

COUNTY OF WESTMORELAND, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

COUNTY OF WESTMORELAND, VIRGINIA

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SCHOOL BOARD

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Iris Lane, Vice-Chairman

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Daniel Wallace

Sandra Ramsey

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Clerk of the Circuit Court
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Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Commissioner of the Revenue
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For The Year Ended June 30, 2021

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement Nos. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 1 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84 and to restate capital assets. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-9, 104-123 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. 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 and Other Information

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

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022 on our consideration of the 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
January 10, 2022

COUNTY OF WESTMORELAND, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021.

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 \$30,399,344 (net position). For business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,241,410.

Fund Financial Statements

The General Fund, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources of \$592,000 (Exhibit 5) after making contributions totaling \$8,962,312 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$32,835,028 a decrease of \$25,575,234 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,042,619 or 23% of total general fund expenditures.
- Combined long-term obligations for the governmental funds increased \$1,494,758 during the current fiscal year.

The Proprietary Funds, on an accrual basis, reported a decrease in net position of \$98,201 (Exhibit 8).

- As of the close of the current fiscal year, the County's proprietary funds reported ending net position of \$20,241,410, a decrease \$98,201.
- Combined long-term obligations in the proprietary funds decreased \$237,626 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 \$30,399,344 at the close of the most recent fiscal year.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
	Current and other assets	\$ 41,647,112	\$ 63,776,237	\$ 3,013,682	\$ 2,324,162	\$ 44,660,794
Capital assets	61,451,926	28,316,415	30,408,960	31,304,283	91,860,886	59,620,698
Total assets	\$ 103,099,038	\$ 92,092,652	\$ 33,422,642	\$ 33,628,445	\$ 136,521,680	\$ 125,721,097
Deferred outflows of resources	\$ 2,373,062	\$ 1,564,109	\$ 73,195	\$ 50,703	\$ 2,446,257	\$ 1,614,812
Long-term liabilities	\$ 66,717,826	\$ 64,407,713	\$ 12,977,877	\$ 12,921,971	\$ 79,695,703	\$ 77,329,684
Current liabilities	8,089,075	5,344,694	271,655	405,506	8,360,730	5,750,200
Total liabilities	\$ 74,806,901	\$ 69,752,407	\$ 13,249,532	\$ 13,327,477	\$ 88,056,433	\$ 83,079,884
Deferred outflows of resources	\$ 265,855	\$ 437,758	\$ 4,895	\$ 12,060	\$ 270,750	\$ 449,818
Net position:						
Net investment in capital assets	\$ 21,994,964	\$ 12,162,745	\$ 17,614,709	\$ 18,219,046	\$ 39,609,673	\$ 30,381,791
Restricted	49,631	49,152	717,954	759,154	767,585	808,306
Unrestricted	8,354,749	11,254,699	1,908,747	1,361,411	10,263,496	12,616,110
Total net position	\$ 30,399,344	\$ 23,466,596	\$ 20,241,410	\$ 20,339,611	\$ 50,640,754	\$ 43,806,207

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 \$21,994,964 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 \$4,843,464 during the current fiscal year.

Governmental Activities - Governmental activities and business-type activities increased the County’s net position by \$4,941,665 and (\$98,201) respectively. Key elements of this increase are as follows:

Summary Statement of Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,305,032	\$ 1,260,192	\$ 3,034,897	\$ 2,065,305	\$ 4,339,929	\$ 3,325,497
Operating grants and contributions	8,663,155	5,521,933	-	-	8,663,155	5,521,933
Capital grants and contributions	1,157,078	590,227	-	-	1,157,078	590,227
General revenues:						
General property taxes	24,021,951	20,496,866	-	-	24,021,951	20,496,866
Other local taxes	2,880,254	2,439,803	-	-	2,880,254	2,439,803
Grants and other contributions not restricted	1,817,348	2,343,426	-	-	1,817,348	-1,817,348
Use of money and property	259,807	731,957	1,103	32,879	260,910	764,836
Miscellaneous	208,978	318,545	19,964	(7,873)	228,942	310,672
Total revenues	\$ 40,313,603	\$ 33,702,949	\$ 3,055,964	\$ 2,090,311	\$ 43,369,567	\$ 35,793,260
Expenses:						
General government administration	\$ 3,905,289	\$ 3,319,050	\$ -	\$ -	\$ 3,905,289	\$ 3,319,050
Judicial administration	1,214,270	1,388,093	-	-	1,214,270	1,388,093
Public safety	8,732,375	6,067,544	-	-	8,732,375	6,067,544
Public works	3,640,166	3,130,794	-	-	3,640,166	3,130,794
Health and welfare	4,773,312	4,461,638	-	-	4,773,312	4,461,638
Education	9,870,585	9,429,674	-	-	9,870,585	9,429,674
Parks, recreation, and cultural	818,833	737,893	-	-	818,833	737,893
Community development	789,684	656,402	-	-	789,684	656,402
Interest on long-term debt	1,296,415	1,538,633	-	-	1,296,415	1,538,633
Water and Sewer	-	-	3,485,174	2,658,138	3,485,174	2,658,138
Total expenses	\$ 35,040,929	\$ 30,729,721	\$ 3,485,174	\$ 2,658,138	\$ 38,526,103	\$ 33,387,859
Increase (decrease) in net position before transfers	\$ 5,272,674	\$ 2,973,228	\$ (429,210)	\$ (567,827)	\$ 4,843,464	\$ 2,405,401
Transfers	(331,009)	-	331,009	-	-	-
Increase in net position	\$ 4,941,665	\$ 2,973,228	\$ (98,201)	\$ (567,827)	\$ 4,843,464	\$ 2,405,401
Net position, July 1, as restated	25,457,679	20,493,368	20,339,611	20,907,438	45,797,290	41,400,806
Net position, June 30	\$ 30,399,344	\$ 23,466,596	\$ 20,241,410	\$ 20,339,611	\$ 50,640,754	\$ 43,806,207

Government-wide Financial Analysis: (Continued)

- The increase of \$4,941,665 in the governmental activities net position was largely attributable revenues exceeding expenses.
- Net position for business-type activities showed a decrease of \$98,201 during fiscal year 2021.

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 \$32,835,028 an decrease of \$25,575,234 in comparison with the prior year. Approximately 28% 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 2021 the fund balance of the General Fund increased by \$592,000 to \$15,087,525, the fund balance of the General Capital Projects Fund decreased by \$26,283,055 to \$16,869,910 due to scheduled spending on capital projects, and the fund balance of the other governmental funds increased by \$115,821 during FY2021 to \$877,593.

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 \$98,201.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of \$6,850,186 in expenditures and can be briefly summarized as follows:

- \$623,936 in increases for general government administration
- \$174,306 in decreases for health and welfare
- \$1,136,159 in increases for public safety
- \$790,681 in increases for public works
- \$3,933,147 in increases for capital projects
- \$1,037,459 in increases for education
- \$496,890 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, 2021 amounts to \$61,451,926 (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 \$30,408,960 as of June 30, 2021. 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 \$66,717,826 for its governmental activities. Of this amount \$710,000 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations \$55,161,343 represents bonds secured solely by specified revenue sources (i.e., revenue bonds), capital leases of \$5,008,000, OPEB liabilities of \$963,101, pension liability of \$4,185,461 and compensated absences of \$689,921. Business-type debt is comprised of \$12,740,016 bonds secured solely by water and sewer revenues, \$54,234 treatment plant upgrade, net pension liability of \$129,447, OPEB liabilities of \$29,785 and compensated absences of \$24,394.

The County's total long-term obligations increased by \$1,257,132 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, 2021 is 5.1 percent, which is an decrease from a rate of 7.1 percent a year ago. This is slightly higher than the state's average unemployment rate of 4.5 percent and is less than the national average rate of 6.1 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 2022 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, 2021

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit School Board
ASSETS				
Cash and cash equivalents	\$ 5,618,651	\$ 960,726	\$ 6,579,377	\$ 3,839,392
Cash in custody of others	19,760,267	-	19,760,267	-
Investments	13,885,140	1,220,042	15,105,182	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,049,361	-	1,049,361	-
Accounts receivable	229,738	114,960	344,698	444
Due from primary government	-	-	-	288,050
Due from other governmental units	1,054,324	-	1,054,324	1,537,765
Prepaid items	-	-	-	385
Restricted assets:				
Cash and investments	49,631	717,954	767,585	-
Capital assets (net of accumulated depreciation):				
Land	2,348,318	427,377	2,775,695	258,916
Buildings and system	14,678,465	29,119,256	43,797,721	5,013,004
Machinery and equipment	4,719,809	60,234	4,780,043	1,892,864
Intangible assets	-	802,093	802,093	-
Construction in progress	39,705,334	-	39,705,334	3,726,338
Total assets	\$ 103,099,038	\$ 33,422,642	\$ 136,521,680	\$ 16,557,158
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 2,187,212	\$ 67,446	\$ 2,254,658	\$ 4,895,195
OPEB related items	185,850	5,749	191,599	513,823
Total deferred outflows of resources	\$ 2,373,062	\$ 73,195	\$ 2,446,257	\$ 5,409,018
LIABILITIES				
Accounts payable	\$ 4,148,958	\$ 199,714	\$ 4,348,672	\$ 479,834
Accrued liabilities	-	-	-	2,939,316
Retainage payable	1,662,114	-	1,662,114	-
Unearned revenue	1,749,601	57,103	1,806,704	-
Customers' deposits	-	35	35	-
Accrued interest payable	156,472	14,803	171,275	-
Due to other governmental units	83,880	-	83,880	75,176
Due to component unit	288,050	-	288,050	-
Long-term liabilities:				
Due within one year	48,027,439	302,652	48,330,091	222,880
Due in more than one year	18,690,387	12,675,225	31,365,612	21,527,469
Total liabilities	\$ 74,806,901	\$ 13,249,532	\$ 88,056,433	\$ 25,244,675
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ -	\$ -	\$ -	\$ 1,749,775
OPEB related items	158,308	4,895	163,203	283,640
Deferred revenue - property taxes	107,547	-	107,547	-
Total deferred inflows of resources	\$ 265,855	\$ 4,895	\$ 270,750	\$ 2,033,415
NET POSITION				
Net Investment in capital assets	\$ 21,994,964	\$ 17,614,709	\$ 39,609,673	\$ 10,491,005
Restricted:				
Debt service and bond covenants	49,631	717,954	767,585	-
Unrestricted (deficit)	8,354,749	1,908,747	10,263,496	(15,802,919)
Total net position	\$ 30,399,344	\$ 20,241,410	\$ 50,640,754	\$ (5,311,914)

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, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,905,289	\$ -	\$ 989,422	\$ -
Judicial administration	1,214,270	281,598	584,381	-
Public safety	8,732,375	46,404	2,470,335	978,603
Public works	3,640,166	695,412	785,059	-
Health and welfare	4,773,312	-	3,027,430	-
Education	9,870,585	-	603,819	-
Parks, recreation, and cultural	818,833	278,413	24,739	178,475
Community development	789,684	3,205	177,970	-
Interest on long-term debt	1,296,415	-	-	-
Total governmental activities	\$ <u>35,040,929</u>	\$ <u>1,305,032</u>	\$ <u>8,663,155</u>	\$ <u>1,157,078</u>
Business-type activities:				
Water and sewer	\$ 3,485,174	\$ 3,034,897	\$ -	\$ -
Total business-type activities	\$ <u>3,485,174</u>	\$ <u>3,034,897</u>	\$ <u>-</u>	\$ <u>-</u>
Total primary government	\$ <u>38,526,103</u>	\$ <u>4,339,929</u>	\$ <u>8,663,155</u>	\$ <u>1,157,078</u>
COMPONENT UNIT:				
School Board	\$ <u>26,699,435</u>	\$ <u>1,805</u>	\$ <u>16,475,223</u>	\$ <u>41,714</u>

- 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
 - Transfers
- Total general revenues and transfers
- 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
\$ (2,915,867)		\$ (2,915,867)	
(348,291)		(348,291)	
(5,237,033)		(5,237,033)	
(2,159,695)		(2,159,695)	
(1,745,882)		(1,745,882)	
(9,266,766)		(9,266,766)	
(337,206)		(337,206)	
(608,509)		(608,509)	
(1,296,415)		(1,296,415)	
<u>\$ (23,915,664)</u>		<u>\$ (23,915,664)</u>	
	\$ (450,277)	\$ (450,277)	
	\$ (450,277)	\$ (450,277)	
	<u>\$ (450,277)</u>	<u>\$ (24,365,941)</u>	
			\$ <u>(10,180,693)</u>
\$ 24,021,951	\$ -	\$ 24,021,951	\$ -
1,209,685	-	1,209,685	-
345,247	-	345,247	-
835,844	-	835,844	-
426,525	-	426,525	-
62,953	-	62,953	-
259,807	1,103	260,910	34,950
208,978	19,964	228,942	798,300
-	-	-	9,218,181
1,817,348	-	1,817,348	-
(331,009)	331,009	-	-
<u>\$ 28,857,329</u>	<u>\$ 352,076</u>	<u>\$ 29,209,405</u>	<u>\$ 10,051,431</u>
\$ 4,941,665	\$ (98,201)	\$ 4,843,464	\$ (129,262)
25,457,679	20,339,611	45,797,290	(5,182,652)
<u>\$ 30,399,344</u>	<u>\$ 20,241,410</u>	<u>\$ 50,640,754</u>	<u>\$ (5,311,914)</u>

Fund Financial Statements

Balance Sheet
 Governmental Funds
 June 30, 2021

	General	General Capital Projects	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 3,853,896	\$ 895,795	\$ 868,960	\$ 5,618,651
Cash in custody of others	288,277	19,471,990	-	19,760,267
Investments	13,396,804	486,302	2,034	13,885,140
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,049,361	-	-	1,049,361
Accounts receivable	229,738	-	-	229,738
Due from other governmental units	1,054,324	-	-	1,054,324
Restricted assets:				
Investments	-	-	49,631	49,631
Total assets	<u>\$ 19,872,400</u>	<u>\$ 20,854,087</u>	<u>\$ 920,625</u>	<u>\$ 41,647,112</u>
LIABILITIES				
Accounts payable	\$ 1,727,663	\$ 2,378,263	\$ 43,032	\$ 4,148,958
Retainage payable	56,200	1,605,914	-	1,662,114
Due to other governmental units	83,880	-	-	83,880
Due to component unit	288,050	-	-	288,050
Unearned revenue	1,749,601	-	-	1,749,601
Total liabilities	<u>\$ 3,905,394</u>	<u>\$ 3,984,177</u>	<u>\$ 43,032</u>	<u>\$ 7,932,603</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 879,481	\$ -	\$ -	\$ 879,481
FUND BALANCES:				
Restricted	\$ 20,000	\$ -	\$ 49,631	\$ 69,631
Committed	2,488,786	-	827,962	3,316,748
Assigned	3,536,120	16,869,910	-	20,406,030
Unassigned	9,042,619	-	-	9,042,619
Total fund balances	<u>\$ 15,087,525</u>	<u>\$ 16,869,910</u>	<u>\$ 877,593</u>	<u>\$ 32,835,028</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,872,400</u>	<u>\$ 20,854,087</u>	<u>\$ 920,625</u>	<u>\$ 41,647,112</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, 2021

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 32,835,028

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	39,705,334	
Buildings and improvements, net of depreciation	14,678,465	
Machinery and equipment, net of depreciation	<u>4,719,809</u>	61,451,926

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

Pension related items	\$ 2,187,212	
OPEB related items	<u>185,850</u>	2,373,062

Some of the County's property and other taxes will be collected after year-end, but are not available soon enough to pay for the current year's expenditures and, therefore, are reported as deferred revenue in the funds.

