
Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER) Fund – COVID-19	84.425D	670,490
<u>Department of Health and Human Services:</u>		
<u>Direct Payments:</u>		
Provider Relief Funds – COVID-19	93.498	374,780
<u>Pass-through Payments:</u>		
<u>Department of Social Services:</u>		
Guardianship Assistance	93.090	33
Promoting Safe and Stable Families	93.556	55,505
TANF Block Grant	93.558	368,612
Refugee and Entrant Assistance – State Administered Program	93.566	565
Low Income Home Energy Assistance	93.568	47,069
CCDF Cluster – Child Care Development Fund	93.596	73,580
Chafee Education & Training Vouchers Program	93.599	4,330
Child Welfare Services – State Grants	93.645	265
Foster Care – Title IV-E	93.658	848,724
Adoption Assistance	93.659	758,802
Social Service Block Grant	93.667	535,361
Family Violence Prevention and Services/Grants for Battered Women's Shelters	93.671	9,688
Independent Living	93.674	18,549
Virginia Children's Medical Insurance Plan	93.767	10,653
Medical Assistance Program (Medicaid; Title XIX)	93.778	828,896
Total Expenditures of Federal Awards		<u>\$ 29,991,788</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, 2021, the County had no outstanding loan balances requiring continuing disclosure.

Note 5. Provider Relief Funds

The amount reported for Provider Relief Funds on this Schedule is based on the September 2021 reporting Health and Human Services that covers all amounts received by the County through June 30, 2020.

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

COUNTY OF BEDFORD, VIRGINIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 23,524,890	\$ 24,869,124	\$ 26,704,166	\$ 28,334,835	\$ 30,177,071	\$ 33,534,872	\$ 37,032,856	\$ 39,730,712	\$ 39,341,946	\$ 43,150,176
Restricted	648,562	127,265	18,033	1,079	1,778,497	-	-	-	387,285	-
Unrestricted	(12,143,308)	(15,860,897)	(13,795,499)	(6,360,819)	5,347,098	1,390,438	(17,107,846)	(12,947,519)	(28,300,584)	(12,856,315)
Total governmental activities net position	\$ 12,030,144	\$ 9,135,492	\$ 12,926,700	\$ 21,975,095	\$ 37,302,666	\$ 34,925,310	\$ 19,925,010	\$ 26,783,193	\$ 11,428,647	\$ 30,293,861
Business-type activities										
Net investment in capital assets	\$ 14,816,621	\$ 13,012,464	\$ 12,464,508	\$ 11,690,734	\$ 10,903,022	\$ 11,032,423	\$ 10,294,047	\$ 10,801,945	\$ 10,406,135	\$ 10,832,714
Restricted	3	-	-	-	-	-	-	-	-	-
Unrestricted	2,792,561	3,078,850	2,819,835	3,656,443	5,412,132	6,526,534	7,892,213	6,691,283	6,740,696	4,828,854
Total business-type activities net position	\$ 17,609,185	\$ 16,091,314	\$ 15,284,343	\$ 15,347,177	\$ 16,315,154	\$ 17,558,957	\$ 18,186,260	\$ 17,493,228	\$ 17,146,831	\$ 15,661,568
Primary government										
Net investment in capital assets	\$ 38,341,511	\$ 37,881,588	\$ 39,168,674	\$ 40,025,569	\$ 41,080,093	\$ 44,567,295	\$ 47,326,903	\$ 50,532,657	\$ 49,748,081	\$ 53,982,890
Restricted	648,565	127,265	18,033	1,079	1,778,497	-	-	-	387,285	-
Unrestricted	(9,350,747)	(12,782,047)	(10,975,664)	(2,704,376)	10,759,230	7,916,972	(9,215,633)	(6,256,236)	(21,559,888)	(8,027,461)
Total primary government net position	\$ 29,639,329	\$ 25,226,806	\$ 28,211,043	\$ 37,322,272	\$ 53,617,820	\$ 52,484,267	\$ 38,111,270	\$ 44,276,421	\$ 28,575,478	\$ 45,955,429
Component Unit-School Board (1)										
Net investment in capital assets	\$ 97,278,860	\$ 96,063,553	\$ 94,486,617	\$ 91,638,957	\$ 89,284,475	\$ 99,440,616	\$ 120,580,237	\$ 119,753,017	\$ 133,836,321	\$ 133,453,692
Restricted	763,216	4	6	6	-	-	-	-	74,805	-
Unrestricted	3,962,736	3,915,714	3,727,386	(80,768,278)	(76,737,675)	(75,767,336)	(90,361,598)	(83,093,633)	(82,157,986)	(83,300,950)
Total component unit-School Board net position	\$ 102,004,812	\$ 99,979,271	\$ 98,214,009	\$ 10,870,685	\$ 12,546,800	\$ 23,673,280	\$ 30,218,639	\$ 36,659,384	\$ 51,753,140	\$ 50,152,742

