

**COUNTY OF WESTMORELAND, VIRGINIA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**COUNTY OF WESTMORELAND, VIRGINIA**

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**BOARD OF SUPERVISORS**

Darryl E. Fisher, Chairman

W.W. Hynson, Vice-Chairman

Russ Culver

Dorothy Dickerson Tate

Timothy J. Trivett

**SCHOOL BOARD**

Ralph Fallin, Chairman

Iris Lane, Vice-Chairman

Katherine Lewis  
Daniel Wallace

Sandra Ramsey

**OTHER OFFICIALS**

Judge of the Circuit Court  
Clerk of the Circuit Court  
Commonwealth's Attorney  
Treasurer  
Sheriff  
Superintendent of Schools  
Director of Social Services  
Commissioner of the Revenue  
County Administrator

Herbert M. Hewitt  
Anne B. Garner  
Julia H. Sichol  
Sue N. Jones  
C.O. Balderson  
Dr. Michael Perry  
Amanda R. Tevis  
William K. Hoover  
Norm Risavi

# COUNTY OF WESTMORELAND, VIRGINIA

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**Independent Auditors' Report**

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**To the Honorable Members of the Board of Supervisors  
County of Westmoreland, Virginia**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Westmoreland, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Westmoreland, Virginia's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Westmoreland, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principles***

As described in Note 1 to the financial statements, in 2022, the County of Westmoreland, Virginia adopted new accounting guidance, GASB Statement Nos. 87, *Leases* and 92, *Omnibus 2020*. Our opinions are not modified with respect to this matter.

***Restatement of Beginning Balances***

As described in Note 1 to the financial statements, in 2022, the County restated beginning balances to restate accrued payroll and capital assets. Our opinion is not modified with respect to this matter.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Westmoreland, Virginia's ability to continue as a going concern for twelve months beyond the June 30, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

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

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



### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Westmoreland, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2023, on our consideration of County of Westmoreland, Virginia'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 County of Westmoreland, Virginia'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 County of Westmoreland, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia  
April 5, 2023

**COUNTY OF WESTMORELAND, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**To the Citizens of Westmoreland County  
County of Westmoreland, Virginia**

As management of the County of Westmoreland, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022.

**Financial Highlights**

**Government-wide Financial Statements**

- On a government-wide basis for governmental activities, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$34,860,127 (net position). For business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,913,936.

**Fund Financial Statements**

The General Fund, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources of \$508,164 (Exhibit 5) after making contributions totaling \$9,720,153 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$15,900,252 a decrease of \$16,934,776 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,575,365 or 19% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$8,378,331 during the current fiscal year.

The Proprietary Funds, on an accrual basis, reported a decrease in net position of \$417,774 (Exhibit 8).

- As of the close of the current fiscal year, the County's proprietary funds reported ending net position of \$19,913,936, a decrease of \$417,774.
- Combined long-term obligations in the proprietary funds decreased \$91,173 during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

## Overview of the Financial Statements: (Continued)

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the excess of assets and deferred outflows over liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Westmoreland, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Westmoreland, Virginia is financially accountable. Financial information for this component unit is reported separately from the financial information present for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Westmoreland, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental Funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation between the two methods is provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County's major funds are the General Fund and the County Capital Improvements Fund.

Proprietary Funds - Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's custodial funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. County custodial funds used to provide accountability of client monies for which the County is custodian.

**Overview of the Financial Statements: (Continued)**

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board. The School Board does not issue separate financial statements.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$34,860,127 at the close of the most recent fiscal year.

**Summary Statement of Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 25,867,670	\$ 41,647,112	\$ 3,202,827	\$ 3,013,682	\$ 29,070,497	\$ 44,660,794
Capital assets	77,884,112	61,451,926	29,965,778	30,408,960	107,849,890	91,860,886
Total assets	\$ 103,751,782	\$ 103,099,038	\$ 33,168,605	\$ 33,422,642	\$ 136,920,387	\$ 136,521,680
Deferred outflows of resources	\$ 1,962,679	\$ 2,373,062	\$ 43,499	\$ 73,195	\$ 2,006,178	\$ 2,446,257
Long-term liabilities	\$ 58,339,495	\$ 66,717,826	\$ 12,886,704	\$ 12,977,877	\$ 71,226,199	\$ 79,695,703
Current liabilities	7,709,823	8,089,075	289,965	271,655	7,999,788	8,360,730
Total liabilities	\$ 66,049,318	\$ 74,806,901	\$ 13,176,669	\$ 13,249,532	\$ 79,225,987	\$ 88,056,433
Deferred outflows of resources	\$ 4,805,016	\$ 265,855	\$ 121,499	\$ 4,895	\$ 4,926,515	\$ 270,750
Net position:						
Net investment in capital assets	\$ 18,221,092	\$ 21,994,964	\$ 17,119,926	\$ 17,614,709	\$ 35,341,018	\$ 39,609,673
Restricted	1,400,510	49,631	742,459	717,954	2,142,969	767,585
Unrestricted	15,238,525	8,354,749	2,051,551	1,908,747	17,290,076	10,263,496
Total net position	\$ 34,860,127	\$ 30,399,344	\$ 19,913,936	\$ 20,241,410	\$ 54,774,063	\$ 50,640,754

**Government-wide Financial Analysis (Continued)**

At the end of the current fiscal year, the County’s investment in capital assets net of related debt used to acquire those assets was \$18,221,092 for governmental activities. The County uses these capital assets to provide services to citizens therefore; these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County’s net position increased by \$4,043,009 during the current fiscal year.

**Governmental Activities** - Governmental activities and business-type activities increased the County’s net position by \$4,460,783 and (\$417,774) respectively. Key elements of this increase are as follows:

**Summary Statement of Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 1,437,210	\$ 1,305,032	\$ 3,314,751	\$ 3,034,897	\$ 4,751,961	\$ 4,339,929
Operating grants and contributions	6,042,567	8,663,155	-	-	6,042,567	8,663,155
Capital grants and contributions	674,343	1,157,078	-	-	674,343	1,157,078
General revenues:						
General property taxes	25,077,671	24,021,951	-	-	25,077,671	24,021,951
Other local taxes	3,162,691	2,880,254	-	-	3,162,691	2,880,254
Grants and other contributions not restricted	1,771,038	1,817,348	-	-	1,771,038	-1,771,038
Use of money and property	18,135	259,807	(25,873)	1,103	-7,738	260,910
Gain / (loss) on disposal of capital assets	90,000	-	-	-	90,000	-
Miscellaneous	763,714	208,978	(166,653)	19,964	597,061	228,942
Total revenues	\$ 39,037,369	\$ 40,313,603	\$ 3,122,225	\$ 3,055,964	\$ 42,159,594	\$ 43,369,567
Expenses:						
General government administration	\$ 3,768,018	\$ 3,905,289	\$ -	\$ -	\$ 3,768,018	\$ 3,905,289
Judicial administration	1,152,759	1,214,270	-	-	1,152,759	1,214,270
Public safety	8,784,652	8,732,375	-	-	8,784,652	8,732,375
Public works	4,289,160	3,640,166	-	-	4,289,160	3,640,166
Health and welfare	4,331,398	4,773,312	-	-	4,331,398	4,773,312
Education	8,991,636	9,870,585	-	-	8,991,636	9,870,585
Parks, recreation, and cultural	866,940	818,833	-	-	866,940	818,833
Community development	892,473	789,684	-	-	892,473	789,684
Interest on long-term debt	1,499,550	1,296,415	-	-	1,499,550	1,296,415
Water and Sewer	-	-	3,539,999	3,485,174	3,539,999	3,485,174
Total expenses	\$ 34,576,586	\$ 35,040,929	\$ 3,539,999	\$ 3,485,174	\$ 38,116,585	\$ 38,526,103
Increase (decrease) in net position before transfers	\$ 4,460,783	\$ 5,272,674	\$ (417,774)	\$ (429,210)	\$ 4,043,009	\$ 4,843,464
Transfers	-	(331,009)	-	331,009	-	-
Increase in net position	\$ 4,460,783	\$ 4,941,665	\$ (417,774)	\$ (98,201)	\$ 4,043,009	\$ 4,843,464
Net position, July 1, as restated	30,399,344	25,457,679	20,331,710	20,339,611	50,731,054	45,797,290
Net position, June 30	\$ 34,860,127	\$ 30,399,344	\$ 19,913,936	\$ 20,241,410	\$ 54,774,063	\$ 50,640,754

## **Government-wide Financial Analysis: (Continued)**

- The increase of \$4,460,783 in the governmental activities net position was largely attributable revenues exceeding expenses.
- Net position for business-type activities showed a decrease of \$417,774 during fiscal year 2022.

For the most part, increases in expenditures closely paralleled inflation and growth in the demand for services.

## **Financial Analysis of the County's Funds**

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$15,900,252 a decrease of \$16,943,776 in comparison with the prior year. Approximately 49% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted, committed, and assigned to indicate that it is not available for new spending because it has already been constrained. During fiscal year 2022 the fund balance of the General Fund increased by \$508,164 to \$15,087,525, the fund balance of the General Capital Projects Fund decreased by \$17,673,842 to (\$803,932) due to scheduled spending on capital projects, and the fund balance of the other governmental funds increased by \$230,902 during FY2022 to \$1,108,495.

**Proprietary Funds** - The focus of the County's proprietary funds is upon determination of net income, financial position, and changes in financial position. Funds are accounted for in a manner similar to private business enterprises. The County's proprietary funds consists of the Water and Sewer Fund. The proprietary funds reflected a combined decrease in net position of \$417,774.

## **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was an increase of \$9,068,373 in expenditures and can be briefly summarized as follows:

- \$517,178 in increases for general government administration
- \$231,212 in decreases for health and welfare
- \$1,699,612 in increases for public safety
- \$920,417 in increases for public works
- \$4,218,274 in increases for capital projects
- \$474,510 in increases for education
- \$1,007,170 in other net decreases

## **Capital Asset and Debt Administration**

- **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2022 amounts to \$77,884,112 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. Investment in capital assets for the County's proprietary operations amounts to \$29,965,778 as of June 30, 2022. This investment includes land, water systems, sewer systems, and equipment.

Additional information on the County's capital assets can be found in note 9 of this report.

**Long-term debt** - At the end of the current fiscal year, the County had total long-term obligations outstanding of \$58,339,495 for its governmental activities. Of this amount \$595,000 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations \$51,243,246 represents bonds secured solely by specified revenue sources (i.e., revenue bonds), notes payable of \$4,450,000, OPEB liabilities of \$831,697, bond premium \$430,915 and compensated absences of \$554,046, lease liabilities of \$22,658. Business-type debt is comprised of \$12,052,571 bonds secured solely by water and sewer revenues, \$47,917 treatment plant upgrade, net OPEB liabilities of \$25,723 and compensated absences of \$15,129.

The County's total long-term obligations decreased by \$8,469,504 during the current fiscal year.

Additional information on the County of Westmoreland, Virginia's long-term debt can be found in Note 12 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the County at June 30, 2022 is 3.0 percent, which is an decrease from a rate of 5.1 percent a year ago. This is slightly higher than the state's average unemployment rate of 2.5 percent and is less than the national average rate of 3.6 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2023 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Westmoreland, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 1000, Montross, Virginia 22520.



## **Basic Financial Statements**

***Government-wide Financial Statements***

Statement of Net Position  
June 30, 2022

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit School Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,707,118	\$ 1,064,250	\$ 7,771,368	\$ 4,484,059
Investments	13,707,587	1,188,227	14,895,814	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,462,291	-	1,462,291	-
Accounts receivable	469,918	207,891	677,809	12,546
Due from component unit	1,030,174	-	1,030,174	-
Due from other funds	127,877	-	127,877	-
Due from other governmental units	1,057,296	-	1,057,296	2,316,849
Lease receivables	165,958	-	165,958	-
Net pension asset	1,089,820	22,242	1,112,062	-
Restricted assets:				
Cash and investments	49,631	720,217	769,848	-
Capital assets (net of accumulated depreciation):				
Land	2,348,318	932,579	3,280,897	258,916
Buildings and system	14,536,369	28,183,086	42,719,455	4,552,986
Machinery and equipment	4,585,153	84,606	4,669,759	2,280,600
Leased equipment	22,528	-	22,528	84,961
Intangible assets	-	765,507	765,507	-
Construction in progress	56,391,744	-	56,391,744	7,242,171
Total assets	\$ 103,751,782	\$ 33,168,605	\$ 136,920,387	\$ 21,233,088
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 1,769,095	\$ 38,057	\$ 1,807,152	\$ 3,702,134
OPEB related items	193,584	5,442	199,026	536,686
Total deferred outflows of resources	\$ 1,962,679	\$ 43,499	\$ 2,006,178	\$ 4,238,820
<b>LIABILITIES</b>				
Accounts payable	\$ 1,808,936	\$ 60,516	\$ 1,869,452	\$ 2,068,069
Accrued liabilities	-	-	-	1,466,769
Retainage payable	2,384,743	-	2,384,743	47,537
Unearned revenue	2,889,171	58,451	2,947,622	-
Customers' deposits	-	35	35	-
Accrued interest payable	544,122	43,086	587,208	-
Due to other funds	-	127,877	127,877	-
Due to primary government	-	-	-	1,030,174
Due to other governmental units	82,851	-	82,851	133,275
Long-term liabilities:				
Due within one year	976,398	372,587	1,348,985	251,319
Due in more than one year	57,363,097	12,514,117	69,877,214	12,345,310
Total liabilities	\$ 66,049,318	\$ 13,176,669	\$ 79,225,987	\$ 17,342,453
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	\$ 4,212,171	\$ 112,156	\$ 4,324,327	\$ 7,574,993
OPEB related items	302,087	9,343	311,430	644,146
Deferred revenue - property taxes	126,822	-	126,822	-
Leases related	163,936	-	163,936	-
Total deferred inflows of resources	\$ 4,805,016	\$ 121,499	\$ 4,926,515	\$ 8,219,139
<b>NET POSITION</b>				
Net Investment in capital assets	\$ 18,221,092	\$ 17,119,926	\$ 35,341,018	\$ 14,082,900
Restricted:				
Pension asset	1,089,820	22,242	1,112,062	-
Opioid settlement	261,059	-	261,059	-
Debt service and bond covenants	49,631	720,217	769,848	-
Unrestricted (deficit)	15,238,525	2,051,551	17,290,076	(14,172,584)
Total net position	\$ 34,860,127	\$ 19,913,936	\$ 54,774,063	\$ (89,684)

The notes to the financial statements are an integral part of this statement.

COUNTY OF WESTMORELAND, VIRGINIA

Statement of Activities  
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 3,768,018	\$ -	\$ 503,466	\$ -
Judicial administration	1,152,759	336,030	635,508	-
Public safety	8,784,652	46,291	1,765,526	-
Public works	4,289,160	780,503	74,993	349,343
Health and welfare	4,331,398	-	2,991,824	-
Education	8,991,636	-	-	-
Parks, recreation, and cultural	866,940	272,000	-	-
Community development	892,473	2,386	71,250	325,000
Interest on long-term debt	1,499,550	-	-	-
Total governmental activities	\$ 34,576,586	\$ 1,437,210	\$ 6,042,567	\$ 674,343
Business-type activities:				
Water and sewer	\$ 3,539,999	\$ 3,314,751	\$ -	\$ -
Total business-type activities	\$ 3,539,999	\$ 3,314,751	\$ -	\$ -
Total primary government	\$ 38,116,585	\$ 4,751,961	\$ 6,042,567	\$ 674,343
<b>COMPONENT UNIT:</b>				
School Board	\$ 24,207,097	\$ 3,780	\$ 18,659,618	\$ -

General revenues:  
 General property taxes  
 Local sales and use taxes  
 Consumers' utility taxes  
 Motor vehicle licenses  
 Taxes on recordation and wills  
 Other local taxes  
 Unrestricted revenues from use of money and property  
 Miscellaneous  
 Payment from local government  
 Grants and contributions not restricted to specific programs  
 Gain on disposal of capital assets  
 Total general revenues  
 Change in net position  
 Net position - beginning, as restated  
 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 Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (3,264,552)		\$ (3,264,552)	
(181,221)		(181,221)	
(6,972,835)		(6,972,835)	
(3,084,321)		(3,084,321)	
(1,339,574)		(1,339,574)	
(8,991,636)		(8,991,636)	
(594,940)		(594,940)	
(493,837)		(493,837)	
(1,499,550)		(1,499,550)	
<u>\$ (26,422,466)</u>		<u>\$ (26,422,466)</u>	
	\$ (225,248)	\$ (225,248)	
	\$ (225,248)	\$ (225,248)	
	<u>\$ (225,248)</u>	<u>\$ (26,647,714)</u>	
			\$ <u>(5,543,699)</u>
\$ 25,077,671	\$ -	\$ 25,077,671	\$ -
1,274,178	-	1,274,178	-
355,936	-	355,936	-
810,090	-	810,090	-
415,797	-	415,797	-
306,690	-	306,690	-
18,135	(25,873)	(7,738)	37,330
763,714	(166,653)	597,061	391,898
-	-	-	8,948,110
1,771,038	-	1,771,038	-
90,000	-	90,000	-
<u>\$ 30,883,249</u>	<u>\$ (192,526)</u>	<u>\$ 30,690,723</u>	<u>\$ 9,377,338</u>
<u>\$ 4,460,783</u>	<u>\$ (417,774)</u>	<u>\$ 4,043,009</u>	<u>\$ 3,833,639</u>
30,399,344	20,331,710	50,731,054	(3,923,323)
<u>\$ 34,860,127</u>	<u>\$ 19,913,936</u>	<u>\$ 54,774,063</u>	<u>\$ (89,684)</u>

***Fund Financial Statements***

Balance Sheet  
 Governmental Funds  
 June 30, 2022

	<u>General</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,138,346	\$ 495,267	\$ 1,073,505	\$ 6,707,118
Investments	13,361,392	345,455	740	13,707,587
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,462,291	-	-	1,462,291
Accounts receivable	469,918	-	-	469,918
Due from other funds	127,877	-	-	127,877
Due from component unit	-	1,030,174	-	1,030,174
Due from other governmental units	1,057,296	-	-	1,057,296
Lease receivables	165,958	-	-	165,958
Restricted assets:				
Investments	-	-	49,631	49,631
Total assets	<u>\$ 21,783,078</u>	<u>\$ 1,870,896</u>	<u>\$ 1,123,876</u>	<u>\$ 24,777,850</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,469,030	\$ 324,525	\$ 15,381	\$ 1,808,936
Retainage payable	34,440	2,350,303	-	2,384,743
Due to other governmental units	82,851	-	-	82,851
Unearned revenue	2,889,171	-	-	2,889,171
Total liabilities	<u>\$ 4,475,492</u>	<u>\$ 2,674,828</u>	<u>\$ 15,381</u>	<u>\$ 7,165,701</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 1,295,970	\$ -	\$ -	\$ 1,295,970
Unavailable revenue - opioid settlement	251,991	-	-	251,991
Leases related	163,936	-	-	163,936
Total deferred inflows of resources	<u>\$ 1,711,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,711,897</u>
<b>FUND BALANCES:</b>				
Nonspendable	\$ 2,022	\$ -	\$ -	\$ 2,022
Restricted	29,068	-	49,631	78,699
Committed	2,526,362	-	1,058,864	3,585,226
Assigned	4,462,872	-	-	4,462,872
Unassigned	8,575,365	(803,932)	-	7,771,433
Total fund balances	<u>\$ 15,595,689</u>	<u>\$ (803,932)</u>	<u>\$ 1,108,495</u>	<u>\$ 15,900,252</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,783,078</u>	<u>\$ 1,870,896</u>	<u>\$ 1,123,876</u>	<u>\$ 24,777,850</u>

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 June 30, 2022

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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 15,900,252

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

Land	\$ 2,348,318	
Construction in progress	56,391,744	
Buildings and improvements, net of depreciation	14,536,369	
Machinery and equipment, net of depreciation	4,585,153	
Leased equipment, net of depreciation	<u>22,528</u>	77,884,112

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 1,769,095	
OPEB related items	<u>193,584</u>	1,962,679

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds. This item is comprised of:

Net Pension asset		1,089,820
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Because the focus of governmental funds is on short-term financing, some assets will not be available to pay current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in the fund balance.

1,421,139

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

Accrued interest payable	\$ (544,122)	
Bonds payable	(52,481,094)	
Net OPEB liability	(831,697)	
Compensated absences	(554,046)	
Lease liabilities	(22,658)	
Notes payable	<u>(4,450,000)</u>	(58,883,617)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	(4,212,171)	
OPEB related items	<u>(302,087)</u>	<u>(4,514,258)</u>

Net position of governmental activities \$ 34,860,127

The notes to the financial statements are an integral part of this statement.



Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	General	General Capital Projects	Other Governmental Funds	Total
<b>REVENUES</b>				
General property taxes	\$ 24,613,839	\$ -	\$ 66,618	\$ 24,680,457
Other local taxes	3,162,691	-	-	3,162,691
Permits, privilege fees, and regulatory licenses	584,053	-	-	584,053
Fines and forfeitures	308,569	-	-	308,569
Revenue from the use of money and property	19,342	(11)	(1,196)	18,135
Charges for services	90,109	-	454,479	544,588
Miscellaneous	483,073	28,650	-	511,723
Recovered costs	1,627,023	-	-	1,627,023
Intergovernmental:				
Contribution from school board	-	1,030,174	-	1,030,174
Commonwealth	6,307,334	56,000	-	6,363,334
Federal	2,124,614	-	-	2,124,614
Total revenues	<u>\$ 39,320,647</u>	<u>\$ 1,114,813</u>	<u>\$ 519,901</u>	<u>\$ 40,955,361</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 3,526,852	\$ -	\$ -	\$ 3,526,852
Judicial administration	1,189,003	-	-	1,189,003
Public safety	10,227,285	-	-	10,227,285
Public works	4,046,803	-	-	4,046,803
Health and welfare	4,504,561	-	-	4,504,561
Education	9,731,295	-	-	9,731,295
Parks, recreation, and cultural	555,251	-	-	555,251
Community development	502,308	-	113,536	615,844
Nondepartmental	210,702	-	-	210,702
Capital projects	1,825,164	16,224,899	76,269	18,126,332
Debt service:				
Principal retirement	1,503,057	-	69,335	1,572,392
Interest and other fiscal charges	1,223,031	-	55,713	1,278,744
Total expenditures	<u>\$ 39,045,312</u>	<u>\$ 16,224,899</u>	<u>\$ 314,853</u>	<u>\$ 55,585,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 275,335</u>	<u>\$ (15,110,086)</u>	<u>\$ 205,048</u>	<u>\$ (14,629,703)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 11,128	\$ -	\$ -	\$ 11,128
Transfers out	-	(11,128)	-	(11,128)
Issuance of revenue bonds	6,590,000	43,672,785	915,000	51,177,785
Issuance of leases	14,406	-	-	14,406
Bond premium	371,530	-	59,385	430,915
Sale of capital assets	-	90,000	-	90,000
Payment to refunded bonds escrow agent	(6,754,235)	(46,315,413)	(948,531)	(54,018,179)
Total other financing sources (uses)	<u>\$ 232,829</u>	<u>\$ (2,563,756)</u>	<u>\$ 25,854</u>	<u>\$ (2,305,073)</u>
Net change in fund balances	\$ 508,164	\$ (17,673,842)	\$ 230,902	\$ (16,934,776)
Fund balances - beginning	15,087,525	16,869,910	877,593	32,835,028
Fund balances - ending	<u>\$ 15,595,689</u>	<u>\$ (803,932)</u>	<u>\$ 1,108,495</u>	<u>\$ 15,900,252</u>

The notes to the financial statements are an integral part of this statement.

Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds \$ (16,934,776)

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 the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 18,158,008	
Depreciation expense	<u>(1,654,709)</u>	16,503,299

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position. (21,700)

Transfer of joint tenancy assets from Primary Government to the Component Unit (62,250)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ 397,214	
Opioid settlement	<u>251,991</u>	649,205

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of revenue bonds	\$ (51,177,785)	
Issuance of leases	(14,406)	
Lease revenue bonds	54,717,105	
Bond premium	(264,071)	
General obligation bonds	115,000	
Lease liabilities	4,585	
Notes payable	<u>558,000</u>	3,938,428

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

Compensated absences	\$ 135,875	
OPEB expense	(4,641)	
Net pension expense	644,993	
Accrued interest payable	<u>(387,650)</u>	388,577

Change in net position of governmental activities \$ 4,460,783

The notes to the financial statements are an integral part of this statement.

Statement of Net Position  
 Proprietary Funds  
 June 30, 2022

	<u>Enterprise Fund</u>
	<u>Water and</u>
	<u>Sewer</u>
	<u>Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,064,250
Investments	1,188,227
Accounts receivable, net of allowance for uncollectibles	207,891
Total current assets	<u>\$ 2,460,368</u>
Noncurrent assets:	
Net pension asset	22,242
Restricted assets:	
Cash and investments	\$ 720,217
Total restricted assets	<u>\$ 720,217</u>
Capital assets:	
Land - Sewer	\$ 932,579
Buildings and system - Sewer	37,925,528
Buildings and system - Water	1,183,857
Machinery and equipment - Sewer	354,953
Intangible assets - Sewer	1,209,113
Accumulated depreciation - Sewer	(10,633,166)
Accumulated depreciation - Water	(1,007,086)
Total net capital assets	<u>\$ 29,965,778</u>
Total noncurrent assets	<u>\$ 30,708,237</u>
Total assets	<u>\$ 33,168,605</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related items	\$ 38,057
OPEB related items	5,442
Total deferred outflows of resources	<u>\$ 43,499</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 60,516
Customers' deposits	35
Unearned revenue	58,451
Accrued interest payable	43,086
Due to other funds	127,877
Compensated absences - current portion	1,513
Sewer treatment plant agreement - current portion	6,319
Bond premium	25,702
Bonds payable - current portion	339,053
Total current liabilities	<u>\$ 662,552</u>
Noncurrent liabilities:	
Bonds payable - net of current portion	\$ 11,713,518
Sewer treatment plant agreement - noncurrent portion	41,597
Bond premium	719,663
Net OPEB liability	25,723
Compensated absences - net of current portion	13,616
Total noncurrent liabilities	<u>\$ 12,514,117</u>
Total liabilities	<u>\$ 13,176,669</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	\$ 112,156
OPEB related items	9,343
Total deferred inflows of resources	<u>\$ 121,499</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 17,119,926
Restricted:	
Debt service and bond covenants	720,217
Net pension asset	22,242
Unrestricted	2,051,551
Total net position	<u>\$ 19,913,936</u>

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2022

	<u>Enterprise Fund</u>
	<u>Water and</u>
	<u>Sewer</u>
	<u>Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water revenues	\$ 44,097
Sewer revenues	1,694,315
Total operating revenues	<u>\$ 1,738,412</u>
<b>OPERATING EXPENSES</b>	
Water	\$ 10,366
Sewer	2,162,375
Other expenses	3,675
Depreciation - water	47,354
Depreciation - sewer	957,244
Total operating expenses	<u>\$ 3,181,014</u>
Operating income (loss)	<u>\$ (1,442,602)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	\$ (25,873)
Availability/connection/tap fees - sewer	1,574,139
Availability/connection/tap fees - water	2,200
Interest expense - water	(8,728)
Interest expense - sewer	(350,257)
Other nonoperating item - water	874
Other nonoperating item - sewer	(167,527)
Total nonoperating revenues (expenses)	<u>\$ 1,024,828</u>
Income (loss)	<u>\$ (417,774)</u>
Change in net position	\$ (417,774)
Total net position - beginning, as restated	20,331,710
Total net position - ending	<u><u>\$ 19,913,936</u></u>

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2022

	<u>Enterprise Funds</u>
	<u>Water and Sewer Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 1,645,481
Payments to suppliers	(1,974,470)
Payments to and for employees	(230,635)
Net cash provided by (used for) operating activities	<u>\$ (559,624)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Additions to utility plant	\$ (471,116)
Principal payments on bonds	(7,587,446)
Principal payments on treatment plant agreement	(6,318)
Proceeds from indebtedness	6,900,000
Interest expense	(330,702)
Bond premium	745,365
Availability/connection fees	1,576,339
Other	(166,653)
Net cash provided by (used for) capital and related financing activities	<u>\$ 659,469</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sale (purchase) of investments	\$ 29,552
Interest income	(25,873)
Net cash provided by (used for) investing activities	<u>\$ 3,679</u>
Net increase (decrease) in cash and cash equivalents	\$ 103,524
Cash and cash equivalents - beginning	960,726
Cash and cash equivalents - ending	<u><u>\$ 1,064,250</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	\$ (1,442,602)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 1,004,598
(Increase) decrease in accounts receivable	(92,931)
(Increase) decrease in deferred outflows - pension related items	29,389
(Increase) decrease in deferred outflows - OPEB related items	307
(Increase) decrease in net pension asset	(22,242)
Increase (decrease) in accounts payable	(139,198)
Increase (decrease) in net pension liability	(129,447)
Increase (decrease) in net OPEB liability	(4,062)
Increase (decrease) in deferred inflows - pension related items	112,156
Increase (decrease) in deferred inflows - OPEB related items	4,448
Increase (decrease) in unearned revenue	1,348
Increase (decrease) in compensated absences	(9,265)
Increase (decrease) in due to other funds	127,877
Total adjustments	<u>\$ 882,978</u>
Net cash provided by (used for) operating activities	<u><u>\$ (559,624)</u></u>

The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2022

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	<u>Special Welfare</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>54,852</u>
Total assets	\$ <u>54,852</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ <u>18,817</u>
Total liabilities	\$ <u>18,817</u>
<b>NET POSITION</b>	
Restricted:	
Net position restricted to individuals and organizations	\$ <u><u>36,035</u></u>

The accompanying notes to financial statements are in integral poart of this statement

Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended June 30, 2022

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	<u>Special Welfare</u>
<b>Additions:</b>	
Miscellaneous	\$ <u>11,061</u>
Total additions	\$ <u>11,061</u>
<b>Deductions</b>	
Other charges	\$ <u>1,811</u>
Total deductions	\$ <u>1,811</u>
Net Increase (decrease) in plan assets	\$ 9,250
<b>Net Positions</b>	
Balance, beginning of year	<u>26,785</u>
Balance, end of year	\$ <u><u>36,035</u></u>

The accompanying notes to financial statements are in integral poart of this statement

# COUNTY OF WESTMORELAND, VIRGINIA

## Notes to Financial Statements As of June 30, 2022

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

#### **Narrative Profile**

The County of Westmoreland, located in the northern neck of Virginia and bordered by the counties of Essex, King George, Northumberland and Richmond, was founded in 1653. The County has a population of 18,731 and a land area of 229 square miles.

The County is governed under the County Administrator - Board of Supervisors form of government. Westmoreland County engages in a comprehensive range of municipal services, including general government administration, public safety and administration of justice, education, health, welfare, human service programs, landfill operations, planning, community development and recreation, cultural, and historic activities.

The financial statements of the County of Westmoreland, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

#### **A. Financial Reporting Entity**

**Government-wide Financial Statements:** The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

**Statement of Net Position:** The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component unit. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

**Statement of Activities:** The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).



# COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

### **A. Financial Reporting Entity (Continued)**

**Budgetary Comparison Schedules:** Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The County and many other governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, final budget, and actual results.

As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component unit, entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The County has no component units that meet the requirements for blending. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide statements to emphasize it is legally separate from the primary government. The discretely presented component unit has a June 30 fiscal year-end.

#### **Inclusions in the Financial Reporting Entity:**

##### **1. Component Unit:**

###### **a. Westmoreland County School Board:**

The Westmoreland County School Board is elected to four year terms by the County voters. The School Board may hold property and issue debt subject to approval by the Board of Supervisors. The School Board provides public primary and secondary education services to the County residents. The primary funding sources of the School Board are state and federal grants, and appropriations from the County, which are significant since the School Board does not have separate taxing authority. The County also approves the School Board budget. The School Board does not issue separate financial statements.

#### **Exclusions from the Financial Reporting Entity:**

##### **1. Jointly Governed Organizations:**

Jointly governed organizations are regional governments or other multi-governmental arrangements that are governed by representation from each of the governments that create the organizations, and the participants do not retain an ongoing financial interest or responsibility in the organization.

# COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

### A. Financial Reporting Entity (Continued)

#### Exclusions from the Financial Reporting Entity: (Continued)

##### 1. Jointly Governed Organizations: (Continued)

The financial activities of the following organizations are excluded from the accompanying financial statements for the reasons indicated:

##### a. Northern Neck Regional Jail

The Northern Neck Regional Jail is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The counties of Richmond, Northumberland, Gloucester, and Westmoreland and the Town of Warsaw provide the financial support for the Jail through the assessment of user fees for prisoner care and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The Westmoreland County Board of Supervisors appoints two (2) of the seven (7) members of the Jail Board. No one locality contributes more than 50% of the Authority's funding or has oversight responsibility over its operations. The County of Westmoreland acts as fiscal agent for the Authority.

##### b. Rappahannock Regional Library

The Rappahannock Regional Library is considered an intergovernmental (joint) venture and therefore its operations are not included in the County's financial statements. The Counties of Westmoreland, Stafford and Spotsylvania and the City of Fredericksburg provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and to expend funds. The County appoints one (1) of the seven (7) members of the Board. No one locality contributes more than 50% of the Library's funding. The County provided \$498,801 in operating funds to the Library in 2022.

##### c. Middle Peninsula Northern Neck Community Services Board

The Middle Peninsula Northern Neck Community Services Board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. This organization provides mental health, mental retardation, and substance abuse services to ten counties. The Counties of Essex, King and Queen, King William, Middlesex, Richmond, Mathews, Gloucester, Westmoreland, Lancaster and Northumberland appoint one member each to the Board. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Westmoreland County contributed \$66,711 as operating grants to the Middle Peninsula Northern Neck Community Services Board for the fiscal year ended June 30, 2022.

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

#### A. Financial Reporting Entity (Continued)

##### Exclusions from the Financial Reporting Entity: (Continued)

###### d. Middle Peninsula Juvenile Detention Commission

The Middle Peninsula Juvenile Detention Commission is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. Westmoreland County along with 16 other counties appoint one member each to the Board. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Westmoreland County contributed \$62,236 to the Middle Peninsula Juvenile Detention Commission for the fiscal year ended June 30, 2022.

##### Obtaining of Financial Statements for Jointly Governed Organizations

Complete financial statements of the jointly governed organizations may be obtained by contacting the County of Westmoreland, Virginia County Administrator, P.O. Box 1000, Montross, Virginia 22520-1000.

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

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. The focus is on both the County as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

# COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

### **B. Government-Wide and Fund Financial Statements (Continued)**

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity. 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, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Internal service charges if applicable, are eliminated and the net income or loss from internal service activities are allocated to the various functional expense categories based on the internal charges to each function.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

Proprietary fund operating revenues consist of charges for services and related revenues. Nonoperating revenues consist of contributions, grants, investment earnings and other revenues not directly derived from the providing of services.

The County's fiduciary funds are presented in the fund financial statements by type (private purpose, if applicable, and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the County in FY 2022.

# COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

### B. Government-Wide and Fund Financial Statements (Continued)

#### 1. Governmental Funds:

Governmental Funds account for and report the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Funds utilize the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

- a. General Fund - The General Fund is the primary operating fund of the County. This Fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.
- b. Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only special revenue funds are the Placid Bay Sanitary District Fund and the Glebe Harbor Cabin Point Sanitary District Fund. These funds are nonmajor funds.
- c. Capital Projects Funds - The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The General Capital Projects Fund is considered a major fund.

#### 2. Proprietary Funds:

Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

- a. Enterprise Funds - Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. The Enterprise Funds consist of the following fund:
  - Water and Sewer Fund - This fund accounts for income and expenses of the Rt. 3 Corridor, water services, Montross Sewer, Washington District sewer service, Monroe Hall Water System and the Coles Point Sewer Service.

# COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

### B. Government-Wide and Fund Financial Statements (Continued)

#### 3. Fiduciary Funds (Trust and Custodial Funds):

Fiduciary Funds (Trust and Custodial Funds) account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. Fiduciary funds are not included in the government-wide financial statements. The Fiduciary Funds consist of the following:

##### a. Custodial Funds:

- Special Welfare Fund - This fund accounts for monies provided primarily through private donors for assistance of children in foster care and needy senior citizens. This fund is also used to account for monies received from other governments and individuals (i.e., social security and child support) to be paid to special welfare recipients.

#### 4. Component Unit:

##### Westmoreland County School Board:

The Westmoreland County School Board has the following funds:

##### Governmental Funds:

- School Operating Fund - This fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Westmoreland and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

- School Activity Fund - This fund accounts for and reports funds collected at the schools in connection with student athletics, clubs, various fundraising activities, and private donations.
- School Cafeteria Fund - This special revenue fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales, and state and federal grants.

##### Custodial Funds:

- Adult Education Program Fund - This fund accounts for the operation of the Northern Neck Regional Alternative Education Program. The Program is a regional program utilized by local school districts for alternative education activities.

# COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

### **C. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statement of net position and statement of activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net position or on the statement of fiduciary net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The statement of net position, statement of activities, financial statements of the Proprietary Funds, and Fiduciary Funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General, Special Revenue, and Capital Projects (for the primary government and component unit School Board) are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term “available” is limited to collection within forty-five days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are unavailable. Interest income is recorded as earned. Federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred and all other grant requirements have been satisfied. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

# COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

### **D. Budgets and Budgetary Accounting**

The Board of Supervisors annually adopts budgets for the various funds of the primary government and component unit School Board. All appropriations are legally controlled at the department level for the primary government funds. The School Board appropriation is determined by the Board of Supervisors and controlled in total by the primary government.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all major funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the major funds presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

#### Encumbrances:

Encumbrance accounting, the recording of purchase orders, contracts, and other monetary commitments in order to commit an applicable portion of an appropriation, is used as an extension of formal budgetary control in the primary government and component unit School Board. Encumbrances outstanding at year-end are reported as commitments of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. These encumbrances are subject to reappropriation by the Board of Supervisors in the succeeding fiscal year.

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings and open-houses are conducted to obtain citizen comments. Also, several work sessions between the Board of Supervisors and School Board are conducted on the School Board budget.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund, function and departmental level. The appropriation for each fund, function and department can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within departments and the School Board is authorized to transfer budgeted amounts within the school system's categories. Supplemental appropriations in addition to the appropriated budget were necessary during the year. Supplemental appropriations may not be made without amending the budget.



**COUNTY OF WESTMORELAND, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**D. Budgets and Budgetary Accounting: (Continued)**

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds (except School Funds), General Capital Projects Funds, and Proprietary Funds. The School Operating and School Cafeteria Funds are integrated only at the level of legal adoption.

The County may adopt budgets for other funds, such as the Custodial Funds, for use as a management control device over such funds. Capital Project and County Facility budgets are adopted at the time the project is approved and the construction contract awarded. Any unexpended current year appropriations are reappropriated in the ensuing fiscal year(s) until the project is completed.

- 6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 7. All appropriations lapse on June 30, for all County and School Board funds.
- 8. All budgetary data presented in the accompanying financial statements is the original budget as of June 30, 2022, as adopted, appropriated and legally amended.
- 9. The expenditure budget is enacted through an annual appropriations ordinance. Appropriations are made at the departmental level for the primary government and at the function level for the School Board. State law requires that if budget amendments exceed 1% of the original adopted budget the Board of Supervisors may legally amend the budget only by following procedures used in the adoption of the original budget.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**F. Investments**

Investments are reported at fair value.

**G. Allowance for Uncollectible Accounts**

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$568,967 at June 30, 2022 and is comprised of the following:

General Fund--taxes receivable	\$ 436,758
Water and Sewer Fund--accounts receivable	132,209
Total	<u>\$ 568,967</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**H. Prepaid Items**

Prepaid items are reported on the consumption method.

**I. Capital Assets**

Capital outlays are recorded as expenditures of the governmental funds of the primary government and component unit School Board, and as assets in the government-wide financial statements to the extent the County's and School Board's capitalization threshold of \$5,000 is met and the asset has an estimated life in excess of two years. The County and Component Unit School Board do not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are property of the Commonwealth of Virginia. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Building and improvements	10 to 40 years
Furniture and other equipment	3 to 20 years
Leased Equipment	3 to 5 years

To the extent the County's capitalization threshold of \$5,000 is met and the asset has an estimated life in excess of two years, capital outlays of the Proprietary Funds are recorded as capital assets and depreciated over their estimated useful lives on a straight-line basis on both the funds basis and the government-wide basis using the straight-line method and the following estimated useful lives:

Buildings and systems	10 to 50 years
Equipment	5 to 10 years
Intangibles	20 to 40 years

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). Donated capital assets are valued at their acquisition value on the date donated. The County and School Board do not capitalize historical treasures or works of art.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

#### **J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualify for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the 2<sup>nd</sup> half installments are reported as deferred inflows of resources. In addition, certain items related to opioid settlement, pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

#### **K. Compensated Absences**

The County and Component Unit School Board accrue compensated absences (annual and sick leave benefits) when vested. The amounts include all balances earned by employees which would be paid upon employee terminations, resignations or retirements.

An estimate of ten percent of the liability has been classified as current in the government-wide financial statements.

#### **L. Pensions:**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Retirement Plan and the additions to/deductions from the County Retirement Plan's 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.

#### **M. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

#### **N. Long-Term Obligations**

The County reports long-term obligations at face value. The face value of the obligations is believed to approximate fair value.

#### **O. Net Position**

Net position is the difference between a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

#### **P. Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

#### **Q. Fund Equity**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**Q. Fund Equity: (Continued)**

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors or the County Administrator.

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of 15% of the actual GAAP basis expenditures/operating revenues.

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	General Fund	General Capital Projects Fund	Other Governmental Funds	Total
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Leases	\$ 2,022	\$ -	\$ -	\$ 2,022
<b>Total Nonspendable Fund Balance</b>	<u>\$ 2,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,022</u>
<b>Restricted:</b>				
Placid bay sanitary district	\$ -	\$ -	\$ 49,631	\$ 49,631
Opioid settlement	9,068	-	-	9,068
Underground tanks	20,000	-	-	20,000
<b>Total Restricted Fund Balance</b>	<u>\$ 29,068</u>	<u>\$ -</u>	<u>\$ 49,631</u>	<u>\$ 78,699</u>
<b>Committed:</b>				
Placid bay sanitary district	\$ -	\$ -	\$ 872,055	\$ 872,055
Glebe Harbor Cabin Point Sanitary District	-	-	186,809	186,809
Financial software	439,866	-	-	439,866
Fire and rescue	137,356	-	-	137,356
Education	1,785,600	-	-	1,785,600
Other purposes	163,540	-	-	163,540
<b>Total Committed Fund Balance</b>	<u>\$ 2,526,362</u>	<u>\$ -</u>	<u>\$ 1,058,864</u>	<u>\$ 3,585,226</u>
<b>Assigned:</b>				
Fire and rescue	\$ 412,705	\$ -	\$ -	\$ 412,705
Capital projects	650,934	-	-	650,934
Well replacement	578,248	-	-	578,248
Reassessment	337,500	-	-	337,500
Other purposes	2,483,485	-	-	2,483,485
<b>Total Assigned Fund Balance</b>	<u>\$ 4,462,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,462,872</u>
<b>Unassigned</b>	<u>\$ 8,575,365</u>	<u>\$ (803,932)</u>	<u>\$ -</u>	<u>\$ 7,771,433</u>
<b>Total Fund Balances</b>	<u>\$ 15,595,689</u>	<u>\$ (803,932)</u>	<u>\$ 1,108,495</u>	<u>\$ 15,900,252</u>

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

#### **R. Other Postemployment Benefits (OPEB):**

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **S. Leases**

The County leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

##### *Lessee*

The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

##### *Lessor*

The County recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

##### *Key Estimates and Judgments*

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**S. Leases: (Continued)**

The County monitors changes in circumstances that would require a remeasurement or modification of its leases. The County will remeasure the lease asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

**S. Adoption of Accounting Principles:**

The County implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, Leases and 92, Omnibus 2020 during the fiscal year ended June 30, 2022. Statement No. 87, Leases requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, Omnibus 2020 addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the lease(s):

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Component Unit School Board</u>
Lessee activity:			
Lease assets	\$ 12,837	\$ -	\$ 93,387
Lease liabilities	\$ 12,837	\$ -	\$ 93,387
Lessor activity:			
Leases receivable	\$ 229,511	\$ 229,511	\$ -
Deferred inflows of resources - leases	\$ 229,511	\$ 229,511	\$ -

**T. Restatements:**

Balances as of July 1, 2021 were restated as follows:

	<u>Net Position</u>			<u>Fund Balance</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Unit School Board</u>	<u>Component Unit School Board</u>
Balance as reported July 1, 2021	\$ 30,399,344	\$ 20,241,410	\$ (5,311,914)	\$ 2,046,378
Accrued payroll	-	-	1,388,591	1,388,591
Capital assets	(526,636)	90,300	-	-
Accumulated depreciation	526,636	-	-	-
Balance as restated July 1, 2021	\$ 30,399,344	\$ 20,331,710	\$ (3,923,323)	\$ 3,434,969

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### **NOTE 2 - DEPOSITS AND INVESTMENTS:**

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

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

### **Custodial Credit Risk (Investments)**

The County’s investments at June 30, 2022 were held in the County’s name by the County’s custodial bank.

The County’s investment policy stipulates that U.S. dollar denominated commercial paper issued by an entity incorporated in the U.S. must be rated at least A-1 by Standard & Poor Corp. and P-1 by Moody’s Investors Service. The policy also stipulates that U.S. dollar denominated Corporate Notes and Bonds must have a rating of at least A by Standard & Poor Corp. and by Moody’s Investors Service.

### **Credit Risk of Debt Securities**

The County’s rated debt investments as of June 30, 2022 were rated by *Standard & Poor’s* and/or an equivalent national rating organization and the ratings are presented below using the *Standard & Poor’s* rating scale.

Rated Debt Investments	County's Rated Debt Investments' Values	
	Fair Quality Ratings	
	AA+	AA-
U.S. Treasuries	\$ 8,081,317	\$ -
Corporate Debt	-	443,822
Total	\$ 8,081,317	\$ 443,822



## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

### NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

#### Concentration of Credit Risk

The County's investment policy contains several stipulations concerning the amount of funds that can be invested. Not more than 40% of the total funds available for investment may be invested in bankers' acceptances. Not more than 35% of the total funds available for investment may be invested in commercial paper, and not more than 5% in the obligations of any one issuer.

#### Interest Rate Risk

The County's investment policy contains certain guidelines concerning interest rate risk. Funds must be invested at all times in keeping with the seasonal pattern of the County's cash balances. County personnel must monitor and update cash flow projections to be communicated to the investment managers. A minimum of 10% of the portfolio must be invested in securities maturing within 30 days, and a minimum of 50% of the portfolio must be invested in securities maturing within 24 months.