771,934

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	\$ (156,472)	
Bonds and notes payable	(55,871,343)	
Net OPEB liability	(963,101)	
Compensated absences	(689,921)	
Capital leases	(5,008,000)	
Net pension liability	<u>(4,185,461)</u>	(66,874,298)

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

Pension related items	-	
OPEB related items	<u>(158,308)</u>	<u>(158,308)</u>

Net position of governmental activities \$ 30,399,344

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, 2021

	General	General Capital Projects	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 24,093,143	\$ -	\$ 74,911	\$ 24,168,054
Other local taxes	2,880,254	-	-	2,880,254
Permits, privilege fees, and regulatory licenses	503,100	-	-	503,100
Fines and forfeitures	254,712	-	-	254,712
Revenue from the use of money and property	175,427	84,358	22	259,807
Charges for services	91,721	-	455,499	547,220
Miscellaneous	183,978	25,000	-	208,978
Recovered costs	1,408,956	-	-	1,408,956
Intergovernmental:				
Commonwealth	6,021,973	-	41,530	6,063,503
Federal	4,613,578	-	-	4,613,578
Total revenues	<u>\$ 40,226,842</u>	<u>\$ 109,358</u>	<u>\$ 571,962</u>	<u>\$ 40,908,162</u>
EXPENDITURES				
Current:				
General government administration	\$ 3,443,125	\$ -	\$ -	\$ 3,443,125
Judicial administration	1,138,038	-	-	1,138,038
Public safety	9,067,558	-	-	9,067,558
Public works	3,628,016	-	-	3,628,016
Health and welfare	4,504,909	-	-	4,504,909
Education	9,576,716	-	-	9,576,716
Parks, recreation, and cultural	514,889	-	-	514,889
Community development	498,222	-	119,385	617,607
Nondepartmental	272,510	-	-	272,510
Capital projects	3,646,497	27,667,216	215,883	31,529,596
Debt service:				
Principal retirement	865,109	-	79,392	944,501
Interest and other fiscal charges	1,397,324	31,197	42,401	1,470,922
Total expenditures	<u>\$ 38,552,913</u>	<u>\$ 27,698,413</u>	<u>\$ 457,061</u>	<u>\$ 66,708,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,673,929</u>	<u>\$ (27,589,055)</u>	<u>\$ 114,901</u>	<u>\$ (25,800,225)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 750,000	\$ 920	\$ 750,920
Transfers out	(1,081,929)	-	-	(1,081,929)
Issuance of capital leases	-	556,000	-	556,000
Total other financing sources (uses)	<u>\$ (1,081,929)</u>	<u>\$ 1,306,000</u>	<u>\$ 920</u>	<u>\$ 224,991</u>
Net change in fund balances	\$ 592,000	\$ (26,283,055)	\$ 115,821	\$ (25,575,234)
Fund balances - beginning	14,495,525	43,152,965	761,772	58,410,262
Fund balances - ending	<u>\$ 15,087,525</u>	<u>\$ 16,869,910</u>	<u>\$ 877,593</u>	<u>\$ 32,835,028</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, 2021

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

Net change in fund balances - total governmental funds \$ (25,575,234)

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	\$ 31,976,099	
Depreciation expense	<u>(1,449,184)</u>	30,526,915

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position. 685,513

Transfer of joint tenancy assets from Primary Government to the Component Unit (68,000)

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

Property taxes (146,103)

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 capital leases	\$ (556,000)	
Lease revenue bonds	202,632	
Bond premium	166,844	
General obligation bonds	115,000	
Capital leases	<u>439,000</u>	367,476

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	\$ (102,692)	
OPEB expense	(15,372)	
Net pension expense	(738,502)	
Accrued interest payable	<u>7,664</u>	<u>(848,902)</u>

Change in net position of governmental activities \$ 4,941,665

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

Statement of Net Position
 Proprietary Funds
 June 30, 2021

	<u>Enterprise Fund</u>
	<u>Water and</u>
	<u>Sewer</u>
	<u>Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 960,726
Investments	1,220,042
Accounts receivable, net of allowance for uncollectibles	114,960
Total current assets	<u>\$ 2,295,728</u>
Noncurrent assets:	
Restricted assets:	
Cash and investments	\$ 717,954
Total restricted assets	<u>\$ 717,954</u>
Capital assets:	
Land - Sewer	\$ 427,377
Buildings and system - Sewer	37,925,528
Buildings and system - Water	1,183,857
Machinery and equipment - Sewer	298,739
Intangible assets - Sewer	1,209,113
Accumulated depreciation - Sewer	(9,665,488)
Accumulated depreciation - Water	(970,166)
Total net capital assets	<u>\$ 30,408,960</u>
Total noncurrent assets	<u>\$ 31,126,914</u>
Total assets	<u>\$ 33,422,642</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	\$ 67,446
OPEB related items	5,749
Total deferred outflows of resources	<u>\$ 73,195</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 199,714
Customers' deposits	35
Unearned revenue	57,103
Accrued interest payable	14,803
Compensated absences - current portion	2,439
Sewer treatment plant agreement - current portion	6,319
Bonds payable - Sewer - current portion	286,974
Bonds payable - Water - current portion	6,920
Total current liabilities	<u>\$ 574,307</u>
Noncurrent liabilities:	
Bonds payable - Sewer - net of current portion	\$ 12,230,345
Bonds payable - Water - net of current portion	215,777
Sewer treatment plant agreement - noncurrent portion	47,916
Net pension liability	129,447
Net OPEB liability	29,785
Compensated absences - net of current portion	21,955
Total noncurrent liabilities	<u>\$ 12,675,225</u>
Total liabilities	<u>\$ 13,249,532</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB related items	\$ 4,895
Total deferred inflows of resources	<u>\$ 4,895</u>
NET POSITION	
Net investment in capital assets	\$ 17,614,709
Restricted for debt service and bond covenants	717,954
Unrestricted	1,908,747
Total net position	<u>\$ 20,241,410</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, 2021

	<u>Enterprise Fund</u>
	<u>Water and</u>
	<u>Sewer</u>
	<u>Fund</u>
OPERATING REVENUES	
Charges for services:	
Water revenues	\$ 44,969
Sewer revenues	1,644,685
Total operating revenues	<u>\$ 1,689,654</u>
OPERATING EXPENSES	
Water	\$ 16,842
Sewer	2,056,425
Other expenses	6,608
Depreciation - water	47,354
Depreciation - sewer	889,539
Total operating expenses	<u>\$ 3,016,768</u>
Operating income (loss)	<u>\$ (1,327,114)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 1,103
Availability/connection/tap fees - sewer	1,345,243
Interest expense - water	(10,169)
Interest expense - sewer	(458,237)
Other nonoperating item - water	858
Other nonoperating item - sewer	19,106
Total nonoperating revenues (expenses)	<u>\$ 897,904</u>
Income (loss)	<u>\$ (429,210)</u>
Transfers:	
Transfers in	\$ 331,009
Total transfers	<u>\$ 331,009</u>
Change in net position	\$ (98,201)
Total net position - beginning	20,339,611
Total net position - ending	<u><u>\$ 20,241,410</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, 2021

	<u>Enterprise Funds</u>
	<u>Water and Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,700,767
Payments to suppliers	(1,714,179)
Payments to and for employees	(181,991)
Net cash provided by (used for) operating activities	<u>\$ (195,403)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Additions to utility plant	\$ (41,570)
Principal payments on bonds	(284,668)
Principal payments on treatment plant agreement	(6,318)
Interest expense	(469,036)
Availability/connection fees	1,345,243
Other	19,964
Net cash provided by (used for) capital and related financing activities	<u>\$ 563,615</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale (purchase) of investments	\$ (62,024)
Interest income	1,103
Net cash provided by (used for) investing activities	<u>\$ (60,921)</u>
Net increase (decrease) in cash and cash equivalents	\$ 638,300
Cash and cash equivalents - beginning	322,426
Cash and cash equivalents - ending	<u><u>\$ 960,726</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (1,327,114)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 936,893
(Increase) decrease in accounts receivable	11,113
(Increase) decrease in deferred outflows - pension related items	(22,310)
(Increase) decrease in deferred outflows - OPEB related items	(182)
Increase (decrease) in accounts payable	152,429
Increase (decrease) in net pension liability	55,245
Increase (decrease) in net OPEB liability	(829)
Increase (decrease) in deferred inflows - pension related items	(8,648)
Increase (decrease) in deferred inflows - OPEB related items	1,483
Increase (decrease) in unearned revenue	7,573
Increase (decrease) in compensated absences	(1,056)
Total adjustments	<u>\$ 1,131,711</u>
Net cash provided by (used for) operating activities	<u><u>\$ (195,403)</u></u>

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2021

	<u>Special Welfare</u>
ASSETS	
Cash and cash equivalents	\$ <u>45,602</u>
Total assets	\$ <u>45,602</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ <u>18,817</u>
Total liabilities	\$ <u>18,817</u>
NET POSITION	
Restricted:	
Net position restricted to individuals and organizations	\$ <u><u>26,785</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, 2021

	<u>Special Welfare</u>
Additions:	
Miscellaneous	\$ <u>13,643</u>
Total additions	\$ <u>13,643</u>
Deductions	
Other charges	\$ <u>917</u>
Total deductions	\$ <u>917</u>
Net Increase (decrease) in plan assets	\$ 12,726
Net Positions	
Balance, beginning of year	\$ <u>14,059</u>
Balance, end of year	\$ <u><u>26,785</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, 2021

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 18,477 and a land area of 222 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, 2021 (Continued)

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, 2021 (Continued)

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 \$481,129 in operating funds to the Library in 2021.

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 \$63,376 as operating grants to the Middle Peninsula Northern Neck Community Services Board for the fiscal year ended June 30, 2021.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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 \$66,316 to the Middle Peninsula Juvenile Detention Commission for the fiscal year ended June 30, 2021.

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, 2021 (Continued)

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 2021.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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 and the Coles Point Sewer Service.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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, 2021 (Continued)

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, 2021 (Continued)

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, 2021 (Continued)

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 Agency 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, 2021, 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 \$496,518 at June 30, 2021 and is comprised of the following:

General Fund--taxes receivable	\$ 337,110
Water and Sewer Fund--accounts receivable	159,408
Total	<u>\$ 496,518</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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. 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, 2021 (Continued)

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position 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 contributions to the pension and OPEB plans made during the current year and subsequent to the net pension and OPEB asset or liability measurement date, which will be recognized as a reduction of the net pension and OPEB asset or liability next fiscal year. Another item is comprised of items related to the measurement of net pension and OPEB liability. For more detailed information on these items, reference the pension and OPEB notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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 two types of 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 2nd 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 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension and OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the pension and OPEB 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.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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.

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 not in spendable form (such as inventory and prepaids) or are 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;

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Q. Fund Equity: (Continued)

- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

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 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
Fund Balances:				
Restricted:				
Placid bay sanitary district	-	-	49,631	49,631
Underground tanks	20,000	-	-	20,000
Total Restricted Fund Balance	\$ 20,000	\$ -	\$ 49,631	\$ 69,631
Committed:				
Placid bay sanitary district	-	-	664,497	664,497
Glebe Harbor Cabin Point Sanitary District	-	-	163,465	163,465
Financial software	439,866	-	-	439,866
Fire and rescue	242,535	-	-	242,535
Courthouse debt service	337,500	-	-	337,500
Education	1,310,345	-	-	1,310,345
Other purposes	158,540	-	-	158,540
Total Committed Fund Balance	\$ 2,488,786	\$ -	\$ 827,962	\$ 3,316,748
Assigned:				
Fire and rescue	413,130	-	-	413,130
School waterline	224,399	-	-	224,399
Capital projects	949,182	16,869,910	-	17,819,092
Reassessment	221,970	-	-	221,970
Other purposes	1,727,439	-	-	1,727,439
Total Assigned Fund Balance	\$ 3,536,120	\$ 16,869,910	\$ -	\$ 20,406,030
Unassigned	\$ 9,042,619	\$ -	\$ -	\$ 9,042,619
Total Fund Balances	\$ 15,087,525	\$ 16,869,910	\$ 877,593	\$ 32,835,028

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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. Adoption of Accounting Principles:

The County implemented provisions of Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities during the fiscal year ended June 30, 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The implementation of this Statement resulted in the restatement found in Note 1, section T.

T. Restatements:

Balances as of July 1, 2020 were restated as follows:

	Net Position		Fund Balance
	Governmental Activities	Component Unit School Board	Component Unit School Board
Balance as reported July 1, 2020	\$ 23,466,596	\$ (5,325,707)	\$ 1,762,895
Implementation of GASB 84	-	143,055	143,055
Capital assets (net of accumulated depreciation)	1,991,083	-	-
Balance as restated July 1, 2020	\$ 25,457,679	\$ (5,182,652)	\$ 1,905,950

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

Statutes authorize the County 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,

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

Investments (continued)

the African Development Bank, “prime quality” commercial paper and certain corporate notes, 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, 2021 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, 2021 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	AA-
U.S. Treasuries	\$ 3,050,877	\$ -	\$ -
Corporate Debt	-	200,468	255,977
Total	\$ 3,050,877	\$ 200,468	\$ 255,977

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.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

The interest rate risk is summarized below:

Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1 Year	1-5 Years
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.

The County has the following recurring fair value measurements as of June 30, 2021:

Investment	June 30, 2021	Fair Value Measurement Using Quoted Prices in Active Markets For Identical Assets (Level 1)
U.S. Treasuries	\$ 3,050,877	\$ 3,050,877
Corporate Bonds	456,445	456,445
Total	<u>\$ 3,507,322</u>	<u>\$ 3,507,322</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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 2020 were levied by the County Board of Supervisors on May 1, 2020, on the assessed value listed as of January 1, 2020.

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.

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 2020 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.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 5 - RECEIVABLES:

Accounts Receivable:

Receivables at June 30, 2021 consist of the following:

	<u>Primary Government</u> <u>Governmental Activities</u>	Business-	<u>Component</u> <u>Unit</u>
	General	type Activities	School Board
Property taxes	\$ 1,386,471	\$ -	\$ -
Utility taxes	28,804	-	-
Water and sewer charges	-	274,368	-
Other	200,934	-	444
Total	<u>\$ 1,616,209</u>	<u>\$ 274,368</u>	<u>\$ 444</u>
Allowance for uncollectibles	(337,110)	(159,408)	-
Net receivables	<u><u>\$ 1,279,099</u></u>	<u><u>\$ 114,960</u></u>	<u><u>\$ 444</u></u>

NOTE 6 - DUE FROM OTHER GOVERNMENTAL UNITS:

At June 30, 2021:

	<u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Unit</u>
	General	School Board
Commonwealth of Virginia:		
Local sales taxes	\$ 321,011	\$ -
Communication taxes	73,079	-
State sales taxes	-	383,843
Social Services	143,859	-
Comprehensive Services Act	257,202	-
Shared expenses and grants	152,197	-
Other	106,976	9,539
Federal pass-through school funds	<u>-</u>	<u>1,144,383</u>
Total	<u><u>\$ 1,054,324</u></u>	<u><u>\$ 1,537,765</u></u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 7 - INTERFUND BALANCES AND TRANSFERS:

Primary Government:

Transfers To/From Other Funds:

Transfers to the Capital Projects Fund from the General Fund to pay general obligation debt service and related costs	\$ 750,000
Transfers to the Water & Sewer Fund from the General Fund to pay for COVID-19 related costs	331,009
Transfers from the Glebe Harbor Coles Point Sanitary District Fund to pay sanitary district related costs	<u>920</u>
Total transfers	<u>\$ 1,081,929</u>
Reconciliation of transfers:	
Transfers out - governmental funds	<u>\$ 1,081,929</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, 2021, \$288,050 was due from the County to the School Board.