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

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

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

COUNTY OF BEDFORD, VIRGINIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary Government:										
Expenses										
Governmental activities:										
General government	\$ 3,623,380	\$ 3,691,404	\$ 4,032,123	\$ 3,903,841	\$ 3,686,970	\$ 4,135,945	\$ 4,324,995	\$ 5,020,465	\$ 5,019,953	\$ 22,395,626
Judicial administration	2,236,346	2,328,645	2,434,093	2,339,469	2,419,173	2,588,187	2,621,336	2,683,103	2,950,095	3,051,594
Public safety	16,052,649	17,641,751	19,756,848	18,263,579	18,985,844	20,680,112	21,976,031	21,460,096	24,496,837	17,923,009
Public works	3,966,475	4,688,457	4,963,878	4,569,759	4,523,662	4,736,339	4,996,039	5,823,881	7,347,749	6,417,775
Health and welfare	9,782,800	9,706,770	9,868,303	9,929,076	10,643,689	11,668,977	13,154,429	14,123,419	17,297,660	16,924,548
Education	27,870,369	40,154,179	34,743,918	29,271,434	33,713,688	48,102,859	60,391,126	41,340,447	58,005,165	36,025,390
Parks, recreational, and cultural	2,763,383	2,838,982	3,312,492	3,116,385	3,753,755	3,344,715	3,448,466	3,563,515	3,589,381	3,817,554
Community development	5,220,060	5,703,012	6,341,152	7,308,128	5,114,090	5,254,616	5,444,352	5,988,002	7,055,199	3,794,110
Interest on long-term debt	3,473,234	3,674,625	2,709,301	2,484,060	2,201,911	2,989,864	2,911,990	2,841,510	3,236,998	2,853,180
Total governmental activities expenses	74,988,696	90,427,825	88,162,108	81,185,731	85,042,782	103,501,614	119,268,764	102,844,438	128,999,037	113,202,786
Business-type activities:										
Group homes	2,023,174	1,452,772	-	-	-	-	-	-	-	-
Nursing home	5,383,423	5,226,464	5,491,294	5,279,264	5,323,100	5,752,404	5,958,786	7,158,320	7,759,530	8,419,047
Solid waste	3,208,084	3,700,318	3,456,334	3,127,530	3,360,369	3,324,130	3,528,516	4,599,966	5,181,169	4,919,613
Total business-type activities expenses	10,614,681	10,379,554	8,947,628	8,406,794	8,683,469	9,076,534	9,487,302	11,758,286	12,940,699	13,338,660
Total primary government expenses	\$ 85,603,377	\$ 100,807,379	\$ 97,109,736	\$ 89,592,525	\$ 93,726,251	\$ 112,578,148	\$ 128,756,066	\$ 114,602,724	\$ 141,939,736	\$ 126,541,446
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	\$ 2,287,544	\$ 2,780,427	\$ 2,229,697	\$ 2,237,790	\$ 2,322,194	\$ 2,190,308	\$ 3,316,833	\$ 2,713,928	\$ 2,708,587	\$ 2,716,088
Health and welfare	822,149	846,663	324,979	119,175	132,634	141,947	121,645	167,992	158,016	269,037
Community development	262,608	190,748	243,713	247,451	241,294	255,561	293,703	267,484	292,024	241,316
Other activities	794,555	854,456	605,163	747,100	824,510	958,722	998,692	1,150,890	1,208,727	1,179,328
Operating grants and contributions	10,956,576	11,475,946	12,958,689	12,680,711	13,479,122	14,505,883	14,894,113	18,009,891	22,283,832	34,981,432
Capital grants and contributions	53,965	218,081	278,842	104,082	346,027	239,004	53,637	12,500	158,779	563,696
Total governmental activities program revenues	15,177,397	16,366,321	16,641,083	16,136,309	17,345,781	18,291,425	19,678,623	22,322,685	26,809,965	39,950,897
Business-type activities:										
Charges for services:										
Group Homes	1,765,617	1,067,380	-	-	-	-	-	-	-	-
Nursing Home	5,130,089	5,543,359	5,645,133	6,737,547	6,802,536	7,244,858	7,209,455	7,742,767	7,600,312	6,282,862
Solid Waste	1,995,213	1,973,378	2,084,227	2,330,680	2,493,612	2,610,092	2,685,029	2,887,895	2,624,487	2,619,474
Operating grants and contributions	538,281	397,699	397,947	351,149	295,454	378,572	359,322	332,733	-	616,342
Total business-type activities program revenues	9,429,200	8,981,816	8,127,307	9,419,376	9,591,602	10,233,522	10,253,806	10,963,395	10,224,799	9,518,678
Total primary government program revenues	24,606,597	25,348,137	24,768,390	25,555,685	26,937,383	28,524,947	29,932,429	33,286,080	37,034,764	49,469,575
Net (expense) revenue (I)										
Governmental activities	(59,811,299)	(74,061,504)	(71,521,025)	(65,049,422)	(67,697,001)	(85,210,189)	(99,590,141)	(80,521,753)	(102,189,072)	(73,251,889)
Business-type activities	(1,185,481)	(1,397,738)	(820,321)	1,012,582	908,133	1,156,988	766,504	(794,891)	(2,715,900)	(3,819,982)
Total primary government net expense	(60,996,780)	(75,459,242)	(72,341,346)	(64,036,840)	(66,788,868)	(84,053,201)	(98,823,637)	(81,316,644)	(104,904,972)	(77,071,871)

