

CHARLOTTE COUNTY
VIRGINIA

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

COUNTY OF CHARLOTTE, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

COUNTY OF CHARLOTTE, VIRGINIA

Financial Report
For the Year Ended June 30, 2025

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COUNTY OF CHARLOTTE, VIRGINIA

Board of Supervisors

Walter Bailey, Chairman
Hazel Bowman Smith, Vice-Chairman

Noah Davis
Sherry Tharpe

Derek Toombs

Robert L. Shook, Jr.
Henry Carwile

School Board

Russell "Scotty" Hamlett, Chairman
R.B. "Jay" George, Vice-Chairman

Teresa Dunnaway
Dr. Elisa Green

Richard "Rick" Brown

Gloria Talbott
Lauren T. Willis

Board of Public Welfare

Carolyn Baker, Chairman
Sue Francis, Vice-Chairman

Catherine Hamlett
Toni Arrington
Margaret Ann Elder

Thelma Reid
Denise Pridgen
Robert Shook, Jr.

Library Board

Eleanor B. Williams, Chairman
Aurelia Cathey, Secretary

Teresa Osborne
Barbara Hamlett

Martha Brogdon

Winnie Morris
Jean Elliot

Other Officials

Judge of the Circuit Court
Clerk of the Circuit Court
Judge of the General District Court
Judge of the Juvenile & Domestic Relations Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Librarian
County Administrator

Robert H. Morrison
Annette F. Clowdis
Calvin S. Spencer, Jr.
Nora Miller
Leslie Schneider
Naisha Carter
Patricia Berkeley
James "Randy" Grissom
Robbie W. Mason
Amanda Lee
Margaret M. Allbee
Daniel N. Witt



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principles

As described in Note 18 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 18 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

Required Supplementary Information (Continued)

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

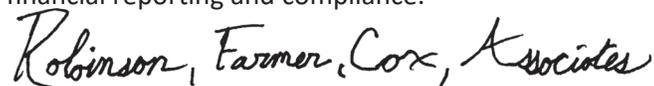
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of County of Charlotte, 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 Charlotte, 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 Charlotte, Virginia's internal control over financial reporting and compliance.


Charlottesville, Virginia
December 10, 2025

To the Citizens of Charlotte County County of Charlotte, Virginia

As management of the County of Charlotte, 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, 2025.

Financial Highlights

Government-wide Financial Statements

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 \$30,206,388 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures in excess of revenues and other financing sources of \$503,190 (Exhibit 5) after making contributions totaling \$5,514,893 to the School Board.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$22,199,312, a decrease of \$503,190 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$18,626,227, or 71% of total general fund expenditures.
- Our combined long-term obligations decreased \$609,211 during the current fiscal year.

Overview of the Financial Statements

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

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

This report also contains required and 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 a) assets and deferred outflows of resources, and b) liabilities and deferred inflows of resources, with the difference 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 Charlotte, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Charlotte, 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 Charlotte, 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 two categories: governmental 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, reconciliation between the two methods is provided on Exhibit 4. The County has three major governmental funds - the General Fund, the Capital Projects Fund, the CARES Act Fund, and the ARPA Fund.

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. Custodial funds are 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 schedules of pension and OPEB funding progress. The School Board does not issue separate financial statements. Other supplementary information consists of combining statements and schedules for nonmajor funds, fiduciary funds, the discretely presented component unit School Board, budgetary schedules, and statistical information.

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30,206,388 at the close of the most recent fiscal year.

County of Charlotte, Virginia's Net Position			
	Governmental Activities		
	2025	2024	
Current and other assets	\$ 26,521,009	\$ 26,799,315	
Capital assets	<u>30,240,053</u>	<u>30,787,309</u>	
Total assets	<u>\$ 56,761,062</u>	<u>\$ 57,586,624</u>	
Deferred outflows of resources	<u>\$ 2,101,243</u>	<u>\$ 1,017,686</u>	
Current liabilities	\$ 899,478	\$ 1,124,023	
Long-term liabilities outstanding	<u>26,461,110</u>	<u>26,421,169</u>	
Total liabilities	<u>\$ 27,360,588</u>	<u>\$ 27,545,192</u>	
Deferred inflows of resources	<u>\$ 1,295,329</u>	<u>\$ 1,092,040</u>	
Net position:			
Net investment in capital assets	\$ 10,045,852	\$ 9,996,458	
Restricted for solar decommission	154,685	-	
Restricted for opioid settlement	117,739	212,298	
Restricted for Library	448,061	404,261	
Unrestricted	<u>19,440,051</u>	<u>19,354,061</u>	
Total net position	<u>\$ 30,206,388</u>	<u>\$ 29,967,078</u>	

At the end of the current fiscal year, the County's net investment in capital assets is \$8,135,489. The County's net position restricted for solar decommission of \$154,685, opioid settlements of \$117,739 and for Library use of \$448,061. The remaining \$19,440,051 of net position is unrestricted and available for use at the County's discretion.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$888,462.