NOTE 8 - DUE TO OTHER GOVERNMENTAL UNITS:

At June 30, 2021:

	<u>Governmental Activities General</u>	<u>Component Unit School Board</u>
Town of Colonial Beach:		
Sales tax	\$ 77,620	\$ 75,176
Town of Montross:		
Sales tax	<u>6,260</u>	<u>-</u>
Total	<u>\$ 83,880</u>	<u>\$ 75,176</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 9 - CAPITAL ASSETS:

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

Primary Government:

	Balance July 1, 2020			Balance June 30, 2021
	<u>As restated</u>	<u>Increases</u>	<u>Decreases</u>	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,353,018	\$ 33,300	\$ 38,000	\$ 2,348,318
Construction in Progress	<u>10,290,140</u>	<u>30,335,499</u>	<u>920,305</u>	<u>39,705,334</u>
Total capital assets not being depreciated	<u>\$ 12,643,158</u>	<u>\$ 30,368,799</u>	<u>\$ 958,305</u>	<u>\$ 42,053,652</u>
Other capital assets:				
Buildings and improvements	\$ 20,177,449	\$ 1,958,270	\$ -	\$ 22,135,719
Machinery, equipment and vehicles	8,405,590	1,529,835	941,002	8,994,423
Jointly owned assets	<u>825,000</u>	<u>-</u>	<u>115,000</u>	<u>710,000</u>
Total other capital assets	<u>\$ 29,408,039</u>	<u>\$ 3,488,105</u>	<u>\$ 1,056,002</u>	<u>\$ 31,840,142</u>
Accumulated depreciation:				
Buildings and improvements	\$ 7,347,883	\$ 533,343	\$ -	\$ 7,881,226
Machinery, equipment and vehicles	4,098,288	880,341	704,015	4,274,614
Jointly owned assets	<u>297,528</u>	<u>35,500</u>	<u>47,000</u>	<u>286,028</u>
Total accumulated depreciation	<u>\$ 11,743,699</u>	<u>\$ 1,449,184</u>	<u>\$ 751,015</u>	<u>\$ 12,441,868</u>
Other capital assets, net	<u>\$ 17,664,340</u>	<u>\$ 2,038,921</u>	<u>\$ 304,987</u>	<u>\$ 19,398,274</u>
Net capital assets	<u>\$ 30,307,498</u>	<u>\$ 32,407,720</u>	<u>\$ 1,263,292</u>	<u>\$ 61,451,926</u>
Depreciation is allocated to:				
General government administration		\$ 444,921		
Judicial administration		2,616		
Public safety		640,036		
Education		35,500		
Public works		228,287		
Parks and recreation		94,645		
Community Development		<u>3,179</u>		
Total governmental activities		<u>\$ 1,449,184</u>		

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 9 - CAPITAL ASSETS: (Continued)

Primary Government: (Continued)

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 427,377	\$ -	\$ -	\$ 427,377
Total capital assets not being depreciated	<u>\$ 427,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 427,377</u>
Other capital assets:				
Buildings and systems	\$ 39,090,968	\$ 18,417	\$ -	\$ 39,109,385
Intangible assets	1,209,113	-	-	1,209,113
Machinery and equipment	<u>275,586</u>	<u>23,153</u>	<u>-</u>	<u>298,739</u>
Total other capital assets	<u>\$ 40,575,667</u>	<u>\$ 41,570</u>	<u>\$ -</u>	<u>\$ 40,617,237</u>
Accumulated depreciation:				
Buildings and systems	\$ 9,109,752	\$ 880,377	\$ -	\$ 9,990,129
Intangible assets	370,434	36,586	-	407,020
Machinery and equipment	<u>218,575</u>	<u>19,930</u>	<u>-</u>	<u>238,505</u>
Total accumulated depreciation	<u>\$ 9,698,761</u>	<u>\$ 936,893</u>	<u>\$ -</u>	<u>\$ 10,635,654</u>
Other capital assets, net	<u>\$ 30,876,906</u>	<u>\$ (895,323)</u>	<u>\$ -</u>	<u>\$ 29,981,583</u>
Net capital assets	<u>\$ 31,304,283</u>	<u>\$ (895,323)</u>	<u>\$ -</u>	<u>\$ 30,408,960</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 9 - CAPITAL ASSETS: (Continued)

Component Unit-School Board:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital assets not being depreciated:				
Land	\$ 258,916	\$ -	\$ -	\$ 258,916
Construction in Progress	<u>3,277,142</u>	<u>449,196</u>	<u>-</u>	<u>3,726,338</u>
Total capital assets not being depreciated	<u>\$ 3,536,058</u>	<u>\$ 449,196</u>	<u>\$ -</u>	<u>\$ 3,985,254</u>
Other capital assets:				
Buildings	\$ 18,704,442	\$ 169,415	\$ -	\$ 18,873,857
Machinery, equipment and vehicles	<u>6,176,241</u>	<u>213,023</u>	<u>-</u>	<u>6,389,264</u>
Total other capital assets	<u>\$ 24,880,683</u>	<u>\$ 382,438</u>	<u>\$ -</u>	<u>\$ 25,263,121</u>
Accumulated depreciation:				
Buildings	\$ 13,291,586	\$ 569,267	\$ -	\$ 13,860,853
Machinery, equipment and vehicles	<u>4,247,255</u>	<u>249,145</u>	<u>-</u>	<u>4,496,400</u>
Total accumulated depreciation	<u>\$ 17,538,841</u>	<u>\$ 818,412</u>	<u>\$ -</u>	<u>\$ 18,357,253</u>
Other capital assets, net	<u>\$ 7,341,842</u>	<u>\$ (435,974)</u>	<u>\$ -</u>	<u>\$ 6,905,868</u>
Net capital assets	<u>\$ 10,877,900</u>	<u>\$ 13,222</u>	<u>\$ -</u>	<u>\$ 10,891,122</u>
Depreciation is allocated to education		<u>\$ 818,412</u>		
Depreciation expense		\$ 771,412		
Transfer of accumulated depreciation on jointly owned assets		<u>47,000</u>		
Total increases in accumulated depreciation above		<u>\$ 818,412</u>		

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, 2021 is that school financed assets in the amount of \$710,000 are reported in the Primary Government for financial reporting purposes. In addition, \$31,131,454 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, 2021 (Continued)

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, 2021 (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, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board (Nonprofessional)
Inactive members or their beneficiaries currently receiving benefits	90	58
Inactive members:		
Vested inactive members	12	8
Non-vested inactive members	26	13
Inactive members active elsewhere in VRS	71	4
Total inactive members	109	25
Active members	140	33
Total covered employees	<u>339</u>	<u>116</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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, 2021 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 \$724,088 and \$622,237 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2021 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 \$96,164 and \$66,543 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2019, rolled forward to the measurement date of June 30, 2020.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

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

Mortality rates:

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

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 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 10-Pension Plan: (Continued)

Actuarial Assumptions - General Employees: (Continued)

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

Largest 10 - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

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, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
 Total	 <u>100.00%</u>		 <u>4.64%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.14%</u>

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 10-Pension Plan: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; 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, 2020, 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, 2020 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2020, 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, 2019	\$ 27,990,019	\$ 25,516,625	\$ 2,473,394
Changes for the year:			
Service cost	\$ 812,645	\$ -	\$ 812,645
Interest	1,837,004	-	1,837,004
Changes of assumptions	-	-	-
Differences between expected and actual experience	615,113	-	615,113
Contributions - employer	-	620,679	(620,679)
Contributions - employee	-	332,040	(332,040)
Net investment income	-	487,915	(487,915)
Benefit payments, including refunds of employee contributions	(1,550,299)	(1,550,299)	-
Administrative expenses	-	(16,814)	16,814
Other changes	-	(572)	572
Net changes	\$ 1,714,463	\$ (127,051)	\$ 1,841,514
Balances at June 30, 2020	\$ 29,704,482	\$ 25,389,574	\$ 4,314,908

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 10-Pension Plan: (Continued)

Changes in Net Pension Liability

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 4,747,680	\$ 4,089,027	\$ 658,653
Changes for the year:			
Service cost	\$ 75,204	\$ -	\$ 75,204
Interest	310,121	-	310,121
Changes of assumptions	-	-	-
Differences between expected and actual experience	49,029	-	49,029
Contributions - employer	-	66,596	(66,596)
Contributions - employee	-	35,600	(35,600)
Net investment income	-	77,448	(77,448)
Benefit payments, including refunds of employee contributions	(306,580)	(306,580)	-
Administrative expenses	-	(2,747)	2,747
Other changes	-	(89)	89
Net changes	\$ 127,774	\$ (129,772)	\$ 257,546
Balances at June 30, 2020	\$ 4,875,454	\$ 3,959,255	\$ 916,199

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:

	Rate		
	(5.75%)	(6.75%)	(7.75%)
County Net Pension Liability (Asset)	\$ 7,894,947	\$ 4,314,908	\$ 1,324,327
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 1,384,365	\$ 916,199	\$ 515,569

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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, 2021, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$1,485,318, and \$254,922, respectively. At June 30, 2021, 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)	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 496,187	\$ -	\$ 11,886	\$ -
Change of assumptions	282,415	-	-	-
Net difference between projected and actual earnings on pension plan investments	751,968	-	117,934	-
Employer contributions subsequent to the measurement date	<u>724,088</u>	<u>-</u>	<u>96,164</u>	<u>-</u>
Total	<u>\$ 2,254,658</u>	<u>\$ -</u>	<u>\$ 225,984</u>	<u>\$ -</u>

\$724,088 and \$96,164 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, 2022. 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, 2021 (Continued)

Note 10-Pension Plan: (Continued)

<u>Year ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
2022	\$ 538,485	\$ 12,712
2023	481,858	37,691
2024	267,485	41,102
2025	242,742	38,315
2026	-	-
Thereafter	-	-

Pension Plan Data

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

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, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,613,270 and \$1,541,868 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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 \$16,885,412 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was .11600% as compared to .11313% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$1,888,757. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 989,746
Change of assumptions	1,152,641	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	618,977	760,029
Net difference between projected and actual earnings on pension plan investments	1,284,323	-
Employer contributions subsequent to the measurement date	<u>1,613,270</u>	<u>-</u>
Total	<u>\$ 4,669,211</u>	<u>\$ 1,749,775</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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: (Continued)

\$1,613,270 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, 2022. 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>	
2022	\$ 28,153
2023	406,805
2024	439,732
2025	435,404
2026	(3,928)
Thereafter	-

Actuarial Assumptions

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

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 10-Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions: (Continued)

Mortality rates:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 10-Pension Plan: (Continued)

Component Unit School Board (Professional) (Continued)

		Teacher Employee Retirement Plan
Total Pension Liability	\$	51,001,855
Plan Fiduciary Net Position		<u>36,449,229</u>
Employers' Net Pension Liability (Asset)	\$	<u><u>14,552,626</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		71.47%

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:

	Rate		
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 24,774,692	\$ 16,885,412	\$ 10,359,981

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 10-Pension Plan: (Continued)

Component Unit School Board (Professional) (Continued)

Pension Plan Fiduciary Net Position

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

NOTE 11 - COMPENSATED ABSENCES:

The County and its component unit have accrued the liability arising from all outstanding compensated absences. The liability for future vacation and sick leave benefits is accrued when such benefits meet certain conditions. See note 12 for details of changes.

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COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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, 2021:

	Balance July 1, 2020	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2021
Long-term obligations from governmental activities:				
Direct borrowings and direct placements:				
Lease revenue bonds	\$ 8,287,131	\$ -	\$ 202,632	\$ 8,084,499
Revenue anticipation note	46,910,000	-	-	46,910,000
General obligation bonds:				
School	825,000	-	115,000	710,000
Other liabilities:				
Bond premium	333,687	-	166,843	166,844
Capital leases	4,891,000	556,000	439,000	5,008,000
Net OPEB liability	989,829	271,724	298,452	963,101
Net pension liability	2,399,192	3,183,685	1,397,416	4,185,461
Compensated absences	587,229	161,415	58,723	689,921
Total from governmental activities	\$ 65,223,068	\$ 4,172,824	\$ 2,678,066	\$ 66,717,826
Long-term obligations from business-type activities:				
Direct borrowings and direct placements:				
Virginia Resources Authority lease revenue bonds	\$ 13,024,684	\$ -	\$ 284,668	\$ 12,740,016
Treatment plant upgrade agreement	60,553	-	6,318	54,235
Other liabilities:				
Net OPEB liability	30,614	8,405	9,234	29,785
Net pension liability	74,202	98,463	43,218	129,447
Compensated absences	25,450	1,489	2,545	24,394
Total from business-type activities	\$ 13,215,503	\$ 108,357	\$ 345,983	\$ 12,977,877
Long-term obligations from component unit:				
Other liabilities:				
Capital lease	\$ 587,986	\$ -	\$ 187,869	\$ 400,117
Net OPEB liability	3,017,834	910,548	649,750	3,278,632
Net pension liability	15,547,203	7,720,895	5,466,487	17,801,611
Compensated absences	244,818	47,913	22,742	269,989
Total from component unit	\$ 19,397,841	\$ 8,679,356	\$ 6,326,848	\$ 21,750,349
Total long-term obligations	\$ 97,836,412	\$ 12,960,537	\$ 9,350,897	\$ 101,446,052
Reconciliation to Exhibit 1:				
Primary Government				
Long-term liabilities due within one year				\$ 48,330,091
Long-term liabilities due in more than one year				31,365,612
Component Unit				
Long-term liabilities due within one year				222,880
Long-term liabilities due in more than one year				21,527,469
Total long-term obligations				\$ 101,446,052

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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		Capital Leases		Bond Premium	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 47,533,816	\$ 1,694,116	\$ 753,881	\$ 125,606	\$ 166,844	\$ -
2023	639,526	740,207	775,236	105,486	-	-
2024	660,767	723,965	582,000	87,207	-	-
2025	677,563	707,170	594,000	75,149	-	-
2026	694,928	689,804	607,000	62,822	-	-
2027-2031	2,882,439	2,769,575	2,096,000	127,031	-	-
2032-2036	3,225,011	2,179,489	-	-	-	-
2037-2041	3,803,602	1,600,898	-	-	-	-
2042-2046	3,844,458	951,961	-	-	-	-
2047-2051	3,179,641	389,369	-	-	-	-
2052-2056	1,356,999	48,674	-	-	-	-
Total	\$ <u>68,498,750</u>	\$ <u>12,495,228</u>	\$ <u>5,408,117</u>	\$ <u>583,301</u>	\$ <u>166,844</u>	\$ <u>-</u>