COUNTY OF BEDFORD, VIRGINIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 51,879,533	\$ 52,749,509	\$ 56,345,681	\$ 59,963,137	\$ 61,722,532	\$ 63,956,257	\$ 65,118,037	\$ 66,324,332	\$ 65,118,037	\$ 69,190,893
Other local taxes	10,215,999	10,435,809	10,955,993	11,657,187	12,118,186	12,529,640	13,221,452	13,522,591	13,221,452	16,979,126
Noncategorical state aid	6,598,813	6,611,332	6,685,461	6,595,703	6,701,673	6,871,458	6,814,314	6,783,138	6,814,314	6,535,954
Investment earnings-unrestricted	248,974	246,068	241,059	150,908	261,818	274,992	250,275	396,118	250,275	324,972
Investment earnings-restricted for capital projects, debt service and length of service award program	7,070	14,986	1,925	1,233	55,460	263,835	337,943	215,960	337,943	108,006
Miscellaneous	337,273	946,856	229,025	205,121	573,225	1,677,067	226,623	137,797	226,623	915,978
Transfers	-	162,292	35,205	2,867	-	5,751	(50,000)	-	(50,000)	-
Special Item - contribution of capital assets	-	-	817,884	-	-	-	-	-	-	(1,937,826)
Total governmental activities	69,287,662	71,166,852	75,312,233	78,576,156	81,432,894	85,579,000	85,918,644	87,379,936	85,918,644	92,117,103
Business-type activities:										
Investment earnings-unrestricted and restricted	21,315	38,382	42,071	15,811	58,686	29,687	36,750	97,692	36,750	66,635
Miscellaneous	13	3,777	6,484	-	1,158	62,879	1,512	4,167	1,512	330,259
Transfers	3,802	(162,292)	(35,205)	(2,867)	-	(5,751)	50,000	-	50,000	1,937,826
Total business-type activities	25,130	(120,133)	13,350	12,944	59,844	86,815	88,262	101,859	88,262	2,334,720
Total primary government	\$ 69,312,792	\$ 71,046,719	\$ 75,325,583	\$ 78,589,100	\$ 81,492,738	\$ 85,665,815	\$ 86,006,906	\$ 87,481,795	\$ 86,006,906	\$ 94,451,823
Change in Net Position										
Governmental activities	\$ 9,476,363	\$ (2,894,652)	\$ 3,791,208	\$ 13,526,734	\$ 13,735,893	\$ 368,811	\$ (13,671,497)	\$ 6,858,183	\$ (16,270,428)	\$ 18,865,214
Business-type activities	(1,160,351)	(1,517,871)	(806,971)	1,025,526	967,977	1,243,803	854,766	(693,032)	(2,627,638)	(1,485,262)
Total Primary Government	\$ 8,316,012	\$ (4,412,523)	\$ 2,984,237	\$ 14,552,260	\$ 14,703,870	\$ 1,612,614	\$ (12,816,731)	\$ 6,165,151	\$ (18,898,066)	\$ 17,379,952
Component Unit-School Board: (2)										
Expenses										
Education	\$ 93,926,813	\$ 102,516,696	\$ 101,586,480	\$ 98,554,187	\$ 99,876,493	\$ 103,236,399	\$ 104,889,393	\$ 104,774,662	\$ 104,889,393	\$ 118,447,507
Program Revenues										
Charges for services	7,848,217	8,405,921	2,518,530	2,859,682	2,656,725	2,581,361	2,786,113	2,646,055	2,786,113	2,810,912
Operating grants and contributions	20,643,938	19,374,378	22,127,815	22,640,803	24,797,005	22,774,064	25,133,669	24,858,468	25,133,669	32,144,555
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total component unit program revenues	28,492,155	27,780,299	24,646,345	25,500,485	27,453,730	25,355,425	27,919,782	27,504,523	27,919,782	34,955,467
Net (expense)/revenue	(65,434,658)	(74,736,397)	(76,940,135)	(73,053,702)	(72,422,763)	(77,880,974)	(76,969,611)	(77,270,139)	(76,969,611)	(83,492,040)
General Revenues and Other Changes in Net Position										
Contribution from primary government	27,868,624	40,152,454	34,718,131	29,269,553	33,711,812	48,100,970	60,389,231	41,339,555	60,389,231	36,035,480
State aid	32,987,401	32,282,549	38,663,168	40,709,409	39,980,964	40,596,771	40,508,443	42,222,047	40,508,443	43,573,533
Investment earnings-unrestricted	-	-	-	-	791	1,073	1,110	14,708	1,110	30,309
Investment earnings-restricted for capital projects and debt service	37	1,101	968	651	-	-	-	-	-	-
Miscellaneous	177,854	274,752	471,503	109,450	405,311	308,640	114,525	134,574	114,525	886,706
Special Item - contribution of capital assets	-	-	1,321,103	-	-	-	-	-	-	-
Total general revenues and other changes in net assets	61,033,916	72,710,856	75,174,873	70,089,063	74,098,878	89,007,454	101,013,309	83,710,884	101,013,309	80,526,028
Total Component Unit-School Board Change in Net Position	\$ (4,400,742)	\$ (2,025,541)	\$ (1,765,262)	\$ (2,964,639)	\$ 1,676,115	\$ 11,126,480	\$ 24,043,698	\$ 6,440,745	\$ 24,043,698	\$ (2,966,012)

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

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

COUNTY OF BEDFORD, VIRGINIA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Funds										
General Fund										
Nonspendable	\$ 609,118	\$ 617,553	\$ 617,465	\$ 234,600	\$ 268,645	\$ 278,565	\$ 296,607	\$ 284,498	\$ 310,661	\$ 361,054
Restricted	8,064,388	770,552	305,038	1,657,857	1,850,461	29,704,078	6,072,001	24,385,995	4,420,914	8,735,008
Committed	4,847,144	7,710,886	9,999,808	6,366,387	7,624,489	5,570,652	7,290,318	6,836,238	7,432,663	1,328,596
Assigned	26,773,987	22,154,070	22,687,070	25,789,032	24,936,650	31,471,282	30,428,808	30,658,140	27,687,939	30,755,108
Unassigned	16,186,173	18,055,021	13,274,315	19,916,759	25,244,877	25,656,556	24,082,774	25,640,778	28,659,410	39,516,637
Total governmental funds	\$ 56,480,810	\$ 49,308,082	\$ 46,883,696	\$ 53,964,635	\$ 59,925,122	\$ 92,681,133	\$ 68,170,508	\$ 87,805,649	\$ 68,511,587	\$ 80,696,403