The interest rate risk is summarized below:

<u>Investment Maturities (in years)</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
U.S. Treasuries	\$ 3,050,877	\$ 1,788,678	\$ 1,262,199
Corporate Bonds	456,445	-	456,445
Total	<u>\$ 3,507,322</u>	<u>\$ 1,788,678</u>	<u>\$ 1,718,644</u>

### NOTE 3 - FAIR VALUE MEASUREMENTS:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 3 - FAIR VALUE MEASUREMENTS:** (Continued)

The County has the following recurring fair value measurements as of June 30, 2022:

<u>Investment</u>	<u>June 30, 2022</u>	<u>Fair Value Measurement Using Quoted Prices in Active Markets For Identical Assets (Level 1)</u>
U.S. Treasuries	\$ 8,081,317	\$ 8,081,317
Corporate Bonds	443,822	443,822
Total	<u>\$ 8,525,139</u>	<u>\$ 8,525,139</u>

**NOTE 4 - PROPERTY TAXES:**

Real property taxes are assessed on property values as of January 1, and attach as an enforceable lien on property as of the date levied by the Board of Supervisors. Personal property taxes are assessed on a prorated basis for the period the property is located in the County and also attach as an enforceable lien on the property.

Real estate and personal property taxes are due on December 5.

A ten percent penalty is levied on all taxes not collected on or before their due date. An interest charge of ten percent per annum is also levied on such taxes beginning on their due date.

Property taxes for calendar year 2021 were levied by the County Board of Supervisors on May 1, 2021, on the assessed value listed as of January 1, 2021.

Property taxes levied in the prior year have been recorded as receivables as of the date the County has the legal right to receive payments thereon. The receivables collected during the fiscal year and during the first 45 days of the succeeding fiscal year are recognized as revenues in the current fiscal year.

Taxes receivable as of the end of the year (June 30) and not collected until the succeeding year are reported as unavailable revenues.

**COUNTY OF WESTMORELAND, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 4 - PROPERTY TAXES: (Continued)**

On April 18, 2000 the County adopted a resolution which established a separate tax district to pay all or any portion of the County's expenditures for operating the Westmoreland County school division. This resulted in two separate sets of tax rates. One set of rates for taxpayers residing in the area of the Town of Colonial Beach, and a different set of rates for those residing in the remainder of the County. For calendar year 2021 the rates per \$100 of assessed value were as follows:

	<u>Colonial Beach</u>	<u>Placid Bay Sanitary District</u>	<u>All Other</u>
Real Estate	0.47	0.07	0.76
Personal Property	2.06	N/A	3.75
Machinery and Tools	N/A	N/A	2.00
Merchants Capital	0.24	N/A	0.96

In addition to the aforementioned property taxes the County assesses a road user fee of \$200 per lot for lots in the Placid Bay Sanitary District pursuant to Code of Virginia section 21-119 and a recreational fee of \$200 per lot for lots in the Glebe Harbor-Cabin Point Sanitary District pursuant to Code of Virginia section 21-118.4.

**NOTE 5 - RECEIVABLES:**

Accounts Receivable:

Receivables at June 30, 2022 consist of the following:

	<u>Primary Government Governmental Activities</u>	<u>Business- type Activities</u>	<u>Component Unit School Board</u>
	<u>General</u>		
Property taxes	\$ 1,899,049	\$ -	\$ -
Utility taxes	33,770	-	-
Water and sewer charges	-	340,100	-
Other	436,148	-	12,546
Total	\$ 2,368,967	\$ 340,100	\$ 12,546
Allowance for uncollectibles	(436,758)	(132,209)	-
Net receivables	\$ 1,932,209	\$ 207,891	\$ 12,546

Leases Receivable:

The County has various leases related to telecommunications equipment at discount rates of 3.00%. Payments on the leases run through 2024. Leases receivable at June 30, 2022 totaled \$165,958 with corresponding deferred inflows of resources totaling \$163,936. Lease revenue totaled \$65,574 for the year ended June 30, 2022. Lease interest revenue totaled \$5,435 for the year ended June 30, 2022.

**COUNTY OF WESTMORELAND, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 6 - DUE FROM OTHER GOVERNMENTAL UNITS:**

At June 30, 2022:

	<u>Governmental Activities</u>	<u>Component Unit</u>
	<u>General</u>	<u>School Board</u>
<b>Commonwealth of Virginia:</b>		
Local sales taxes	\$ 316,754	\$ -
Communication taxes	72,745	-
State sales taxes	-	551,178
Social Services	65,197	-
Comprehensive Services Act	242,424	-
Shared expenses and grants	155,931	-
Other	204,245	11,282
Federal pass-through school funds	-	1,754,389
	<u>                    </u>	<u>                    </u>
Total	\$ <u>1,057,296</u>	\$ <u>2,316,849</u>

**NOTE 7 - INTERFUND BALANCES AND TRANSFERS:**

**Primary Government:**

Transfers To/From Other Funds:

Transfers to the General Fund from the capital projects fund	\$ <u>11,128</u>
Total transfers	\$ <u>11,128</u>
Reconciliation of transfers:	
Transfers out - governmental funds	\$ <u>11,128</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General funds in accordance with budgeting authorization.

As of June 30, 2022, \$1,030,174 was due from the School Board to the County.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 8 - DUE TO OTHER GOVERNMENTAL UNITS:**

At June 30, 2022:

	<u>Governmental Activities General</u>	<u>Component Unit School Board</u>
<b>Town of Colonial Beach:</b>		
Sales tax	\$ 76,674	\$ 133,275
<b>Town of Montross:</b>		
Sales tax	<u>6,177</u>	<u>-</u>
Total	<u>\$ 82,851</u>	<u>\$ 133,275</u>

**NOTE 9 - CAPITAL ASSETS:**

The following is a summary of the changes in capital assets for the year:

**Primary Government:**

	<u>Balance July 1, 2021 As restated</u>	<u>GASB 87 Implementation</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,348,318	\$ -	\$ -	\$ -	\$ 2,348,318
Construction in Progress	<u>39,705,334</u>	<u>-</u>	<u>17,101,410</u>	<u>415,000</u>	<u>56,391,744</u>
Total capital assets not being depreciated	<u>\$ 42,053,652</u>	<u>\$ -</u>	<u>\$ 17,101,410</u>	<u>\$ 415,000</u>	<u>\$ 58,740,062</u>
Other capital assets:					
Buildings and improvements	\$ 22,135,719	\$ -	\$ 505,647	\$ 16,068	\$ 22,625,298
Machinery, equipment and vehicles	8,467,787	-	951,545	155,678	9,263,654
Leased equipment	-	12,837	14,406	-	27,243
Jointly owned assets	<u>710,000</u>	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>595,000</u>
Total other capital assets	<u>\$ 31,313,506</u>	<u>\$ 12,837</u>	<u>\$ 1,471,598</u>	<u>\$ 286,746</u>	<u>\$ 32,511,195</u>
Accumulated depreciation:					
Buildings and improvements	\$ 7,881,226	\$ -	\$ 555,743	\$ 16,068	\$ 8,420,901
Machinery, equipment and vehicles	3,747,978	-	1,064,501	133,978	4,678,501
Leased equipment	-	-	4,715	0	4,715
Jointly owned assets	<u>286,028</u>	<u>-</u>	<u>29,750</u>	<u>52,750</u>	<u>263,028</u>
Total accumulated depreciation	<u>\$ 11,915,232</u>	<u>\$ -</u>	<u>\$ 1,654,709</u>	<u>\$ 202,796</u>	<u>\$ 13,367,145</u>
Other capital assets, net	<u>\$ 19,398,274</u>	<u>\$ 12,837</u>	<u>\$ (183,111)</u>	<u>\$ 83,950</u>	<u>\$ 19,144,050</u>
Net capital assets	<u>\$ 61,451,926</u>	<u>\$ 12,837</u>	<u>\$ 16,918,299</u>	<u>\$ 498,950</u>	<u>\$ 77,884,112</u>
Depreciation is allocated to:					
General government administration			\$ 446,810		
Judicial administration			5,102		
Public safety			759,138		
Health and welfare			1,029		
Education			29,750		
Public works			311,446		
Parks and recreation			98,555		
Community Development			<u>2,879</u>		
Total governmental activities			<u>\$ 1,654,709</u>		

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 9 - CAPITAL ASSETS: (Continued)**

**Primary Government: (Continued)**

	Balance July 1, 2021 <u>As restated</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2022
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 517,677	\$ 414,902	\$ -	\$ 932,579
Total capital assets not being depreciated	<u>\$ 517,677</u>	<u>\$ 414,902</u>	<u>\$ -</u>	<u>\$ 932,579</u>
Other capital assets:				
Buildings and systems	\$ 39,109,385	\$ -	\$ -	\$ 39,109,385
Intangible assets	1,209,113	-	-	1,209,113
Machinery and equipment	<u>298,739</u>	<u>56,214</u>	<u>-</u>	<u>354,953</u>
Total other capital assets	<u>\$ 40,617,237</u>	<u>\$ 56,214</u>	<u>\$ -</u>	<u>\$ 40,673,451</u>
Accumulated depreciation:				
Buildings and systems	\$ 9,990,129	\$ 936,170	\$ -	\$ 10,926,299
Intangible assets	407,020	36,586	-	443,606
Machinery and equipment	<u>238,505</u>	<u>31,842</u>	<u>-</u>	<u>270,347</u>
Total accumulated depreciation	<u>\$ 10,635,654</u>	<u>\$ 1,004,598</u>	<u>\$ -</u>	<u>\$ 11,640,252</u>
Other capital assets, net	<u>\$ 29,981,583</u>	<u>\$ (948,384)</u>	<u>\$ -</u>	<u>\$ 29,033,199</u>
Net capital assets	<u>\$ 30,499,260</u>	<u>\$ (533,482)</u>	<u>\$ -</u>	<u>\$ 29,965,778</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 9 - CAPITAL ASSETS: (Continued)**

Component Unit-School Board:

	Balance July 1, 2021	GASB 87 Implementation	Increases	Decreases	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 258,916	\$ -	\$ -	\$ -	\$ 258,916
Construction in Progress	3,726,338	-	3,515,833	-	7,242,171
Total capital assets not being depreciated	\$ 3,985,254	\$ -	\$ 3,515,833	\$ -	\$ 7,501,087
Other capital assets:					
Buildings	\$ 18,873,857	\$ -	\$ 115,000	\$ -	\$ 18,988,857
Machinery, equipment and vehicles	6,389,264	-	590,130	-	6,979,394
Leased equipment	-	93,387	16,763	-	110,150
Total other capital assets	\$ 25,263,121	\$ 93,387	\$ 721,893	\$ -	\$ 26,078,401
Accumulated depreciation:					
Buildings	\$ 13,860,853	\$ -	\$ 575,018	\$ -	\$ 14,435,871
Machinery, equipment and vehicles	4,496,400	-	202,394	-	4,698,794
Leased equipment	-	-	25,189	-	25,189
Total accumulated depreciation	\$ 18,357,253	\$ -	\$ 802,601	\$ -	\$ 19,159,854
Other capital assets, net	\$ 6,905,868	\$ 93,387	\$ (80,708)	\$ -	\$ 6,918,547
Net capital assets	\$ 10,891,122	\$ 93,387	\$ 3,435,125	\$ -	\$ 14,419,634
Depreciation is allocated to education			\$ 802,601		
Depreciation expense			\$ 749,851		
Transfer of accumulated depreciation on jointly owned assets			52,750		
Total increases in accumulated depreciation above			\$ 802,601		

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments on-behalf of school boards was reported in the school board's discrete column along with the related capital assets. Under the law, local governments have a tenancy in common with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the School Board of Westmoreland, Virginia for the year ended June 30, 2022 is that school financed assets in the amount of \$595,000 are reported in the Primary Government for financial reporting purposes. In addition, \$47,083,283 of construction in progress in the Primary Government is related to Joint Tenancy.

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### **NOTE 10 - PENSION PLAN:**

#### ***Plan Description***

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan 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.

#### ***Benefit Structures***

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.



**COUNTY OF WESTMORELAND, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 10 - PENSION PLAN: (Continued)**

***Average Final Compensation and Service Retirement Multiplier***

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee’s average final compensation multiplied by the employee’s total service credit. Under Plan 1, average final compensation is the average of the employee’s 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

***Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits***

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

***Employees Covered by Benefit Terms***

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

	<b>Primary Government</b>	<b>Component Unit School Board (Nonprofessional)</b>
Inactive members or their beneficiaries currently receiving benefits	97	59
Inactive members:		
Vested inactive members	15	7
Non-vested inactive members	31	12
Inactive members active elsewhere in VRS	<u>68</u>	<u>4</u>
Total inactive members	114	23
Active members	<u>139</u>	<u>32</u>
Total covered employees	<u><u>350</u></u>	<u><u>114</u></u>

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### **NOTE 10 - PENSION PLAN: (Continued)**

#### ***Contributions***

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

The County's contractually required contribution rate for the year ended June 30, 2022 was 10.42% 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 County were \$810,017 and \$724,088 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022 was 13.90% 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 Component Unit School Board's nonprofessional employees were \$97,209 and \$96,164 for the years ended June 30, 2021 and June 30, 2020, respectively.

#### ***Net Pension Liability***

The net pension asset/liability (NPL) is calculated separately for each employer and represents that particular employer's total pension asset/liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension asset/liabilities were measured as of June 30, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 10 - PENSION PLAN: (Continued)**

***Actuarial Assumptions - General Employees***

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

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

**Mortality rates:**

All Others (Non 10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related  
Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 10 - PENSION PLAN: (Continued)**

***Actuarial Assumptions - General Employees: (Continued)***

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

**Largest 10 - Non-Hazardous Duty:**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

***Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits***

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 10 - PENSION PLAN: (Continued)**

***Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)***

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 10 - 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>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>4.89%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

\*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

\*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 10 - PENSION PLAN: (Continued)**

**Discount Rate (Continued)**

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; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, participating employers and school divisions 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**

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 29,704,482	\$ 25,389,574	\$ 4,314,908
Changes for the year:			
Service cost	\$ 800,714	\$ -	\$ 800,714
Interest	1,952,574	-	1,952,574
Changes of assumptions	1,043,354	-	1,043,354
Differences between expected and actual experience	(1,224,195)	-	(1,224,195)
Contributions - employer	-	724,095	(724,095)
Contributions - employee	-	348,574	(348,574)
Net investment income	-	6,943,397	(6,943,397)
Benefit payments, including refunds of employee contributions	(1,554,919)	(1,554,919)	-
Administrative expenses	-	(17,302)	17,302
Other changes	-	653	(653)
Net changes	\$ 1,017,528	\$ 6,444,498	\$ (5,426,970)
Balances at June 30, 2021	\$ 30,722,010	\$ 31,834,072	\$ (1,112,062)

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 10 - PENSION PLAN: (Continued)**

*Changes in Net Pension Liability*

	<b>Component School Board (nonprofessional)</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2020	\$ 4,875,454	\$ 3,959,255	\$ 916,199
Changes for the year:			
Service cost	\$ 74,931	\$ -	\$ 74,931
Interest	319,169	-	319,169
Changes of assumptions	130,745	-	130,745
Differences between expected and actual experience	77,360	-	77,360
Contributions - employer	-	96,163	(96,163)
Contributions - employee	-	34,465	(34,465)
Net investment income	-	1,066,469	(1,066,469)
Benefit payments, including refunds of employee contributions	(294,063)	(294,063)	-
Administrative expenses	-	(2,741)	2,741
Other changes	-	100	(100)
Net changes	\$ 308,142	\$ 900,393	\$ (592,251)
Balances at June 30, 2021	\$ 5,183,596	\$ 4,859,648	\$ 323,948

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

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

	<b>Rate</b>		
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
County Net Pension Liability (Asset)	\$ 2,766,137	\$ (1,112,062)	\$ (4,326,407)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 847,806	\$ 323,948	\$ (121,436)



COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 10 - PENSION PLAN: (Continued)**

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

For the year ended June 30, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$154,887, and \$91,114, respectively. At June 30, 2022, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,822	\$ 826,729	\$ 25,787	\$ -
Change of assumptions	745,638	-	43,582	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	33,675	33,675	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,463,923	-	526,751
Employer contributions subsequent to the measurement date	<u>810,017</u>	<u>-</u>	<u>97,209</u>	<u>-</u>
Total	<u>\$ 1,807,152</u>	<u>\$ 4,324,327</u>	<u>\$ 166,578</u>	<u>\$ 526,751</u>

\$810,017 and \$97,209 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

**COUNTY OF WESTMORELAND, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 10 - PENSION PLAN: (Continued)**

<u>Year ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
2023	\$ (626,145)	\$ (53,905)
2024	(840,518)	(119,863)
2025	(811,242)	(122,650)
2026	(1,049,287)	(160,964)
2027	-	-
Thereafter	-	-

***Pension Plan Data***

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

**Component Unit School Board (professional)**

***Plan Description***

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

***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 employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,635,619 and \$1,613,270 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 10 - PENSION PLAN: (Continued)**

**Component Unit School Board (professional) (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 \$8,852,260 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was .11403% as compared to .11600% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of \$106,087. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 753,982
Change of assumptions	1,550,893	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	349,044	715,803
Net difference between projected and actual earnings on pension plan investments	-	5,578,457
Employer contributions subsequent to the measurement date	<u>1,635,619</u>	<u>-</u>
Total	<u>\$ 3,535,556</u>	<u>\$ 7,048,242</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 10 - PENSION PLAN: (Continued)**

**Component Unit School Board (professional) (Continued)**

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

\$1,635,619 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2023	\$ (1,201,525)
2024	(1,170,722)
2025	(1,172,802)
2026	(1,604,242)
2027	986
Thereafter	-

***Actuarial Assumptions***

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

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 10 - PENSION PLAN: (Continued)**

**Component Unit School Board (professional) (Continued)**

***Actuarial Assumptions: (Continued)***

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 10 - PENSION PLAN: (Continued)**

**Component Unit School Board (Professional) (Continued)**

***Net Pension Liability***

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

		<b>Teacher Employee Retirement Plan</b>
Total Pension Liability	\$	53,381,141
Plan Fiduciary Net Position		45,617,878
Employers' Net Pension Liability (Asset)	\$	7,763,263
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		
		85.46%

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.

The long-term expected rate of return and discount rate information previously described also apply to this plan.

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

	<b>Rate</b>		
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 17,084,382	\$ 8,852,260	\$ 2,080,239



COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 12 - LONG TERM OBLIGATIONS:**

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2022:

	Balance July 1, 2021	GASB 87 Implementation	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2022
Long-term obligations from governmental activities:					
Direct borrowings and direct placements:					
Lease revenue bonds	\$ 8,084,499	\$ -	\$ 51,177,785	\$ 7,807,105	\$ 51,455,179
Revenue anticipation note	46,910,000	-	-	46,910,000	-
General obligation bonds:					
School	710,000	-	-	115,000	595,000
Other liabilities:					
Bond premium	166,844	-	430,915	166,844	430,915
Notes payable	5,008,000	-	-	558,000	4,450,000
Lease liabilities	-	12,837	14,406	4,585	22,658
Net OPEB liability	963,101	-	260,810	392,214	831,697
Net pension liability	4,185,461	-	3,780,815	7,966,276	-
Compensated absences	689,921	-	-	135,875	554,046
Total from governmental activities	<u>\$ 66,717,826</u>	<u>\$ 12,837</u>	<u>\$ 55,664,731</u>	<u>\$ 64,055,899</u>	<u>\$ 58,339,495</u>
Long-term obligations from business-type activities:					
Direct borrowings and direct placements:					
Virginia Resources Authority lease revenue bonds	\$ 12,740,016	\$ -	\$ -	\$ 7,587,446	\$ 5,152,570
Public Facility revenue refunding bonds	-	-	6,900,000	-	6,900,000
Treatment plant upgrade agreement	54,235	-	-	6,318	47,917
Other liabilities:					
Bond premium	-	-	745,365	-	745,365
Net OPEB liability	29,785	-	8,066	12,128	25,723
Net pension liability	129,447	-	76,278	205,725	-
Compensated absences	24,394	-	-	9,265	15,129
Total from business-type activities	<u>\$ 12,977,877</u>	<u>\$ -</u>	<u>\$ 7,729,709</u>	<u>\$ 7,820,882</u>	<u>\$ 12,886,704</u>
Long-term obligations from component unit:					
Other liabilities:					
Energy performance contract	\$ 400,117	\$ -	\$ -	\$ 195,881	\$ 204,236
Lease liabilities	-	93,387	16,763	25,189	84,961
Net OPEB liability	3,278,632	-	764,073	1,111,811	2,930,894
Net pension liability	17,801,611	-	4,360,745	12,986,148	9,176,208
Compensated absences	269,989	-	-	69,659	200,330
Total from component unit	<u>\$ 21,750,349</u>	<u>\$ 93,387</u>	<u>\$ 5,141,581</u>	<u>\$ 14,388,688</u>	<u>\$ 12,596,629</u>
Total long-term obligations	<u>\$ 101,446,052</u>	<u>\$ 106,224</u>	<u>\$ 68,536,021</u>	<u>\$ 86,265,469</u>	<u>\$ 83,822,828</u>
Reconciliation to Exhibit 1:					
Primary Government					
Long-term liabilities due within one year					\$ 1,348,985
Long-term liabilities due in more than one year					69,877,214
Component Unit					
Long-term liabilities due within one year					251,319
Long-term liabilities due in more than one year					12,345,310
Total long-term obligations					<u>\$ 83,822,828</u>



COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 12 - LONG TERM OBLIGATIONS: (Continued)**

Annual requirements to amortize all long-term obligations and related interest are as follows:

Year Ending June 30,	Direct Borrowings and Direct Placements		Notes Payable		Lease Liabilities		Bond Premium	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 672,305	\$ 1,607,583	\$ 775,236	\$ 105,486	\$ 35,251	\$ 1,479	\$ 40,561	\$ -
2024	691,192	1,585,197	582,000	87,207	35,741	883	40,561	-
2025	1,591,116	1,544,233	594,000	75,149	31,828	282	40,561	-
2026	1,628,752	1,500,973	607,000	62,822	3,383	20	40,561	-
2027	1,603,373	1,457,085	505,000	50,199	1,416	2	40,561	-
2028-2032	8,109,213	6,057,444	1,591,000	76,832	-	-	202,805	-
2033-2037	9,276,062	4,844,797	-	-	-	-	202,805	-
2038-2042	10,131,744	3,790,068	-	-	-	-	202,805	-
2043-2047	9,482,455	2,738,857	-	-	-	-	202,805	-
2048-2052	9,537,137	1,709,109	-	-	-	-	162,255	-
2053-2057	8,716,179	754,688	-	-	-	-	-	-
2058-2059	2,711,139	47,173	-	-	-	-	-	-
Total	\$ 64,150,666	\$ 27,637,206	\$ 4,654,236	\$ 457,694	\$ 107,619	\$ 2,666	\$ 1,176,280	\$ -

Note: The above includes all long-term bonds, capital leases, treatment plant upgrade agreement, and early retirement incentive obligation. Compensated absences, Net OPEB obligation and pension liability are not included.