County of Charlotte, Virginia's Change in Net Position		
	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 965,508	\$ 638,603
Operating grants and contributions	8,860,223	8,527,931
General revenues:		
Property taxes	12,450,322	12,788,909
Other local taxes	1,645,749	1,636,310
Grants and other contributions unrestricted	998,897	1,267,072
Other	<u>2,574,240</u>	<u>3,505,861</u>
Total revenues	<u>\$ 27,494,939</u>	<u>\$ 28,364,686</u>
Expenses:		
General government administration	\$ 2,520,709	\$ 1,974,670
Judicial administration	1,355,979	1,265,235
Public safety	7,495,710	7,040,811
Public works	1,753,713	1,703,772
Health and welfare	5,360,550	4,978,658
Education	6,418,165	5,062,993
Parks, recreation and culture	508,901	456,112
Community development	483,158	553,666
Interest	<u>709,592</u>	<u>745,465</u>
Total expenses	<u>\$ 26,606,477</u>	<u>\$ 23,781,382</u>
Increases (decrease) in net position	\$ 888,462	\$ 4,583,304
Net position-beginning, as restated	<u>29,317,926</u>	<u>25,383,774</u>
Net position-ending	<u>\$ 30,206,388</u>	<u>\$ 29,967,078</u>

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

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

Government-wide Financial Analysis (Continued)

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned 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 \$22,199,312, a decrease of \$503,190 in comparison with the prior year. Approximately 71% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2025 amounts to \$30,240,053 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

County of Charlotte, Virginia's Capital Assets			
	Governmental Activities		
	2025	2024	
Land	\$ 250,555	\$ 250,555	
Buildings and improvements	22,764,994	22,219,695	
Equipment	4,509,664	4,184,573	
Leased buildings and improvements	196,275	196,275	
Leased equipment	5,296	15,650	
Tenancy in common	12,557,489	13,222,489	
Construction in progress	1,727,586	1,470,606	
Total	\$ 42,011,859	\$ 41,559,843	
Less accumulated depreciation	<u>(11,771,806)</u>	<u>(10,772,534)</u>	
Net capital assets	<u>\$ 30,240,053</u>	<u>\$ 30,787,309</u>	

Additional information on the County's capital assets can be found in Note 4 of this report.

Capital Asset and Debt Administration (Continued)

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$17,795,000 comprised of debt backed by the full faith and credit of the County. The following table depicts all debt reported by the County:

County of Charlotte, Virginia's Outstanding Obligations			
	Governmental Activities		
	2025	2024	
General obligation bond	\$ 17,315,000	\$ 18,025,000	
Revenue bond	480,000	560,000	
Premium on bonds	1,910,363	2,094,735	
Equipment loans	2,399,201	2,610,112	
Lease liabilities	148,484	160,758	
Compensated absences	1,112,948	1,175,029	
Net OPEB liabilities	568,750	550,963	
Net pension liability	1,071,166	410,338	
Landfill closure liability	<u>1,455,198</u>	<u>1,483,386</u>	
Total	\$ <u>26,461,110</u>	\$ <u>27,070,321</u>	

Legislation enacted in fiscal year ended June 30, 2002 requires that debt historically reported by the School Board be assumed by the primary government. The legislation affects the reporting of local school capital assets as well.

The County's total long-term obligations decreased by \$609,211 during the current fiscal year.

Additional information on the County of Charlotte, Virginia's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 4.7 percent, which is 1 percent more than reported in the previous year. This compares slightly unfavorably to the state's average unemployment rate of 3.5 percent, and slightly unfavorably to the national average rate of 4.1 percent.

Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the County's budget for the 2026 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County of Charlotte, 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, 250 Le Grande Avenue, Charlotte Court House, Virginia 23923.