COUNTY OF BEDFORD, VIRGINIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
General property taxes	\$ 51,962,404	\$ 52,987,699	\$ 56,556,779	\$ 60,043,733	\$ 61,700,495	\$ 63,520,537	\$ 65,013,122	\$ 66,303,730	\$ 68,497,980	\$ 69,365,969
Other local taxes	10,224,275	10,491,533	10,943,326	11,647,448	12,149,638	12,529,553	13,215,433	13,463,926	14,632,059	16,981,217
Permits, privilege fees, and regulatory licenses	403,614	491,867	535,127	540,118	512,450	515,652	530,735	611,793	540,747	603,764
Fines and forfeitures	155,453	159,438	144,501	122,821	115,017	155,382	145,480	129,851	89,712	70,020
Revenue from use of money and property	286,553	296,329	279,244	275,960	476,458	736,247	786,376	809,401	1,049,371	586,126
Charges for services	1,651,322	2,038,596	1,825,779	1,840,840	2,002,289	2,015,902	2,818,251	2,448,328	2,429,251	2,545,432
Other	551,202	881,022	615,778	541,357	535,437	446,039	593,612	631,471	1,016,225	1,199,962
Recovered costs	1,709,688	1,759,014	520,202	503,792	460,022	541,654	522,472	634,755	626,730	747,607
Intergovernmental	17,662,423	18,393,111	19,765,553	19,565,405	20,456,296	20,845,343	22,167,811	23,989,020	28,331,036	43,817,563
Total revenues	84,606,934	87,498,609	91,186,289	95,081,474	98,408,102	101,306,309	105,793,292	109,022,275	117,213,111	135,917,660
Expenditures										
General government administration	3,380,525	3,501,138	3,815,479	3,790,833	3,563,822	3,772,199	4,190,871	4,522,841	4,214,240	17,866,410
Judicial administration	1,854,452	1,945,807	2,075,807	2,025,961	2,132,148	2,210,515	2,314,015	2,388,617	2,421,382	2,492,217
Public safety	15,319,034	16,754,396	18,666,873	17,824,591	18,828,269	19,344,212	21,303,220	20,941,980	22,179,931	17,213,823
Public works	4,103,729	4,061,034	4,118,593	4,142,247	4,417,932	4,572,428	4,792,171	5,052,857	5,244,561	5,520,292
Health and welfare	9,426,911	9,548,473	9,769,392	9,879,615	10,729,572	11,626,797	13,281,249	14,709,600	16,888,732	15,882,406
Education	28,889,100	32,546,495	33,595,489	29,496,706	32,875,682	33,950,706	37,302,935	36,098,010	36,524,702	33,340,251
Parks, recreation, and cultural	2,556,162	2,583,097	2,883,655	2,823,541	2,849,528	2,993,734	3,165,687	3,130,561	3,027,537	2,981,313
Community development	3,017,817	3,101,816	3,189,462	3,099,227	3,098,928	3,247,165	3,393,749	3,487,754	3,519,175	3,620,244
Debt service										
Principal	5,928,101	5,788,415	6,067,408	6,048,314	5,777,279	5,701,156	6,362,167	6,093,223	6,034,618	10,880,605
Interest and other fiscal charges	3,526,435	3,619,767	2,599,921	2,684,171	2,363,660	2,175,912	3,543,651	3,066,792	3,324,295	3,341,694
Capital projects	2,812,421	10,563,835	6,828,596	7,396,780	5,866,985	19,127,991	30,604,202	12,466,286	31,076,259	13,453,871
Total expenditures	80,814,687	94,014,273	93,610,675	89,211,986	92,503,805	108,722,815	130,253,917	111,958,521	134,455,432	126,593,126
Excess of revenues over (under) expenditures	3,792,247	(6,515,664)	(2,424,386)	5,869,488	5,904,297	(7,416,506)	(24,460,625)	(2,936,246)	(17,242,321)	9,324,534
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	179,826	-
Transfers out	-	(813,133)	-	-	-	-	(50,000)	-	(2,231,567)	(1,937,826)
Issuance of debt	-	-	-	-	-	36,865,000	-	20,275,000	-	-
Refunding bonds issued	-	23,788,000	-	-	7,225,000	-	-	-	-	-
Premiums on issuance of debt	-	4,395,064	-	-	-	3,220,678	-	2,296,387	-	-
Payment to refunded bond escrow agent	-	(28,026,995)	-	-	(7,168,810)	-	-	-	-	-
Capital lease proceeds	8,000,000	-	-	-	-	-	-	-	-	4,798,108
Total other financing sources and uses	8,000,000	(657,064)	-	-	56,190	40,085,678	(50,000)	22,571,387	(2,051,741)	2,860,282
Net change in fund balances	\$ 11,792,247	\$ (7,172,728)	\$ (2,424,386)	\$ 5,869,488	\$ 5,960,487	\$ 32,669,172	\$ (24,510,625)	\$ 19,635,141	\$ (19,294,062)	\$ 12,184,816

(Continued)

COUNTY OF BEDFORD, VIRGINIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Service as a Percentage of Noncapital Expenditures:										
Primary Government:										
Total debt service	\$ 9,454,536	\$ 9,408,182	\$ 8,667,329	\$ 8,732,485	\$ 8,140,939	\$ 7,877,068	\$ 9,905,818	\$ 9,160,015	\$ 9,358,913	\$ 14,222,299
Total expenditures	\$ 80,814,687	\$ 94,014,273	\$ 93,610,675	\$ 89,211,986	\$ 92,503,805	\$ 108,722,815	\$ 130,253,917	\$ 111,958,521	\$ 134,455,432	\$ 126,593,126
Capital outlay primary government only	1,113,164	1,221,496	2,178,092	3,669,703	3,097,784	3,461,038	5,352,233	5,040,542	3,989,973	6,063,346
Noncapital expenditures	\$ 79,701,523	\$ 92,792,777	\$ 91,432,583	\$ 85,542,283	\$ 89,406,021	\$ 105,261,777	\$ 124,901,684	\$ 106,917,979	\$ 130,465,459	\$ 120,529,780
Debt service as a percentage of noncapital expenditures	11.86%	10.14%	9.48%	10.21%	9.11%	7.48%	7.93%	8.57%	7.17%	11.80%
Component Unit-School Board:										
Total debt service	\$ 1,094,691	\$ 923,386	\$ 882,627	\$ 834,643	\$ 787,048	\$ 868,173	\$ 946,533	\$ 1,155,846	\$ 1,363,602	\$ 1,320,842
School expenditures excluding County contribution	\$ 61,441,387	\$ 61,962,350	\$ 65,148,912	\$ 67,289,716	\$ 66,399,289	\$ 67,688,200	\$ 69,839,335	\$ 69,256,503	\$ 71,917,820	\$ 81,792,992
Capital outlay Component Unit - School Board	657,301	3,330,385	3,044,830	3,004,319	4,025,400	16,465,629	27,492,948	6,631,490	22,446,974	7,781,281
Noncapital expenditures	\$ 60,784,086	\$ 58,631,965	\$ 62,104,082	\$ 64,285,397	\$ 62,373,889	\$ 51,222,571	\$ 42,346,387	\$ 62,625,013	\$ 49,470,846	\$ 74,011,711
Primary Government and Component Unit-Schools:										
Total debt service	\$ 10,549,227	\$ 10,331,568	\$ 9,549,956	\$ 9,567,128	\$ 8,927,987	\$ 8,745,241	\$ 10,852,351	\$ 10,315,861	\$ 10,722,515	\$ 15,543,141
Total noncapital expenditure	\$ 140,485,609	\$ 151,424,742	\$ 153,536,665	\$ 149,827,680	\$ 151,779,910	\$ 156,484,348	\$ 167,248,071	\$ 169,542,992	\$ 179,936,305	\$ 194,541,491
Debt service as a percentage of noncapital expenditures	7.51%	6.82%	6.22%	6.39%	5.88%	5.59%	6.49%	6.08%	5.96%	7.99%