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>
<u>Governmental Activities:</u>		
<u>Lease Revenue Bonds:</u>		
\$7,500,000 lease revenue bonds, payable in monthly installments of \$28,125 through March 11, 2053, interest payable at 3.125%.	\$ 6,789,239	\$ 127,147
\$1,031,500 lease revenue bonds, payable in monthly installments of \$4,096 through December 28, 2053, interest payable at 3.5%.	952,481	16,071
\$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 semi-annually at 2.34%.	<u>342,779</u>	<u>65,385</u>
Total lease revenue bonds	<u>\$ 8,084,499</u>	<u>\$ 208,603</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 12 - LONG TERM OBLIGATIONS: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities: (Continued)</u>		
<u>Capital Leases:</u>		
The County purchased Baseball field lighting under a capital lease. 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%.	\$ 556,000	\$ 109,000
The County purchased radio equipment under capital lease agreements. 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>4,452,000</u>	<u>449,000</u>
Total Capital Leases	<u>\$ 5,008,000</u>	<u>\$ 558,000</u>
<u>Revenue Anticipation Note:</u>		
The County entered into a \$46,910,000 revenue anticipation note for the new high school, payable in one installment of \$46,910,000, due on June 1, 2022.	<u>\$ 46,910,000</u>	<u>\$ 46,910,000</u>
<u>Unamortized Bond Premium</u>	<u>\$ 166,844</u>	<u>\$ 166,844</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>\$ 710,000</u>	<u>\$ 115,000</u>
<u>Compensated absences (payable from general fund)</u>	<u>\$ 689,921</u>	<u>\$ 68,992</u>
<u>Net pension liability</u>	<u>\$ 4,185,461</u>	<u>\$ -</u>
<u>Net OPEB liability</u>	<u>\$ 963,101</u>	<u>\$ -</u>
Total long-term obligations from governmental activities	<u><u>\$ 66,717,826</u></u>	<u><u>\$ 48,027,439</u></u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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>		
\$308,200 Lease revenue bonds, payable in 480 monthly installments of \$1,400 beginning on November 12, 2002, interest payable at 4.50% per year.	\$ 222,697	\$ 6,920
\$1,206,000 Lease revenue bonds, payable in 480 monthly installments of \$4,619 beginning on July 18, 2004, interest payable at 3.25% per year.	838,238	28,609
\$608,930 Lease revenue bonds, payable in 480 monthly installments of \$2,795 beginning on July 18, 2004, interest payable at 4.50% per year.	452,622	13,447
\$375,100 Lease revenue bonds, payable in 454 monthly installments of \$1,722 beginning on March 22, 2007, interest payable at 4.50% per year.	299,100	7,355
\$295,700 Lease revenue bonds, payable in 454 monthly installments of \$1,310 beginning on July 17, 2007, interest payable at 4.25% per year.	235,529	5,823
\$1,174,000 Lease revenue bonds, payable in 454 monthly installments of \$5,107 beginning on October 26, 2007, interest payable at 4.125% per year.	936,634	23,081
\$1,000,000 Lease revenue bonds, payable in 480 monthly installments of \$4,500 beginning on July 20, 2008, interest payable at 4.50% per year.	841,394	16,474
\$1,287,000 Lease revenue bonds, payable in 454 monthly installments of \$5,599 beginning on October 26, 2007, interest payable at 4.125% per year.	1,026,690	25,312
\$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.	1,241,797	30,962
\$3,003,000 revenue bonds, payable in 456 monthly installments of \$12,823 beginning on February 5, 2012, interest payable at 4.00% per year. Interest only due on January 5, 2011 and January 5, 2012.	2,617,747	50,079
\$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.	4,027,568	85,832
Total Lease Revenue bonds	<u>\$ 12,740,016</u>	<u>\$ 293,894</u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 12 - LONG TERM OBLIGATIONS: (Continued)

Details of Long-Term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Business-type Activities: (Continued)</u>		
Treatment plant upgrade agreement with the Town of Colonial Beach payable in monthly installments of \$526. Interest payable at 0.00% per year.	\$ 54,235	\$ 6,319
<u>Net pension liability (payable from water and sewer funds)</u>	<u>\$ 129,447</u>	<u>\$ -</u>
<u>Net OPEB liability (payable from water and sewer funds)</u>	<u>\$ 29,785</u>	<u>\$ -</u>
<u>Compensated absences (payable from water and sewer funds)</u>	<u>\$ 24,394</u>	<u>\$ 2,439</u>
Total long-term obligations from business-type activities	<u><u>\$ 12,977,877</u></u>	<u><u>\$ 302,652</u></u>
<u>Component Unit:</u>		
<u>Capital Lease:</u>		
The School Board purchased energy savings equipment under a capital lease agreement. Title to the equipment passes to the entity upon completion of payment of the minimum lease payments. There are no restrictions imposed by the agreements.	\$ 400,117	\$ 195,881
<u>Compensated absences (payable from school fund)</u>	<u>\$ 269,989</u>	<u>\$ 26,999</u>
<u>Net Pension Liability</u>	<u>\$ 17,801,611</u>	<u>\$ -</u>
<u>Net OPEB Liability</u>	<u>\$ 3,278,632</u>	<u>\$ -</u>
Total long-term obligations from component unit	<u><u>\$ 21,750,349</u></u>	<u><u>\$ 222,880</u></u>
Total long-term obligations	<u><u>\$ 101,446,052</u></u>	<u><u>\$ 48,552,971</u></u>

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

NOTE 13 - UNEARNED AND DEFERRED/UNAVAILABLE REVENUE:

At June 30, 2021:

	<u>Government-wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Primary Government:		
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.	\$ -	\$ 771,934
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	107,547	107,547
Unearned revenues - American Rescue Plan funds	<u>1,749,601</u>	<u>1,749,601</u>
Total	<u>\$ 1,857,148</u>	<u>\$ 2,629,082</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, 2021, the County had outstanding construction commitments in the amount of \$17,620,080.

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, 2021 (Continued)

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, 2021 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 2021. 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, safety belt 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 \$8,616 as of June 30, 2021.

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, 2021 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 \$39,968 and \$36,469 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to School Professional Plan were \$54,769 and \$53,624 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the School Nonprofessional Plan were \$3,908 and \$3,748 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, the County, School Board (Professional) and School Board (Nonprofessional) reported a liabilities of \$568,739, \$836,254, and \$58,409, for their proportionate share of the Net GLI OPEB Liability, respectively. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, County, School Board (Professional) and School Board (Nonprofessional)'s proportion were .03408%, .05011% and .00350% respectively, as compared to .03345%, .04882% and .00352% at June 30, 2019.

For the year ended June 30, 2021, the County, School Board (Professional) and School Board (Nonprofessional) recognized GLI OPEB expense of \$36,716, \$37,056, and \$1,155 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, 2021 (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, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Primary Government</u>		<u>School Professional</u>		<u>School Nonprofessional</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,479	\$ 5,108	\$ 53,638	\$ 7,511	\$ 3,746	\$ 524
Net difference between projected and actual earnings on GLI OPEB program investments	17,084	-	25,120	-	1,755	-
Change in assumptions	28,444	11,876	41,822	17,461	2,921	1,220
Changes in proportion	43,919	-	43,988	40,332	-	4,414
Employer contributions subsequent to the measurement date	39,968	-	54,769	-	3,908	-
Total	<u>\$ 165,894</u>	<u>\$ 16,984</u>	<u>\$ 219,337</u>	<u>\$ 65,304</u>	<u>\$ 12,330</u>	<u>\$ 6,158</u>

\$39,968, \$54,769, and \$3,908 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, 2022. 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>
2022	\$ 23,594	\$ 17,762	\$ (192)
2023	28,419	24,856	303
2024	27,137	25,151	755
2025	22,333	22,575	1,124
2026	6,782	7,720	251
Thereafter	677	1,200	23

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, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. 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*

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

Mortality Rates - Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Mortality Rates - Largest Ten Locality Employers - General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

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 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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

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

Actuarial Assumptions: (Continued)

Mortality Rates - Largest Ten Locality Employers - General Employees (Continued)

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 20.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

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 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Actuarial Assumptions: (Continued)

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

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 with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60.00% to 70.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

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 with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2020, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,523,937
Plan Fiduciary Net Position	1,855,102
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 1,668,835</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64%

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.

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:

<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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
PIP - Private Investment Partr	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	2.50%
		Expected arithmetic nominal return*	<u>7.14%</u>

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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 member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, 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, 2020 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.

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

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	\$ 747,651	\$ 568,739	\$ 423,446
School Professional	1,099,320	836,254	622,619
School Nonprofessional	76,783	58,409	43,487

GLI Plan Fiduciary Net Position

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

NOTE 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, 2021 (Continued)

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>School Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	8	-
Inactive members:		
Vested inactive members	-	-
Non-vested inactive members	-	-
Inactive members active elsewhere in VRS	-	-
Total inactive members	<u>8</u>	<u>-</u>
Active members	57	33
Total covered employees	<u><u>65</u></u>	<u><u>33</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, 2021 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, 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 County to the HIC Plan were \$6,407 and \$6,092 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions from the School Board (Nonprofessional) to the HIC Plan were \$9,451 and \$0 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2021 (Continued)

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, 2020. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
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*

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2021 (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

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 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2021 (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:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

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 with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2021 (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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Stra	6.00%	3.04%	0.18%
PIP - Private Investment Part	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.14%</u>

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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, 2020, 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, 2020 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.

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2021 (Continued)

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

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, 2019	\$ 65,994	\$ 27,973	\$ 38,021
Changes for the year:			
Service cost	\$ 2,919	\$ -	\$ 2,919
Interest	4,249	-	4,249
Benefit changes	-	-	-
Differences between expected and actual experience	1,556	-	1,556
Assumption changes	-	-	-
Contributions - employer	-	6,092	(6,092)
Net investment income	-	561	(561)
Benefit payments	(6,102)	(6,102)	-
Administrative expenses	-	(54)	54
Other changes	-	-	-
Net changes	\$ 2,622	\$ 497	\$ 2,125
Balances at June 30, 2020	\$ 68,616	\$ 28,470	\$ 40,146

	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, 2019	\$ -	\$ -	\$ -
Changes for the year:			
Benefit changes	\$ 124,231	\$ -	\$ 124,231
Net changes	\$ 124,231	\$ -	\$ 124,231
Balances at June 30, 2020	\$ 124,231	\$ -	\$ 124,231

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2021 (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	\$ 47,818	\$ 40,146	\$ 33,599
School Nonprofessional	135,822	124,231	114,132

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, 2021, the County and School Board (Nonprofessional) recognized HIC Plan OPEB expense of \$5,621 and \$124,231, respectively. At June 30, 2021, 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	\$ 1,588	\$ 314	\$ -	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	952	-	-	-
Change in assumptions	1,074	710	-	-
Employer contributions subsequent to the measurement date	6,407	-	9,451	-
Total	\$ 10,021	\$ 1,024	\$ 9,451	\$ -

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2021 (Continued)

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)

\$6,407 and \$9,451 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, 2022. 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>
2022	\$ 287
2023	438
2024	794
2025	845
2026	226
Thereafter	-

HIC Plan Data

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

NOTE 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, 2021 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 \$122,671 and \$123,747 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, the school division reported a liability of \$1,534,503 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC Plan was .11763% as compared to .11396% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$131,569. 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.

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, 2021, 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 \$	-	\$ 20,493
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	6,800	-
Change in assumptions	30,335	8,384
Change in proportion	93,907	84,727
Employer contributions subsequent to the measurement date	<u>122,671</u>	<u>-</u>
Total	<u>\$ 253,713</u>	<u>\$ 113,604</u>

\$122,671 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, 2022. 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:

Year Ended June 30

2022	\$ 5,904
2023	6,578
2024	6,352
2025	1,494
2026	(5,418)
Thereafter	2,528

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, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

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

Mortality Rates - Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2020, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
		<hr/>
Total Teacher Employee HIC OPEB Liability	\$	1,448,676
Plan Fiduciary Net Position		144,160
Teacher Employee net HIC OPEB Liability (Asset)	\$	<hr/> <hr/> 1,304,516
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		9.95%

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.

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:

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

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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, 2020, 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, 2020 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	\$ 1,717,716	\$ 1,534,503	\$ 1,378,785

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (continued)

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, 2021 (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, 2021 was \$18,521.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (continued)

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, 2021.

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	2.16%
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 2.16% 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, 2021 (continued)

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

Changes in Total OPEB Liability

Changes in Net OPEB Liability - County		Primary Government Total OPEB Liability
Balances at June 30, 2020	\$	438,101
Changes for the year:		
Service cost		63,179
Interest		10,874
Changes in assumptions		(24,128)
Economic/demographic gains or losses		(85,504)
Benefit payments		(18,521)
Net changes		(54,100)
Balances at June 30, 2021	\$	<u>384,001</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 (1.16%) or one percentage point higher (3.16%) than the current discount rate:

Rate		
1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
\$ 422,762	\$ 384,001	\$ 348,845

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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:

Rates		
1% Decrease	Healthcare Cost Trend	1% Increase
\$ 319,118	\$ 384,001	\$ 463,835

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

For the year ended June 30, 2021, the County recognized OPEB expense in the amount of \$38,485. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 83,963
Changes in assumptions	15,684	61,232
Total	\$ 15,684	\$ 145,195

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

Year Ended June 30	
2022	\$ (35,568)
2023	(33,996)
2024	(25,923)
2025	(18,902)
2026	(15,122)
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, 2021 (continued)

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, 2021 (measurement date), the following employees were covered by the benefit terms:

Active	\$	223
Retirees and surviving spouses		3
Spouse of current retiree		1
		<hr/>
Total	\$	<u>227</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, 2021 was \$34,021.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (continued)

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, 2021.

Actuarial Assumptions

The total OPEB liability in the January 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	Ranges from 3.50% to 5.35% based on years of service
Discount Rate	2.16%

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, 2021 (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 2.16% 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

Changes in Net OPEB Liability - School Board		Primary Government Total OPEB Liability
Balances at June 30, 2020	\$	674,277
Changes for the year:		
Service cost		66,977
Interest		16,008
Effect of plan changes		-
Effect of economic/demographic gains or losses		-
Effect of assumption changes		1,994
Benefit payments		(34,021)
Net changes		<u>50,958</u>
Balances at June 30, 2021	\$	<u><u>725,235</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 (1.16%) or one percentage point higher (3.16%) than the current discount rate:

Rate		
1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
\$ 763,763	\$ 725,235	\$ 684,762

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (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:

Rates		
1% Decrease	Healthcare Cost Trend	1% Increase
\$ 623,037	\$ 725,235	\$ 847,226

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

For the year ended June 30, 2021, the School Board recognized OPEB expense in the amount of \$66,437. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 46,943
Changes in assumptions	18,992	51,631
Total	\$ 18,992	\$ 98,574

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

Year Ended June 30	
2022	\$ (16,548)
2023	(16,548)
2024	(16,648)
2025	(17,552)
2026	(12,286)
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, 2021 (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)	\$ 384,001	\$ 15,684	\$ 145,195	\$ 38,485
Group Life County - (Note 19)	568,739	165,894	16,984	36,716
County HIC Program (Note 20)	40,146	10,021	1,024	5,621
Total	<u>\$ 992,886</u>	<u>\$ 191,599</u>	<u>\$ 163,203</u>	<u>\$ 80,822</u>

	Component Unit School Board			
	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
School Pay-as-you-go (Note 23)	\$ 725,235	\$ 18,992	\$ 98,574	\$ 66,437
Group Life - School Professional (Note 19)	836,254	219,337	65,304	37,056
Group Life - School Nonprofessional (Note 19)	58,409	12,330	6,158	1,155
Nonprofessional HIC Program (Note 20)	124,231	9,451	-	124,231
Teacher HIC Program (Note 21)	1,534,503	253,713	113,604	131,569
Total	<u>\$ 3,278,632</u>	<u>\$ 513,823</u>	<u>\$ 283,640</u>	<u>\$ 360,448</u>

NOTE 24— SUBSEQUENT EVENTS:

On October 27, 2021 the County issued Public Facility Revenue Refunding Bonds, Series 2021 in the par amount of \$14,405,000.

NOTE 25— NEW ACCOUNTING STANDARDS:

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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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.

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2021 (Continued)

NOTE 26—COVID-19 Pandemic Subsequent Event Note:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

CARES Act Funding

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate some of the effects of the sharp economic downturn due to the COVID-19 pandemic, which included direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF).