BASIC FINANCIAL STATEMENTS

- *Government-wide Financial Statements* -

Statement of Net Position
June 30, 2025

	Primary Government	Component Unit
	Governmental Activities	School Board
ASSETS		
Cash and cash equivalents	\$ 19,122,553	\$ 1,975,190
Receivables (net of allowance for uncollectibles):		
Taxes receivable	3,684,033	-
Accounts receivable	380,248	26,090
Interest receivable	124	-
Leases receivable	148,894	-
Inventory	-	41,582
Due from component unit	1,252,485	-
Due from other governmental units	1,367,633	1,164,391
Prepaid items	116,978	531,895
Restricted assets:		
Investments	448,061	-
Net pension asset	-	828,820
Capital assets (net of accumulated depreciation):		
Land	250,555	59,050
Buildings and improvements	26,421,701	12,042,395
Machinery and equipment	1,702,650	4,004,282
Lease buildings and improvements	132,559	-
Lease equipment	5,002	-
Construction in progress	1,727,586	1,258,882
Total assets	<u>\$ 56,761,062</u>	<u>\$ 21,932,577</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	\$ 1,950,900	\$ 14,978,951
OPEB related items	150,343	2,728,779
Total deferred outflows of resources	<u>\$ 2,101,243</u>	<u>\$ 17,707,730</u>
LIABILITIES		
Accounts payable	\$ 615,591	\$ 1,036,839
Unearned revenue	-	-
Accrued interest payable	283,887	-
Due to primary government	-	964,985
Long-term liabilities:		
Due within one year	1,416,721	160,782
Due in more than one year	25,044,389	21,955,380
Total liabilities	<u>\$ 27,360,588</u>	<u>\$ 24,117,986</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	\$ 941,619	\$ 12,753,288
OPEB related items	176,288	2,920,033
Lease related items	143,505	-
Deferred revenue-property taxes	33,917	-
Total deferred inflows of resources	<u>\$ 1,295,329</u>	<u>\$ 15,673,321</u>
NET POSITION		
Net investment in capital assets	\$ 8,135,489	\$ 17,364,609
Restricted:		
Solar decommission	154,685	-
Net pension asset	-	828,820
Opioid settlement	117,739	-
Library		
Expendable	348,061	-
Nonexpendable	100,000	-
Unrestricted	21,350,414	(18,344,429)
Total net position	<u>\$ 30,206,388</u>	<u>\$ (151,000)</u>

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

Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit School Board
Primary Government:						
Governmental activities:						
General government						
administration	\$ 2,520,709	\$ 279,957	\$ 1,348,869	\$ -	\$ (891,883)	\$ -
Judicial administration	1,355,979	259,629	579,548	-	(516,802)	-
Public safety	7,495,710	265,138	2,207,073	-	(5,023,499)	-
Public works	1,753,713	19,317	18,385	-	(1,716,011)	-
Health and welfare	5,360,550	141,467	4,430,059	-	(789,024)	-
Education	6,418,165	-	-	-	(6,418,165)	-
Parks, recreation, and cultural	508,901	-	96,541	-	(412,360)	-
Community development	483,158	-	179,748	-	(303,410)	-
Interest on long-term debt	709,592	-	-	-	(709,592)	-
Total governmental activities	\$ 26,606,477	\$ 965,508	\$ 8,860,223	\$ -	\$ (16,780,746)	\$ -
Total primary government	\$ 26,606,477	\$ 965,508	\$ 8,860,223	\$ -	\$ (16,780,746)	\$ -
Component Unit:						
School Board	\$ 31,280,116	\$ 441,365	\$ 24,398,099	\$ -	\$ -	\$ (6,440,652)
Total component unit	\$ 31,280,116	\$ 441,365	\$ 24,398,099	\$ -	\$ -	\$ (6,440,652)
General revenues:						
General property taxes				\$ 12,450,322	\$ -	
Other local taxes:						
Local sales and use taxes				975,065	-	
Consumer utility taxes				228,464	-	
Motor vehicle licenses				332,885	-	
Other local taxes				109,335	-	
Unrestricted revenues from use of money				754,133	764	
Miscellaneous				1,820,107	1,472,811	
Gain/(loss) on disposal of assets				-	-	
Grants and contributions not restricted to specific programs				998,897	-	
Contributions from Charlotte County				-	6,085,060	
Total general revenues				\$ 17,669,208	\$ 7,558,635	
Change in net position				\$ 888,462	\$ 1,117,983	
Net position - beginning, as previously reported				29,967,078	365,505	
Restatement				(649,152)	(1,634,488)	
Net position - beginning, as restated				29,317,926	(1,268,983)	
Net position - ending				\$ 30,206,388	\$ (151,000)	