**Details of Long-Term Obligations:**

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<b><u>Governmental Activities:</u></b>		
<b><u>Lease Revenue Bonds:</u></b>		
\$46,500,000 lease revenue bonds, interest payable on Decemeber 20, 2022 and 2023 and payable in monthly installments of \$148,800 due beginning January 20, 2024 through 2059, interest payable at 2.125%.	\$ 43,672,785	\$ -
\$7,505,000 public facility revenue refunding bonds, payable in nnaul installments ranging from \$117,738 to \$369,53 beginning November 2022, variable interest payable at 2.125% to 5.00%.	7,505,000	145,000
\$530,000 lease revenue bonds, payable in various annual installments ranging from \$60,952 to \$71,801, due on July 15 through 2025, interest payable sem-annually at 2.34%.	<u>277,394</u>	<u>66,933</u>
Total lease revenue bonds	<u>\$ 51,455,179</u>	<u>\$ 211,933</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 12 - LONG TERM OBLIGATIONS: (Continued)**

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<b><u>Governmental Activities: (Continued)</u></b>		
<u>Notes payable:</u>		
The County purchased Baseball field lighting. Title to the equipment passes to the entity upon completion of payment of the minimum lease payments. The lease is due in annual installments ranging from \$109,000 to \$113,000 on January 15 through 2026, interest payable semi-annually at .70%.	\$ 447,000	\$ 111,000
The County purchased radio equipment. Title to the equipment passes to the entity upon completion of payment of the minimum lease payments. The lease is due in annual installments ranging from \$419,000 to \$543,000 on January 15 through 2030, interest payable semi-annually at 2.395%.	<u>4,003,000</u>	<u>460,000</u>
Total Notes payable	\$ <u>4,450,000</u>	\$ <u>571,000</u>
<u>Unamortized Bond Premium</u>	\$ <u>430,915</u>	\$ <u>14,859</u>
<u>General Obligation Bonds:</u>		
\$1,975,000 general obligation school bonds, payable in annual principal installments of \$115,000, due on June 1 through 2027, interest payable semi-annually at 5.31%.	\$ <u>595,000</u>	\$ <u>115,000</u>
<u>Leases liabilities:</u>		
Various leases secured by equipment payable through 2026 at discount rates ranging from 1.69% to 0.61%	\$ <u>22,658</u>	\$ <u>8,201</u>
<u>Compensated absences (payable from general fund)</u>	\$ <u>554,046</u>	\$ <u>55,405</u>
<u>Net OPEB liability</u>	\$ <u>831,697</u>	\$ <u>-</u>
Total long-term obligations from governmental activities	<u>\$ 58,339,495</u>	<u>\$ 976,398</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

NOTE 12 - LONG TERM OBLIGATIONS: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Business-type Activities:</u>		
<u>Lease Revenue Bonds:</u>		
 \$1,500,000 revenue bonds, payable in 454 monthly installments of \$5,010 beginning on February 5, 2012, interest payable at 2.375% per year. Interest only due on January 5, 2011 and January 5, 2012.	\$ 1,210,835	\$ 31,707
 \$6,900,000 public facility revenue refunding bonds, payable in annual installments ranging from \$145,000 to \$365,000 beginning November 2022, variable interest payable at 2.125% to 5.00%.	6,900,000	220,000
 \$4,308,600 revenue bonds, payable in 456 monthly installments of \$12,969 beginning on June 26, 2018, interest payable at 1.75% per year. Interest only due on May 26, 2017 and May 26, 2018. As of June 30, 2017 proceeds in the amount of \$3,433,178 have been drawn.	<u>3,941,735</u>	<u>87,346</u>
Total Lease Revenue bonds	\$ <u>12,052,570</u>	\$ <u>339,053</u>
 Treatment plant upgrade agreement with the Town of Colonial Beach payable in monthly installments of \$526. Interest payable at 0.00% per year.	\$ <u>47,917</u>	\$ <u>6,319</u>
<u>Unamortized Bond Premium</u>	\$ <u>745,365</u>	\$ <u>25,702</u>
<u>Net OPEB liability (payable from water and sewer funds)</u>	\$ <u>25,723</u>	\$ <u>-</u>
<u>Compensated absences (payable from water and sewer funds)</u>	\$ <u>15,129</u>	\$ <u>1,513</u>
Total long-term obligations from business-type activities	\$ <u><u>12,886,704</u></u>	\$ <u><u>372,587</u></u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 12 - LONG TERM OBLIGATIONS: (Continued)**

**Details of Long-Term Obligations: (Continued)**

**Component Unit:**

Energy performance contract:

The School Board purchased energy savings equipment. Title to the equipment passes to the entity upon completion of payment of the minimum payments. There are no restrictions imposed by the agreements.

\$ 204,236    \$ 204,236

Compensated absences (payable from school fund)

\$ 200,330    \$ 20,033

Leases liabilities:

Various leases secured by equipment payable through 2026 at discount rates ranging from 1.69% to 0.61%

\$ 84,961    \$ 27,050

Net Pension Liability

\$ 9,176,208    \$ -

Net OPEB Liability

\$ 2,930,894    \$ -

Total long-term obligations from component unit

\$ 12,596,629    \$ 251,319

Total long-term obligations

\$ 83,822,828    \$ 1,600,304

**COUNTY OF WESTMORELAND, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 13 - UNEARNED AND DEFERRED/UNAVAILABLE REVENUE:**

At June 30, 2022:

	<u>Government-wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
<b>Primary Government:</b>		
Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ -	\$ 1,169,148
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	126,822	126,822
Unearned revenues - American Rescue Plan funds	<u>2,889,171</u>	<u>2,889,171</u>
Total	<u>\$ 3,015,993</u>	<u>\$ 4,185,141</u>

**NOTE 14 - COMMITMENTS AND CONTINGENCIES:**

Federal Programs

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, would be immaterial.

As of June 30, 2022, the County had outstanding construction commitments in the amount of \$6,150,212.

**NOTE 15 - LITIGATION:**

The County has been named as defendant in various matters. It is not known what liability, if any, the County faces.

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### **NOTE 16 - LANDFILL CLOSURE AND POST CLOSURE CARE COST:**

The County closed its landfill prior to the date mandated by state and federal laws and regulations; thereby, reducing the liability period for post closure monitoring to ten years subsequent to closure. There was no landfill closure and post closure liability necessary at June 30, 2022 for estimated liability for post closure monitoring. These amounts are based on what it would cost to perform all closure and post closure care in 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has demonstrated financial assurance requirements for closure and postclosure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

### **NOTE 17 - RISK MANAGEMENT:**

The County and Component Unit School Board are exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County and School Board participate with other localities in a public entity risk pool for their coverage of worker's compensation with Virginia Municipal League and public official's liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County and School Board pay an annual premium to the pools for its general insurance through member premiums and continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### **NOTE 18 - SURETY BOND INFORMATION:**

	<u>Amount</u>
Commonwealth of Virginia, Department of General Services, Division of Risk Management-Surety	
Anne B. Garner, Clerk of the Circuit Court	\$ 103,000
Sue Jones, Treasurer	400,000
William K. Hoover, Commissioner of the Revenue	3,000
Norman Risavi, County Administrator	2,000
C.O. Balderson, Sheriff	30,000
Constitutional Officers, their employees and agents	500,000
Department of Social Service Employees - Blanket Bond	100,000
W.W. Hynson - Surety	
Dorothy Tate, Supervisor	1,000
Dorothy Tate- Surety	
Russ Culver, Supervisor	1,000
Darryl E. Fisher - Surety	
Timothy J. Trivett, Supervisor	1,000
Timothy J. Trivett - Surety	
Darryl E. Fisher, Supervisor	1,000
Russ Culver - Surety	
W.W. Hynson, Supervisor	1,000
VSBA Property and Casualty Pool	
Tina Withers, Clerk School Board	10,000
Peerless Insurance Company - Surety	
Dr. Michael Perry, Superintendent of Schools	25,000

**NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):**

***Plan Description***

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. 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 Plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI Plan OPEB, including eligibility, coverage and benefits is described below:

***Eligible Employees***

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the Plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### **NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)**

#### ***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% 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 payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$44,874 and \$39,968 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to School Professional Plan were \$55,572 and \$54,769 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to the School Nonprofessional Plan were \$3,831 and \$3,908 for the years ended June 30, 2022 and June 30, 2021, respectively.

#### ***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB***

At June 30, 2022, the County, School Board (Professional) and School Board (Nonprofessional) reported a liabilities of \$417,391, \$571,890, and \$40,866, for their proportionate share of the Net GLI OPEB Liability, respectively. The Net GLI OPEB Liability was measured as of June 30, 2021, and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, County, School Board (Professional) and School Board (Nonprofessional)'s proportion were .03580%, .04910% and .00350% respectively, as compared to .03408%, .05011% and .00350% at June 30, 2020.

For the year ended June 30, 2022, the County, School Board (Professional) and School Board (Nonprofessional) recognized GLI OPEB expense of \$35,689, \$24,990, and \$546 respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.



COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)**

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (continued)***

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

	Primary Government		School Professional		School Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,605	\$ 3,180	\$ 65,226	\$ 4,357	\$ 4,661	\$ 311
Net difference between projected and actual earnings on GLI OPEB program investments	-	99,622	-	136,498	-	9,754
Change in assumptions	23,011	57,108	31,528	78,247	2,253	5,591
Changes in proportion	51,280	-	29,605	42,431	123	3,281
Employer contributions subsequent to the measurement date	44,874	-	55,572	-	3,831	-
Total	<u>\$ 166,770</u>	<u>\$ 159,910</u>	<u>\$ 181,931</u>	<u>\$ 261,533</u>	<u>\$ 10,868</u>	<u>\$ 18,937</u>

\$44,874, \$55,572, and \$3,831 reported as deferred outflows of resources related to the GLI OPEB resulting from the respective County, School Board (Professional) and School Board (Nonprofessional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>School Professional</u>	<u>School Nonprofessional</u>
2023	\$ (1,973)	\$ (26,613)	\$ (3,142)
2024	(3,026)	(26,447)	(2,688)
2025	(7,820)	(29,028)	(2,320)
2026	(24,098)	(43,476)	(3,197)
2027	(1,097)	(9,610)	(553)
Thereafter	-	-	-

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)**

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

**Mortality Rates - Teachers**

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)**

***Actuarial Assumptions: (Continued)***

**Mortality Rates - Teachers (Continued)**

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)**

***Actuarial Assumptions: (Continued)***

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)**

**Actuarial Assumptions: (Continued)**

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees: (Continued)**

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the Plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

	<b>Group Life Insurance OPEB Program</b>
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

The total GLI OPEB 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 GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on the System’s 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 System’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

\*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**NOTE 19—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)**

***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

***Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate***

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of the Group Life Insurance Program Net OPEB Liability:			
Primary Government	\$ 609,824	\$ 417,391	\$ 261,993
School Professional	835,552	571,890	358,971
School Nonprofessional	59,706	40,866	25,651

***GLI Plan Fiduciary Net Position***

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

**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):**

***Plan Description***

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. 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 HIC 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.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

***Eligible Employees***

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

***Benefit Amounts***

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Plan (VLDP), the monthly benefit is \$45.00 per month.

***HIC Plan Notes***

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.



COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB 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 HIC OPEB plan:

	<u>Primary Government</u>	<u>School Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	9	25
Inactive members:		
Vested inactive members	1	-
Non-vested inactive members	-	-
Inactive members active elsewhere in VRS	-	-
Total inactive members	<u>10</u>	<u>25</u>
Active members	57	32
Total covered employees	<u><u>67</u></u>	<u><u>57</u></u>

***Contributions***

The contribution requirements for active employees is governed by §51.1-1402(E) 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. The County and School Board (Nonprofessional) contractually required employer contribution rates for the year ended June 30, 2022 were .22% and 1.36% of covered employee compensation, respectively. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate 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 from the County to the HIC Plan were \$7,808 and \$6,407 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions from the School Board (Nonprofessional) to the HIC Plan were \$9,650 and \$9,451 for the years ended June 30, 2022 and June 30, 2021, respectively.

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

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**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***Net HIC OPEB Liability***

The County and School Board (Nonprofessional)'s net HIC OPEB liabilities were measured as of June 30, 2021. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

***Actuarial Assumptions***

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

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**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***Actuarial Assumptions: (Continued)***

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***Actuarial Assumptions: (Continued)***

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on the System’s 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 System’s 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>Long-term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Stra	6.00%	3.29%	0.20%
PIP - Private Investement Part	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

\*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

**Discount Rate**

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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 ended June 30, 2021, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

**Changes in Net HIC OPEB Liability**

	Primary Government		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 68,616	\$ 28,470	\$ 40,146
Changes for the year:			
Service cost	\$ 2,361	\$ -	\$ 2,361
Interest	4,416	-	4,416
Benefit changes	-	-	-
Differences between expected and actual experience	14,598	-	14,598
Assumption changes	1,185	-	1,185
Contributions - employer	-	6,407	(6,407)
Net investment income	-	7,470	(7,470)
Benefit payments	(6,406)	(6,406)	-
Administrative expenses	-	(89)	89
Other changes	-	-	-
Net changes	\$ 16,154	\$ 7,382	\$ 8,772
Balances at June 30, 2021	\$ 84,770	\$ 35,852	\$ 48,918

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

*Changes in Net HIC OPEB Liability: (Continued)*

	School Nonprofessional		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 124,231	\$ -	\$ 124,231
Changes for the year:			
Service cost	\$ 1,044	\$ -	\$ 1,044
Interest	8,386	-	8,386
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	-
Assumption changes	5,464	-	5,464
Contributions - employer	-	9,541	(9,541)
Net investment income	-	1,392	(1,392)
Benefit payments	-	-	-
Administrative expenses	-	(43)	43
Other changes	-	-	-
Net changes	\$ 14,894	\$ 10,890	\$ 4,004
Balances at June 30, 2021	\$ 139,125	\$ 10,890	\$ 128,235

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

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

The following presents the County and School Board (Nonprofessional) HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the net HIC OPEB 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Net HIC OPEB Liability			
Primary Government	\$ 58,184	\$ 48,918	\$ 41,030
School Nonprofessional	140,555	128,235	117,539

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

For the year ended June 30, 2022, the County and School Board (Nonprofessional) recognized HIC Plan OPEB expense of \$6,918 and \$10,741, respectively. At June 30, 2022, the County and School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the HIC Plan from the following sources:

	Primary Government		School Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,261	\$ 215	\$ -	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	-	3,621	-	857
Change in assumptions	1,777	351	3,661	-
Employer contributions subsequent to the measurement date	7,808	-	9,650	-
Total	\$ 22,846	\$ 4,187	\$ 13,311	\$ 857



COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

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**NOTE 20—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB: (Continued)***

\$7,808 and \$9,650 reported by the County and School Board (Nonprofessional), respectively, as deferred outflows of resources related to the HIC OPEB resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>School Nonprofessional</u>
2023	\$ 2,122	\$ 1,589
2024	2,478	1,589
2025	2,529	(159)
2026	1,909	(215)
2027	1,813	-
Thereafter	-	-

***HIC Plan Data***

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

**NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):**

***Plan Description***

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. 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 HIC 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.

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits is described below:

***Eligible Employees***

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Plan (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

***HIC Plan Notes***

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

**NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) 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. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate 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 from the school division to the VRS Teacher Employee HIC Plan were \$124,523 and \$122,671 for the years ended June 30, 2022 and June 30, 2021, respectively.

***Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB***

At June 30, 2022, the school division reported a liability of \$1,471,335 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC was .11463% as compared to .11763% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$117,599. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

**NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

*Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB: (Continued)*

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	-	\$ 25,675
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	19,382
Change in assumptions	39,773	5,913
Change in proportion	72,876	102,135
Employer contributions subsequent to the measurement date	<u>124,523</u>	<u>-</u>
Total	<u>\$ 237,172</u>	<u>\$ 153,105</u>

\$124,523 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (4,031)
2024	(4,251)
2025	(9,127)
2026	(16,047)
2027	(3,537)
Thereafter	(3,463)

**NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***Actuarial Assumptions***

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.5%
Salary increases, including inflation	3.5%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

**Mortality Rates - Teachers**

Pre-Retirement:

Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

**NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

**Actuarial Assumptions: (Continued)**

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Net Teacher Employee HIC OPEB Liability**

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

	<b>Teacher Employee HIC OPEB Plan</b>
	<hr/>
Total Teacher Employee HIC OPEB Liability	\$ 1,477,874
Plan Fiduciary Net Position	194,305
Teacher Employee net HIC OPEB Liability (Asset)	<hr/> <b>\$ 1,283,569</b> <hr/>

Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	13.15%
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The total Teacher Employee HIC OPEB liability is calculated by the System’s actuary, and the plan’s fiduciary net position is reported in the System’s financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements  
June 30, 2022 (Continued)

**NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on the VRS 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 VRS System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

\*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

\*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution

**NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)**

***Discount Rate: (Continued)***

rate. From July 1, 2021 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB 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 Teacher Employee HIC OPEB liability.

***Sensitivity of the School Division’s Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate***

The follow presents the school division’s proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net HIC OPEB 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,656,338	\$ 1,471,355	\$ 1,314,816

***Teacher Employee HIC OPEB Fiduciary Net Position***

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



COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

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**NOTE 22— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB PLAN):**

***Plan Description***

In addition to the pension benefits described in Note 10, the County administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

***Benefits Provided***

Health benefits include medical, dental, and vision coverage for retirees and eligible spouses/dependents. Participants in the Plan must be eligible to retire through the Virginia Retirement System and attain either (1) the age of 50 with at least 10 years of service with the County, or (2) the age of 55 with at least 5 years of service with the County.

***Plan Membership***

At June 30, 2022 (measurement date), the following employees were covered by the benefit terms:

Active employees	\$	114
Retirees and surviving spouses		<u>2</u>
Total	\$	<u><u>116</u></u>

***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. This is determined annually as part of the budgetary process. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2022 was \$8,994.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

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**NOTE 22— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)**

***Total OPEB Liability***

The County's total OPEB liability was measured as of June 30, 2022.

***Actuarial Assumptions***

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Varies based on years of service
Discount Rate	3.54%
Investment Rate of Return	N/A

Mortality rates for pre-retirement employees were based on RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males setback 1 years and Females set back 3 year while mortality rates for healthy retirees were based on RP-2014 Combined Healthy Mortality tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year and mortality rates for disabled retirees were based on RP-2014 Disabled Life mortality tables projected to 2020 using Scale BB with Males at 115% of rates females at 130% of rates.

***Discount Rate***

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates. The final equivalent single discount rate used for this year's valuation is 3.54% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

**NOTE 22— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)**

*Changes in Total OPEB Liability*

<u>Changes in Net OPEB Liability - County</u>		<u>Primary Government Total OPEB Liability</u>
Balances at June 30, 2021	\$	384,001
Changes for the year:		
Service cost		62,119
Interest		9,539
Changes in assumptions		(55,554)
Benefit payments		(8,994)
Net changes		<u>7,110</u>
Balances at June 30, 2022	\$	<u><u>391,111</u></u>

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

<u>Rate</u>		
<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
\$ 430,532	\$ 391,111	\$ 355,895

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

**NOTE 22— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB 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, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.90% decreasing to an ultimate rate of 3.00%) or one percentage point higher (5.90% decreasing to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

		<b>Rates</b>	
		<b>Healthcare Cost</b>	
<u>1% Decrease</u>		<u>Trend</u>	<u>1% Increase</u>
\$	329,027	\$	391,111
		\$	467,047

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

For the year ended June 30, 2022, the County recognized OPEB expense in the amount of \$24,516. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 63,941
Changes in assumptions	9,410	83,392
Total	<u>\$ 9,410</u>	<u>\$ 147,333</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (45,570)
2024	(37,497)
2025	(30,476)
2026	(24,380)
2027	-
Thereafter	-

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

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**NOTE 23— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB PLAN) - SCHOOL BOARD:**

***Plan Description***

In addition to the pension benefits described in Note 10, the School Board administers a single-employer defined benefit healthcare plan. The School Board Post-Retirement Medical Plan is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. The plan is administered by the School Board. Retired employees, who have attained the age of 50, who were employed by Westmoreland County Public Schools with at least 10 years of service which have attained the age of 50 or have at least 5 years of service and have attained the age of 55 are eligible for retiree medical benefits. The plan has no separate financial report.

***Benefits Provided***

The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. This is determined annually as part of the budgetary process. The School Board contributes \$525.20 per month towards participants' premiums, and \$636.90 per month for retiree and spouse/dependent coverage, participating retirees pay the remainder of the monthly premiums. Surviving spouses are not allowed access to the plan.

***Plan Membership***

At June 30, 2022 (measurement date), the following employees were covered by the benefit terms:

Active	\$	229
Retirees and surviving spouses		2
Spouse of current retiree		1
		<hr/>
Total	\$	<u>232</u>

***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School for OPEB as the benefits came due during the year ended June 30, 2022 was \$28,680.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

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**NOTE 23— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB PLAN) - SCHOOL BOARD: (CONTINUED)**

***Total OPEB Liability***

The School Board’s total OPEB liability was measured as of June 30, 2022.

***Actuarial Assumptions***

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Ranges from 3.50% to 5.35% based on years of service
Discount Rate	3.54%

**Mortality Rates:**

- Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.
- Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.
- Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

**NOTE 23— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB PLAN) - SCHOOL BOARD: (CONTINUED)**

***Discount Rate***

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The final equivalent single discount rate used for this year’s valuation is 3.54% as of the end of the fiscal year with the expectation that the School Board will continue paying the pay-go cost.

***Changes in Total OPEB Liability***

<b>Changes in Net OPEB Liability - School Board</b>		<b>Primary Government Total OPEB Liability</b>
Balances at June 30, 2021	\$	725,235
Changes for the year:		
Service cost		65,990
Interest		16,782
Effect of plan changes		-
Effect of economic/demographic gains or losses		(152,897)
Effect of assumption changes		92,118
Benefit payments		(28,680)
Net changes		<u>(6,687)</u>
Balances at June 30, 2022	\$	<u><u>718,548</u></u>

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

<b>Rate</b>		
<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
\$ 772,890	\$ 718,548	\$ 667,114

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

**NOTE 23— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB PLAN) - SCHOOL BOARD: (CONTINUED)**

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (2.50% increasing to an ultimate rate of 3.20%) or one percentage point higher (4.50% increasing to an ultimate rate of 6.20%) than the current healthcare cost trend rates:

<b>Rates</b>		
<b>1% Decrease</b>	<b>Healthcare Cost Trend</b>	<b>1% Increase</b>
\$ 633,084	\$ 718,548	\$ 820,103

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

For the year ended June 30, 2022, the School Board recognized OPEB expense in the amount of \$58,721. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 170,976
Changes in assumptions	93,404	38,738
Total	<u>\$ 93,404</u>	<u>\$ 209,714</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<b>Year Ended June 30</b>	
2023	\$ (24,051)
2024	(24,151)
2025	(25,055)
2026	(19,789)
2027	(7,503)
Thereafter	(15,761)

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.



COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

**NOTE 23— HEALTH INSURANCE - PAY-AS-YOU-GO (OPEB PLAN) - SCHOOL BOARD: (CONTINUED)**

*Summary of Net OPEB Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:*

	Primary Government			
	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
County Pay-as-you-go (Note 22)	\$ 391,111	\$ 9,410	\$ 147,333	\$ 24,516
Group Life County - (Note 19)	417,391	166,770	159,910	35,689
County HIC Program (Note 20)	48,918	22,846	4,187	6,918
Total	<u>\$ 857,420</u>	<u>\$ 199,026</u>	<u>\$ 311,430</u>	<u>\$ 67,123</u>

  

	Component Unit School Board			
	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
School Pay-as-you-go (Note 23)	\$ 718,548	\$ 93,404	\$ 209,714	\$ 58,721
Group Life - School Professional (Note 19)	571,890	181,931	261,533	24,990
Group Life - School Nonprofessional (Note 19)	40,866	10,868	18,937	546
Nonprofessional HIC Program (Note 20)	128,235	13,311	857	10,741
Teacher HIC Program (Note 21)	1,471,355	237,172	153,105	117,599
Total	<u>\$ 2,930,894</u>	<u>\$ 536,686</u>	<u>\$ 644,146</u>	<u>\$ 212,597</u>

**NOTE 24— NEW ACCOUNTING STANDARDS:**

Statement No. 91, *Conduit Debt Obligations*, 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.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

## COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (continued)

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### **NOTE 24— NEW ACCOUNTING STANDARDS: (CONTINUED)**

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

### **NOTE 25— COVID-19:**

#### **ARPA Funding**

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments were to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

In June 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$2,889,171 from the initial allocation are reported as unearned revenue as of June 30.