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. During fiscal year 2021 the County received total CRF funding of \$1,571,739. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$253,593. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. There are no unspent CRF funds in the amount as of June 30, 2021.

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 are 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 \$1,749,602 from the initial allocation are reported as unearned revenue as of June 30, 2021.

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 23,920,088	\$ 23,920,088	\$ 24,093,143	\$ 173,055
Other local taxes	2,260,079	2,260,079	2,880,254	620,175
Permits, privilege fees, and regulatory licenses	256,800	256,800	503,100	246,300
Fines and forfeitures	192,960	192,960	254,712	61,752
Revenue from the use of money and property	366,579	366,579	175,427	(191,152)
Charges for services	115,200	115,200	91,721	(23,479)
Miscellaneous	25,586	153,166	183,978	30,812
Recovered costs	1,346,618	1,421,151	1,408,956	(12,195)
Intergovernmental:				
Commonwealth	6,306,510	6,353,849	6,021,973	(331,876)
Federal	1,106,638	4,756,023	4,613,578	(142,445)
Total revenues	\$ 35,897,058	\$ 39,795,895	\$ 40,226,842	\$ 430,947
EXPENDITURES				
Current:				
General government administration	\$ 3,268,702	\$ 3,892,638	\$ 3,443,125	\$ 449,513
Judicial administration	1,136,799	1,245,716	1,138,038	107,678
Public safety	8,917,814	10,053,973	9,067,558	986,415
Public works	2,996,549	3,787,230	3,628,016	159,214
Health and welfare	4,902,162	4,727,856	4,504,909	222,947
Education	8,839,753	9,937,831	9,576,716	361,115
Parks, recreation, and cultural	540,088	520,625	514,889	5,736
Community development	534,865	607,289	498,222	109,067
Nondepartmental	181,278	272,510	272,510	-
Capital projects	1,018,378	4,951,525	3,646,497	1,305,028
Debt service:				
Principal retirement	865,109	865,109	865,109	-
Interest and other fiscal charges	2,719,285	1,969,285	1,397,324	571,961
Total expenditures	\$ 35,920,782	\$ 42,831,587	\$ 38,552,913	\$ 4,278,674
Excess (deficiency) of revenues over (under) expenditures	\$ (23,724)	\$ (3,035,692)	\$ 1,673,929	\$ 4,709,621
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ (1,081,929)	\$ (1,081,929)	\$ -
Total other financing sources (uses)	\$ -	\$ (1,081,929)	\$ (1,081,929)	\$ -
Net change in fund balances	\$ (23,724)	\$ (4,117,621)	\$ 592,000	\$ 4,709,621
Fund balances - beginning	23,724	4,117,621	14,495,525	10,377,904
Fund balances - ending	\$ -	\$ -	\$ 15,087,525	\$ 15,087,525

Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

Pension Plans

For The Measurement Dates of June 30, 2014 through June 30, 2020

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 75,204	\$ 70,864	\$ 75,447	\$ 77,136	\$ 85,052	\$ 84,808	\$ 98,467
Interest	310,121	294,007	274,669	275,668	265,470	262,208	252,023
Differences between expected and actual experience	49,029	211,579	199,979	(114,005)	24,513	(83,136)	-
Changes of assumptions	-	110,127	-	(4,064)	-	-	-
Benefit payments	(306,580)	(277,985)	(269,707)	(228,312)	(230,372)	(204,176)	(205,806)
Net change in total pension liability	\$ 127,774	\$ 408,592	\$ 280,388	\$ 6,423	\$ 144,663	\$ 59,704	\$ 144,684
Total pension liability - beginning	<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>
Total pension liability - ending (a)	<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>
Plan fiduciary net position							
Contributions - employer	\$ 66,596	\$ 64,017	\$ 59,979	\$ 62,921	\$ 74,703	\$ 77,446	\$ 76,884
Contributions - employee	35,600	34,115	34,871	36,575	35,640	37,061	36,335
Net investment income	77,448	260,455	284,160	432,043	61,050	161,881	495,868
Benefit payments	(306,580)	(277,985)	(269,707)	(228,312)	(230,372)	(204,176)	(205,806)
Administrator charges	(2,747)	(2,709)	(2,550)	(2,569)	(2,313)	(2,275)	(2,729)
Other	(89)	(163)	(249)	(382)	(26)	(34)	26
Net change in plan fiduciary net position	\$ (129,772)	\$ 77,730	\$ 106,504	\$ 300,276	\$ (61,318)	\$ 69,903	\$ 400,578
Plan fiduciary net position - beginning	<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>
Plan fiduciary net position - ending (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>
School Division's net pension liability - ending (a) - (b)	\$ 916,199	\$ 658,653	\$ 327,791	\$ 153,907	\$ 447,760	\$ 241,779	\$ 251,978
Plan fiduciary net position as a percentage of the total pension liability	81.21%	86.13%	92.45%	96.21%	88.95%	93.81%	93.45%
Covered payroll	\$ 720,745	\$ 690,577	\$ 709,125	\$ 741,630	\$ 719,396	\$ 743,755	\$ 726,912
School Division's net pension liability as a percentage of covered payroll	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, 2020

	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.11600%	0.11310%	0.12031%	0.12267%	0.11459%	0.11744%	0.11661%
Employer's Proportionate Share of the Net Pension Liability (Asset)	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	10,312,225	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	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	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, 2012 through June 30, 2021

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)
Primary Government					
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%
2012	483,488	483,488	-	4,472,603	10.81%
Component Unit School Board (Nonprofessional)					
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%
2012	75,948	75,948	-	941,121	8.07%
Component Unit School Board (Professional)					
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%

Current year contributions are from County records and prior year contributions are from the VRS actuarial valuation performed each year.

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, 2021

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Componer

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2020

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)
Primary Government					
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%
Component Unit School Board (Nonprofessional)					
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%
Component Unit School Board (Professional)					
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, 2012 through June 30, 2021

<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>
Primary Government					
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%
2012	12,523	12,523	-	4,472,603	0.28%
Component Unit School Board (Nonprofessional)					
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%
2012	2,686	2,686	-	959,367	0.28%
Component Unit School Board (Professional)					
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%
2012	22,557	22,557	-	8,056,241	0.28%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2021

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions

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

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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 30,2020

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

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

	<u>2020</u>
Total HIC OPEB Liability	
Service cost	\$ -
Interest	-
Changes of benefit terms	124,231
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	-
Net change in total HIC OPEB liability	<u>\$ 124,231</u>
Total HIC OPEB Liability - beginning	-
Total HIC OPEB Liability - ending (a)	<u><u>\$ 124,231</u></u>
Plan fiduciary net position	
Contributions - employer	\$ -
Net investment income	-
Benefit payments	-
Administrator charges	-
Other	-
Net change in plan fiduciary net position	<u>\$ -</u>
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	<u><u>\$ -</u></u>
Net HIC OPEB liability - ending (a) - (b)	\$ 124,231
Plan fiduciary net position as a percentage of the total HIC OPEB liability	0.00%
Covered payroll	\$ 690,577
Net HIC OPEB liability as a percentage of covered payroll	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, 2011 through June 30, 2020

<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>
Primary Government					
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%
2012	3,578	3,578	-	4,472,603	0.08%
Component Unit School Board (Nonprofessional)					
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, 2021

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

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2020

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)
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, 2012 through June 30, 2021

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)
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%
2012	47,577	47,577	-	7,929,467	0.60%

Notes to Required Supplementary Information
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2021

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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 2021

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

Valuation Date: 7/1/2020
 Measurement Date: 6/30/2021

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	2.16%
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 2021

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

Valuation Date: 1/1/2020
 Measurement Date: 6/30/2021

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	2.16%
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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 9,500	\$ 9,500	\$ 84,358	\$ 74,858
Miscellaneous	-	25,000	25,000	-
Total revenues	<u>\$ 9,500</u>	<u>\$ 34,500</u>	<u>\$ 109,358</u>	<u>\$ 74,858</u>
EXPENDITURES				
Capital projects	\$ 638,584	\$ 46,095,823	\$ 27,667,216	\$ 18,428,607
Debt service:				
Interest and other fiscal charges	-	31,197	31,197	-
Total expenditures	<u>\$ 638,584</u>	<u>\$ 46,127,020</u>	<u>\$ 27,698,413</u>	<u>\$ 18,428,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (629,084)</u>	<u>\$ (46,092,520)</u>	<u>\$ (27,589,055)</u>	<u>\$ 18,503,465</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 750,000	\$ 750,000	\$ -
Issuance of capital leases	-	556,000	556,000	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 1,306,000</u>	<u>\$ 1,306,000</u>	<u>\$ -</u>
Net change in fund balances	\$ (629,084)	\$ (44,786,520)	\$ (26,283,055)	\$ 18,503,465
Fund balances - beginning	629,084	44,786,520	43,152,965	(1,633,555)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,869,910</u>	<u>\$ 16,869,910</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2021

	Placid Bay Sanitary District Fund	Glebe Harbor Cabin Point Sanitary District Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 689,305	\$ 179,655	\$ 868,960
Investments	2,034	-	2,034
Restricted assets:			
Investments	49,631	-	49,631
Total assets	<u>\$ 740,970</u>	<u>\$ 179,655</u>	<u>\$ 920,625</u>
LIABILITIES			
Accounts payable	<u>\$ 26,842</u>	<u>\$ 16,190</u>	<u>\$ 43,032</u>
FUND BALANCES:			
Restricted	\$ 49,631	\$ -	\$ 49,631
Committed	664,497	163,465	827,962
Total fund balances	<u>\$ 714,128</u>	<u>\$ 163,465</u>	<u>\$ 877,593</u>
Total liabilities and fund balances	<u>\$ 740,970</u>	<u>\$ 179,655</u>	<u>\$ 920,625</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2021

	Placid Bay Sanitary District Fund	Glebe Harbor Cabin Point Sanitary District Fund	Total
REVENUES			
General property taxes	\$ 74,911	\$ -	\$ 74,911
Revenue from the use of money and property	22	-	22
Charges for services	177,086	278,413	455,499
Commonwealth	41,530	-	41,530
Total revenues	<u>\$ 293,549</u>	<u>\$ 278,413</u>	<u>\$ 571,962</u>
EXPENDITURES			
Current:			
Community development	\$ -	\$ 119,385	\$ 119,385
Capital projects	88,782	127,101	215,883
Debt service:			
Principal retirement	15,519	63,873	79,392
Interest and other fiscal charges	33,633	8,768	42,401
Total expenditures	<u>\$ 137,934</u>	<u>\$ 319,127</u>	<u>\$ 457,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 155,615</u>	<u>\$ (40,714)</u>	<u>\$ 114,901</u>
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 920</u>	<u>\$ 920</u>
Net change in fund balances	\$ 155,615	\$ (39,794)	\$ 115,821
Fund balances - beginning	558,513	203,259	761,772
Fund balances - ending	<u>\$ 714,128</u>	<u>\$ 163,465</u>	<u>\$ 877,593</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, 2021

	Placid Bay Sanitary District Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 60,675	\$ 60,675	\$ 74,911	\$ 14,236
Revenue from the use of money and property	802	802	22	(780)
Charges for services	178,303	178,303	177,086	(1,217)
Intergovernmental:				
Commonwealth	-	41,530	41,530	-
Total revenues	\$ <u>239,780</u>	\$ <u>281,310</u>	\$ <u>293,549</u>	\$ <u>12,239</u>
EXPENDITURES				
Current:				
Community development	\$ -	\$ -	\$ -	\$ -
Capital projects	183,372	570,671	88,782	481,889
Debt service:				
Principal retirement	15,519	15,519	15,519	-
Interest and other fiscal charges	33,833	35,379	33,633	1,746
Total expenditures	\$ <u>232,724</u>	\$ <u>621,569</u>	\$ <u>137,934</u>	\$ <u>483,635</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>7,056</u>	\$ <u>(340,259)</u>	\$ <u>155,615</u>	\$ <u>495,874</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Net change in fund balances	\$ 7,056	\$ (340,259)	\$ 155,615	\$ 495,874
Fund balances - beginning	(7,056)	340,259	558,513	218,254
Fund balances - ending	\$ <u>-</u>	\$ <u>-</u>	\$ <u>714,128</u>	\$ <u>714,128</u>

Glebe Harbor-Cabin Point Sanitary District Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
-	-	-	-
-	-	-	-
273,900	279,250	278,413	(837)
-	-	-	-
<u>273,900</u>	<u>279,250</u>	<u>278,413</u>	<u>(837)</u>
124,085	130,355	119,385	10,970
51,274	231,754	127,101	104,653
63,873	63,873	63,873	-
8,768	36,131	8,768	27,363
<u>248,000</u>	<u>462,113</u>	<u>319,127</u>	<u>142,986</u>
<u>25,900</u>	<u>(182,863)</u>	<u>(40,714)</u>	<u>142,149</u>
-	920	920	-
-	920	920	-
25,900	(181,943)	(39,794)	142,149
(25,900)	181,943	203,259	21,316
<u>-</u>	<u>-</u>	<u>163,465</u>	<u>163,465</u>

Combining Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2021

	School Operating Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,525,637	\$ 188,808	\$ 124,947	\$ 3,839,392
Accounts receivable	400	44	-	444
Due from primary government	288,050	-	-	288,050
Due from other governmental units	1,437,517	100,248	-	1,537,765
Prepaid items	-	-	385	385
Total assets	<u>\$ 5,251,604</u>	<u>\$ 289,100</u>	<u>\$ 125,332</u>	<u>\$ 5,666,036</u>
LIABILITIES				
Accounts payable	\$ 444,872	\$ 34,962	\$ -	\$ 479,834
Accrued liabilities	2,855,192	84,124	-	2,939,316
Due to other governmental units	75,176	-	-	75,176
Total liabilities	<u>\$ 3,375,240</u>	<u>\$ 119,086</u>	<u>\$ -</u>	<u>\$ 3,494,326</u>
FUND BALANCES:				
Nonspendable - prepaids	\$ -	\$ -	\$ 385	\$ 385
Restricted - school activities	-	-	124,947	124,947
Committed - cafeteria	-	170,014	-	170,014
Unassigned	1,876,364	-	-	1,876,364
Total fund balances	<u>\$ 1,876,364</u>	<u>\$ 170,014</u>	<u>\$ 125,332</u>	<u>\$ 2,171,710</u>
Total liabilities and fund balances	<u>\$ 5,251,604</u>	<u>\$ 289,100</u>	<u>\$ 125,332</u>	<u>\$ 5,666,036</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above \$ 2,171,710

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

Land	\$ 258,916	
Construction in progress	3,726,338	
Buildings and systems	5,013,004	
Machinery and equipment	<u>1,892,864</u>	10,891,122

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

OPEB related items	(283,640)	
Pension related items	<u>(1,749,775)</u>	(2,033,415)

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

Pension related items	4,895,195	
OPEB related items	<u>513,823</u>	5,409,018

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

Compensated absences	\$ (269,989)	
Net OPEB liability	(3,278,632)	
Net pension liability	(17,801,611)	
Capital lease	<u>(400,117)</u>	(21,750,349)

Net position of governmental activities \$ (5,311,914)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2021

	School Operating Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 34,945	\$ 5	\$ -	\$ 34,950
Charges for services	-	1,805	-	1,805
Miscellaneous	734,725	12,894	50,681	798,300
Intergovernmental:				
Local government	8,962,312	-	-	8,962,312
Commonwealth	12,005,069	9,297	-	12,014,366
Federal	3,133,290	1,369,281	-	4,502,571
Total revenues	<u>\$ 24,870,341</u>	<u>\$ 1,393,282</u>	<u>\$ 50,681</u>	<u>\$ 26,314,304</u>
EXPENDITURES				
Current:				
Education	\$ 24,520,977	\$ 1,459,163	\$ 68,404	\$ 26,048,544
Total expenditures	<u>\$ 24,520,977</u>	<u>\$ 1,459,163</u>	<u>\$ 68,404</u>	<u>\$ 26,048,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 349,364</u>	<u>\$ (65,881)</u>	<u>\$ (17,723)</u>	<u>\$ 265,760</u>
Net change in fund balances	\$ 349,364	\$ (65,881)	\$ (17,723)	\$ 265,760
Fund balances - beginning of year, as restated	1,527,000	235,895	143,055	1,905,950
Fund balances - ending	<u>\$ 1,876,364</u>	<u>\$ 170,014</u>	<u>\$ 125,332</u>	<u>\$ 2,171,710</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 \$ 265,760

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	\$ 716,634	
Depreciation expense	<u>(771,412)</u>	(54,778)

Transfer of joint tenancy assets from Primary Government to the Component Unit 68,000

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.