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

BASIC FINANCIAL STATEMENTS

- Fund Financial Statements -

Balance Sheet
 Governmental Funds
 June 30, 2025

	General	ARPA Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 16,514,541	\$ 13,019	\$ 2,594,993	\$ 19,122,553
Receivables (net of allowance for uncollectibles):				
Taxes receivable	3,684,033	-	-	3,684,033
Accounts receivable	380,248	-	-	380,248
Interest receivable	124	-	-	124
Leases receivable	148,894	-	-	148,894
Prepaid items	116,978	-	-	116,978
Due from component unit	1,252,485	-	-	1,252,485
Due from other funds	-	-	20,742	20,742
Due from other governmental units	1,226,054	-	141,579	1,367,633
Restricted assets:				
Investments	-	-	448,061	448,061
Total assets	<u>\$ 23,323,357</u>	<u>\$ 13,019</u>	<u>\$ 3,205,375</u>	<u>\$ 26,541,751</u>
LIABILITIES				
Accounts payable	\$ 580,880	\$ -	\$ 34,711	\$ 615,591
Due to other funds	20,742	-	-	20,742
Total liabilities	<u>\$ 601,622</u>	<u>\$ -</u>	<u>\$ 34,711</u>	<u>\$ 636,333</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	\$ 3,366,293	\$ -	\$ -	\$ 3,366,293
Opioid settlement	196,308	-	-	196,308
Lease related items	143,505	-	-	143,505
Total deferred inflows of resources	<u>\$ 3,706,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,706,106</u>
FUND BALANCE				
Nonspendable:				
Permanent fund corpus	\$ -	\$ -	\$ 100,000	\$ 100,000
Prepaid items	116,978	-	-	116,978
Restricted:				
Solar decommission	154,685	-	-	154,685
Opioid settlement	117,739	-	-	117,739
Library operations	-	-	348,061	348,061
Grant funds	-	13,019	-	13,019
Assigned:				
Sales tax - education projects	-	-	2,736,517	2,736,517
Unassigned	18,626,227	-	(13,914)	18,612,313
Total fund balances	<u>\$ 19,015,629</u>	<u>\$ 13,019</u>	<u>\$ 3,170,664</u>	<u>\$ 22,199,312</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,323,357</u>	<u>\$ 13,019</u>	<u>\$ 3,205,375</u>	<u>\$ 26,541,751</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, 2025

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	22,199,312
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	\$	42,011,859
Accumulated depreciation		<u>(11,771,806)</u>
		30,240,053
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Opioid settlement	\$	196,308
Unavailable revenue - property taxes		<u>3,332,376</u>
		3,528,684
Deferred outflows of resources are not available to pay for current period expenditures and, and therefore, are not reported in the funds.		
Deferred outflows - pension related items	\$	1,950,900
Deferred outflows - OPEB related items		<u>150,343</u>
		2,101,243
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	\$	(17,795,000)
Premium on bond payable		(1,910,363)
Equipment loans		(2,399,201)
Accrued interest payable		(283,887)
Lease liabilities		(148,484)
Net OPEB liabilities		(568,750)
Net pension liability		(1,071,166)
Compensated absences		(1,112,948)
Landfill postclosure and corrective action liability		<u>(1,455,198)</u>
		(26,744,997)
Deferred inflows of resources are not due and payable in the current period and, and therefore, are not reported in the funds.		
Deferred inflows - pension related items	\$	(941,619)
Deferred inflows - OPEB related items		<u>(176,288)</u>
		(1,117,907)
Net position of governmental activities	\$	<u><u>30,206,388</u></u>

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, 2025

	General	CARES Act Fund	ARPA Fund	Other Govern- mental Funds	Total
REVENUES					
General property taxes	\$ 11,926,066	\$ -	\$ -	\$ -	\$ 11,926,066
Other local taxes	1,645,749	-	-	-	1,645,749
Permits, privilege fees, and regulatory licenses	132,555	-	-	-	132,555
Fines and forfeitures	183,591	-	-	-	183,591
Revenue from the use of money and property	942,075	-	-	113,449	1,055,524
Charges for services	347,971	-	-	-	347,971
Miscellaneous	1,836,097	-	-	-	1,836,097
Intergovernmental:					
Commonwealth	5,890,701	-	-	908,317	6,799,018
Federal	3,030,352	29,750	-	-	3,060,102
Total revenues	<u>\$ 25,935,157</u>	<u>\$ 29,750</u>	<u>\$ -</u>	<u>\$ 1,021,766</u>	<u>\$ 26,986,673</u>
EXPENDITURES					
Current:					
General government administration	\$ 2,052,466	\$ -	\$ 795,614	\$ -	\$ 2,848,080
Judicial administration	811,545	-	-	-	811,545
Public safety	7,570,421	29,750	-	-	7,600,171
Public works	1,930,188	-	-	-	1,930,188
Health and welfare	5,389,302	-	-	-	5,389,302
Education	5,520,334	-	-	199,648	5,719,982
Parks, recreation, and cultural	122,527	-	-	385,323	507,850
Community development	483,551	-	-	-	483,551
Nondepartmental	261,035	-	-	-	261,035
Debt service:					
Principal retirement	1,022,979	-	-	-	1,022,979
Interest and other fiscal charges	915,180	-	-	-	915,180
Total expenditures	<u>\$ 26,079,528</u>	<u>\$ 29,750</u>	<u>\$ 795,614</u>	<u>\$ 584,971</u>	<u>\$ 27,489,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (144,371)</u>	<u>\$ -</u>	<u>\$ (795,614)</u>	<u>\$ 436,795</u>	<u>\$ (503,190)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 763,507	\$ -	\$ -	\$ 263,815	\$ 1,027,322
Transfers (out)	<u>(1,027,322)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,027,322)</u>
Total other financing sources (uses)	<u>\$ (263,815)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,815</u>	<u>\$ -</u>
Net change in fund balances	\$ (408,186)	\$ -	\$ (795,614)	\$ 700,610	\$ (503,190)
Fund balances - beginning	19,423,815	-	808,633	2,470,054	22,702,502
Fund balances - ending	<u>\$ 19,015,629</u>	<u>\$ -</u>	<u>\$ 13,019</u>	<u>\$ 3,170,664</u>	<u>\$ 22,199,312</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, 2025

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

Net change in fund balances - total governmental funds \$ (503,190)

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 depreciation expense exceeded capital outlays in the current period.