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

COUNTY OF BEDFORD, VIRGINIA

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

Calendar Year	Real Property				Less: Tax Deferred Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Agricultural Property	Public Service			
2011	\$ 6,392,278,090	\$ 499,300,600	\$ 1,780,976,300	\$ 259,649,263	\$ 1,199,227,400	\$ 7,732,976,853	\$ 0.50
2012	6,453,481,865	520,095,300	1,780,679,000	259,179,258	1,173,245,800	7,840,189,623	0.50
2013	6,817,604,111	642,022,000	1,780,412,600	266,427,161	1,206,268,100	8,300,197,772	0.50
2014	6,889,739,371	649,039,700	1,785,041,800	278,858,917	1,215,882,300	8,386,797,488	0.52
2015	6,952,590,383	681,652,300	1,788,524,700	294,371,167	1,211,313,400	8,505,825,150	0.52
2016	7,042,927,820	698,322,700	1,795,584,700	331,448,764	1,214,727,200	8,653,556,784	0.52
2017	7,120,334,172	705,261,700	1,795,644,600	326,010,950	1,216,871,300	8,730,380,122	0.52
2018	7,188,214,159	702,798,700	1,792,912,100	325,277,869	1,206,883,300	8,802,319,528	0.52
2019	7,706,088,008	732,381,400	1,811,686,506	337,948,360	1,196,989,900	9,391,114,374	0.50
2020	7,787,276,322	747,763,100	1,811,271,123	335,644,449	1,191,853,800	9,490,101,194	0.50

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

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

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

Type of Tax	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Real Estate:										
General Fund	\$ 0.50	\$ 0.50	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.50	\$ 0.50	\$ 0.50

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

Principal Real Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2020 Calendar Year			2011 Calendar Year		
	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation
Appalachian Power Co	\$ 170,661,046	1	1.80%	\$ 126,019,762	1	1.63%
Norfolk & Western Railway Co	43,647,010	2	0.46%	31,931,589	4	0.41%
Teva Pharmaceuticals Industries Ltd	41,124,800	3	0.43%	44,992,300	3	0.58%
Southside Electric Corporation	31,296,844	4	0.33%	23,758,796	5	0.31%
GP (Georgia Pacific) Big Island LLC	26,970,400	5	0.28%	17,515,600	6	0.23%
Verizon Virginia Inc	24,597,412	6	0.26%	48,103,702	2	0.62%
Gables of Jefferson Commons	13,297,300	7	0.14%	-		-
Carriage Square	12,155,900	8	0.13%	-		-
Wal-Mart	10,935,600	9	0.12%	9,945,300	8	0.13%
CTR Partnership	9,376,300	10	0.10%	-		-
M & J Developers	-		-	13,385,100	7	0.17%
Crystal Shores Marina Resort	-		-	8,686,300	9	0.11%
Sentry Equipment Erectors	-		-	8,546,300	10	0.11%
Total	\$ 384,062,612		4.05%	\$ 332,884,749		4.30%

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

Real Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Tax Levied for the Tax Year	Adjustments	Total Adjusted Levy	Collection within the Tax Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2011	\$ 38,373,116	\$ 107,420	\$ 38,480,536	\$ 36,479,693	95.07%	\$ 1,995,690	\$ 38,475,383	99.99%
2012	38,826,705	66,544	38,893,249	37,047,971	95.42%	1,837,032	38,885,003	99.98%
2013	40,110,895	99,073	40,209,968	38,498,853	95.98%	1,700,866	40,199,719	99.97%
2014	43,252,910	109,317	43,362,227	41,430,823	95.79%	1,917,636	43,348,459	99.97%
2015	43,857,517	139,544	43,997,061	42,162,884	96.14%	1,814,440	43,977,324	99.96%
2016	44,613,788	115,007	44,728,795	42,884,139	96.12%	1,808,670	44,692,809	99.92%
2017	45,009,233	148,389	45,157,622	43,137,025	95.84%	1,934,805	45,071,830	99.81%
2018	45,388,928	174,690	45,563,618	42,947,960	94.62%	2,442,987	45,390,947	99.62%
2019	46,730,571	108,355	46,838,926	44,809,346	95.89%	1,736,092	46,545,438	99.37%
2020	47,260,573	189,818	47,450,391	45,343,493	95.94%	1,571,390	46,914,883	98.87%

COUNTY OF BEDFORD, VIRGINIA

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

The County has no overlapping debt

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Virginia Public School Authority Bonds	Lease Revenue Bonds	Capital Leases	Lease Revenue Bonds	Capital Leases			
2012	\$ 2,370,000	\$ 22,893,185	\$ 41,505,000	\$ 8,000,000	\$ 2,365,000	\$ 410,371	\$ 77,543,556	2.52%	\$ 1,114
2013	1,960,000	43,704,770	16,640,000	8,000,000	-	295,291	70,600,061	2.20%	925
2014	1,555,000	40,732,362	14,125,000	7,825,000	-	176,119	64,413,481	2.04%	834
2015	1,155,000	38,024,048	11,540,000	7,470,000	-	52,708	58,241,756	1.81%	751
2016	760,000	35,408,169	9,360,000	7,093,600	-	-	52,621,769	1.60%	679
2017	375,000	69,802,952	6,925,000	6,682,661	-	413,965	84,199,578	2.41%	1,082
2018	-	65,276,932	5,905,000	6,241,515	-	330,964	77,754,411	2.11%	993
2019	-	80,943,552	4,885,000	5,776,671	-	518,288	92,123,511	2.45%	1,166
2020	-	76,426,160	3,860,000	5,284,445	-	365,906	85,936,511	2.18%	1,088
2021	-	71,850,000	2,840,000	4,798,108	-	170,172	79,658,280	*	*