Principal retired on capital lease 187,869

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	\$ (25,171)	
OPEB expense	(135,494)	
Pension expense	<u>(435,448)</u>	(596,113)
Change in net position of governmental activities	<u>\$ (129,262)</u>	

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Dis - Fiduciary Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2021

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 30,500	\$ 30,500	\$ 34,945	\$ 4,445
Charges for services	-	-	-	-
Miscellaneous	106,900	667,915	734,725	66,810
Intergovernmental:				
Local government	8,828,611	8,963,028	8,962,312	(716)
Commonwealth	12,358,756	11,711,692	12,005,069	293,377
Federal	1,414,791	2,365,778	3,133,290	767,512
Total revenues	\$ 22,739,558	\$ 23,738,913	\$ 24,870,341	\$ 1,131,428
EXPENDITURES				
Current:				
Education	\$ 22,675,207	\$ 24,458,857	\$ 24,520,977	\$ (62,120)
Total expenditures	\$ 22,675,207	\$ 24,458,857	\$ 24,520,977	\$ (62,120)
Excess (deficiency) of revenues over (under) expenditures	\$ 64,351	\$ (719,944)	\$ 349,364	\$ 1,069,308
Net change in fund balances	\$ 64,351	\$ (719,944)	\$ 349,364	\$ 1,069,308
Fund balances - beginning	(64,351)	719,944	1,527,000	807,056
Fund balances - ending	\$ -	\$ -	\$ 1,876,364	\$ 1,876,364

Exhibit 38

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 25	\$ 25	\$ 5	\$ (20)
160,000	160,000	1,805	(158,195)
40,340	46,776	12,894	(33,882)
-	-	-	-
33,419	24,561	9,297	(15,264)
717,000	731,250	1,369,281	638,031
<u>\$ 950,784</u>	<u>\$ 962,612</u>	<u>\$ 1,393,282</u>	<u>\$ 430,670</u>
<u>\$ 1,050,784</u>	<u>\$ 1,062,612</u>	<u>\$ 1,459,163</u>	<u>\$ (396,551)</u>
<u>\$ 1,050,784</u>	<u>\$ 1,062,612</u>	<u>\$ 1,459,163</u>	<u>\$ (396,551)</u>
<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ (65,881)</u>	<u>\$ 34,119</u>
<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ (65,881)</u>	<u>\$ 34,119</u>
<u>100,000</u>	<u>100,000</u>	<u>235,895</u>	<u>135,895</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,014</u>	<u>\$ 170,014</u>

Statement of Fiduciary Net Position
 Discretely Presented Component Unit - School Board
 Custodial Funds
 June 30, 2021

	<u>Alternative Education Program</u>
ASSETS	
Cash and cash equivalents	\$ <u>57,397</u>
Total assets	\$ <u>57,397</u>
LIABILITIES	
Accounts payable	\$ 13,135
Accrued liabilities	<u>29,974</u>
Total liabilities	\$ <u>43,109</u>
NET POSITION	
Restricted:	
Net position restricted to individuals and organizations	\$ <u><u>14,288</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, 2021

	<u>Alternative Education Program</u>
Additions:	
Contributions	
Contributions	\$ <u>294,652</u>
Total additions	\$ <u>294,652</u>
Deductions	
Other charges	\$ <u>320,320</u>
Total deductions	\$ <u>320,320</u>
Net Increase (decrease) in plan assets	\$ (25,668)
Net Positions	
Balance, beginning of year, as restated	<u>39,956</u>
Balance, end of year	<u><u>\$ 14,288</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, 2021

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 17,838,853	\$ 17,838,853	\$ 17,751,519	\$ (87,334)
Real and personal public service corporation taxes	494,000	494,000	548,054	54,054
Personal property taxes	4,883,982	4,883,982	4,967,162	83,180
Mobile home taxes	31,553	31,553	33,737	2,184
Machinery and tools taxes	104,000	104,000	113,504	9,504
Farm machinery and tools taxes	140,000	140,000	145,361	5,361
Merchants capital taxes	88,900	88,900	90,573	1,673
Penalties	238,800	238,800	294,995	56,195
Interest	100,000	100,000	148,238	48,238
Total general property taxes	<u>\$ 23,920,088</u>	<u>\$ 23,920,088</u>	<u>\$ 24,093,143</u>	<u>\$ 173,055</u>
Other local taxes:				
Local sales and use taxes	\$ 870,579	\$ 870,579	\$ 1,209,685	\$ 339,106
Consumers' utility taxes	338,000	338,000	345,247	7,247
Utility gross receipts taxes	53,000	53,000	54,240	1,240
Motor vehicle licenses	804,000	804,000	835,844	31,844
Taxes on recordation and wills	192,000	192,000	426,525	234,525
E-911 taxes	2,000	2,000	7,853	5,853
Golf cart decals	500	500	860	360
Total other local taxes	<u>\$ 2,260,079</u>	<u>\$ 2,260,079</u>	<u>\$ 2,880,254</u>	<u>\$ 620,175</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,000	\$ 7,000	\$ 5,356	\$ (1,644)
Permits and other licenses	249,800	249,800	497,744	247,944
Total permits, privilege fees, and regulatory licenses	<u>\$ 256,800</u>	<u>\$ 256,800</u>	<u>\$ 503,100</u>	<u>\$ 246,300</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 192,960	\$ 192,960	\$ 254,712	\$ 61,752
Revenue from use of money and property:				
Revenue from use of money	\$ 191,858	\$ 191,858	\$ 6,818	\$ (185,040)
Revenue from use of property	174,721	174,721	168,609	(6,112)
Total revenue from use of money and property	<u>\$ 366,579</u>	<u>\$ 366,579</u>	<u>\$ 175,427</u>	<u>\$ (191,152)</u>
Charges for services:				
Sheriff's fees	\$ 1,500	\$ 1,500	\$ 1,396	\$ (104)
Charges for law enforcement and traffic control	21,005	21,005	20,288	(717)
Charges for courthouse maintenance	57,920	57,920	18,542	(39,378)
Charges for court appointed attorney	6,500	6,500	6,424	(76)
Concealed weapons permits	10,000	10,000	16,318	6,318
Charges for Commonwealth's Attorney	2,000	2,000	1,920	(80)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Charges for services: (Continued)				
Miscellaneous jail and inmate fees	\$ 3,700	\$ 3,700	\$ 6,116	\$ 2,416
Charges for animal control	1,025	1,025	2,286	1,261
Charges for sanitation and waste removal	7,050	7,050	15,226	8,176
Charges for planning and community development	4,500	4,500	3,205	(1,295)
Total charges for services	<u>\$ 115,200</u>	<u>\$ 115,200</u>	<u>\$ 91,721</u>	<u>\$ (23,479)</u>
Miscellaneous:				
Expenditure refunds	\$ 100	\$ 7,965	\$ 9,280	\$ 1,315
Miscellaneous other	25,486	145,201	174,698	29,497
Total miscellaneous	<u>\$ 25,586</u>	<u>\$ 153,166</u>	<u>\$ 183,978</u>	<u>\$ 30,812</u>
Recovered costs:				
Other recovered costs	\$ 581,618	\$ 608,609	\$ 563,536	\$ (45,073)
Rescue recovery	765,000	812,542	845,420	32,878
Total recovered costs	<u>\$ 1,346,618</u>	<u>\$ 1,421,151</u>	<u>\$ 1,408,956</u>	<u>\$ (12,195)</u>
Total revenue from local sources	<u>\$ 28,483,910</u>	<u>\$ 28,686,023</u>	<u>\$ 29,591,291</u>	<u>\$ 905,268</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Game of Skill tax	\$ -	\$ -	\$ 19,008	\$ 19,008
Motor vehicle carriers' tax	50	50	33	(17)
Mobile home titling tax	19,000	19,000	23,519	4,519
Motor vehicle rental tax	2,000	2,000	4,565	2,565
State recordation tax	86,290	86,290	-	(86,290)
Tax on deeds	58,000	58,000	118,901	60,901
Communication sales and use taxes	540,000	540,000	468,537	(71,463)
Personal property tax relief funds	1,139,678	1,139,678	1,139,678	-
Total noncategorical aid	<u>\$ 1,845,018</u>	<u>\$ 1,845,018</u>	<u>\$ 1,774,241</u>	<u>\$ (70,777)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 292,700	\$ 292,700	\$ 282,809	\$ (9,891)
Sheriff	1,087,580	1,087,580	1,073,859	(13,721)
Commissioner of revenue	121,345	121,345	105,315	(16,030)
Treasurer	110,336	110,336	106,286	(4,050)
Registrar/electoral board	37,000	58,259	40,545	(17,714)
Clerk of the Circuit Court	243,691	243,691	279,908	36,217
Total shared expenses	<u>\$ 1,892,652</u>	<u>\$ 1,913,911</u>	<u>\$ 1,888,722</u>	<u>\$ (25,189)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Welfare administration and public assistance	\$ 684,564	\$ 444,782	\$ 444,782	\$ -
Four for life	-	38,886	38,886	-
Litter control grant	7,200	7,200	-	(7,200)
Victim-witness grant	99,610	99,610	18,685	(80,925)
Fire programs	49,000	51,555	51,555	-
Children's Services Act	1,489,561	1,489,561	1,334,469	(155,092)
VJCCCA grants	142,000	142,000	141,997	(3)
Go Virginia grants	-	36,000	33,698	(2,302)
Wireless grant	62,000	62,000	76,044	14,044
COF grant	-	125,000	125,000	-
Other categorical aid	34,905	98,326	93,894	(4,432)
Total other categorical aid	<u>\$ 2,568,840</u>	<u>\$ 2,594,920</u>	<u>\$ 2,359,010</u>	<u>\$ (235,910)</u>
Total categorical aid	<u>\$ 4,461,492</u>	<u>\$ 4,508,831</u>	<u>\$ 4,247,732</u>	<u>\$ (261,099)</u>
Total revenue from the Commonwealth	<u>\$ 6,306,510</u>	<u>\$ 6,353,849</u>	<u>\$ 6,021,973</u>	<u>\$ (331,876)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 1,400	\$ 1,400	\$ 1,577	\$ 177
American rescue funds	-	1,749,602	-	(1,749,602)
Total noncategorical aid	<u>\$ 1,400</u>	<u>\$ 1,751,002</u>	<u>\$ 1,577</u>	<u>\$ (1,749,425)</u>
Categorical aid:				
Welfare administration and public assistance	\$ 1,103,738	\$ 1,103,738	\$ 1,138,826	\$ 35,088
Coronavirus relief fund (CRF)	-	1,571,739	2,655,861	1,084,122
Bullet proof vests	-	-	18,103	18,103
EMP Grant	-	-	7,300	7,300
Homeland security grant	-	27,928	27,928	-
Byrne justice grant	-	-	76,309	76,309
U.S. fish and wildlife	1,500	1,500	1,456	(44)
DMV grants	-	60,000	49,184	(10,816)
Comm. Attorney COVID-19 emergency funding grant	-	21,500	12,752	(8,748)
Sheriff COVID-19 emergency funding grant	-	30,624	30,603	(21)
Cops grant	-	182,398	155,973	(26,425)
Recreation grant	-	-	178,475	178,475
Virginia Department of Elections - CARES Act	-	-	20,178	20,178
Community development block grant	-	-	28,750	28,750
Interest subsidy	-	-	204,709	204,709
Federal drug seizure funds	-	5,594	5,594	-
Total categorical aid	<u>\$ 1,105,238</u>	<u>\$ 3,005,021</u>	<u>\$ 4,612,001</u>	<u>\$ 1,606,980</u>
Total revenue from the federal government	<u>\$ 1,106,638</u>	<u>\$ 4,756,023</u>	<u>\$ 4,613,578</u>	<u>\$ (142,445)</u>
Total General Fund	<u>\$ 35,897,058</u>	<u>\$ 39,795,895</u>	<u>\$ 40,226,842</u>	<u>\$ 430,947</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund:				
General Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 9,500	\$ 9,500	\$ 84,358	\$ 74,858
Total revenue from use of money and property	<u>\$ 9,500</u>	<u>\$ 9,500</u>	<u>\$ 84,358</u>	<u>\$ 74,858</u>
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ 25,000	\$ 25,000	\$ -
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Total revenue from local sources	<u>\$ 9,500</u>	<u>\$ 34,500</u>	<u>\$ 109,358</u>	<u>\$ 74,858</u>
Total General Capital Projects Fund	<u><u>\$ 9,500</u></u>	<u><u>\$ 34,500</u></u>	<u><u>\$ 109,358</u></u>	<u><u>\$ 74,858</u></u>
Special Revenue Fund:				
Placid Bay Sanitary District Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 55,000	\$ 55,000	\$ 67,477	\$ 12,477
Penalties	3,375	3,375	4,032	657
Interest	2,300	2,300	3,402	1,102
Total general property taxes	<u>\$ 60,675</u>	<u>\$ 60,675</u>	<u>\$ 74,911</u>	<u>\$ 14,236</u>
Revenue from use of money and property:				-
Revenue from the use of money	\$ 802	\$ 802	\$ 22	\$ (780)
Charges for services:				-
Road maintenance user fees	<u>\$ 178,303</u>	<u>\$ 178,303</u>	<u>\$ 177,086</u>	<u>\$ (1,217)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT revenue sharing	\$ -	\$ 41,530	\$ 41,530	\$ -
Total Placid Bay Sanitary District Fund	<u><u>\$ 239,780</u></u>	<u><u>\$ 281,310</u></u>	<u><u>\$ 293,549</u></u>	<u><u>\$ 12,239</u></u>
Special Revenue Fund:				
Glebe Harbor-Cabin Point Sanitary District Fund:				
Revenue from local sources:				
Charges for services:				
Recreational fees	<u>\$ 273,900</u>	<u>\$ 279,250</u>	<u>\$ 278,413</u>	<u>\$ (837)</u>
Total Glebe Harbor-Cabin Point Sanitary District Fund	<u><u>\$ 273,900</u></u>	<u><u>\$ 279,250</u></u>	<u><u>\$ 278,413</u></u>	<u><u>\$ (837)</u></u>
Total Primary Government	<u><u>\$ 36,420,238</u></u>	<u><u>\$ 40,390,955</u></u>	<u><u>\$ 40,908,162</u></u>	<u><u>\$ 517,207</u></u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,500	\$ 1,500	\$ 488	\$ (1,012)
Revenue from the use of property	29,000	29,000	34,457	5,457
Total revenue from use of money and property	<u>\$ 30,500</u>	<u>\$ 30,500</u>	<u>\$ 34,945</u>	<u>\$ 4,445</u>
Miscellaneous:				
Expenditure refunds	\$ 106,900	\$ 665,189	\$ 724,049	\$ 58,860
Other miscellaneous	-	2,726	10,676	7,950
Total miscellaneous	<u>\$ 106,900</u>	<u>\$ 667,915</u>	<u>\$ 734,725</u>	<u>\$ 66,810</u>
Total revenue from local sources	<u>\$ 137,400</u>	<u>\$ 698,415</u>	<u>\$ 769,670</u>	<u>\$ 71,255</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Westmoreland, Virginia	\$ 8,828,611	\$ 8,963,028	\$ 8,962,312	\$ (716)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,119,543	\$ 2,119,543	\$ 2,242,702	\$ 123,159
Basic school aid	5,649,622	5,631,887	5,776,678	144,791
Remedial education	260,924	260,924	239,068	(21,856)
Gifted and talented	40,869	40,869	41,612	743
Special education	660,838	660,838	672,858	12,020
Vocational SOQ payments	114,895	114,895	116,985	2,090
Social security fringe benefits	268,345	266,803	271,656	4,853
Retirement fringe benefits	624,596	622,283	633,601	11,318
State lottery payments	-	-	327,414	327,414
Early reading intervention	42,093	42,093	42,093	-
At risk payments	801,474	692,795	705,752	12,957
Technology	154,000	154,000	41,714	(112,286)
Standards of Learning algebra readiness	28,946	28,946	29,034	88
K-3 initiatives	270,351	270,351	278,750	8,399
Preschool initiative	235,956	214,493	137,943	(76,550)
Learning loss instructional support	78,800	-	77,931	77,931
Other state funds	1,007,504	590,972	369,278	(221,694)
Total categorical aid	<u>\$ 12,358,756</u>	<u>\$ 11,711,692</u>	<u>\$ 12,005,069</u>	<u>\$ 293,377</u>
Total revenue from the Commonwealth	<u>\$ 12,358,756</u>	<u>\$ 11,711,692</u>	<u>\$ 12,005,069</u>	<u>\$ 293,377</u>
Revenue from the federal government:				
Noncategorical aid:				
Coronavirus relief fund (CRF)	\$ -	\$ 239,343	\$ 239,343	\$ -
Total noncategorical aid	<u>\$ -</u>	<u>\$ 239,343</u>	<u>\$ 239,343</u>	<u>\$ -</u>
Categorical aid:				
Title I	\$ 677,809	\$ 677,809	\$ 775,652	\$ 97,843
Title VI-B, flow-through	373,616	373,616	380,598	6,982
Title VI-B, preschool	19,515	19,515	19,575	60
Title II Part A	76,395	76,395	74,340	(2,055)
Cares ESSER funds	-	539,188	1,150,976	611,788
Vision (Geer) Funds	-	172,456	172,456	-
ESSER special education	-	-	7,080	7,080
Other federal funds	267,456	267,456	313,270	45,814
Total categorical aid	<u>\$ 1,414,791</u>	<u>\$ 2,126,435</u>	<u>\$ 2,893,947</u>	<u>\$ 767,512</u>
Total revenue from the federal government	<u>\$ 1,414,791</u>	<u>\$ 2,365,778</u>	<u>\$ 3,133,290</u>	<u>\$ 767,512</u>
Total School Operating Fund	<u>\$ 22,739,558</u>	<u>\$ 23,738,913</u>	<u>\$ 24,870,341</u>	<u>\$ 1,131,428</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 25	\$ 25	\$ 5	\$ (20)
Charges for services:				
Cafeteria sales	\$ 160,000	\$ 160,000	\$ 1,805	\$ (158,195)
Miscellaneous:				
Other miscellaneous	\$ 40,340	\$ 46,776	\$ 12,894	(33,882)
Total revenue from local sources	\$ 200,365	\$ 206,801	\$ 14,704	\$ (192,097)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 24,561	\$ 24,561	\$ 9,297	\$ (15,264)
Total categorical aid	\$ 33,419	\$ 24,561	\$ 9,297	\$ (15,264)
Total revenue from the Commonwealth	33,419	24,561	9,297	(15,264)
Revenue from the federal government:				
Noncategorical aid:				
Coronavirus relief fund (CRF)	\$ -	\$ 14,250	\$ 14,250	\$ -
Total noncategorical aid	\$ -	\$ 14,250	\$ 14,250	\$ -
Categorical aid:				
School food program grant	\$ 717,000	\$ 717,000	\$ 1,336,817	\$ 619,817
ESSER special education	-	-	18,214	18,214
Total categorical aid	\$ 717,000	\$ 717,000	\$ 1,355,031	\$ 638,031
Total revenue from the federal government	\$ 717,000	\$ 731,250	\$ 1,369,281	\$ 638,031
Total School Cafeteria Fund	\$ 950,784	\$ 962,612	\$ 1,393,282	\$ 430,670