Capital outlay	\$	1,417,304	
Transfer of joint assets		(570,167)	
Depreciation expense		<u>(1,352,264)</u>	(505,127)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. (42,129)

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

Opioid settlement	\$	(15,990)	
Property taxes		<u>524,256</u>	508,266

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.

Change in landfill closure and post-closure liability	\$	28,188	
Amortization of premium on bond		184,372	
Equipment loans		210,911	
Issuance of lease liabilities		(13,623)	
Payments on lease liabilities		25,897	
Principal payments on bonds		<u>790,000</u>	1,225,745

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.

Change in interest payable	\$	17,387	
Pension expense		114,308	
OPEB expense		11,121	
Change in compensated absences		<u>62,081</u>	<u>204,897</u>

Change in net position of governmental activities \$ 888,462

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 7,548,867
Due from other governments	2,572,035
Prepaid expenses	<u>10,918</u>
Total assets	<u>\$ 10,131,820</u>
LIABILITIES	
Accounts payable	\$ 5,661
Accrued expenses	<u>360,373</u>
Total liabilities	<u>\$ 366,034</u>
NET POSITION	
Restricted:	
Amounts held for Virtual Virginia	\$ 9,700,821
Amounts held for special welfare	23,823
Amounts held for sheriff accounts	<u>41,142</u>
Total net position	<u>9,765,786</u>

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

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 June 30, 2025

	<u>Custodial Funds</u>
ADDITIONS:	
Revenue from the use of money and property	\$ 183,831
Miscellaneous	397,751
Intergovernmental:	
Commonwealth	9,418,844
Federal	5,138,000
Total additions	<u>\$ 15,138,426</u>
DEDUCTIONS:	
Inmate personal items	\$ 359,192
Special welfare	38,193
Education - administrative	5,493,052
Education - instruction	8,757,130
Education - other	-
Total deductions	<u>\$ 14,647,567</u>
Change in net position	\$ 490,859
NET POSITION:	
Net position, beginning of the year	<u>9,274,927</u>
Net position, ending of the year	<u>\$ 9,765,786</u>

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025

Note 1 – Summary of Significant Accounting Policies:

The County of Charlotte, Virginia was formed in 1764 and it is governed by an elected seven member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education and social services.

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

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 but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, effects of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government and its discretely presented component unit. Governments will report all capital assets in the government-wide Statement of Net Position and will 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).

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 1 – Summary of Significant Accounting Policies: (Continued)

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

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 one way or another 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. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary schedules present the original budget, the final budget and the actual activity of the major governmental funds.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Charlotte, Virginia (the primary government) and its component unit. 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. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit: The County has no blended component units to be included for the fiscal year ended June 30, 2025.

Discretely Presented Component Unit: The Component unit columns in the combined financial statements include the financial data of the County's component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Charlotte County School Board operates the elementary and secondary public schools in the County. School Board Members are elected by the voters. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools, since the School Board does not have separate taxing powers. The School Fund does not issue a separate report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2025.

C. Other Related Organizations

Included in the County's Financial Report

None

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 1 – Summary of Significant Accounting Policies: (Continued)

C. Other Related Organizations (Continued)

Excluded from the County's Financial Report

Crossroads Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County appoints two of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements. For the year ended June 30, 2025, the County contributed \$67,752 to the Board.

Charlotte County Industrial Development Authority

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Charlotte County Industrial Development Authority.

Virginia's Heartland Regional Industrial Facility Authority

The Authority was created pursuant to the provision of Title 15.2, Chapter 64 of the Code of Virginia, 1950 as amended. The Authority's purpose is to create a regional industrial park to enhance the economic base by developing, owning or operating one or more facilities on a cooperative basis. The County appoints two of the Authority's board members. The County has no further financial responsibilities to the Authority. Therefore, it is not included in the County's financial statements.

Southside Regional Public Service Authority

The County, in conjunction with the Counties of Mecklenburg and Halifax are members of the Southside Regional Public Service Authority. The Authority operates as a regional solid waste landfill facility. The County paid the Authority tipping fees of \$190,000 for solid waste transferred to the Authority in fiscal year 2025.

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

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

Note 1 – Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (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.) which 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

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.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following governmental funds.

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.