(1) 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			Percentage of Actual Taxable Value of Real Property (1)	Per Capita (2)
	County General Obligation	School General Obligation	Total Primary Government		
2012	\$ 2,370,000	\$ 22,893,185	\$ 25,263,185	0.32%	\$ 363
2013	1,960,000	43,704,770	45,664,770	0.57%	598
2014	1,742,000	40,545,362	42,287,362	0.55%	548
2015	1,342,000	37,837,048	39,179,048	0.50%	505
2016	947,000	35,221,169	36,168,169	0.44%	467
2017	562,000	69,615,952	70,177,952	0.84%	902
2018	144,000	65,132,932	65,276,932	0.77%	833
2019	96,000	80,847,552	80,943,552	0.94%	1,025
2020	48,000	76,378,160	76,426,160	0.88%	968
2021	-	71,850,000	71,850,000	0.82%	*

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

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

* Unavailable

COUNTY OF BEDFORD, VIRGINIA

County Debt Policy (1)
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net debt applicable to parameter	\$ 74,768,185	\$ 70,304,770	\$ 64,237,362	\$ 58,189,048	\$ 52,621,769	\$ 83,785,613	\$ 77,423,447	\$ 91,605,223	\$ 85,570,605	\$ 79,488,108
Net debt as a percentage of assessed value (not to exceed 3.5%)	0.95%	0.85%	0.77%	0.68%	0.61%	0.96%	0.88%	0.98%	0.90%	*
Net debt per capita (not to exceed \$1,750)	\$ 1,074	\$ 921	\$ 832	\$ 751	\$ 679	\$ 1,077	\$ 988	\$ 1,160	\$ 1,083	*
Debt service as a percentage of General Governmental Expenditures (not to exceed 15%)	7.60%	7.27%	6.41%	6.55%	5.99%	6.21%	7.64%	6.36%	7.02%	8.31%

(1) The *Code of Virginia* has no legal debt margin limit set on the Counties. However, Bedford County has established a policy with the following three parameters:

- Net Debt as a percentage of Assessed Value will not exceed 3.5%. (Net Debt is General Obligation debt and 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%

* Unavailable

COUNTY OF BEDFORD, VIRGINIA

Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (5) (in thousands)</u>	<u>Per Capita Personal Income (2) (6)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2012	69,637	\$ 3,075,785	\$ 40,710	10,302	6.0%
2013	76,309	3,206,247	42,314	10,023	5.7%
2014	77,213	3,163,386	41,307	9,915	5.1%
2015	77,525	3,226,628	41,514	9,674	4.4%
2016	77,465	3,280,745	42,082	9,545	4.1%
2017	77,807	3,489,643	44,602	9,543	3.9%
2018	78,329	3,678,030	46,707	9,474	3.1%
2019	78,997	3,759,493	47,590	9,475	2.9%
2020	78,984	3,947,219	49,457	9,368	5.1%
2021	*	*	*	8,954	3.9%

- Sources: (1) Weldon Cooper Center for Public Service, University of Virginia, estimates for FY 2011 through FY 2020.
(2) Bureau of Economic Analysis, includes Bedford Town and County
(3) March 31 ADM
(4) Virginia Employment Commission calendar year data for 2011-2020. Data for 2020 was updated to reflect final calendar year figure. Data for 2021 is average for January 1, 2021 through June 30, 2021.
(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	2021		2012	
	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	8
GP (Georgia Pacific) Big Island LLC	250-499	5	250-499	6
* Elwood Staffing Services Inc	250-499	6	250-499	7
Mail America Communications	250-499	7	250-499	4
Food Lion	100-249	8	100-249	9
Sentry Equipment Erectors	100-249	9	100-249	10
Kroger	100-249	10	-	-
** Teva Pharmaceuticals Industries Ltd	-	-	500-999	3
* Staffmark Investment LLC	-	-	500-999	5

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>	Full-Time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government administration	46.8	45.0	46.8	46.3	48.0	49.5	49.5	49.5	50.0	53.5
Judicial administration	28.0	28.8	29.0	29.0	30.0	30.8	30.8	30.8	31.6	31.9
Public safety	151.6	154.3	159.3	154.5	149.0	161.5	161.5	161.5	172.0	174.7
Public works	51.8	49.0	49.0	48.0	49.0	50.5	50.5	50.5	51.4	51.4
Health & welfare	81.8	83.8	87.0	83.0	81.5	88.5	88.5	88.5	106.2	105.6
Parks, recreation, and cultural	13.0	12.5	11.5	12.3	12.8	14.3	14.3	14.3	16.3	15.2
Community development	25.5	25.5	25.0	25.0	24.0	24.0	24.0	24.0	32.5	33.6
Other funds										
Group homes	35.3	23.0	-	-	-	-	-	-	-	-
Nursing home	98.8	96.8	96.8	97.0	94.5	94.0	94.0	94.0	97.1	92.5
Solid waste	17.3	18.0	16.8	16.6	15.8	15.5	15.5	15.5	15.8	15.0
Other funds	151.4	137.8	113.6	113.6	110.3	109.5	109.5	109.5	112.9	107.5
Total primary government	549.9	536.7	521.2	511.6	504.6	528.5	528.6	528.6	572.9	573.4
Education	1,619.0	1,615.0	1,648.0	1,673.0	1,697.0	1,687.0	1,694.0	1,714.00	1,674.00	1,641.0
Total	2,168.9	2,151.7	2,169.2	2,184.6	2,201.6	2,215.5	2,222.6	2,242.6	2,246.9	2,214.4