#### **ESF Funding**

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added \$81.9 billion to the ESF. In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 24,036,223	\$ 24,326,811	\$ 24,613,839	\$ 287,028
Other local taxes	2,364,085	2,734,853	3,162,691	427,838
Permits, privilege fees, and regulatory licenses	276,500	361,885	584,053	222,168
Fines and forfeitures	165,000	201,169	308,569	107,400
Revenue from the use of money and property	318,081	318,097	19,342	(298,755)
Charges for services	74,478	74,478	90,109	15,631
Miscellaneous	86,000	410,670	483,073	72,403
Recovered costs	1,331,421	1,409,061	1,627,023	217,962
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	6,033,328	6,636,040	6,307,334	(328,706)
Federal	3,112,751	3,878,154	2,124,614	(1,753,540)
Total revenues	\$ 37,797,867	\$ 40,351,218	\$ 39,320,647	\$ (1,030,571)
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 3,309,552	\$ 3,826,730	\$ 3,526,852	\$ 299,878
Judicial administration	1,228,367	1,457,374	1,189,003	268,371
Public safety	9,652,427	11,352,039	10,227,285	1,124,754
Public works	3,211,597	4,132,014	4,046,803	85,211
Health and welfare	4,655,501	4,886,713	4,504,561	382,152
Education	9,256,785	9,731,295	9,731,295	-
Parks, recreation, and cultural	542,150	565,294	555,251	10,043
Community development	509,453	577,327	502,308	75,019
Nondepartmental	207,072	210,702	210,702	-
Capital projects	1,762,532	5,980,806	1,825,164	4,155,642
Debt service:				
Principal retirement	1,503,057	1,503,057	1,503,057	-
Interest and other fiscal charges	2,193,964	2,877,479	1,223,031	1,654,448
Total expenditures	\$ 38,032,457	\$ 47,100,830	\$ 39,045,312	\$ 8,055,518
Excess (deficiency) of revenues over (under) expenditures	\$ (234,590)	\$ (6,749,612)	\$ 275,335	\$ 7,024,947
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 11,128	\$ 11,128	\$ -
Issuance of revenue bonds	-	6,590,000	6,590,000	-
Issuance of leases	-	-	14,406	14,406
Bond premium	-	371,530	371,530	-
Payment to refunded bonds escrow agent	-	(6,754,235)	(6,754,235)	-
Total other financing sources (uses)	\$ -	\$ 218,423	\$ 232,829	\$ 14,406
Net change in fund balances	\$ (234,590)	\$ (6,531,189)	\$ 508,164	\$ 7,039,353
Fund balances - beginning	234,590	6,531,189	15,087,525	8,556,336
Fund balances - ending	\$ -	\$ -	\$ 15,595,689	\$ 15,595,689

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Primary Government  
 Pension Plans  
 For The Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 800,714	\$ 812,645	\$ 690,198	\$ 715,093	\$ 670,396	\$ 642,911	\$ 648,302	\$ 608,513
Interest	1,952,574	1,837,004	1,773,060	1,658,624	1,613,872	1,636,243	1,554,107	1,477,841
Differences between expected and actual experience	(1,224,195)	615,113	88,440	560,982	(366,157)	(1,497,135)	(78,724)	-
Changes in assumptions	1,043,354	-	765,175	-	5,897	-	-	-
Benefit payments	(1,554,919)	(1,550,299)	(1,312,558)	(1,287,255)	(1,282,127)	(921,085)	(979,525)	(1,014,156)
<b>Net change in total pension liability</b>	\$ 1,017,528	\$ 1,714,463	\$ 2,004,315	\$ 1,647,444	\$ 641,881	\$ (139,066)	\$ 1,144,160	\$ 1,072,198
<b>Total pension liability - beginning</b>	29,704,482	27,990,019	25,985,704	24,338,260	23,696,379	23,835,445	22,691,285	21,619,087
<b>Total pension liability - ending (a)</b>	\$ 30,722,010	\$ 29,704,482	\$ 27,990,019	\$ 25,985,704	\$ 24,338,260	\$ 23,696,379	\$ 23,835,445	\$ 22,691,285
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 724,095	\$ 620,679	\$ 588,834	\$ 603,624	\$ 586,693	\$ 672,423	\$ 633,577	\$ 667,482
Contributions - employee	348,574	332,040	312,664	298,340	289,810	252,601	244,702	248,749
Net investment income	6,943,397	487,915	1,624,057	1,699,333	2,530,844	364,286	907,326	2,710,890
Benefit payments	(1,554,919)	(1,550,299)	(1,312,558)	(1,287,255)	(1,282,127)	(921,085)	(979,525)	(1,014,156)
Administrator charges	(17,302)	(16,814)	(16,020)	(14,732)	(14,715)	(12,671)	(12,350)	(14,578)
Other	653	(572)	(1,019)	(1,510)	(2,250)	(153)	(193)	143
<b>Net change in plan fiduciary net position</b>	\$ 6,444,498	\$ (127,051)	\$ 1,195,958	\$ 1,297,800	\$ 2,108,255	\$ 355,401	\$ 793,537	\$ 2,598,530
<b>Plan fiduciary net position - beginning</b>	25,389,574	25,516,625	24,320,667	23,022,867	20,914,612	20,559,211	19,765,674	17,167,144
<b>Plan fiduciary net position - ending (b)</b>	\$ 31,834,072	\$ 25,389,574	\$ 25,516,625	\$ 24,320,667	\$ 23,022,867	\$ 20,914,612	\$ 20,559,211	\$ 19,765,674
<b>County's net pension liability (asset) - ending (a) - (b)</b>	\$ (1,112,062)	\$ 4,314,908	\$ 2,473,394	\$ 1,665,037	\$ 1,315,393	\$ 2,781,767	\$ 3,276,234	\$ 2,925,611
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	103.62%	85.47%	91.16%	93.59%	94.60%	88.26%	86.25%	87.11%
<b>Covered payroll</b>	\$ 7,395,271	\$ 7,007,158	\$ 6,551,860	\$ 6,197,162	\$ 5,970,248	\$ 5,131,610	\$ 4,810,683	\$ 4,926,874
<b>County's net pension liability as a percentage of covered payroll</b>	-15.04%	61.58%	37.75%	26.87%	22.03%	54.21%	68.10%	59.38%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability and Related Ratios  
 Component Unit School Board (nonprofessional)  
 Pension Plans  
 For The Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 74,931	\$ 75,204	\$ 70,864	\$ 75,447	\$ 77,136	\$ 85,052	\$ 84,808	\$ 98,467
Interest	319,169	310,121	294,007	274,669	275,668	265,470	262,208	252,023
Differences between expected and actual experience	77,360	49,029	211,579	199,979	(114,005)	24,513	(83,136)	-
Changes of assumptions	130,745	-	110,127	-	(4,064)	-	-	-
Benefit payments	(294,063)	(306,580)	(277,985)	(269,707)	(228,312)	(230,372)	(204,176)	(205,806)
<b>Net change in total pension liability</b>	\$ 308,142	\$ 127,774	\$ 408,592	\$ 280,388	\$ 6,423	\$ 144,663	\$ 59,704	\$ 144,684
<b>Total pension liability - beginning</b>	<u>4,875,454</u>	<u>4,747,680</u>	<u>4,339,088</u>	<u>4,058,700</u>	<u>4,052,277</u>	<u>3,907,614</u>	<u>3,847,910</u>	<u>3,703,226</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 5,183,596</u>	<u>\$ 4,875,454</u>	<u>\$ 4,747,680</u>	<u>\$ 4,339,088</u>	<u>\$ 4,058,700</u>	<u>\$ 4,052,277</u>	<u>\$ 3,907,614</u>	<u>\$ 3,847,910</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 96,163	\$ 66,596	\$ 64,017	\$ 59,979	\$ 62,921	\$ 74,703	\$ 77,446	\$ 76,884
Contributions - employee	34,465	35,600	34,115	34,871	36,575	35,640	37,061	36,335
Net investment income	1,066,469	77,448	260,455	284,160	432,043	61,050	161,881	495,868
Benefit payments	(294,063)	(306,580)	(277,985)	(269,707)	(228,312)	(230,372)	(204,176)	(205,806)
Administrator charges	(2,741)	(2,747)	(2,709)	(2,550)	(2,569)	(2,313)	(2,275)	(2,729)
Other	100	(89)	(163)	(249)	(382)	(26)	(34)	26
<b>Net change in plan fiduciary net position</b>	\$ 900,393	\$ (129,772)	\$ 77,730	\$ 106,504	\$ 300,276	\$ (61,318)	\$ 69,903	\$ 400,578
<b>Plan fiduciary net position - beginning</b>	<u>3,959,255</u>	<u>4,089,027</u>	<u>4,011,297</u>	<u>3,904,793</u>	<u>3,604,517</u>	<u>3,665,835</u>	<u>3,595,932</u>	<u>3,195,354</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 4,859,648</u>	<u>\$ 3,959,255</u>	<u>\$ 4,089,027</u>	<u>\$ 4,011,297</u>	<u>\$ 3,904,793</u>	<u>\$ 3,604,517</u>	<u>\$ 3,665,835</u>	<u>\$ 3,595,932</u>
<b>School Division's net pension liability - ending (a) - (b)</b>	\$ 323,948	\$ 916,199	\$ 658,653	\$ 327,791	\$ 153,907	\$ 447,760	\$ 241,779	\$ 251,978
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	93.75%	81.21%	86.13%	92.45%	96.21%	88.95%	93.81%	93.45%
<b>Covered payroll</b>	\$ 701,544	\$ 720,745	\$ 690,577	\$ 709,125	\$ 741,630	\$ 719,396	\$ 743,755	\$ 726,912
<b>School Division's net pension liability as a percentage of covered payroll</b>	46.18%	127.12%	95.38%	46.22%	20.75%	62.24%	32.51%	34.66%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  
 Pension Plans  
 For The Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.11403%	0.11600%	0.11310%	0.12031%	0.12267%	0.11459%	0.11744%	0.11661%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,852,260	\$ 16,885,412	\$ 14,888,550	\$ 14,148,000	\$ 15,086,000	\$ 16,059,000	\$ 14,781,000	\$ 14,092,000
Employer's Covered Payroll	10,138,070	10,312,225	9,558,257	9,776,252	9,890,689	8,831,974	8,268,366	8,098,877
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	87.32%	163.74%	155.77%	144.72%	152.53%	181.83%	178.77%	174.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

\* The amounts presented have a measurement date of the previous fiscal year end.

Schedule of Employer Contributions  
 Pension Plans  
 For The Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2022	\$ 810,017	\$ 810,017	\$ -	\$ 8,307,470	9.75%
2021	724,088	724,088	-	7,395,271	9.79%
2020	622,237	622,237	-	7,007,158	8.88%
2019	588,834	588,834	-	6,551,860	8.99%
2018	603,623	603,623	-	6,197,162	9.74%
2017	599,413	599,413	-	5,970,248	10.04%
2016	677,886	677,886	-	5,131,610	13.21%
2015	635,491	635,491	-	4,810,683	13.21%
2014	667,591	667,591	-	4,926,874	13.55%
2013	637,148	637,148	-	4,702,198	13.55%
<b>Component Unit School Board (Nonprofessional)</b>					
2022	\$ 97,209	\$ 97,209	\$ -	\$ 709,528	13.70%
2021	96,164	96,164	-	701,544	13.71%
2020	66,543	66,543	-	720,745	9.23%
2019	64,017	64,017	-	690,577	9.27%
2018	59,983	59,983	-	709,125	8.46%
2017	63,558	63,558	-	741,630	8.57%
2016	75,033	75,033	-	719,396	10.43%
2015	77,574	77,574	-	743,755	10.43%
2014	76,907	76,907	-	726,912	10.58%
2013	88,952	88,952	-	840,755	10.58%
<b>Component Unit School Board (Professional)</b>					
2022	\$ 1,635,619	\$ 1,635,619	\$ -	\$ 10,291,140	15.89%
2021	1,613,270	1,613,270	-	10,138,070	15.91%
2020	1,541,868	1,541,868	-	10,312,225	14.95%
2019	1,449,843	1,449,843	-	9,558,257	15.17%
2018	1,733,735	1,733,735	-	9,776,252	16.32%
2017	1,449,975	1,449,975	-	9,890,689	14.66%
2016	1,227,802	1,227,802	-	8,831,974	13.90%
2015	1,198,913	1,198,913	-	8,268,366	14.50%

\*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Schedule is intended to show information for 10 years. Information for the School Board (professional) plan prior to 2015 is not available. However, additional years will be included as they become available.



Notes to Required Supplementary Information  
 Pension Plans  
 For the Year Ended June 30, 2022

**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Componer

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of County of Westmoreland, Virginia's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
<b>Primary Government</b>					
2021	0.03580% \$	417,391 \$	7,401,470	5.64%	67.45%
2020	0.03408%	568,739	7,013,227	8.11%	52.64%
2019	0.03345%	544,321	6,557,341	8.30%	52.00%
2018	0.03265%	496,000	6,208,077	7.99%	51.22%
2017	0.03238%	488,000	5,972,040	8.17%	48.86%
<b>Component Unit School Board (Nonprofessional)</b>					
2021	0.00350% \$	40,866 \$	723,766	5.65%	67.45%
2020	0.00350%	58,409	720,745	8.10%	52.64%
2019	0.00352%	57,279	690,577	8.29%	52.00%
2018	0.00373%	57,000	709,125	8.04%	51.22%
2017	0.00402%	60,000	741,630	8.09%	48.86%
<b>Component Unit School Board (Professional)</b>					
2021	0.04910% \$	571,890 \$	10,142,487	5.64%	67.45%
2020	0.05011%	836,254	10,312,225	8.11%	54.64%
2019	0.04882%	794,431	9,558,257	8.31%	52.00%
2018	0.05144%	782,000	9,781,015	8.00%	51.22%
2017	0.05280%	795,000	9,739,667	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2013 through June 30, 2022

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
<b>Primary Government</b>					
2022	\$ 44,874	\$ 44,874	\$ -	\$ 8,309,937	0.54%
2021	39,968	39,968	-	7,401,470	0.54%
2020	36,469	36,469	-	7,013,227	0.52%
2019	34,098	34,098	-	6,557,341	0.52%
2018	32,282	32,282	-	6,208,077	0.52%
2017	31,055	31,055	-	5,972,040	0.52%
2016	24,658	24,658	-	5,137,105	0.48%
2015	23,091	23,091	-	4,810,683	0.48%
2014	23,649	23,649	-	4,926,874	0.48%
2013	22,571	22,571	-	4,702,199	0.48%
<b>Component Unit School Board (Nonprofessional)</b>					
2022	\$ 3,831	\$ 3,831	\$ -	\$ 709,528	0.54%
2021	3,908	3,908	-	723,766	0.54%
2020	3,748	3,748	-	720,745	0.52%
2019	3,591	3,591	-	690,577	0.52%
2018	3,687	3,687	-	709,125	0.52%
2017	3,856	3,856	-	741,630	0.52%
2016	3,453	3,453	-	719,395	0.48%
2015	3,570	3,570	-	743,755	0.48%
2014	3,489	3,489	-	726,912	0.48%
2013	4,093	4,093	-	852,801	0.48%
<b>Component Unit School Board (Professional)</b>					
2022	\$ 55,572	\$ 55,572	\$ -	\$ 10,291,140	0.54%
2021	54,769	54,769	-	10,142,487	0.54%
2020	53,624	53,624	-	10,312,225	0.52%
2019	49,771	49,771	-	9,558,257	0.52%
2018	50,861	50,861	-	9,781,015	0.52%
2017	50,646	50,646	-	9,739,667	0.52%
2016	41,975	41,975	-	8,744,831	0.48%
2015	41,912	41,912	-	8,731,688	0.48%
2014	40,933	40,933	-	8,527,695	0.48%
2013	41,492	41,492	-	8,644,153	0.48%

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 For the Year Ended June 30, 2022

**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

**Teachers**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of Changes in the County's Net OPEB Liability and Related Ratios  
 Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2021

	2021	2020	2019	2018	2017
<b>Total HIC OPEB Liability</b>					
Service cost	\$ 2,361	\$ 2,919	\$ 2,535	\$ 2,862	\$ 2,503
Interest	4,416	4,249	4,131	3,918	3,795
Differences between expected and actual experience	14,598	1,556	448	(611)	-
Changes of assumptions	1,185	-	1,618	-	(2,146)
Benefit payments	(6,406)	(6,102)	(3,514)	(2,738)	(2,062)
<b>Net change in total HIC OPEB liability</b>	<b>\$ 16,154</b>	<b>\$ 2,622</b>	<b>\$ 5,218</b>	<b>\$ 3,431</b>	<b>\$ 2,090</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>68,616</b>	<b>65,994</b>	<b>60,776</b>	<b>57,345</b>	<b>55,255</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 84,770</b>	<b>\$ 68,616</b>	<b>\$ 65,994</b>	<b>\$ 60,776</b>	<b>\$ 57,345</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 6,407	\$ 6,092	\$ 5,493	\$ 6,287	\$ 5,895
Net investment income	7,470	561	1,704	1,490	1,824
Benefit payments	(6,406)	(6,102)	(3,514)	(2,738)	(2,062)
Administrator charges	(89)	(54)	(38)	(39)	(35)
Other	-	-	(2)	(79)	79
<b>Net change in plan fiduciary net position</b>	<b>\$ 7,382</b>	<b>\$ 497</b>	<b>\$ 3,643</b>	<b>\$ 4,921</b>	<b>\$ 5,701</b>
<b>Plan fiduciary net position - beginning</b>	<b>28,470</b>	<b>27,973</b>	<b>24,330</b>	<b>19,409</b>	<b>13,708</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 35,852</b>	<b>\$ 28,470</b>	<b>\$ 27,973</b>	<b>\$ 24,330</b>	<b>\$ 19,409</b>
<b>Net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 48,918</b>	<b>\$ 40,146</b>	<b>\$ 38,021</b>	<b>\$ 36,446</b>	<b>\$ 37,936</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>42.29%</b>	<b>41.49%</b>	<b>42.39%</b>	<b>40.03%</b>	<b>33.85%</b>
<b>Covered payroll</b>	<b>\$ 2,912,198</b>	<b>\$ 2,769,139</b>	<b>\$ 2,496,883</b>	<b>\$ 2,329,923</b>	<b>\$ 2,184,545</b>
<b>Net HIC OPEB liability as a percentage of covered payroll</b>	<b>1.68%</b>	<b>1.45%</b>	<b>1.52%</b>	<b>1.56%</b>	<b>1.74%</b>

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in the Westmoreland County School Board's Net OPEB Liability and Related Ratios  
 Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2020 through June 30, 2021

	<u>2021</u>	<u>2020</u>
<b>Total HIC OPEB Liability</b>		
Service cost	\$ 1,044	\$ -
Interest	8,386	-
Changes of benefit terms	-	124,231
Differences between expected and actual experience	-	-
Changes of assumptions	5,464	-
Benefit payments	-	-
<b>Net change in total HIC OPEB liability</b>	<u>\$ 14,894</u>	<u>\$ 124,231</u>
<b>Total HIC OPEB Liability - beginning</b>	124,231	-
<b>Total HIC OPEB Liability - ending (a)</b>	<u><u>\$ 139,125</u></u>	<u><u>\$ 124,231</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 9,541	\$ -
Net investment income	1,392	-
Benefit payments	-	-
Administrator charges	(43)	-
Other	-	-
<b>Net change in plan fiduciary net position</b>	<u>\$ 10,890</u>	<u>\$ -</u>
<b>Plan fiduciary net position - beginning</b>	-	-
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 10,890</u></u>	<u><u>\$ -</u></u>
<b>Net HIC OPEB liability - ending (a) - (b)</b>	\$ 128,235	\$ 124,231
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	7.83%	0.00%
<b>Covered payroll</b>	\$ 701,544	\$ 690,577
<b>Net HIC OPEB liability as a percentage of covered payroll</b>	18.28%	17.99%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2013 through June 30, 2022

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
<b>Primary Government</b>					
2022	\$ 7,808	\$ 7,808	\$ -	\$ 3,549,068	0.22%
2021	6,407	6,407	-	2,912,198	0.22%
2020	6,092	6,092	-	2,769,139	0.22%
2019	5,493	5,493	-	2,496,883	0.22%
2018	6,291	6,291	-	2,329,923	0.27%
2017	5,898	5,898	-	2,184,545	0.27%
2016	4,021	4,021	-	1,675,322	0.24%
2015	3,357	3,357	-	1,398,662	0.24%
2014	1,409	1,409	-	1,409,222	0.10%
2013	4,701	4,701	-	4,701,170	0.10%
<b>Component Unit School Board (Nonprofessional)</b>					
2022	\$ 9,650	\$ 9,650	\$ -	\$ 709,528	1.36%
2021	9,541	9,541	-	701,544	1.36%

Schedule is intended to show information for 10 years. The Component Unit School Board started participating in the nonprofessional plan in 2020.

Notes to Required Supplementary Information  
 Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2022

**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change



Schedule of Westmoreland School Board's Share of Net OPEB Liability  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	0.11463%	\$ 1,471,355	\$ 10,138,070	14.51%	13.15%
2020	0.11763%	1,534,503	10,312,225	14.88%	9.95%
2019	0.11396%	1,491,847	9,558,257	15.61%	8.97%
2018	0.12094%	1,536,000	9,781,015	15.70%	8.08%
2017	0.12341%	1,565,000	9,739,667	16.07%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	\$ 124,523	\$ 124,523	-	\$ 10,291,140	1.21%
2021	122,671	122,671	-	10,138,070	1.21%
2020	123,747	123,747	-	10,312,225	1.20%
2019	114,699	114,699	-	9,558,257	1.20%
2018	120,306	120,306	-	9,781,015	1.23%
2017	108,110	108,110	-	9,739,667	1.11%
2016	92,613	92,613	-	8,737,106	1.06%
2015	92,556	92,556	-	8,731,688	1.06%
2014	94,657	94,657	-	8,527,695	1.11%
2013	94,660	94,660	-	8,527,883	1.11%

Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2022

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
 Pay-As-You-Go Plan  
 For the Measurement Dates of June 30, 2018 through 2022

	Primary Government 2022	Primary Government 2021	Primary Government 2020	Primary Government 2019	Primary Government 2018
<b>Total OPEB liability</b>					
Service cost	\$ 62,119	\$ 63,179	\$ 50,867	\$ 49,903	\$ 50,455
Interest	9,539	10,874	14,498	17,859	16,284
Changes in assumptions	(55,554)	(24,128)	28,232	(82,701)	(14,166)
Economic/demographic gains or losses	-	(85,504)	-	(29,041)	-
Benefit payments	(8,994)	(18,521)	(37,408)	(29,202)	(24,355)
<b>Net change in total OPEB liability</b>	\$ 7,110	\$ (54,100)	\$ 56,189	\$ (73,182)	\$ 28,218
<b>Total OPEB liability - beginning</b>	384,001	438,101	381,912	455,094	426,876
<b>Total OPEB liability - ending</b>	<u>\$ 391,111</u>	<u>\$ 384,001</u>	<u>\$ 438,101</u>	<u>\$ 381,912</u>	<u>\$ 455,094</u>
<b>Covered-employee payroll</b>	\$ 5,927,569	\$ 5,927,569	\$ 5,461,505	\$ 5,461,505	\$ 4,971,600
<b>School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	6.60%	6.48%	8.02%	6.99%	9.15%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information - Pay-As-You Go OPEB Plan  
 For the Year Ended June 30, 2022

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Valuation Date: 7/1/2020  
 Measurement Date: 6/30/2022

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.54%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 4.90% to 4.00% over 53 years.
Salary Increase Rates	Varies based on years of service
Retirement Age	Based in VRS eligibility and service requirments
Mortality Rates	The mortality rates are based on the RP-2014 Employee Mortality Tables.