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 117,352	\$ 116,830	\$ 111,494	\$ 5,336
General and financial administration:				
County administrator	\$ 503,469	\$ 522,511	\$ 507,460	\$ 15,051
County attorney	147,425	176,980	176,980	-
Independent auditor	55,400	58,400	58,160	240
Commissioner of revenue	377,108	388,042	342,056	45,986
Assessor	63,594	366,619	144,649	221,970
Treasurer	376,444	386,914	377,541	9,373
Accounting	412,610	477,965	446,150	31,815
Data processing	582,673	725,824	647,106	78,718
Risk management	398,004	414,055	402,987	11,068
Dues for local government	5,345	5,345	5,208	137
Total general and financial administration	\$ 2,922,072	\$ 3,522,655	\$ 3,108,297	\$ 414,358
Board of elections:				
Electoral board and officials	\$ 101,149	\$ 123,578	\$ 103,875	\$ 19,703
Registrar	128,129	129,575	119,459	10,116
Total board of elections	\$ 229,278	\$ 253,153	\$ 223,334	\$ 29,819
Total general government administration	\$ 3,268,702	\$ 3,892,638	\$ 3,443,125	\$ 449,513
Judicial administration:				
Courts:				
Circuit court	\$ 24,884	\$ 25,138	\$ 23,820	\$ 1,318
General district court	1,882	1,788	621	1,167
Juvenile and domestic relations district court	1,776	1,688	756	932
Clerk of the circuit court	472,817	532,198	465,776	66,422
Victim-witness	99,610	112,814	103,129	9,685
Other	11,200	10,224	8,491	1,733
Total courts	\$ 612,169	\$ 683,850	\$ 602,593	\$ 81,257
Commonwealth's attorney:				
Commonwealth's attorney	\$ 524,630	\$ 561,866	\$ 535,445	\$ 26,421
Total commonwealth's attorney	\$ 524,630	\$ 561,866	\$ 535,445	\$ 26,421
Total judicial administration	\$ 1,136,799	\$ 1,245,716	\$ 1,138,038	\$ 107,678
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 3,083,240	\$ 3,105,698	\$ 3,075,785	\$ 29,913
Other law enforcement and traffic control	120,458	599,219	464,676	134,543
Sheriff - 911 system	814,495	834,066	770,590	63,476
Total law enforcement and traffic control	\$ 4,018,193	\$ 4,538,983	\$ 4,311,051	\$ 227,932

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public Safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 652,153	\$ 1,041,665	\$ 710,705	\$ 330,960
Ambulance and rescue services	3,370,698	3,130,211	2,895,980	234,231
Forestry	7,810	7,810	7,810	-
Total fire and rescue services	<u>\$ 4,030,661</u>	<u>\$ 4,179,686</u>	<u>\$ 3,614,495</u>	<u>\$ 565,191</u>
Correction and detention:				
Juvenile and domestic relations court service unit	\$ 88,069	\$ 93,544	\$ 76,328	\$ 17,216
Juvenile commission crime control	142,000	162,406	162,406	-
Total correction and detention	<u>\$ 230,069</u>	<u>\$ 255,950</u>	<u>\$ 238,734</u>	<u>\$ 17,216</u>
Inspections:				
Building	\$ 177,926	\$ 182,420	\$ 176,591	\$ 5,829
Other protection:				
Animal control	\$ 256,780	\$ 353,826	\$ 300,385	\$ 53,441
Medical examiner	300	300	300	-
Emergency management	60,985	95,066	33,899	61,167
Emergency services (civil defense)	142,900	147,443	91,804	55,639
Emergency services grant	-	300,299	300,299	-
Total other protection	<u>\$ 460,965</u>	<u>\$ 896,934</u>	<u>\$ 726,687</u>	<u>\$ 170,247</u>
Total public safety	<u>\$ 8,917,814</u>	<u>\$ 10,053,973</u>	<u>\$ 9,067,558</u>	<u>\$ 986,415</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 12,500	\$ 11,875	\$ 10,509	\$ 1,366
Sanitation and waste removal:				
Refuse collection	\$ 608,115	\$ 790,408	\$ 784,773	\$ 5,635
Refuse disposal	1,424,900	1,629,494	1,513,352	116,142
Total sanitation and waste removal	<u>\$ 2,033,015</u>	<u>\$ 2,419,902</u>	<u>\$ 2,298,125</u>	<u>\$ 121,777</u>
Maintenance of general buildings and grounds:				
General properties	\$ 951,034	\$ 1,355,453	\$ 1,319,382	\$ 36,071
Total public works	<u>\$ 2,996,549</u>	<u>\$ 3,787,230</u>	<u>\$ 3,628,016</u>	<u>\$ 159,214</u>
Health and welfare:				
Health:				
Local health department	\$ 215,000	\$ 215,000	\$ 215,000	\$ -
Mental health and mental retardation:				
Contribution to Chapter X Board	\$ 66,711	\$ 63,376	\$ 63,376	\$ -
Welfare:				
Welfare administration	\$ 2,259,502	\$ 2,115,882	\$ 2,017,285	\$ 98,597
Public assistance	114,721	87,106	59,507	27,599
Comprehensive Services Act	2,246,228	2,246,492	2,149,741	96,751
Total welfare	<u>\$ 4,620,451</u>	<u>\$ 4,449,480</u>	<u>\$ 4,226,533</u>	<u>\$ 222,947</u>
Total health and welfare	<u>\$ 4,902,162</u>	<u>\$ 4,727,856</u>	<u>\$ 4,504,909</u>	<u>\$ 222,947</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contribution to local school board	\$ 8,828,611	\$ 8,963,028	\$ 8,962,312	\$ 716
Other education - CARES	-	637,242	581,177	56,065
Other education	-	326,976	22,642	304,334
Contributions to community college	11,142	10,585	10,585	-
Total education	<u>\$ 8,839,753</u>	<u>\$ 9,937,831</u>	<u>\$ 9,576,716</u>	<u>\$ 361,115</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Public landings	\$ 510	\$ 510	\$ 510	\$ -
Total parks and recreation	<u>\$ 510</u>	<u>\$ 510</u>	<u>\$ 510</u>	<u>\$ -</u>
Cultural enrichment:				
Westmoreland museum	\$ 35,000	\$ 33,250	\$ 33,250	\$ -
Total cultural enrichment	<u>35,000</u>	<u>33,250</u>	<u>33,250</u>	<u>-</u>
Library:				
Contribution to regional library	\$ 504,578	\$ 486,865	\$ 481,129	\$ 5,736
Total parks, recreation, and cultural	<u>\$ 540,088</u>	<u>\$ 520,625</u>	<u>\$ 514,889</u>	<u>\$ 5,736</u>
Community development:				
Planning and community development:				
Planning	\$ 343,547	\$ 357,248	\$ 317,955	\$ 39,293
Community development	60,000	46,315	26,165	20,150
Northern Neck Planning Commission	17,000	16,400	16,400	-
Planning District Commission	7,800	9,459	7,257	2,202
Zoning board	2,600	3,876	1,376	2,500
Wetlands board	6,550	5,558	2,886	2,672
Housing assistance	-	2,432	-	2,432
Tourism	19,000	18,050	5,932	12,118
Industrial Development Authority	5,500	11,725	10,798	927
Go Virginia programs	-	64,540	48,810	15,730
Total planning and community development	<u>\$ 461,997</u>	<u>\$ 535,603</u>	<u>\$ 437,579</u>	<u>\$ 98,024</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 16,000	\$ 15,200	\$ 15,200	\$ -
Total environmental management	<u>\$ 23,200</u>	<u>\$ 22,400</u>	<u>\$ 15,200</u>	<u>\$ 7,200</u>
Cooperative extension program:				
Cooperative extension program	\$ 49,668	\$ 49,286	\$ 45,443	\$ 3,843
Total cooperative extension program	<u>\$ 49,668</u>	<u>\$ 49,286</u>	<u>\$ 45,443</u>	<u>\$ 3,843</u>
Total community development	<u>\$ 534,865</u>	<u>\$ 607,289</u>	<u>\$ 498,222</u>	<u>\$ 109,067</u>
Nondepartmental:				
Other nondepartmental	\$ 181,278	\$ 272,510	\$ 272,510	\$ -
Total nondepartmental	<u>181,278</u>	<u>272,510</u>	<u>272,510</u>	<u>-</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Capital projects:				
Other capital projects				
Radio system	\$ -	\$ 575,158	\$ 575,158	\$ -
Oak grove rescue squad building	150,000	526,814	380,895	145,919
Currioman boat landing	-	316,112	302,400	13,712
Recreational complex	337,470	769,772	739,913	29,859
Recreation park - phase 2	-	224,513	224,031	482
Recreation park - phase 3	200,000	528,097	500,000	28,097
Rec complex access road VDOT	-	194,447	113,010	81,437
Class V Injection well/landfill	-	65,000	65,000	-
Town waterline extension	-	970,489	746,090	224,399
Other capital projects	330,908	781,123	-	781,123
Total capital projects	<u>\$ 1,018,378</u>	<u>\$ 4,951,525</u>	<u>\$ 3,646,497</u>	<u>\$ 1,305,028</u>
Debt service:				
Principal retirement	\$ 865,109	\$ 865,109	\$ 865,109	\$ -
Interest and other fiscal charges	2,719,285	1,969,285	1,397,324	571,961
Total debt service	<u>\$ 3,584,394</u>	<u>\$ 2,834,394</u>	<u>\$ 2,262,433</u>	<u>\$ 571,961</u>
Total General Fund	<u>\$ 35,920,782</u>	<u>\$ 42,831,587</u>	<u>\$ 38,552,913</u>	<u>\$ 4,278,674</u>
Capital Projects Fund:				
General Capital Projects Fund:				
Capital projects expenditures:				
New High School	\$ -	\$ 44,600,048	\$ 26,925,462	\$ 17,674,586
Other capital projects	638,584	1,495,775	741,754	754,021
Total capital projects	<u>\$ 638,584</u>	<u>\$ 46,095,823</u>	<u>\$ 27,667,216</u>	<u>\$ 18,428,607</u>
Debt service:				
Interest and other fiscal charges	\$ -	\$ 31,197	\$ 31,197	\$ -
Total debt service	<u>\$ -</u>	<u>\$ 31,197</u>	<u>\$ 31,197</u>	<u>\$ -</u>
Total General Capital Projects Fund	<u>\$ 638,584</u>	<u>\$ 46,127,020</u>	<u>\$ 27,698,413</u>	<u>\$ 18,428,607</u>
Special Revenue Fund:				
Placid Bay Sanitation District Fund:				
Roads projects	\$ 183,372	\$ 570,671	\$ 88,782	\$ 481,889
Debt service:				
Principal retirement	\$ 15,519	\$ 15,519	\$ 15,519	\$ -
Interest and other fiscal charges	33,833	35,379	33,633	1,746
Total debt service	<u>\$ 49,352</u>	<u>\$ 50,898</u>	<u>\$ 49,152</u>	<u>\$ 1,746</u>
Total Placid Bay Sanitation District Fund	<u>\$ 232,724</u>	<u>\$ 621,569</u>	<u>\$ 137,934</u>	<u>\$ 483,635</u>
Glebe Harbor-Cabin Point Sanitary District Fund:				
Community development:				
Glebe Harbor-Cabin Point sanitary district	\$ 124,085	\$ 130,355	\$ 119,385	\$ 10,970
Capital projects:				
Dredging and beach projects	\$ 46,274	\$ 204,174	\$ 109,521	\$ 94,653
Other	5,000	27,580	17,580	10,000
Total capital projects	<u>\$ 51,274</u>	<u>\$ 231,754</u>	<u>\$ 127,101</u>	<u>\$ 104,653</u>
Debt service:				
Principal retirement	\$ 63,873	\$ 63,873	\$ 63,873	\$ -
Interest and other fiscal charges	8,768	36,131	8,768	27,363
Total debt service	<u>\$ 72,641</u>	<u>\$ 100,004</u>	<u>\$ 72,641</u>	<u>\$ 27,363</u>
Total Glebe Harbor-Cabin Point Sanitary District Fund	<u>\$ 248,000</u>	<u>\$ 462,113</u>	<u>\$ 319,127</u>	<u>\$ 142,986</u>
Total Primary Government	<u>\$ 37,040,090</u>	<u>\$ 90,042,289</u>	<u>\$ 66,708,387</u>	<u>\$ 23,333,902</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Instruction costs:				
Classroom instruction	\$ 13,496,045	\$ 14,364,338	\$ 14,236,030	\$ 128,308
Guidance services	737,228	729,590	759,762	(30,172)
Social worker services	64,920	64,570	64,350	220
Homebound instruction	16,148	16,148	1,093	15,055
Improvement of instruction	142,000	142,000	79,617	62,383
Media services	369,878	352,224	354,843	(2,619)
Office of the principal	1,318,235	1,291,641	1,334,301	(42,660)
Total instruction costs	<u>\$ 16,144,454</u>	<u>\$ 16,960,511</u>	<u>\$ 16,829,996</u>	<u>\$ 130,515</u>
Administration, attendance, and health:				
Board services	\$ 56,604	\$ 56,604	\$ 47,569	\$ 9,035
Executive administration	753,231	749,412	774,362	(24,950)
Fiscal services	167,385	233,584	259,419	(25,835)
Health services	228,651	242,835	271,855	(29,020)
Psychologist services	115,709	114,418	118,325	(3,907)
Total administration, attendance, and health	<u>\$ 1,321,580</u>	<u>\$ 1,396,853</u>	<u>\$ 1,471,530</u>	<u>\$ (74,677)</u>
Operating costs:				
Pupil transportation	\$ 2,116,525	\$ 2,066,172	\$ 1,843,874	\$ 222,298
Operation and maintenance of school plant	1,574,654	1,705,379	1,960,370	(254,991)
Operation and maintenance - vehicle services	27,000	27,000	8,368	18,632
Facilities	400,000	400,000	452,772	(52,772)
Technology	1,090,994	1,902,942	1,954,067	(51,125)
Total operating costs	<u>\$ 5,209,173</u>	<u>\$ 6,101,493</u>	<u>\$ 6,219,451</u>	<u>\$ (117,958)</u>
Total education	<u>\$ 22,675,207</u>	<u>\$ 24,458,857</u>	<u>\$ 24,520,977</u>	<u>\$ (62,120)</u>
Total School Operating Fund	<u>\$ 22,675,207</u>	<u>\$ 24,458,857</u>	<u>\$ 24,520,977</u>	<u>\$ (62,120)</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Food services	<u>\$ 1,050,784</u>	<u>\$ 1,062,612</u>	<u>\$ 1,459,163</u>	<u>\$ (396,551)</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
2012	\$ 2,035,878	\$ 917,536	\$ 4,550,670	\$ 2,471,093	\$ 3,436,498	\$ 7,929,075	\$ 652,666	\$ 537,924	\$ 241,132	\$ 2,064,351	\$ 24,836,823
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