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

COUNTY OF BEDFORD, VIRGINIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
(5) Sheriff										
Number of calls	36,297	35,686	38,370	42,501	43,097	43,847	46,717	44,540	42,984	41,445
Criminal warrants served	1,584	1,197	1,694	1,544	1,485	1,560	2,027	1,889	1,662	1,766
Other warrants/protective orders served	1,201	1,052	1,155	1,099	1,290	941	1,240	1,321	1,303	1,186
Civil papers handled	20,743	20,090	19,749	18,076	17,281	18,124	22,338	22,200	22,237	20,663
Building inspections										
(2) Number of permits	1,260	1,417	1,509	1,471	1,537	1,561	1,565	1,562	1,788	1,983
Value of permits	\$ 72,847,955	\$ 90,876,889	\$ 103,159,994	\$ 143,043,939	\$ 113,302,338	\$ 123,863,855	\$ 132,571,974	\$ 141,727,024	\$ 167,939,287	\$ 178,738,809
Fire and rescue										
(4) Number of Volunteers	606	600	571	558	655	739	703	764	700	300
Number of EMS calls	15,054	15,951	15,380	17,029	18,603	18,595	16,435	5,296	5,129	5,129
Number of fire calls	3,380	3,051	2,995	3,482	3,843	4,023	3,221	3,715	3,796	3,796
Public Works										
(3) Refuse collection										
Incoming waste tonnage										
Industrial	26	25	30	2,946	3,246	4,452	4,383	4,352	1,586	663
Commercial	14,164	14,315	17,218	19,095	20,379	20,772	23,051	25,136	12,449	12,182
County collection system	23,908	23,698	23,403	23,590	25,030	25,707	25,322	26,539	29,907	29,808
Commercial hauled residential	1,561	1,538	1,555	1,849	1,932	1,928	1,821	1,893	1,977	1,809
Residential hauled	1,977	2,095	2,018	2,135	2,479	2,915	2,979	3,622	3,998	3,675
Total	41,636	41,671	44,224	49,615	53,066	55,774	57,556	61,542	49,917	48,137
Recyclable tonnage collected	2,019	1,977	1,974	1,962	1,981	2,072	2,079	2,512	2,239	2,290
Parks, recreation, and cultural										
(1) Parks and recreation										
Number of child participants	5,776	5,822	5,667	5,585	6,331	6,525	6,894	6,782	4,192	4,335
Number of adult participants	913	945	575	563	776	621	617	648	396	185
Number of senior participants	4,150	3,987	2,684	3,987	3,069	3,200	1,832	1,232	1,056	215
Scheduled events	8	8	8	8	9	8	16	18	10	6
Number of event participants	1,031	1,001	765	1,001	1,091	1,253	2,048	2,187	1,106	915
Trips/tours	26	24	22	24	30	25	25	14	6	-
Number of trip participants	364	355	396	355	507	350	363	230	115	-

COUNTY OF BEDFORD, VIRGINIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
Sheriff										
Stations	5	5	4	4	4	4	4	5	5	5
Patrol units	109	107	113	111	112	116	117	115	115	115
Fire & rescue										
Rescue squads	11	11	11	11	11	10	10	10	10	9
Satellite rescue squads	5	5	5	5	5	5	5	2	2	2
Fire companies	10	10	11	11	11	11	11	12	12	11
Marine based fire company	1	1	1	1	1	1	1	1	1	1
Satellite fire companies	9	9	9	8	8	7	7	6	6	6
Public works										
Refuse collection										
County convenience centers										
Unstaffed	1	1	1	1	1	1	1	1	1	1
Partially staffed	4	4	4	4	4	3	3	3	3	3
Fully staffed	10	10	10	10	10	11	11	12	12	12
Total county convenience centers	15	15	15	15	15	15	15	16	16	16
Leased convenience centers										
Unstaffed	-	-	-	-	-	-	-	-	-	-
Partially staffed	10	10	10	10	10	10	10	9	9	9
Total leased convenience centers	10	10	10	10	10	10	10	9	9	9
Recycling centers	13	13	13	13	13	14	14	15	15	15
Parks, recreation, and cultural										
Parks & recreation										
Acreage	625	625	625	625	492	492	492	492	548	548
County parks	4	4	4	4	3	3	3	3	4	4
Leased parks	8	8	8	8	8	9	9	9	7	7
Skate Park	1	1	1	1	1	1	1	1	1	1
Walking/biking trails - miles developed	21	23	23	27	27	34	40	40	44	44
County baseball/softball diamonds	4	4	4	4	4	4	4	4	10	10
Leased baseball/softball diamonds	39	39	44	44	44	44	44	44	33	33
Football fields	4	4	4	4	4	4	4	4	4	4
County soccer fields	3	3	3	3	3	3	3	3	4	4
Leased soccer fields	37	37	37	37	38	39	39	39	38	38
Community centers	2	2	2	2	2	3	3	3	3	3
County Gymnasium	-	-	1	1	1	1	1	1	1	1

Sources: Various county departments

COUNTY OF BEDFORD, VIRGINIA

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

<u>Grade</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
K	776	733	689	686	661	672	659	694	701	617
1	728	769	728	688	662	664	693	673	676	641
2	744	718	759	710	686	690	683	704	686	659
3	784	750	704	742	694	686	704	682	676	658
4	739	784	739	713	739	709	693	697	681	652
5	797	756	798	745	707	756	734	711	700	647
6	763	796	734	806	737	699	754	726	691	663
7	781	782	793	744	807	740	726	750	738	702
8	881	804	782	801	742	803	752	736	763	727
9	874	934	833	822	833	801	836	797	761	776
10	834	837	877	805	800	781	763	799	753	746
11	814	809	787	865	750	775	748	738	789	716
12	784	830	800	788	856	769	798	767	753	748
Total	<u>10,299</u>	<u>10,302</u>	<u>10,023</u>	<u>9,915</u>	<u>9,674</u>	<u>9,545</u>	<u>9,543</u>	<u>9,474</u>	<u>9,368</u>	<u>8,952</u>
Elementary school membership	6,112	6,088	5,944	5,834	5,693	5,616	5,646	5,637	5,549	5,239
Secondary school membership	<u>4,187</u>	<u>4,214</u>	<u>4,079</u>	<u>4,081</u>	<u>3,981</u>	<u>3,929</u>	<u>3,897</u>	<u>3,837</u>	<u>3,819</u>	<u>3,713</u>
Total	<u>10,299</u>	<u>10,302</u>	<u>10,023</u>	<u>9,915</u>	<u>9,674</u>	<u>9,545</u>	<u>9,543</u>	<u>9,474</u>	<u>9,368</u>	<u>8,952</u>