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
 Component Unit School Board  
 For the Measurement Dates of June 30, 2018 through 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>					
Service cost	\$ 65,990	\$ 66,977	\$ 55,041	\$ 56,509	\$ 57,806
Interest	16,782	16,008	38,265	38,623	34,151
Effect of plan changes	-	-	(323,393)		
Effect of economic/demographic gains or losses	(152,897)	-	(66,919)		
Changes in assumptions	92,118	1,994	(53,023)	35,297	(34,352)
Benefit payments	(28,680)	(34,021)	(27,662)	(39,642)	(28,442)
<b>Net change in total OPEB liability</b>	<u>\$ (6,687)</u>	<u>\$ 50,958</u>	<u>\$ (377,691)</u>	<u>\$ 90,787</u>	<u>\$ 29,163</u>
<b>Total OPEB liability - beginning</b>	<u>725,235</u>	<u>674,277</u>	<u>1,051,968</u>	<u>961,181</u>	<u>932,018</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 718,548</u></u>	<u><u>\$ 725,235</u></u>	<u><u>\$ 674,277</u></u>	<u><u>\$ 1,051,968</u></u>	<u><u>\$ 961,181</u></u>
<b>Covered-employee payroll</b>	\$ 10,409,662	\$ 10,103,423	\$ 10,103,423	\$ 10,512,834	\$ 10,512,834
<b>School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	6.90%	7.18%	6.67%	10.01%	9.14%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information - Component Unit School Board Pay-As-You Go OPEB Plan  
 For the Year Ended June 30, 2022

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Valuation Date: 1/1/2022  
 Measurement Date: 6/30/2022

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal
Discount Rate	3.54%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 3.50% and gradually increases to 4.20% by 2092 for pre-65 and 1.80% gradually increases to 4.60% for post-65
Salary Increase Rates	Ranges from 3.50% to 5.35% based on years of service
Retirement Age	Based in VRS eligibility and service requirements
Mortality Rates	The mortality rates are based on the RP-2014 Employee Mortality Tables.

**OTHER SUPPLEMENTARY INFORMATION**



**Combining and Individual Fund Financial Statements and Schedules**

Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 1,000	\$ 6,636	\$ (11)	\$ (6,647)
Miscellaneous	-	28,650	28,650	-
Intergovernmental revenues:				
Contribution from school board	-	1,030,174	1,030,174	-
Commonwealth	-	50,000	56,000	6,000
Total revenues	\$ 1,000	\$ 1,115,460	\$ 1,114,813	\$ (647)
<b>EXPENDITURES</b>				
Capital projects	\$ 182,439	\$ 18,010,157	\$ 16,224,899	\$ 1,785,258
Total expenditures	\$ 182,439	\$ 18,010,157	\$ 16,224,899	\$ 1,785,258
Excess (deficiency) of revenues over (under) expenditures	\$ (181,439)	\$ (16,894,697)	\$ (15,110,086)	\$ 1,784,611
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ (11,128)	\$ (11,128)	\$ -
Issuance of revenue bonds	-	46,315,413	43,672,785	-
Sale of capital assets	-	90,000	90,000	-
Payment to refunded bonds escrow agent	-	(46,315,413)	(46,315,413)	-
Total other financing sources (uses)	\$ -	\$ 78,872	\$ (2,563,756)	\$ -
Net change in fund balances	\$ (181,439)	\$ (16,815,825)	\$ (17,673,842)	\$ 1,784,611
Fund balances - beginning	181,439	16,815,825	16,869,910	54,085
Fund balances - ending	\$ -	\$ -	\$ (803,932)	\$ 1,838,696

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2022

	Placid Bay Sanitary District Fund	Glebe Harbor Cabin Point Sanitary District Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 871,315	\$ 202,190	\$ 1,073,505
Investments	740	-	740
Restricted assets:			
Investments	49,631	-	49,631
Total assets	<u>\$ 921,686</u>	<u>\$ 202,190</u>	<u>\$ 1,123,876</u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ -</u>	<u>\$ 15,381</u>	<u>\$ 15,381</u>
<b>FUND BALANCES:</b>			
Restricted	\$ 49,631	\$ -	\$ 49,631
Committed	872,055	186,809	1,058,864
Total fund balances	<u>\$ 921,686</u>	<u>\$ 186,809</u>	<u>\$ 1,108,495</u>
Total liabilities and fund balances	<u>\$ 921,686</u>	<u>\$ 202,190</u>	<u>\$ 1,123,876</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2022

	Placid Bay Sanitary District Fund	Glebe Harbor Cabin Point Sanitary District Fund	Total
<b>REVENUES</b>			
General property taxes	\$ 66,618	\$ -	\$ 66,618
Revenue from the use of money and property	(1,196)	-	(1,196)
Charges for services	182,479	272,000	454,479
Total revenues	<u>\$ 247,901</u>	<u>\$ 272,000</u>	<u>\$ 519,901</u>
<b>EXPENDITURES</b>			
Current:			
Community development	\$ -	\$ 113,536	\$ 113,536
Capital projects	13,790	62,479	76,269
Debt service:			
Principal retirement	3,950	65,385	69,335
Interest and other fiscal charges	48,457	7,256	55,713
Total expenditures	<u>\$ 66,197</u>	<u>\$ 248,656</u>	<u>\$ 314,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 181,704</u>	<u>\$ 23,344</u>	<u>\$ 205,048</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of revenue bonds	\$ 915,000	\$ -	\$ 915,000
Bond premium	59,385	-	59,385
Payment to refunded bonds escrow agent	(948,531)	-	(948,531)
Total other financing sources (uses)	<u>\$ 25,854</u>	<u>\$ -</u>	<u>\$ 25,854</u>
Net change in fund balances	\$ 207,558	\$ 23,344	\$ 230,902
Fund balances - beginning	714,128	163,465	877,593
Fund balances - ending	<u>\$ 921,686</u>	<u>\$ 186,809</u>	<u>\$ 1,108,495</u>

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2022

	Placid Bay Sanitary District Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 74,882	\$ 74,882	\$ 66,618	\$ (8,264)
Revenue from the use of money and property	100	100	(1,196)	(1,296)
Charges for services	176,400	176,400	182,479	6,079
Total revenues	<u>\$ 251,382</u>	<u>\$ 251,382</u>	<u>\$ 247,901</u>	<u>\$ (3,481)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	\$ -	\$ -	\$ -	\$ -
Capital projects	643,913	90,432	13,790	76,642
Debt service:				
Principal retirement	3,950	3,950	3,950	-
Interest and other fiscal charges	52,327	48,851	48,457	394
Total expenditures	<u>\$ 700,190</u>	<u>\$ 143,233</u>	<u>\$ 66,197</u>	<u>\$ 77,036</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (448,808)</u>	<u>\$ 108,149</u>	<u>\$ 181,704</u>	<u>\$ 73,555</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of revenue bonds	\$ -	\$ 915,000	\$ 915,000	\$ -
Bond premium	-	59,385	59,385	-
Payment to refunded bonds escrow agent	-	(948,531)	(948,531)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 25,854</u>	<u>\$ 25,854</u>	<u>\$ -</u>
Net change in fund balances	\$ (448,808)	\$ 134,003	\$ 207,558	\$ 73,555
Fund balances - beginning	448,808	(134,003)	714,128	848,131
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 921,686</u>	<u>\$ 921,686</u>

Glebe Harbor-Cabin Point Sanitary District Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
264,805	264,805	272,000	7,195	
<u>\$ 264,805</u>	<u>\$ 264,805</u>	<u>\$ 272,000</u>	<u>\$ 7,195</u>	
\$ 184,413	\$ 197,590	\$ 113,536	\$ 84,054	
5,000	612,479	62,479	550,000	
65,385	65,385	65,385	-	
10,007	10,007	7,256	2,751	
<u>\$ 264,805</u>	<u>\$ 885,461</u>	<u>\$ 248,656</u>	<u>\$ 636,805</u>	
\$ -	\$ (620,656)	\$ 23,344	\$ 644,000	
\$ -	\$ -	\$ -	\$ -	
-	-	-	-	
-	-	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (620,656)	\$ 23,344	\$ 644,000	
(25,900)	620,656	163,465	(457,191)	
<u>\$ (25,900)</u>	<u>\$ -</u>	<u>\$ 186,809</u>	<u>\$ 186,809</u>	

Combining Balance Sheet  
 Discretely Presented Component Unit - School Board  
 June 30, 2022

	School Operating Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,809,380	\$ 530,898	\$ 143,781	\$ 4,484,059
Accounts receivable	9,972	180	2,394	12,546
Due from other governmental units	2,286,555	30,294	-	2,316,849
Total assets	<u>\$ 6,105,907</u>	<u>\$ 561,372</u>	<u>\$ 146,175</u>	<u>\$ 6,813,454</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,059,472	\$ 1,449	\$ 7,148	\$ 2,068,069
Accrued liabilities	1,434,158	32,611	-	1,466,769
Retainage payable	47,537	-	-	47,537
Due to primary government	1,030,174	-	-	1,030,174
Due to other governmental units	133,275	-	-	133,275
Total liabilities	<u>\$ 4,704,616</u>	<u>\$ 34,060</u>	<u>\$ 7,148</u>	<u>\$ 4,745,824</u>
<b>FUND BALANCES:</b>				
Restricted - school activities	\$ -	\$ -	\$ 139,027	\$ 139,027
Committed - cafeteria	-	527,312	-	527,312
Unassigned	1,401,291	-	-	1,401,291
Total fund balances	<u>\$ 1,401,291</u>	<u>\$ 527,312</u>	<u>\$ 139,027</u>	<u>\$ 2,067,630</u>
Total liabilities and fund balances	<u>\$ 6,105,907</u>	<u>\$ 561,372</u>	<u>\$ 146,175</u>	<u>\$ 6,813,454</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above \$ 2,067,630

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

Land	\$ 258,916	
Construction in progress	7,242,171	
Buildings and systems	4,552,986	
Machinery and equipment	2,280,600	
Leased equipment	84,961	14,419,634

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

OPEB related items	(644,146)	
Pension related items	(7,574,993)	(8,219,139)

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds

Pension related items	3,702,134	
OPEB related items	536,686	4,238,820

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

Compensated absences	\$ (200,330)	
Net OPEB liability	(2,930,894)	
Net pension liability	(9,176,208)	
Lease liabilities	(84,961)	
Energy performance contract	(204,236)	(12,596,629)

Net position of governmental activities \$ (89,684)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2022

	School Operating Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 37,296	\$ 34	\$ -	\$ 37,330
Charges for services	-	3,780	-	3,780
Miscellaneous	191,848	19,669	180,381	391,898
Intergovernmental:				
Local government	9,720,153	-	-	9,720,153
Commonwealth	12,795,511	40,242	-	12,835,753
Federal	4,276,233	1,477,681	-	5,753,914
Total revenues	<u>\$ 27,021,041</u>	<u>\$ 1,541,406</u>	<u>\$ 180,381</u>	<u>\$ 28,742,828</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 25,463,665	\$ 1,184,108	\$ 166,686	\$ 26,814,459
Contribution to primary government	1,030,174	-	-	1,030,174
Capital projects	2,381,127	-	-	2,381,127
Debt service:				
Principal retirement	25,189	-	-	25,189
Interest and other fiscal charges	1,313	-	-	1,313
Total expenditures	<u>\$ 28,901,468</u>	<u>\$ 1,184,108</u>	<u>\$ 166,686</u>	<u>\$ 30,252,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,880,427)</u>	<u>\$ 357,298</u>	<u>\$ 13,695</u>	<u>\$ (1,509,434)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of lease	\$ 16,763	\$ -	\$ -	\$ 16,763
Total other financing sources (uses)	<u>\$ 16,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,763</u>
Net change in fund balances	\$ (1,863,664)	\$ 357,298	\$ 13,695	\$ (1,492,671)
Fund balances - beginning of year, as restated	3,264,955	170,014	125,332	3,560,301
Fund balances - ending	<u>\$ 1,401,291</u>	<u>\$ 527,312</u>	<u>\$ 139,027</u>	<u>\$ 2,067,630</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:				
Net change in fund balances - total governmental funds - per above				\$ (1,492,671)
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 the capital outlays exceeded depreciation in the current period.				
Capital asset additions			\$ 4,122,726	
Depreciation expense			(749,851)	3,372,875
Transfer of joint tenancy assets from Primary Government to the Component Unit				62,250
Bond and loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases the long term liabilities and does not affect the statement of activities. Similarly, the repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.				
Debt issued:				
Lease liabilities			\$ (16,763)	
Repayments of long-term debt:				
Energy performance contract			195,881	
Lease liabilities			25,189	204,307
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.				
Compensated absences			\$ 69,659	
OPEB expense			10,095	
Pension expense			1,537,173	1,616,927
Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in governmental funds.				69,951
Change in net position of governmental activities				<u>\$ 3,833,639</u>



COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2022

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 30,500	\$ 30,500	\$ 37,296	\$ 6,796
Charges for services	-	-	-	-
Miscellaneous	106,900	109,049	191,848	82,799
Intergovernmental:				
Local government	9,245,643	9,720,153	9,720,153	-
Commonwealth	12,246,279	12,246,279	12,795,511	549,232
Federal	1,349,315	10,562,601	4,276,233	(6,286,368)
Total revenues	<u>\$ 22,978,637</u>	<u>\$ 32,668,582</u>	<u>\$ 27,021,041</u>	<u>\$ (5,647,541)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 22,682,135	\$ 28,922,832	\$ 25,463,665	\$ 3,459,167
Contribution to primary government	-	-	1,030,174	(1,030,174)
Capital projects	270,000	4,864,357	2,381,127	2,483,230
Debt service:				
Principal retirement	25,189	25,189	25,189	-
Interest and other fiscal charges	1,313	1,313	1,313	-
Total expenditures	<u>\$ 22,978,637</u>	<u>\$ 33,813,691</u>	<u>\$ 28,901,468</u>	<u>\$ 4,912,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (1,145,109)</u>	<u>\$ (1,880,427)</u>	<u>\$ (735,318)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of lease	\$ -	\$ -	\$ 16,763	\$ 16,763
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,763</u>	<u>\$ 16,763</u>
Net change in fund balances	\$ -	\$ (1,145,109)	\$ (1,863,664)	\$ (718,555)
Fund balances - beginning, as restated	-	1,145,109	3,264,955	2,119,846
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,401,291</u>	<u>\$ 1,401,291</u>

Exhibit 38

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget
Original	Final		Positive (Negative)
\$ 25	\$ 25	\$ 34	\$ 9
160,000	160,000	3,780	(156,220)
40,340	43,747	19,669	(24,078)
-	-	-	-
24,609	24,609	40,242	15,633
717,000	717,000	1,477,681	760,681
<u>\$ 941,974</u>	<u>\$ 945,381</u>	<u>\$ 1,541,406</u>	<u>\$ 596,025</u>
\$ 1,041,974	\$ 1,045,381	\$ 1,184,108	\$ (138,727)
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 1,041,974</u>	<u>\$ 1,045,381</u>	<u>\$ 1,184,108</u>	<u>\$ (138,727)</u>
<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ 357,298</u>	<u>\$ 457,298</u>
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ (100,000)	\$ (100,000)	\$ 357,298	\$ 457,298
100,000	100,000	170,014	70,014
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,312</u>	<u>\$ 527,312</u>

Statement of Fiduciary Net Position  
 Discretely Presented Component Unit - School Board  
 Custodial Funds  
 June 30, 2022

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	<u>Alternative Education Program</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>95,140</u>
Total assets	\$ <u>95,140</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 1,945
Accrued liabilities	<u>8,308</u>
Total liabilities	\$ <u>10,253</u>
<b>NET POSITION</b>	
Restricted:	
Net position restricted to individuals and organizations	\$ <u><u>84,887</u></u>

The accompanying notes to financial statements are in integral poart of this statement

Statement of Changes in Fiduciary Net Position  
 Discretely Presented Component Unit - School Board  
 Custodial Funds  
 For the Year Ended June 30, 2022

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	<u>Alternative Education Program</u>
<b>Additions:</b>	
<b>Contributions</b>	
Contributions	\$ <u>268,421</u>
Total additions	\$ <u>268,421</u>
<b>Deductions</b>	
Other charges	\$ <u>197,822</u>
Total deductions	\$ <u>197,822</u>
Net Increase (decrease) in plan assets	\$ 70,599
<b>Net Positions</b>	
Balance, beginning of year	<u>14,288</u>
Balance, end of year	\$ <u><u>84,887</u></u>

The accompanying notes to financial statements are in integral poart of this statement

## **Supporting Schedules**

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 17,796,844	\$ 17,894,430	\$ 17,877,801	\$ (16,629)
Real and personal public service corporation taxes	5,408,536	5,601,538	5,782,083	180,545
Personal property taxes	94,000	94,000	154,896	60,896
Mobile home taxes	35,851	35,851	34,918	(933)
Machinery and tools taxes	115,058	115,058	121,026	5,968
Farm machinery and tools taxes	147,094	147,094	127,603	(19,491)
Merchants capital taxes	90,840	90,840	80,619	(10,221)
Penalties	248,000	248,000	293,505	45,505
Interest	100,000	100,000	141,388	41,388
Total general property taxes	<u>\$ 24,036,223</u>	<u>\$ 24,326,811</u>	<u>\$ 24,613,839</u>	<u>\$ 287,028</u>
Other local taxes:				
Local sales and use taxes	\$ 961,036	\$ 961,036	\$ 1,274,178	\$ 313,142
Consumers' utility taxes	338,000	338,000	355,936	17,936
Utility gross receipts taxes	53,000	53,000	56,878	3,878
Motor vehicle licenses	811,549	811,549	810,090	(1,459)
Taxes on recordation and wills	198,000	383,888	415,797	31,909
E-911 taxes	2,000	2,000	8,987	6,987
Cigarette tax	-	116,553	131,915	15,362
Meals tax	-	68,327	108,445	40,118
Golf cart decals	500	500	465	(35)
Total other local taxes	<u>\$ 2,364,085</u>	<u>\$ 2,734,853</u>	<u>\$ 3,162,691</u>	<u>\$ 427,838</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 5,655	\$ 655
Permits and other licenses	271,500	356,885	578,398	221,513
Total permits, privilege fees, and regulatory licenses	<u>\$ 276,500</u>	<u>\$ 361,885</u>	<u>\$ 584,053</u>	<u>\$ 222,168</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 165,000	\$ 201,169	\$ 308,569	\$ 107,400
Revenue from use of money and property:				
Revenue from use of money	\$ 151,000	\$ 151,016	\$ (144,061)	\$ (295,077)
Revenue from use of property	167,081	167,081	163,403	(3,678)
Total revenue from use of money and property	<u>\$ 318,081</u>	<u>\$ 318,097</u>	<u>\$ 19,342</u>	<u>\$ (298,755)</u>
Charges for services:				
Sheriff's fees	\$ 1,400	\$ 1,400	\$ 1,344	\$ (56)
Charges for law enforcement and traffic control	19,500	19,500	24,539	5,039
Charges for courthouse maintenance	19,078	19,078	23,540	4,462
Charges for court appointed attorney	6,000	6,000	2,045	(3,955)
Concealed weapons permits	10,000	10,000	11,771	1,771
Charges for Commonwealth's Attorney	2,000	2,000	1,876	(124)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Charges for services: (Continued)				
Miscellaneous jail and inmate fees	\$ 3,500	\$ 3,500	\$ 6,480	\$ 2,980
Charges for animal control	1,000	1,000	2,157	1,157
Charges for sanitation and waste removal	7,000	7,000	13,971	6,971
Charges for planning and community development	5,000	5,000	2,386	(2,614)
Total charges for services	<u>\$ 74,478</u>	<u>\$ 74,478</u>	<u>\$ 90,109</u>	<u>\$ 15,631</u>
Miscellaneous:				
Expenditure refunds	\$ 200	\$ 45,356	\$ 45,861	\$ 505
Miscellaneous other	85,800	365,314	437,212	71,898
Total miscellaneous	<u>\$ 86,000</u>	<u>\$ 410,670</u>	<u>\$ 483,073</u>	<u>\$ 72,403</u>
Recovered costs:				
Other recovered costs	\$ 604,186	\$ 626,417	\$ 650,512	\$ 24,095
Rescue recovery	727,235	782,644	976,511	193,867
Total recovered costs	<u>\$ 1,331,421</u>	<u>\$ 1,409,061</u>	<u>\$ 1,627,023</u>	<u>\$ 217,962</u>
Total revenue from local sources	<u>\$ 28,651,788</u>	<u>\$ 29,837,024</u>	<u>\$ 30,888,699</u>	<u>\$ 1,051,675</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Game of Skill tax	\$ -	\$ 2,016	\$ 2,016	\$ -
Motor vehicle carriers' tax	50	50	28	(22)
Mobile home titling tax	20,000	20,000	43,911	23,911
Motor vehicle rental tax	2,000	2,000	6,797	4,797
Tax on deeds	60,000	63,940	122,226	58,286
Communication sales and use taxes	535,768	535,768	454,766	(81,002)
Personal property tax relief funds	1,139,678	1,139,678	1,139,678	-
Total noncategorical aid	<u>\$ 1,757,496</u>	<u>\$ 1,763,452</u>	<u>\$ 1,769,422</u>	<u>\$ 5,970</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 301,593	\$ 303,044	\$ 298,640	\$ (4,404)
Sheriff	1,122,362	1,191,935	1,121,865	(70,070)
Commissioner of revenue	125,328	125,328	117,336	(7,992)
Treasurer	113,974	113,974	113,003	(971)
Registrar/electoral board	38,000	38,626	64,161	25,535
Clerk of the Circuit Court	260,168	260,168	249,525	(10,643)
Total shared expenses	<u>\$ 1,961,425</u>	<u>\$ 2,033,075</u>	<u>\$ 1,964,530</u>	<u>\$ (68,545)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Welfare administration and public assistance	\$ 672,607	\$ 495,667	\$ 495,667	\$ -
Four for life	-	21,812	21,812	-
Victim-witness grant	99,610	99,610	23,606	(76,004)
Fire programs	-	54,754	54,754	-
Children's Services Act	1,325,390	1,555,565	1,438,302	(117,263)
VJCCA grants	145,000	201,047	198,044	(3,003)
Go Virginia grants	-	-	9,954	9,954
Library grant	-	139,744	87,229	(52,515)
Wireless grant	70,000	70,000	100,117	30,117
VDOT revenue sharing	-	64,310	64,310	-
Other categorical aid	1,800	137,004	79,587	(57,417)
Total other categorical aid	<u>\$ 2,314,407</u>	<u>\$ 2,839,513</u>	<u>\$ 2,573,382</u>	<u>\$ (266,131)</u>
Total categorical aid	<u>\$ 4,275,832</u>	<u>\$ 4,872,588</u>	<u>\$ 4,537,912</u>	<u>\$ (334,676)</u>
Total revenue from the Commonwealth	<u>\$ 6,033,328</u>	<u>\$ 6,636,040</u>	<u>\$ 6,307,334</u>	<u>\$ (328,706)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 1,500	\$ 1,500	\$ 1,616	\$ 116
American rescue funds	1,749,602	1,749,602	610,033	(1,139,569)
Total noncategorical aid	<u>\$ 1,751,102</u>	<u>\$ 1,751,102</u>	<u>\$ 611,649</u>	<u>\$ (1,139,453)</u>
Categorical aid:				
Welfare administration and public assistance	\$ 1,108,738	\$ 1,122,666	\$ 1,011,111	(111,555)
EMP Grant	-	-	7,500	7,500
Justice assistance act grant program	-	21,412	30,939	9,527
Byrne justice grant	-	-	65,676	65,676
U.S. fish and wildlife	1,500	1,500	1,444	(56)
DMV grants	-	-	60,993	60,993
COVID-19 emergency supplemental funding program	-	36,000	65,915	29,915
Cops grant	146,538	146,538	159,242	12,704
Community development block grant	-	680,000	11,250	(668,750)
Interest subsidy	104,873	104,873	98,895	(5,978)
Sheriff Grant	-	14,063	-	(14,063)
Total categorical aid	<u>\$ 1,361,649</u>	<u>\$ 2,127,052</u>	<u>\$ 1,512,965</u>	<u>\$ (614,087)</u>
Total revenue from the federal government	<u>\$ 3,112,751</u>	<u>\$ 3,878,154</u>	<u>\$ 2,124,614</u>	<u>\$ (1,753,540)</u>
Total General Fund	<u>\$ 37,797,867</u>	<u>\$ 40,351,218</u>	<u>\$ 39,320,647</u>	<u>\$ (1,030,571)</u>



Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Capital Projects Fund:</b>				
<b>General Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,000	\$ 6,636	\$ (11)	\$ (6,647)
Total revenue from use of money and property	<u>\$ 1,000</u>	<u>\$ 6,636</u>	<u>\$ (11)</u>	<u>\$ (6,647)</u>
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ 28,650	\$ 28,650	\$ -
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ 28,650</u>	<u>\$ 28,650</u>	<u>\$ -</u>
Total revenue from local sources	<u>\$ 1,000</u>	<u>\$ 35,286</u>	<u>\$ 28,639</u>	<u>\$ (6,647)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from school board	\$ -	\$ 1,030,174	\$ 1,030,174	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 6,000	\$ 6,000
VEDP grant	-	50,000	50,000	-
Total categorical aid	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 56,000</u>	<u>\$ 6,000</u>
Total revenue from the Commonwealth	<u>-</u>	<u>50,000</u>	<u>56,000</u>	<u>6,000</u>
Total General Capital Projects Fund	<u>\$ 1,000</u>	<u>\$ 1,115,460</u>	<u>\$ 1,114,813</u>	<u>\$ (647)</u>
<b>Special Revenue Fund:</b>				
<b>Placid Bay Sanitary District Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 68,822	\$ 68,822	\$ 59,411	\$ (9,411)
Penalties	3,560	3,560	3,766	206
Interest	2,500	2,500	3,441	941
Total general property taxes	<u>\$ 74,882</u>	<u>\$ 74,882</u>	<u>\$ 66,618</u>	<u>\$ (8,264)</u>
Revenue from use of money and property:				
Revenue from the use of money	\$ 100	\$ 100	\$ (1,196)	\$ (1,296)
Charges for services:				
Road maintenance user fees	\$ 176,400	\$ 176,400	\$ 182,479	\$ 6,079
Total Placid Bay Sanitary District Fund	<u>\$ 251,382</u>	<u>\$ 251,382</u>	<u>\$ 247,901</u>	<u>\$ (3,481)</u>
<b>Special Revenue Fund:</b>				
<b>Glepe Harbor-Cabin Point Sanitary District Fund:</b>				
Revenue from local sources:				
Charges for services:				
Recreational fees	\$ 264,805	\$ 264,805	\$ 272,000	\$ 7,195
Total Glebe Harbor-Cabin Point Sanitary District Fund	<u>\$ 264,805</u>	<u>\$ 264,805</u>	<u>\$ 272,000</u>	<u>\$ 7,195</u>
Total Primary Government	<u>\$ 38,315,054</u>	<u>\$ 41,982,865</u>	<u>\$ 40,955,361</u>	<u>\$ (1,027,504)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,500	\$ 1,500	\$ 375	\$ (1,125)
Revenue from the use of property	29,000	29,000	36,921	7,921
Total revenue from use of money and property	<u>\$ 30,500</u>	<u>\$ 30,500</u>	<u>\$ 37,296</u>	<u>\$ 6,796</u>
Miscellaneous:				
Expenditure refunds	\$ 106,900	\$ 109,049	\$ 177,092	\$ 68,043
Other miscellaneous	-	-	14,756	14,756
Total miscellaneous	<u>\$ 106,900</u>	<u>\$ 109,049</u>	<u>\$ 191,848</u>	<u>\$ 82,799</u>
Total revenue from local sources	<u>\$ 137,400</u>	<u>\$ 139,549</u>	<u>\$ 229,144</u>	<u>\$ 89,595</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Westmoreland, Virginia	\$ 9,245,643	\$ 9,720,153	\$ 9,720,153	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,111,613	\$ 2,111,613	\$ 2,610,691	\$ 499,078
Basic school aid	5,617,342	5,617,342	5,503,263	(114,079)
Remedial education	231,728	231,728	398,826	167,098
Gifted and talented	40,328	40,328	40,927	599
Special education	652,858	652,858	662,560	9,702
Vocational SOQ payments	113,375	113,375	115,060	1,685
Social security fringe benefits	264,796	264,796	268,731	3,935
Retirement fringe benefits	617,857	617,857	627,038	9,181
Early reading intervention	40,179	40,179	72,705	32,526
At risk payments	900,044	900,044	913,088	13,044
Technology	154,000	154,000	-	(154,000)
Standards of Learning algebra readiness	29,035	29,035	27,137	(1,898)
K-3 initiatives	270,359	270,359	264,323	(6,036)
Preschool initiative	255,435	255,435	222,100	(33,335)
Other state funds	947,330	947,330	735,848	(211,482)
Total categorical aid	<u>\$ 12,246,279</u>	<u>\$ 12,246,279</u>	<u>\$ 12,795,511</u>	<u>\$ 549,232</u>
Total revenue from the Commonwealth	<u>\$ 12,246,279</u>	<u>\$ 12,246,279</u>	<u>\$ 12,795,511</u>	<u>\$ 549,232</u>
Revenue from the federal government:				
Noncategorical aid:				
Coronavirus relief fund (CRF)	\$ -	\$ -	\$ 288,918	\$ 288,918
Total noncategorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,918</u>	<u>\$ 288,918</u>
Categorical aid:				
Title I	\$ 624,219	\$ 650,547	\$ 479,561	\$ (170,986)
Title VI-B, flow-through	382,190	540,878	371,919	(168,959)
Title VI-B, preschool	19,575	26,729	19,640	(7,089)
Title II Part A	83,906	167,986	100,274	(67,712)
Education stabilization funds	-	8,798,054	2,784,551	(6,013,503)
Other federal funds	239,425	378,407	231,370	(147,037)
Total categorical aid	<u>\$ 1,349,315</u>	<u>\$ 10,562,601</u>	<u>\$ 3,987,315</u>	<u>\$ (6,575,286)</u>
Total revenue from the federal government	<u>\$ 1,349,315</u>	<u>\$ 10,562,601</u>	<u>\$ 4,276,233</u>	<u>\$ (6,286,368)</u>
Total School Operating Fund	<u>\$ 22,978,637</u>	<u>\$ 32,668,582</u>	<u>\$ 27,021,041</u>	<u>\$ (5,647,541)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 25	\$ 25	\$ 34	\$ 9
Charges for services:				
Cafeteria sales	\$ 160,000	\$ 160,000	\$ 3,780	\$ (156,220)
Miscellaneous:				
Other miscellaneous	\$ 40,340	\$ 43,747	\$ 19,669	(24,078)
Total revenue from local sources	<u>\$ 200,365</u>	<u>\$ 203,772</u>	<u>\$ 23,483</u>	<u>\$ (180,289)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 24,609	\$ 24,609	\$ 40,242	\$ 15,633
Total categorical aid	<u>\$ 24,609</u>	<u>\$ 24,609</u>	<u>\$ 40,242</u>	<u>\$ 15,633</u>
Total revenue from the Commonwealth	<u>24,609</u>	<u>24,609</u>	<u>40,242</u>	<u>15,633</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 717,000	\$ 717,000	\$ 1,477,681	\$ 760,681
Total categorical aid	<u>\$ 717,000</u>	<u>\$ 717,000</u>	<u>\$ 1,477,681</u>	<u>\$ 760,681</u>
Total revenue from the federal government	<u>\$ 717,000</u>	<u>\$ 717,000</u>	<u>\$ 1,477,681</u>	<u>\$ 760,681</u>
Total School Cafeteria Fund	<u>\$ 941,974</u>	<u>\$ 945,381</u>	<u>\$ 1,541,406</u>	<u>\$ 596,025</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 120,898	\$ 121,416	\$ 115,150	\$ 6,266
General and financial administration:				
County administrator	\$ 537,727	\$ 569,875	\$ 554,477	\$ 15,398
County attorney	148,125	154,125	111,800	42,325
Research and statistics	700	328	-	328
Independent auditor	57,918	68,860	68,860	-
Commissioner of revenue	378,090	404,197	344,434	59,763
Assessor	-	226,135	225,535	600
Equalization board	6,500	6,872	4,536	2,336
Treasurer	388,186	400,653	377,894	22,759
Accounting	488,657	510,167	491,383	18,784
Data processing	550,981	641,256	603,202	38,054
Risk management	429,776	448,922	447,892	1,030
Dues for local government	5,345	5,345	5,208	137
Total general and financial administration	\$ 2,992,005	\$ 3,436,735	\$ 3,235,221	\$ 201,514
Board of elections:				
Electoral board and officials	\$ 66,009	\$ 109,436	\$ 52,252	\$ 57,184
Registrar	130,640	159,143	124,229	34,914
Total board of elections	\$ 196,649	\$ 268,579	\$ 176,481	\$ 92,098
Total general government administration	\$ 3,309,552	\$ 3,826,730	\$ 3,526,852	\$ 299,878
Judicial administration:				
Courts:				
Circuit court	\$ 25,990	\$ 26,765	\$ 24,457	\$ 2,308
General district court	1,882	1,882	715	1,167
Juvenile and domestic relations district court	1,710	1,710	1,189	521
Clerk of the circuit court	502,381	697,639	476,356	221,283
Victim-witness	115,540	115,540	101,417	14,123
Other	13,700	13,700	4,261	9,439
Total courts	\$ 661,203	\$ 857,236	\$ 608,395	\$ 248,841
Commonwealth's attorney:				
Commonwealth's attorney	\$ 567,164	\$ 600,138	\$ 580,608	\$ 19,530
Total commonwealth's attorney	\$ 567,164	\$ 600,138	\$ 580,608	\$ 19,530
Total judicial administration	\$ 1,228,367	\$ 1,457,374	\$ 1,189,003	\$ 268,371
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 3,094,184	\$ 3,346,636	\$ 3,290,416	\$ 56,220
Other law enforcement and traffic control	341,698	615,975	512,629	103,346
Sheriff - 911 system	871,022	971,402	920,828	50,574
Total law enforcement and traffic control	\$ 4,306,904	\$ 4,934,013	\$ 4,723,873	\$ 210,140

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public Safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 647,946	\$ 1,062,557	\$ 642,681	\$ 419,876
Ambulance and rescue services	3,613,307	3,981,109	3,710,254	270,855
Forestry	7,810	7,810	7,810	-
Total fire and rescue services	<u>\$ 4,269,063</u>	<u>\$ 5,051,476</u>	<u>\$ 4,360,745</u>	<u>\$ 690,731</u>
Correction and detention:				
Juvenile and domestic relations court service unit	\$ 73,435	\$ 78,682	\$ 76,889	\$ 1,793
Juvenile commission crime control	142,000	194,417	194,414	3
Total correction and detention	<u>\$ 215,435</u>	<u>\$ 273,099</u>	<u>\$ 271,303</u>	<u>\$ 1,796</u>
Inspections:				
Building	\$ 184,572	\$ 264,468	\$ 208,245	\$ 56,223
Other protection:				
Animal control	\$ 340,214	\$ 374,512	\$ 315,660	\$ 58,852
Medical examiner	300	300	280	20
Emergency management	65,342	64,855	28,563	36,292
Emergency services (civil defense)	270,597	389,316	318,616	70,700
Total other protection	<u>\$ 676,453</u>	<u>\$ 828,983</u>	<u>\$ 663,119</u>	<u>\$ 165,864</u>
Total public safety	<u>\$ 9,652,427</u>	<u>\$ 11,352,039</u>	<u>\$ 10,227,285</u>	<u>\$ 1,124,754</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 13,500	\$ 13,500	\$ 11,871	\$ 1,629
Sanitation and waste removal:				
Refuse collection	\$ 627,162	\$ 753,699	\$ 753,699	\$ -
Refuse disposal	1,403,781	2,013,658	2,012,493	1,165
Total sanitation and waste removal	<u>\$ 2,030,943</u>	<u>\$ 2,767,357</u>	<u>\$ 2,766,192</u>	<u>\$ 1,165</u>
Maintenance of general buildings and grounds:				
General properties	\$ 1,167,154	\$ 1,351,157	\$ 1,268,740	\$ 82,417
Total public works	<u>\$ 3,211,597</u>	<u>\$ 4,132,014</u>	<u>\$ 4,046,803</u>	<u>\$ 85,211</u>
Health and welfare:				
Health:				
Local health department	\$ 215,000	\$ 232,042	\$ 232,042	\$ -
Mental health and mental retardation:				
Contribution to Chapter X Board	\$ 66,711	\$ 66,711	\$ 66,711	\$ -
Welfare:				
Welfare administration	\$ 2,260,402	\$ 2,172,758	\$ 1,895,379	\$ 277,379
Public assistance	101,863	73,630	63,286	10,344
Comprehensive Services Act	2,011,525	2,341,572	2,247,143	94,429
Total welfare	<u>\$ 4,373,790</u>	<u>\$ 4,587,960</u>	<u>\$ 4,205,808</u>	<u>\$ 382,152</u>
Total health and welfare	<u>\$ 4,655,501</u>	<u>\$ 4,886,713</u>	<u>\$ 4,504,561</u>	<u>\$ 382,152</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds

For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Education:				
Other instructional costs:				
Contribution to local school board	\$ 9,245,643	\$ 9,720,153	\$ 9,720,153	\$ -
Contributions to community college	11,142	11,142	11,142	-
Total education	<u>\$ 9,256,785</u>	<u>\$ 9,731,295</u>	<u>\$ 9,731,295</u>	<u>\$ -</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Public landings	\$ 500	\$ 509	\$ 10	\$ 499
Recreational complex	-	16,525	16,440	85
Total parks and recreation	<u>\$ 500</u>	<u>\$ 17,034</u>	<u>\$ 16,450</u>	<u>\$ 584</u>
Cultural enrichment:				
Westmoreland museum	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Other cultural enrichment	-	6,610	-	6,610
Total cultural enrichment	<u>40,000</u>	<u>46,610</u>	<u>40,000</u>	<u>6,610</u>
Library:				
Contribution to regional library	\$ 501,650	\$ 501,650	\$ 498,801	\$ 2,849
Total parks, recreation, and cultural	<u>\$ 542,150</u>	<u>\$ 565,294</u>	<u>\$ 555,251</u>	<u>\$ 10,043</u>
Community development:				
Planning and community development:				
Planning	\$ 333,650	\$ 379,265	\$ 319,886	\$ 59,379
Community development	61,812	61,812	61,812	-
Northern Neck Planning Commission	17,000	17,000	17,000	-
Planning District Commission	8,250	10,450	8,985	1,465
Zoning board	2,900	5,400	3,500	1,900
Wetlands board	6,300	6,300	5,188	1,112
Housing assistance	-	2,432	-	2,432
Tourism	6,500	7,845	7,845	-
Industrial Development Authority	5,500	5,500	-	5,500
Go Virginia programs	-	10,887	10,887	-
Total planning and community development	<u>\$ 441,912</u>	<u>\$ 506,891</u>	<u>\$ 435,103</u>	<u>\$ 71,788</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 16,000	\$ 16,000	\$ 16,000	\$ -
Total environmental management	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ -</u>
Cooperative extension program:				
Cooperative extension program	\$ 51,541	\$ 54,436	\$ 51,205	\$ 3,231
Total cooperative extension program	<u>\$ 51,541</u>	<u>\$ 54,436</u>	<u>\$ 51,205</u>	<u>\$ 3,231</u>
Total community development	<u>\$ 509,453</u>	<u>\$ 577,327</u>	<u>\$ 502,308</u>	<u>\$ 75,019</u>
Nondepartmental:				
Other nondepartmental	\$ 207,072	\$ 210,702	\$ 210,702	\$ -
Total nondepartmental	<u>207,072</u>	<u>210,702</u>	<u>210,702</u>	<u>-</u>

Schedule of Expenditures - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Capital projects:				
Ambulance purchase	\$ -	\$ 309,032	\$ 309,032	\$ -
Oak grove rescue squad building	-	145,919	144,035	1,884
Recreational complex phase II	-	66,613	55,010	11,603
Recreational park maintenance building	-	85,500	74,000	11,500
Concession stand	-	250,500	198,000	52,500
Recreational park lighting	-	28,097	28,097	-
Broadband expansion	-	650,000	325,000	325,000
Cole point wwtp drip system	-	1,832,950	144,940	1,688,010
Rt. 3 well replacement	-	1,016,253	140,093	876,160
Other capital projects	1,762,532	1,595,942	406,957	1,188,985
Total capital projects	<u>\$ 1,762,532</u>	<u>\$ 5,980,806</u>	<u>\$ 1,825,164</u>	<u>\$ 4,155,642</u>
Debt service:				
Principal retirement	\$ 1,503,057	\$ 1,503,057	\$ 1,503,057	\$ -
Interest and other fiscal charges	2,193,964	2,877,479	1,223,031	1,654,448
Total debt service	<u>\$ 3,697,021</u>	<u>\$ 4,380,536</u>	<u>\$ 2,726,088</u>	<u>\$ 1,654,448</u>
Total General Fund	<u>\$ 38,032,457</u>	<u>\$ 47,100,830</u>	<u>\$ 39,045,312</u>	<u>\$ 8,055,518</u>
<b>Capital Projects Fund:</b>				
<b>General Capital Projects Fund:</b>				
Capital projects expenditures:				
New High School	\$ -	\$ 17,381,435	\$ 15,954,329	\$ 1,427,106
Other capital projects	182,439	628,722	270,570	358,152
Total capital projects	<u>\$ 182,439</u>	<u>\$ 18,010,157</u>	<u>\$ 16,224,899</u>	<u>\$ 1,785,258</u>
Total General Capital Projects Fund	<u>\$ 182,439</u>	<u>\$ 18,010,157</u>	<u>\$ 16,224,899</u>	<u>\$ 1,785,258</u>
<b>Special Revenue Fund:</b>				
<b>Placid Bay Sanitation District Fund:</b>				
Roads projects	\$ 643,913	\$ 90,432	\$ 13,790	\$ 76,642
Debt service:				
Principal retirement	\$ 3,950	\$ 3,950	\$ 3,950	\$ -
Interest and other fiscal charges	52,327	48,851	48,457	394
Total debt service	<u>\$ 56,277</u>	<u>\$ 52,801</u>	<u>\$ 52,407</u>	<u>\$ 394</u>
Total Placid Bay Sanitation District Fund	<u>\$ 700,190</u>	<u>\$ 143,233</u>	<u>\$ 66,197</u>	<u>\$ 77,036</u>
<b>Glebe Harbor-Cabin Point Sanitary District Fund:</b>				
Community development:				
Glebe Harbor-Cabin Point sanitary district	\$ 184,413	\$ 197,590	\$ 113,536	\$ 84,054
Capital projects:				
Dredging and beach projects	\$ -	\$ 550,000	\$ -	\$ 550,000
Other	5,000	62,479	62,479	-
Total capital projects	<u>\$ 5,000</u>	<u>\$ 612,479</u>	<u>\$ 62,479</u>	<u>\$ 550,000</u>
Debt service:				
Principal retirement	\$ 65,385	\$ 65,385	\$ 65,385	\$ -
Interest and other fiscal charges	10,007	10,007	7,256	2,751
Total debt service	<u>\$ 75,392</u>	<u>\$ 75,392</u>	<u>\$ 72,641</u>	<u>\$ 2,751</u>
Total Glebe Harbor-Cabin Point Sanitary District Fund	<u>\$ 264,805</u>	<u>\$ 885,461</u>	<u>\$ 248,656</u>	<u>\$ 636,805</u>
Total Primary Government	<u>\$ 39,179,891</u>	<u>\$ 66,139,681</u>	<u>\$ 55,585,064</u>	<u>\$ 10,554,617</u>

Schedule of Expenditures - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction costs:				
Classroom instruction	\$ 13,519,895	\$ 18,071,394	\$ 15,860,811	\$ 2,210,583
Guidance services	735,436	934,031	859,110	74,921
Social worker services	65,444	64,114	64,114	-
Homebound instruction	16,148	43,925	43,925	-
Improvement of instruction	142,000	111,252	110,579	673
Media services	361,599	346,077	365,914	(19,837)
Office of the principal	1,318,168	1,250,285	1,312,388	(62,103)
Total instruction costs	<u>\$ 16,158,690</u>	<u>\$ 20,821,078</u>	<u>\$ 18,616,841</u>	<u>\$ 2,204,237</u>
Administration, attendance, and health:				
Board services	\$ 56,604	\$ 59,828	\$ 59,828	-
Executive administration	729,864	860,951	743,285	117,666
Fiscal services	236,613	240,100	229,600	10,500
Health services	244,469	324,775	264,134	60,641
Psychologist services	116,680	115,114	114,736	378
Total administration, attendance, and health	<u>\$ 1,384,230</u>	<u>\$ 1,600,768</u>	<u>\$ 1,411,583</u>	<u>\$ 189,185</u>
Operating costs:				
Pupil transportation	\$ 2,102,513	\$ 2,443,126	\$ 2,205,480	\$ 237,646
Operation and maintenance of school plant	1,807,761	2,000,683	1,793,835	206,848
Operation and maintenance - vehicle services	49,000	50,637	50,571	66
Facilities	400,000	1,100,905	452,154	648,751
Technology	779,941	905,635	933,201	(27,566)
Total operating costs	<u>\$ 5,139,215</u>	<u>\$ 6,500,986</u>	<u>\$ 5,435,241</u>	<u>\$ 1,065,745</u>
Total education	<u>\$ 22,682,135</u>	<u>\$ 28,922,832</u>	<u>\$ 25,463,665</u>	<u>\$ 3,459,167</u>
Contribution to primary government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,030,174</u>	<u>\$ (1,030,174)</u>
Capital projects:				
School capital projects	<u>\$ 270,000</u>	<u>\$ 4,864,357</u>	<u>\$ 2,381,127</u>	<u>\$ 2,483,230</u>
Debt service:				
Principal retirement	\$ 25,189	\$ 25,189	\$ 25,189	-
Interest and other fiscal charges	1,313	1,313	1,313	-
Total debt service	<u>\$ 26,502</u>	<u>\$ 26,502</u>	<u>\$ 26,502</u>	<u>\$ -</u>
Total School Operating Fund	<u>\$ 22,978,637</u>	<u>\$ 33,813,691</u>	<u>\$ 28,901,468</u>	<u>\$ 4,912,223</u>
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Food services	<u>\$ 1,041,974</u>	<u>\$ 1,045,381</u>	<u>\$ 1,184,108</u>	<u>\$ (138,727)</u>