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		
2012	\$ 1,686,782	\$ 4,263,818	\$ 1,033,337	\$ 14,110,456	\$ 1,750,911	\$ 311,256	\$ 165,387	\$ 1,914,849	\$ 209,852	\$ 25,446,648	
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	

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
2012	\$ 14,042,729	\$ 1,750,911	\$ 312,833	\$ 73,609	\$ 328,102	\$ 398,429	\$ 365,805	\$ 877,416	\$ 16,037,720	\$ 34,187,554
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

(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
2012	\$ 1,944,503	\$ 913,738	\$ 5,336,694	\$ 2,473,391	\$ 3,279,533	\$ 17,781,422	\$ 442,584	\$ 509,465	\$ 199,991	\$ 1,121,635	\$ 34,002,956
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

(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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>(2) Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>(1) Delinquent Tax Collections</u>	<u>(2) Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes (1)</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
2012	\$ 15,140,764	\$ 14,615,541	96.53%	\$ 282,740	\$ 14,898,281	98.40%	\$ 887,640	5.86%
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%

(1) Exclusive of penalties and interest.

(2) Includes Personal Property Relief Act reimbursements to the County of:
\$1,139,679 in fiscal years 2012 through 2021.

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
2012	\$ 2,475,939,120	\$ 152,412,850	\$ 7,060,500	\$ 6,496,150	\$ 9,962,610	\$ 54,780,490	\$ 2,706,651,720
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

(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
2012	\$ 0.46	\$ 3.00	\$ 1.50	\$ 1.25	0.46
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

(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)			
2012	17,460	\$ 2,706,651,720	\$ 15,329,116	\$ 203,990	\$ 10,270,219	\$ 4,854,907	0.18%	\$ 278
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

(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, capital 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>
2012	\$ 795,154	\$ 326,481	\$ 1,121,635	35,764,568	3.14%
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%

(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

Fiscal Year	Local Sales Tax Revenue	Percent Change
2012	\$ 873,354	0.00%
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%

Ten Largest Taxpayers
As of June 30, 2021

Taxpayer Name	Type of Business	Total Tax
Potomac Supply, LLC	Wood Products	\$ 8,944,000
O'Gara Training and Services, LLC	Safety Training	5,553,600
Second Development, LLC	Manufacturing	4,126,300
Northern Neck Farmers Market, LLC	Agriculture	2,784,700
Beachgate Shopping Center, LC	Retail	2,758,100
Riverwood Preservation, LP	Housing	2,457,800
Gull Harbor, LLC	Real Estate	2,400,160
Food Lion, LLC	Retail	2,290,900
Colonial Beach Apartments Limited	Real Estate	2,001,900
Tuxie, LLC	Agriculture	1,937,000

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*

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, 2021, 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 January 10, 2022.

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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item (2021-001) that we consider to be a material weakness.

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
January 10, 2022



**Independent Auditors' Report on Compliance For Each Major Program and on
Internal Control Over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited the County of Westmoreland, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Westmoreland, Virginia's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control over Compliance

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

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

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

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

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
January 10, 2022

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Payments to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Department of Education:				
Temporary Assistance for Needy Families (TANF)	93.558	2101VATANF	\$ 42,504	\$ -
Department of Social Services:				
Temporary Assistance for Needy Families (TANF)	93.558	0400120/0400121/	171,752	-
Total 93.558			<u>\$ 214,256</u>	<u>\$ -</u>
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760120/0760121	\$ 35,687	\$ -
Total CCDF Cluster			<u>\$ 35,687</u>	<u>\$ -</u>
Medicaid Cluster:				
Medical Assistance Program	93.778	1200120/1200121	\$ 235,778	\$ -
Total Medicaid Cluster			<u>\$ 235,778</u>	<u>\$ -</u>
Mary Lee Allen Promoting Safe and Stable Families Program	93.556	0950119/0950120	6,759	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500120/0500121	356	-
Low-Income Home Energy Assistance	93.568	0600420/0600421	26,779	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900120/0900121	107	-
Foster Care Title IV-E	93.658	1100120/1110121	140,939	-
Adoption Assistance	93.659	1120120/1120121	32,865	-
Social Services Block Grant	93.667	1000121/1000120	166,339	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150119/9150120	2,017	-
Children's Health Insurance Program	93.767	0540120/0540121	2,869	-
COVID-19 - Provider Relief Fund	93.498	N/A	35,971	-
Total Department of Health and Human Services			<u>\$ 900,722</u>	<u>\$ -</u>
Department of Agriculture:				
Pass Through Payments:				
Department of Agriculture:				
Child Nutrition Cluster:				
Food Distribution - National School Lunch Program	10.555	202020N85034 1	\$ 100,251	\$ -
COVID-19 - National School Lunch Program	10.555	202020N85034 1	1,820	-
Total 10.555			<u>\$ 102,071</u>	<u>\$ -</u>
COVID-19 - School Breakfast Program	10.553	201919N10994 1/	\$ 1,143	\$ -
Summer Food Service Program for Children	10.559	202120N11994 1/ 202121N11994 1	\$ 927,811	-
COVID-19 - Summer Food Service Program for Children	10.559	202020N85034 1/	300,278	-
Food Distribution - Summer Food Service Program for Children	10.559	202020N85034 1	5,514	-
Total 10.559			<u>\$ 1,233,603</u>	<u>\$ -</u>
Total Child Nutrition Cluster			<u>\$ 1,336,817</u>	<u>\$ -</u>
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	010120/010121/040121	\$ 316,579	\$ -
Total SNAP Cluster			<u>\$ 316,579</u>	<u>\$ -</u>
Total Department of Agriculture			<u>\$ 1,653,396</u>	<u>\$ -</u>
Department of the Treasury:				
Pass through payments::				
Virginia Department of Accounts				
COVID-19 Coronavirus Relief Fund (CRF)	21.019	SLT0022	\$ 2,655,861	\$ 300,299
Department of Education:				
COVID-19 Coronavirus Relief Fund (CRF)	21.019	SLT0218	253,593	-
Total 21.019			<u>\$ 2,909,454</u>	<u>\$ 300,299</u>
Total Department of the Treasury			<u>\$ 2,909,454</u>	<u>\$ 300,299</u>

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA 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	114636	\$ 7,300	\$ -
Homeland Security Grant Program	97.067	114373	27,928	-
			<u>35,228</u>	<u>-</u>
Total Department of Homeland Security				
Department of the Interior:				
Direct payments:				
Bureau of Land Management:				
National Wildlife Refuge Fund	15.659	N/A	\$ 1,456	\$ -
Pass Through Payments:				
Virginia Department of Conservation and Recreation:				
Outdoor Recreation Acquisition, Development and Planning	15.916	P17AP00571/15-00443	178,475	-
			<u>179,931</u>	<u>-</u>
Total Department of the Interior				
Department of Justice:				
Direct payments:				
Public Safety Partnership and Community Policing Grants	16.710	VA09500	\$ 155,973	\$ -
Pass Through Payments:				
Virginia Department of State Police:				
Equitable Sharing Program	16.922	Not Available	\$ 5,594	-
Virginia Department of Criminal Justice:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJS7101601/CJS5101701	\$ 18,103	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	118072	43,355	-
Crime Victim Assistance	16.575	CJS5601701/CJS86018	76,309	-
			<u>299,334</u>	<u>-</u>
Total Department of Justice				
Department of Housing and Urban Development:				
Pass Through Payments:				
Virginia Department of Housing and Community Development:				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HCD50790	\$ 28,750	\$ -
Total CDBG-Entitlement Grants Cluster			<u>28,750</u>	<u>-</u>
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	FOP-20-50311/FSC-20-50313 FOP-21-51047/FSC-21-51116	\$ 14,817	\$ -
Total Highway Safety Cluster			<u>14,817</u>	<u>-</u>
Alcohol Open Container Requirements	20.607	154AL-20-50321/ 154AL-21-51118	34,367	-
			<u>49,184</u>	<u>-</u>
Total Department of Transportation				
Election Assistance Commission:				
Pass Through Payments:				
Virginia Department of Elections:				
COVID-19 HAVA Election Security Grants	90.404	116912	\$ 20,178	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Council of Higher Education:				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Not Available	12,869	-
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A190046/S010A180046 S010A200046/S010A210046	775,652	-
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	H027A190107	380,598	-
Special Education Preschool Grants	84.173	H173A200112	19,575	-
Total Special Education Cluster (IDEA)			<u>400,173</u>	<u>-</u>
Total Special Education Cluster			<u>400,173</u>	<u>-</u>
Migrant Education State Grant Program	84.011	S011A190047/S011A200047	\$ 102,255	\$ -
Career and Technical Education - Basic Grants to States	84.048	V048A190046	74,538	-
Migrant Education Coordination Program	84.144	S144F190047	17,267	-
Rural Education	84.358	S358B190046	15,028	-
Student Support and Academic Enrichment Program	84.424	S424A190048/S424A200048 S365A120046	48,809	-
Supporting Effective Instruction State Grants	84.367	S367A190044/S367A180044	74,340	-
COVID 19 - Educatin Stabilization Fund:				
Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	S425C200042	1,176,270	-
Governor's Emergency Education Relief Fund	84.425C	S425D200008	172,456	-
Total Education Stabilization Fund			<u>1,348,726</u>	<u>-</u>
Total Department of Education				
Total Expenditures of Federal Awards			<u>\$ 8,945,834</u>	<u>\$ 300,299</u>

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, 2021

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, 2021. 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	\$ 4,613,578
Provider Relief Funds - see Note 5 below	35,971
Less: Payments in Lieu of Taxes	(1,577)
Less: Interest Subsidy	(204,709)
Total primary government	<u>\$ 4,443,263</u>

Component Unit School Board:

School Operating Fund	\$ 3,133,290
School Cafeteria Fund	1,369,281
Total Component Unit School Board	<u>\$ 4,502,571</u>

Total expenditures of federal awards per basic financial statements	<u>\$ 8,945,834</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u>\$ 8,945,834</u>
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Note 5 - Provider Relief Funds

For fiscal years ended (FYE) on or before June 29, 2021, no Provider Relief Fund (PRF) expenditures (including lost revenue) should have been reported on the SEFA. Due to guidance available when the FYE 2020 report was issued, the entity reported \$35,971 of PRF expenditures on the FYE 2020 SEFA with no significant impact on the SEFA. Based on current guidance from the Department of Health and Human Services (HHS), PRF expenditures (including lost revenue) are to be reported on the SEFA based upon PRF reports submitted through the Health Resources and Services Administration (HRSA) reporting portal. Therefore, the amount of PRF expenditures included on the FYE June 30, 2021 SEFA is based upon the PRF reporting portal guidelines for Period 1, as specified by HHS.

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

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>
21.019	COVID-19 Coronavirus Relief Fund (CRF)
84.425D/84.425C	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

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2021 (Continued)

Section II - Financial Statement Findings

2021-001: 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 were required material adjustments by the Auditor to ensure such statements complied with Generally Accepted Accounting Principles (GAAP). Material audit adjustments were proposed to several accounts and financial statement groups of the school board including, Cash and Cash Equivalents, Due from Other Governmental Units, Accounts Payable, Accrued Liabilities 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, 2021.

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 feels the School system has designed strong internal controls. However, in fiscal year 2021 the school system experienced significant unexpected staff turnover which contributed to the weakness noted above including turnover in the roles of accounts payable specialist and payroll specialist. In addition, the school finance department was impacted by COVID-19 which put additional strain on the accounting processes and controls. Westmoreland County Public Schools has advertised for and is in the process of hiring qualified persons to serve as Finance Officer and finance specialists

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, 2021

There were no prior year findings.