Source: Bedford County School Board

COUNTY OF BEDFORD, VIRGINIA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Supervisory										
Instructional administrators	8	6	8	9	11	13	10	2	2	3
Noninstructional administrators	14	14	16	14	14	12	14	13	13	13
Consultants/supervisors of instruction	26	31	29	30	31	33	32	46	49	49
Principals	22	22	22	22	21	21	21	21	21	21
Assistant principals	14	15	15	14	14	13	14	14	15	18
Total supervisory	84	88	90	89	91	92	91	96	100	104
Instruction										
Elementary classroom teachers	343	350	451	448	434	416	422	437	438	424
Secondary classroom teachers	398	398	315	319	323	308	296	306	299	300
ESE teachers	3	-	3	3	4	5	6	5	5	5
Other teachers (adult)	5	-	-	-	-	-	-	-	-	-
Other professionals (instructional)	122	119	115	119	120	121	121	92	82	82
Aides	154	157	160	168	186	187	193	209	184	182
Total instruction	1,025	1,024	1,044	1,057	1,067	1,037	1,038	1,049	1,008	993
Student Services										
Guidance counselors	32	33	33	35	34	31	33	33	35	34
Visiting teachers/social workers	3	3	3	2	1	1	3	3	4	4
Psychologists	7	7	8	9	7	5	6	7	7	7
Librarians	26	26	23	20	20	20	19	21	16	17
Other professionals (noninstructional)	29	29	29	28	30	35	29	26	26	28
Technicians	12	13	14	15	12	16	17	18	18	6
Total student services	109	111	110	109	104	108	107	108	106	96
Support and Administration										
Clerical/secretarial	67	66	68	71	70	68	73	70	69	74
Service workers	301	290	296	308	323	335	346	350	350	336
Skilled crafts	22	24	26	24	24	24	23	24	24	21
Unskilled laborers	11	12	14	15	18	23	16	17	17	17
Total support and administration	401	392	404	418	435	450	458	461	460	448
Total employees	1,619	1,615	1,648	1,673	1,697	1,687	1,694	1,714	1,674	1,641
Teachers and administrators	833	836	859	859	852	821	815	844	842	833
Other employees	786	779	789	814	845	866	879	870	832	808
Total employees	1,619	1,615	1,648	1,673	1,697	1,687	1,694	1,714	1,674	1,641

Source: Bedford County School Board

COUNTY OF BEDFORD, VIRGINIA

Bedford County School Board
 Operating Statistics
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Debt Service Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2012	10,299	\$ 89,234,061	\$ 8,664	0.37%	\$ 8,416,409	\$ 817	-2.81%	749	13.75	35%
2013	10,302	92,976,273	9,025	4.16%	8,240,434	800	-2.12%	748	13.77	35%
2014	10,023	95,992,543	9,577	6.12%	7,509,732	749	-6.33%	766	13.08	35%
2015	9,915	95,893,402	9,672	0.98%	7,540,965	761	1.51%	767	12.93	37%
2016	9,674	98,432,050	10,175	5.20%	7,238,902	748	-1.61%	757	12.78	37%
2017	9,545	96,688,413	10,130	-0.44%	868,173	91	-87.84%	725	13.17	37%
2018	9,542	101,495,428	10,637	5.00%	964,503	101	11.13%	718	13.29	37%
2019	9,475	101,065,093	10,667	0.28%	1,155,845	122	20.69%	743	12.75	39%
2020	9,366	102,435,750	10,937	2.54%	1,363,599	146	19.35%	737	12.71	39%
2021	8,954	104,343,634	11,653	6.55%	1,408,767	157	8.07%	724	12.37	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, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated August 25, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of finding, and questioned costs as item 2021-002, that we consider to be a significant deficiency.**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.**

County of Bedford, Virginia's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
August 25, 2022



**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

We have audited the County of Bedford, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, the terms, and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Compliance for Each Major Federal Program (Continued)

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 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. **We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
August 25, 2022

COUNTY OF BEDFORD, VIRGINIA
SUMMARY OF COMPLIANCE MATTERS
June 30, 2021

As more fully described in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the County’s compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia

Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Uniform Disposition of Unclaimed Property Act
Comprehensive Services Act
Sheriff Internal Controls

State Agency Requirements

Education
Social Services
Fire Programs Aid to Localities

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal programs selected for testing.

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONS COSTS

June 30, 2021

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies** 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** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **one audit finding** relating to major programs.
7. The programs tested as major programs were:

<u>Name of Program:</u>	<u>Assistance Listing #</u>
Coronavirus Relief Fund	21.019
Education Stabilization Fund	84.425

8. The **threshold for** distinguishing Type A and B programs was **\$899,752**.
9. The County of Bedford was **not** determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2021-002 Untimely Reconciliation of Bank Accounts (Significant Deficiency)

Condition:

The County finance department was several months behind on reconciling bank accounts for fiscal year 2021, with multiple months being reconciled after year end.

Criteria:

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

Cause:

The finance department has dealt with both significant turnover and a system conversion in fiscal year 2021, which contributed to the delays.

COUNTY OF BEDFORD, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONS COSTS
June 30, 2021

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2021-002 Untimely Reconciliation of Bank Accounts (Significant Deficiency) (Continued)

Effect:

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

Recommendation:

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

Views of Responsible Officials:

Staff has made progress in getting bank reconciliations caught up and more timely since the end of fiscal year 2021.

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

2021-001: Coronavirus Relief Fund – AL# 21.019; Education Stabilization Fund – AL# 84.425, Late Filing of Data Collection Form

Condition:

The County did not file the data collection form for the year ended June 30, 2020 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 September 20, 2021.

Effect:

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

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF FINDINGS AND QUESTIONS COSTS
June 30, 2021**

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

**2021-001: Coronavirus Relief Fund – AL# 21.019; Education Stabilization Fund – AL# 84.425, Late
Filing of Data Collection Form (Continued)**

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

The entire 2020 audit was late. Management will work to ensure future audits are completed more timely.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

None.