## **Statistical Information**

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Water and Sewer	Total
2013	\$ 2,152,852	\$ 867,013	\$ 4,492,161	\$ 2,749,704	\$ 3,679,109	\$ 8,043,146	\$ 656,184	\$ 620,719	\$ 223,313	\$ 1,955,002	\$ 25,439,203
2014	2,091,306	853,373	4,295,459	2,734,476	4,114,348	8,089,593	669,700	751,081	367,852	2,191,811	26,158,999
2015	2,579,220	870,734	4,564,172	1,986,869	3,767,706	7,785,510	670,301	627,158	422,919	2,123,793	25,398,382
2016	2,775,459	1,122,068	4,575,347	2,727,720	3,526,367	7,801,727	685,361	666,753	455,844	2,158,315	26,494,961
2017	2,372,887	1,198,255	5,936,637	2,933,598	3,920,143	8,573,701	713,998	795,107	439,842	1,956,058	28,840,226
2018	2,837,806	1,193,501	5,501,750	2,849,927	3,795,038	8,603,139	721,856	686,047	480,837	2,212,642	28,882,543
2019	2,985,304	1,236,444	5,831,993	3,351,899	4,594,264	8,904,747	719,343	783,581	526,687	2,441,678	31,375,940
2020	3,319,050	1,388,093	6,067,544	3,130,794	4,461,638	9,429,674	737,893	656,402	1,538,633	2,658,138	33,387,859
2021	3,905,289	1,214,270	8,732,375	3,640,166	4,773,312	9,870,585	818,833	789,684	1,296,415	3,485,174	38,526,103
2022	3,768,018	1,152,759	8,784,652	4,289,160	4,331,398	8,991,636	866,940	892,473	1,499,550	3,539,999	38,116,585

Government-Wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain (loss) on Disposal of Capital Assets		
2013	\$ 2,510,447	\$ 4,384,988	\$ 767,324	\$ 14,656,404	\$ 1,754,768	\$ 261,606	\$ 146,605	\$ 1,912,759	\$ -	\$ 26,394,901	
2014	1,985,759	4,714,513	134,387	15,063,143	1,763,138	303,552	112,612	1,917,397	-	25,994,501	
2015	2,555,417	4,673,753	897,712	16,117,911	1,803,473	325,181	117,511	1,894,172	-	28,385,130	
2016	2,230,519	4,483,909	-	16,551,690	1,834,980	316,823	160,320	1,954,848	-	27,533,089	
2017	2,969,039	5,101,508	315,911	18,189,040	2,142,928	268,154	120,648	1,891,268	-	30,998,496	
2018	2,997,050	5,025,480	222,789	19,228,193	2,207,897	364,212	118,985	1,868,995	3,610	32,037,211	
2019	3,189,213	5,551,423	265,883	19,467,644	2,268,067	560,543	148,574	1,850,396	-	33,301,743	
2020	3,325,497	5,521,933	590,227	20,496,866	2,439,803	764,836	310,672	2,343,426	-	35,793,260	
2021	4,339,929	8,663,155	1,157,078	24,021,951	2,880,254	260,910	228,942	1,817,348	-	43,369,567	
2022	4,751,961	6,042,567	674,343	25,077,671	3,162,691	(7,738)	597,061	1,771,038	90,000	42,159,594	

General Government Revenues by Source (1)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees & Regulatory Licenses	Fines & Forfeitures	Use of Money & Property	Charges for Services	Miscellaneous	Recovered Costs	Intergovernmental (2)	Total
2013	\$ 14,743,259	\$ 1,754,768	\$ 202,424	\$ 115,070	\$ 290,994	\$ 394,327	\$ 448,060	\$ 882,009	\$ 17,194,575	\$ 36,025,486
2014	15,187,452	1,763,138	207,342	160,108	309,297	371,017	276,203	983,803	16,969,527	36,227,887
2015	16,244,065	1,803,473	203,244	166,637	309,425	368,049	382,562	1,038,376	18,461,019	38,976,850
2016	16,416,266	1,834,980	220,715	141,797	309,203	373,322	466,087	920,276	18,495,838	39,178,484
2017	18,025,610	2,142,928	257,469	175,653	306,001	729,809	354,721	994,473	21,928,438	44,915,102
2018	18,996,339	2,207,897	398,162	178,583	375,466	719,653	359,742	1,170,574	21,787,957	46,194,373
2019	19,754,183	2,268,067	275,080	222,405	515,129	743,201	364,593	1,466,432	22,041,206	47,650,296
2020	20,159,983	2,439,803	520,326	199,475	731,957	540,391	318,545	1,352,595	23,282,077	49,545,152
2021	24,168,054	2,880,254	503,100	254,712	294,757	549,025	1,007,278	1,408,956	27,194,018	58,260,154
2022	24,680,457	3,162,691	584,053	308,569	55,465	548,368	903,621	1,627,023	27,077,615	58,947,862

(1) Includes General, Special Revenue, and Debt Service Funds of the Primary Government and Component Unit School Board.

(2) Excludes contributions from the primary government to the Component Unit School Board.

General Government Expenditures by Function (1)  
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Recreation and Cultural	Community Development	Non-Departmental	Debt Service	Total
2013	\$ 2,079,138	\$ 872,047	\$ 5,140,387	\$ 2,565,625	\$ 3,555,288	\$ 19,164,087	\$ 444,199	\$ 634,520	\$ 195,045	\$ 1,114,232	\$ 35,764,568
2014	2,140,152	872,665	5,065,920	2,545,023	3,983,488	17,969,979	432,431	607,410	176,650	1,232,258	35,025,976
2015	2,504,023	847,974	5,292,467	2,815,618	3,686,314	18,975,603	447,269	580,603	176,701	1,336,521	36,663,093
2016	2,759,675	859,048	5,195,903	2,665,091	3,492,592	19,086,043	457,279	654,640	175,655	1,509,079	36,855,005
2017	2,679,950	954,407	6,315,427	2,868,395	4,079,536	22,076,010	464,842	794,888	178,157	1,562,925	41,974,537
2018	2,799,588	982,881	6,804,541	2,757,952	3,861,324	24,017,356	502,293	708,105	178,157	1,548,981	44,161,178
2019	2,899,096	1,044,214	7,297,160	3,198,150	4,596,180	22,809,599	487,135	921,772	178,157	2,028,506	45,459,969
2020	3,051,098	1,102,536	7,598,510	2,927,448	4,421,566	23,880,177	507,098	666,669	176,778	2,612,573	46,944,453
2021	3,443,125	1,138,038	9,067,558	3,628,016	4,504,909	26,662,948	514,889	617,607	272,510	2,415,423	52,265,023
2022	3,526,852	1,189,003	10,227,285	4,046,803	4,504,561	26,825,601	555,251	615,844	210,702	2,877,639	54,579,541

(1) Includes current expenditures of the General, Special Revenue and Debt Service Funds of the Primary Government, debt service expenditures of the Capital Projects Funds, and Component Unit School Board.

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

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	(2) Current Tax Collections	Percent of Levy Collected	(1) Delinquent Tax Collections	(2) Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2013	\$ 15,872,439	\$ 15,168,284	95.56%	\$ 366,525	\$ 15,534,809	97.87%	\$ 809,454	5.10%
2014	15,965,252	15,428,411	96.64%	413,899	15,842,310	99.23%	739,529	4.63%
2015	17,239,611	16,601,711	96.30%	392,522	16,994,233	98.58%	765,447	4.44%
2016	17,407,375	16,818,365	96.62%	354,757	17,173,122	98.65%	728,990	4.19%
2017	19,153,748	18,417,796	96.16%	340,581	18,758,377	97.94%	917,892	4.79%
2018	20,362,579	19,460,975	95.57%	332,565	19,793,540	97.21%	1,144,971	5.62%
2019	21,227,499	19,850,535	93.51%	561,974	20,412,509	96.16%	1,020,801	4.81%
2020	21,876,414	20,555,472	93.96%	372,981	20,928,453	95.67%	1,069,834	4.89%
2021	25,569,094	24,927,857	97.49%	476,774	25,404,631	99.36%	1,049,361	4.10%
2022	26,866,736	25,881,053	96.33%	462,175	26,343,228	98.05%	1,462,291	5.44%

(1) Exclusive of penalties and interest.

(2) Includes Personal Property Relief Act reimbursements to the County of:  
\$1,139,679 in fiscal years 2013 through 2022.

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate	(1) Personal Property	Machinery & Tools	Farm Machinery	Merchants Capital	Public Utility	Total
2013	\$ 2,494,278,280	\$ 155,807,020	\$ 6,901,620	\$ 7,259,190	\$ 9,391,850	\$ 55,376,280	\$ 2,729,014,240
2014	2,512,574,400	156,868,010	5,188,100	7,828,440	10,857,430	57,448,500	2,750,764,880
2015	2,530,561,850	158,944,510	4,900,250	8,087,890	10,559,880	58,762,670	2,771,817,050
2016	2,548,831,080	161,740,470	4,745,020	8,090,260	11,504,310	59,991,280	2,794,902,420
2017	2,456,076,950	167,682,450	5,053,880	8,517,510	10,540,750	62,498,530	2,710,370,070
2018	2,471,944,680	172,731,330	6,529,580	8,096,780	12,152,360	63,953,780	2,735,408,510
2019	2,493,031,410	171,289,290	6,049,830	7,875,090	9,823,820	65,943,400	2,754,012,840
2020	2,511,939,160	182,413,190	5,879,860	8,179,440	12,182,200	71,939,940	2,792,533,790
2021	2,536,324,360	183,967,370	5,752,920	8,405,400	11,481,810	76,435,141	2,822,367,001
2022	2,562,893,750	202,470,420	7,872,680	7,339,850	8,613,460	70,113,540	2,859,303,700

(1) Includes mobile homes.

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Years	Real Estate (2)	Personal Property (2)	Machinery and Tools	Farm Machinery	Merchants' Capital
2013	\$ 0.48	\$ 3.00	\$ 1.50	\$ 1.25	0.46
2014	0.48	3.00	1.50	1.25	0.46
2015	0.52	3.00	1.50	1.25	0.46
2016	0.52	3.00	1.50	1.25	0.46
2017	0.60	3.00	1.50	1.25	0.46
2018	0.61	3.25	1.50	1.25	0.46
2019	0.63	3.25	1.50	1.25	0.46
2020	0.65	3.25	1.50	1.25	0.46
2021	0.76	3.75	2.00	1.54	0.96
2022	0.76	3.75	2.00	1.75	0.96

(1) Per \$100 of assessed value.

(2) Also applies to public utility property.



Ratio of Net General Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less		Net Bonded Debt	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Debt Payable from Enterprise Revenues (4)			
2013	17,703	\$ 2,729,014,240	\$ 15,508,350	\$ 278,548	\$ 10,122,006	\$ 5,107,796	0.19%	\$ 289
2014	17,885	2,750,764,880	21,352,078	172,109	9,968,133	11,211,836	0.41%	627
2015	17,725	2,771,817,050	21,647,747	113,999	9,808,373	11,725,375	0.42%	662
2016	17,477	2,794,902,420	20,954,085	117,754	9,769,336	11,066,995	0.40%	633
2017	17,629	2,710,370,070	23,350,085	121,338	12,903,434	10,325,313	0.38%	586
2018	17,760	2,735,408,510	23,723,799	111,227	13,567,637	10,044,935	0.37%	566
2019	17,911	2,754,012,840	22,724,422	-	13,300,456	9,423,966	0.34%	526
2020	17,895	2,792,533,790	69,046,815	-	13,024,684	56,022,131	2.01%	3,131
2021	18,477	2,822,367,001	68,444,515	-	12,740,016	55,704,499	1.97%	3,015
2022	18,731	2,859,303,700	64,102,749	-	12,052,570	52,050,179	1.82%	2,779

(1) Weldon Cooper Center for Public Service

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt, Literary Fund Loans and IDA Lease Revenue Bonds.  
Does not include VRS retirement incentive obligation loan, leases, and compensated absences.

(4) Includes General Obligation Debt payable from enterprise revenues.

Ratio of Annual Debt Service Expenditures for General Bonded  
Debt to Total General Governmental Expenditures (1)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2013	\$ 814,666	\$ 299,566	\$ 1,114,232	\$ 35,764,568	3.12%
2014	866,844	365,414	1,232,258	35,025,976	3.52%
2015	808,197	528,324	1,336,521	36,663,093	3.65%
2016	981,272	527,807	1,509,079	36,855,005	4.09%
2017	1,074,887	488,038	1,562,925	41,974,537	3.72%
2018	1,094,505	454,476	1,548,981	44,161,178	3.51%
2019	1,463,604	564,902	2,028,506	45,459,969	4.46%
2020	1,273,719	1,448,083	2,721,802	46,944,453	5.80%
2021	1,229,169	1,880,502	3,109,671	52,265,023	5.95%
2022	1,572,392	1,278,745	2,851,137	54,579,541	5.22%

(1) Includes General, Capital Projects and Debt Service Funds of the Primary Government and Component Unit School Board.

(2) From Table 4.

Local Sales Tax Revenues  
Last Ten Fiscal Years

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Fiscal Year	Local Sales Tax Revenue	Percent Change
2013	\$ 862,885	-1.20%
2014	935,891	8.46%
2015	975,041	4.18%
2016	982,106	0.72%
2017	1,023,032	4.17%
2018	1,077,728	5.35%
2019	830,126	-22.97%
2020	1,003,512	20.89%
2021	1,209,685	20.55%
2022	1,274,178	5.33%

Ten Largest Taxpayers  
As of June 30, 2022

Taxpayer Name	Type of Business	Total Tax
Potomac Supply, LLC	Wood Products	\$ 9,102,800
O'Gara Training and Services, LLC	Safety Training	8,420,100
Curley Packing Co.	Wholesale	5,476,700
Second Development, LLC	Manufacturing	4,360,300
Gull Harbor, LLC	Real Estate	5,309,600
Ingleside Plantation Nurseries	Retail	5,231,900
Cole Point Partners, LLC.	Retail	3,718,000
Food Lion, LLC	Retail	3,097,400
Foxwell Melvin D & Edith Trustees	Real Estate	3,011,800
Longwood College Fpundation, Inc.	Education	2,907,100

## **Compliance**



**Independent Auditors' 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***

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**To the Honorable Members of the Board of Supervisors  
County of Westmoreland, Virginia**

We have audited, in accordance with the 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*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Westmoreland, Virginia as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise County of Westmoreland, Virginia, Virginia's basic financial statements and have issued our report thereon dated April 5, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Westmoreland, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Westmoreland, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Westmoreland, Virginia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item (2022-001) that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Westmoreland, Virginia'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 or other matters that are required to be reported under *Government Auditing Standards*.

### County of Westmoreland, Virginia's Response to Findings

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

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia  
April 5, 2023



**Independent Auditors' Report on Compliance For Each Major Program and on  
Internal Control Over Compliance Required by the Uniform Guidance**

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**To the Honorable Members of the Board of Supervisors  
County of Westmoreland, Virginia**

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

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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



## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Westmoreland, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Westmoreland, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Westmoreland, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia  
April 5, 2023

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Payments to Subrecipients
Department of Health and Human Services:				
Department of Social Services:				
Temporary Assistance for Needy Families (TANF)	93.558	0400121/0400122	\$ 162,100	\$ -
Total 93.558			\$ 162,100	\$ -
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760122	\$ 35,826	\$ -
Total CCDF Cluster			\$ 35,826	\$ -
Medicaid Cluster:				
Medical Assistance Program	93.778	1200121/1200122	\$ 186,498	\$ -
Total Medicaid Cluster			\$ 186,498	\$ -
Adoption and Legal Guardianship Incentive Payments	93.603	1130119	\$ 1,978	\$ -
Title IV-E Prevention Program	93.472	1140122	2,444	-
Guardianship Assistance	93.090	1110121/1110122	197	-
Mary Lee Allen Promoting Safe and Stable Families Program	93.556	0950120/0950121	7,414	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500122	724	-
Low-Income Home Energy Assistance	93.568	0500122/0600421/0600422	28,573	-
COVID-19 - Chafee Education and Training Vouchers Program (ETV)	93.599	9162121	635	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121	392	-
Foster Care Title IV-E	93.658	1100121/1110122	52,185	-
Adoption Assistance	93.659	1120121/1120122	33,915	-
Social Services Block Grant	93.667	1000121/1000122	141,690	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150120/9150121	1,756	-
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000221	702	-
Children's Health Insurance Program	93.767	0540121/0540122	1,853	-
Total Department of Health and Human Services			\$ 658,882	\$ -
Department of Agriculture:				
Pass Through Payments:				
Department of Agriculture:				
COVID-19 - EBT Administrative Cost Grants	10.649	202121S900941	\$ 3,063	\$ -
Child and Adult Care Food Program	10.558	202121H17064 1	7,449	7,449
Child Nutrition Cluster:				
National School Lunch Program	10.555	202121N11994/202221N11994 1	\$ 889,496	\$ -
Food Distribution - National School Lunch Program	10.555	202121N11994/202221N11994 1	87,980	-
Total 10.555			\$ 977,476	\$ -
School Breakfast Program	10.553	202222N11994 1/202221N89034 1 202121N11994 1/202221N11994 1 202222N11994 1	\$ 460,643	\$ -
Total 10.553			\$ 460,643	\$ -
Summer Food Service Program for Children	10.559	202121N11994 1	\$ 19,365	-
Food Distribution - Summer Food Service Program for Children	10.559	202020N85034 1	9,686	-
Total 10.559			\$ 29,051	\$ -
Total Child Nutrition Cluster			\$ 1,467,170	\$ -
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	010121/010122/040121/040122	\$ 352,229	\$ -
Total SNAP Cluster			\$ 352,229	\$ -
Total Department of Agriculture			\$ 1,829,911	\$ -
Department of the Treasury:				
Pass through payments::				
Virginia Department of Accounts				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	12110	\$ 610,033	\$ -
Department of Education:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1026	288,918	-
Total 21.027			\$ 898,951	\$ -
Total Department of the Treasury			\$ 898,951	\$ -

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Payments to Subrecipients
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Emergency Management Performance Grants	97.042	117463	\$ 7,500	\$ -
Total Department of Homeland Security			\$ 7,500	\$ -
Department of the Interior:				
Direct payments:				
Bureau of Land Management:				
National Wildlife Refuge Fund	15.659	N/A	\$ 1,444	\$ -
Total Department of the Interior			\$ 1,444	\$ -
Department of Justice:				
Direct payments:				
Public Safety Partnership and Community Policing Grants				
	16.710	N/A	\$ 159,242	\$ -
Pass Through Payments:				
Virginia Department of Criminal Justice:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	0000120127	\$ 30,939	\$ -
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	118072	65,915	-
Crime Victim Assistance	16.575	CJS99001	65,676	-
Total Department of Justice			\$ 321,772	\$ -
Department of Housing and Urban Development:				
Pass Through Payments:				
Virginia Department of Housing and Community Development:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HCD50790	\$ 11,250	\$ -
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	FSC-2021-51116/FOP-2021-51047 FOP-2022-52005/FSC-2022-52060	\$ 19,573	\$ -
Total Highway Safety Cluster			\$ 19,573	\$ -
Alcohol Open Container Requirements	20.607	154AL-2021-51118/ 154AL-2022-52059	41,420	-
Total Department of Transportation			\$ 60,993	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Council of Higher Education:				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Not Available	\$ 8,517	\$ -
Virginia Tech University:				
English Language Acquisition State Grants	84.365	Not Available	7,877	-
Department of Education:				
Title I Grants to Local Educational Agencies				
	84.010	S010A190046/S010A200046 S010A210046	479,561	-
Special Education Cluster (IDEA):				
Special Education Grants to States				
	84.027	H027A200107/H027A210107 H027X210107	371,919	-
Special Education Preschool Grants				
	84.173	H173A210112	19,640	-
Total Special Education Cluster (IDEA)			\$ 391,559	\$ -
Total Special Education Cluster			\$ 391,559	\$ -
Migrant Education State Grant Program				
	84.011	S011A200047/S011A210047	\$ 83,913	\$ -
Career and Technical Education - Basic Grants to States	84.048	V048A200046/V048A210046	24,081	-
Migrant Education Coordination Program	84.144	S144F200047/S144F210047	16,281	-
Rural Education	84.358	S358B190046/S358B200046 S358B210046	36,196	-
Student Support and Academic Enrichment Program				
	84.424	S424A200048/S424A180048 S424A210048	54,503	-
Supporting Effective Instruction State Grants				
	84.367	S367A200044/S367A210044	100,274	-
COVID 19 - Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief Fund (ESSER)				
	84.425D	S425C200042	1,788,562	-
Governor's Emergency Education Relief Fund	84.425C	S425D200008/S425D210008	3,794	-
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	992,196	-
Total Education Stabilization Fund			\$ 2,784,552	\$ -
Total Department of Education			\$ 3,987,314	\$ -
Total Expenditures of Federal Awards			\$ 7,778,017	\$ -

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Westmoreland, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the County of Westmoreland, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Westmoreland, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

(3) The County did not elect to use the 10% de minimis indirect cost rate.

Note 3 - Food Distribution

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

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$	2,124,614
Less: Payments in Lieu of Taxes		(1,616)
Less: Interest Subsidy		(98,895)
Total primary government	\$	<u>2,024,103</u>

Component Unit School Board:

School Operating Fund	\$	4,276,233
School Cafeteria Fund		1,477,681
Total Component Unit School Board	\$	<u>5,753,914</u>

Total expenditures of federal awards per basic financial statements	\$	<u>7,778,017</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$	<u><u>7,778,017</u></u>
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COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) reported?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) reported?	No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section 200.516 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
84.425D/84.425C/84.425U	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2022 (Continued)

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Section II - Financial Statement Findings

**2022-001: Material Weakness - Material Audit Adjustments Proposed by the external Auditor - School Board**

*Criteria:*

Identification of a material adjustment to the financial statements that was not detected by the school board's internal controls indicates that a material weakness may exist.

*Condition:*

The financial statements required material adjustments by the Auditors to ensure such statements complied with Generally Accepted Accounting Principles (GAAP). Material audit adjustments were proposed to multiple accounts and financial statement groups of the school board including, Due from Other Governmental Units and Revenues to be in accordance with Generally Accepted Accounting Principles.

*Cause:*

The school board's internal controls in place to capture and record all necessary balances in the automated accounting system were not adequate for the year end June 30, 2022.

*Effect:*

There is a reasonable possibility that a material misstatement of the financial statement will not be prevented or detected by the entity's internal controls over financial reporting.

*Recommendation:*

We recommend that the School Board strengthen internal controls to capture and record all balances accurately in accordance with General Accepted Accounting Principles and eliminate the need for material audit adjustments. In addition, capturing and recording all necessary balances in the accounting system will assist Management and those charged with governance in their decision making for the School Board.

*Management's Response:*

School Board management will continue to strengthen internal controls related to capturing and recording all necessary balances in the automated accounting system.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

COUNTY OF WESTMORELAND, VIRGINIA

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2022

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2021-001: Material Weakness - Material Audit Adjustments Proposed by the external Auditor - School Board

Status: A similar finding is reported in the 2022 findings and questioned costs.