Note 1 – Summary of Significant Accounting Policies: (Continued)

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

1. Governmental Funds (Continued)

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. There are three special revenue funds: the Library Fund, the CARES Act Fund, and the ARPA Fund. The CARES Act Fund and ARPA Fund are considered to be major funds, while the Library Fund and Local Sales Tax Fund are considered to be a nonmajor fund.

c. Permanent Fund

The Permanent Fund accounts for and reports resources that are restricted such that only earnings may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizens). The Permanent Fund accounts for operations of the Library Trust Fund, which is considered a nonmajor fund.

2. Fiduciary Funds (Trust and Custodial Funds)

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

3. Component Unit

The Charlotte 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 Charlotte and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 1 – Summary of Significant Accounting Policies: (Continued)

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

3. Component Unit: (Continued)

School Cafeteria Fund – This 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. This fund is considered a major fund.

School Activity Funds – This fund accounts for the operation of the School Activity Fund for the Charlotte County Public Schools. This fund is considered a major fund.

E. Budgets and Budgetary Accounting

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

1. Prior to March 30, 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 and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
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 department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and Library Fund of the primary government and the School Operating Fund and School Cafeteria Fund of the School Board.
6. All budgets, except School Operating and Cafeteria Funds, are adopted on a basis consistent with generally accepted accounting principles (GAAP). The School Operating and Cafeteria Funds are adopted using the cash basis of accounting.
7. Appropriations lapse on June 30 for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 1 – Summary of Significant Accounting Policies: (Continued)

F. Cash and Investments: (Continued)

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

At June 30, 2025 the County had restricted cash in the following amounts:

- \$100,000 held in perpetuity, earnings from which are used to fund library operations
- \$348,061 of earnings on library investments restricted for library operations

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$27,495 at June 30, 2025 and is comprised solely of property taxes.

Property is assessed at its value on July 1. Property taxes attach as an enforceable lien on property as of July 1. Taxes are payable June 5th and December 5th. The County bills and collects its own property taxes.

H. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the School Cafeteria Fund consists of school food.

J. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

Note 1 – Summary of Significant Accounting Policies: (Continued)

J. Capital Assets: (Continued)

As the County and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, subscription assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20-40
Vehicles	5
Lease buildings and improvements	2-10
Lease equipment	2-5
Office and Computer Equipment	5
Buses	8
Police Vehicles	3

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

L. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1 – Summary of Significant Accounting Policies: (Continued)

M. Fund Equity

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” City/County/Town’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- 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;
- 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, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

Note 1 – Summary of Significant Accounting Policies: (Continued)

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

P. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable 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 included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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. Deferred Outflows/Inflows of Resources

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

Note 1 – Summary of Significant Accounting Policies: (Continued)

Q. Deferred Outflows/Inflows of Resources: (Continued)

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

R. 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's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's 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.

S. 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.

T. Leases

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

Note 1 – Summary of Significant Accounting Policies: (Continued)

T. Leases: (Continued)

Lessee

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

Lessor

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

Key Estimates and Judgments

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

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

The County has no formal investment policy addressing the various risks related to investments.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2025 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

Rated Debt Investments	County's Rated Debt Investments' Values		
	Fair Quality Ratings		
	AAAm	AAf	Unrated
Local Government Investment Pool	\$ 8,644,774	\$ -	\$ -
Virginia Investment Pool - Liquidity Pool	11,244,113	-	-
Virginia State Non-Arbitrage Program	448,061	-	-
Total	\$ 20,336,948	\$ -	\$ -

Redemption Restrictions: Virginia Investment Pool allows the County to have the option to have access to withdrawal funds twice a month, with a five day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 2 – Deposits and Investments: (Continued)

Interest Rate Risk

The County does not have a policy related to interest rate risk.

County's Debt Investments' Values		
Debt Investments	Fair Value	Less than 1 year
Local Government Investment Pool	\$ 8,644,774	\$ 8,644,774
Virginia Investment Pool - Liquid General	11,244,113	11,244,113
Virginia State Non-Arbitrage Program	448,061	448,061
Total	\$ <u>20,336,948</u>	\$ <u>20,336,948</u>

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 County 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, 2025:

Investment	6/30/2025
Investments measured at net asset value (NAV)	
Virginia Investment Pool - Liquid General	\$ <u>11,244,113</u>
Total Investments measured at NAV	\$ <u>11,244,113</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 2 – Deposits and Investments: (Continued)

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

Note 3 – Due From Other Governmental Units:

At June 30, 2025 the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Commonwealth of Virginia:		
Local and state sales tax	\$ 333,556	\$ 412,233
Communication tax	13,302	-
Rolling stock	84,861	-
Public assistance	68,960	-
Comprehensive services	224,838	-
Mobile home titling tax	21,339	-
Recordation tax	1,515	-
E-911 wireless	9,241	-
Jail	25,995	-
Commonwealth's Attorney	17,906	-
Sheriff	136,657	-
Clerk of the Circuit Court	20,710	-
Commissioner of Revenue	10,196	-
Treasurer	12,085	-
Law enforcement grants	39,405	-
State forestry	60,676	-
Other state funds	18,592	10,016
Federal Government:		
School funds	-	742,142
Public assistance	153,684	-
Other federal funds	25,844	-
Workforce Investment Board	88,271	-
Total	\$ <u>1,367,633</u>	\$ <u>1,164,391</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 4 – Capital Assets:

The following is a summary of capital assets activity for the year ended June 30, 2025:

Primary Government:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets not being depreciated:				
Land	\$ 250,555	\$ -	\$ -	\$ 250,555
Construction in progress	1,470,606	881,004	624,024	1,727,586
Total capital assets not being depreciated	<u>\$ 1,721,161</u>	<u>\$ 881,004</u>	<u>\$ 624,024</u>	<u>\$ 1,978,141</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 22,219,695	\$ 545,299	\$ -	\$ 22,764,994
Equipment	4,184,573	704,562	379,471	4,509,664
Lease buildings and improvements	196,275	-	-	196,275
Lease equipment	15,650	5,296	15,650	5,296
Jointly owned assets	13,222,489	-	665,000	12,557,489
Total capital assets being depreciated	<u>\$ 39,838,682</u>	<u>\$ 1,255,157</u>	<u>\$ 1,060,121</u>	<u>\$ 40,033,718</u>
Accumulated depreciation:				
Buildings and improvements	\$ 6,917,934	\$ 677,598	\$ -	\$ 7,595,532
Equipment	2,719,659	424,697	337,342	2,807,014
Lease buildings and improvements	48,045	15,671	-	63,716
Lease equipment	14,479	1,465	15,650	294
Jointly owned assets	1,072,417	232,833	-	1,305,250
Total accumulated depreciation	<u>\$ 10,772,534</u>	<u>\$ 1,352,264</u>	<u>\$ 352,992</u>	<u>\$ 11,771,806</u>
Total capital assets being depreciated, net	<u>\$ 29,066,148</u>	<u>\$ (97,107)</u>	<u>\$ 707,129</u>	<u>\$ 28,261,912</u>
Governmental activities capital assets, net	<u><u>\$ 30,787,309</u></u>	<u><u>\$ 783,897</u></u>	<u><u>\$ 1,331,153</u></u>	<u><u>\$ 30,240,053</u></u>

Construction in progress for the primary government and component unit school board are budgeted and expended using funds from the Capital Projects Fund. Once completed, capital projects related to the component unit school board are recorded on entity wide statements for the component unit school board.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 4 – Capital Assets: (Continued)

Discretely Presented Component Unit-School Board:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets not being depreciated:				
Land	\$ 59,050	\$ -	\$ -	\$ 59,050
Construction in progress	3,204,819	629,906	2,575,843	1,258,882
Total capital assets not being depreciated	<u>\$ 3,263,869</u>	<u>\$ 629,906</u>	<u>\$ 2,575,843</u>	<u>\$ 1,317,932</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 19,903,998	\$ 1,497,496	\$ -	\$ 21,401,494
Equipment	9,180,340	2,481,926	-	11,662,266
Lease equipment	273,746	-	273,746	-
Jointly owned assets	2,435,000	665,000	-	3,100,000
Total capital assets being depreciated	<u>\$ 31,793,084</u>	<u>\$ 4,644,422</u>	<u>\$ 273,746</u>	<u>\$ 36,163,760</u>
Accumulated depreciation:				
Buildings and improvements	\$ 11,165,046	\$ 951,137	\$ -	\$ 12,116,183
Equipment	6,356,167	1,301,817	-	7,657,984
Lease equipment	272,743	1,003	273,746	-
Jointly owned assets	248,083	94,833	-	342,916
Total accumulated depreciation	<u>\$ 18,042,039</u>	<u>\$ 2,348,790</u>	<u>\$ 273,746</u>	<u>\$ 20,117,083</u>
Total capital assets being depreciated, net	<u>\$ 13,751,045</u>	<u>\$ 2,295,632</u>	<u>\$ -</u>	<u>\$ 16,046,677</u>
Governmental activities capital assets, net	<u>\$ 17,014,914</u>	<u>\$ 2,925,538</u>	<u>\$ 2,575,843</u>	<u>\$ 17,364,609</u>

Depreciation expense was charged to functions/programs of the primary government and component unit as follows:

Governmental activities:	
General government administration	\$ 110,280
Judicial administration	550,097
Public safety	266,464
Public works	167,895
Health and welfare	16,636
Education	232,833
Parks, recreation and cultural	5,353
Community development	2,706
Total	<u>\$ 1,352,264</u>
Component Unit-School Board	<u>\$ 2,348,790</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 5 – Compensated Absences:

The County has accrued the liability arising from compensated absences.

Certain County employees (Department of Social Services employees) earn vacation and sick leave at various rates. The County had outstanding compensated absences pay as follows:

Primary Government \$ 1,112,948

Note 6 – Long-Term Obligations:

Primary Government

The following is summary of long-term obligation transactions of the County for the year ended June 30, 2025:

	<u>Restated Balance at July 1, 2024</u>	<u>Issuances/ Additions</u>	<u>Retirements/ Deletions</u>	<u>Balance at June 30, 2025</u>	<u>Due Within One Year</u>
Primary Government:					
Direct Borrowings or Placements:					
General obligation bonds	\$ 18,025,000	\$ -	\$ 710,000	\$ 17,315,000	\$ 810,000
Revenue bond	560,000	-	80,000	480,000	80,000
Premium on bonds	2,094,735	-	184,372	1,910,363	184,372
Equipment loans	2,610,112	-	210,911	2,399,201	215,826
Lease liabilities	160,758	13,623	25,897	148,484	15,228
Compensated absences	1,175,029	-	62,081	1,112,948	111,295
Net OPEB liabilities	550,963	162,355	144,568	568,750	-
Net pension liability	410,338	4,596,306	3,935,478	1,071,166	-
Landfill postclosure and corrective action liability	1,483,386	31,325	59,513	1,455,198	-
Total Primary Government	<u>\$ 27,070,321</u>	<u>\$ 4,803,609</u>	<u>\$ 5,412,820</u>	<u>\$ 26,461,110</u>	<u>\$ 1,416,721</u>

*The change in the compensated absences liability is presented as a net change.

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

Year Ending June 30,	Primary Government							
	Direct Borrowings or Placements							
	Lease Liabilities		Revenue Bond		General Obligation Bond		Equipment Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 15,228	\$ 3,649	\$ 80,000	\$ -	\$ 810,000	\$ 744,668	\$ 215,826	\$ 55,901
2027	9,200	3,427	80,000	-	900,000	701,674	220,854	50,873
2028	4,201	3,293	80,000	-	940,000	655,748	226,000	45,727
2029	2,892	3,208	80,000	-	980,000	610,144	231,266	40,461
2030	3,104	3,136	80,000	-	1,035,000	562,559	236,655	35,072
2031-2035	16,277	14,459	80,000	-	5,040,000	2,093,555	1,268,600	90,036
2036-2040	20,937	12,117	-	-	3,270,000	1,305,055	-	-
2041-2045	28,883	8,880	-	-	3,530,000	625,181	-	-
2046-2050	38,669	4,476	-	-	810,000	19,256	-	-
2051-2052	9,093	246	-	-	-	-	-	-
Total	<u>\$ 148,484</u>	<u>\$ 56,891</u>	<u>\$ 480,000</u>	<u>\$ -</u>	<u>\$ 17,315,000</u>	<u>\$ 7,317,840</u>	<u>\$ 2,399,201</u>	<u>\$ 318,070</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 6 – Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations (Payable from the General Fund):

Direct Borrowings or Placements:

General Obligations Bonds:

\$4,640,000 Virginia Public School Authority Bonds 2020A, issued November 10, 2020, maturing annually through 2036, interest at 5.05%	\$ 3,755,000
\$4,065,000 Virginia Public School Authority Bonds 2020B, issued November 10, 2020, maturing annually through 2036, interest at 5.05%	2,870,000
\$11,570,000 Virginia Resources Authority Revenue Bonds 2015, issued June 25, 2015, maturing annually through April 1, 2046, interest at 4.01%	10,690,000
Premium on bonds	<u>1,910,363</u>
Total General Obligation Bonds	\$ <u>19,225,363</u>

Revenue Bonds:

\$1,500,000 Virginia Public School Authority Bonds 2011, issued December 15, 2011, maturing annually through June 1, 2031, interest at 4.25%	\$ <u>480,000</u>
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Equipment Loans:

\$3,413,724 issued January 9, 2020 for the purchase of communication system due in annual installments of principal and interest through January 9, 2035. open to prepayment. interest at 2.33%	\$ <u>2,399,201</u>
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Lease liabilities

Leased land and land improvements entered into at July 1, 2021 for the cell tower site at 744 Sugar Hill Road, for lease term of 366 months, with discount rate of 2.70%.	\$ 121,491
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Leased land and land improvements entered into at July 1, 2021 for the Old Store Building at the library, for lease term of 60 months, with discount rate of 1.18%.	3,875
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Leased land and land improvements entered into at July 1, 2021 for the land adjacent to the landfill, for lease term of 138 months, with discount rate of 1.90%.	5,860
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Leased land and land improvements entered into at July 1, 2021 for the cell tower site at 8770 Sugar Hill Road, for lease term of 68 months, with discount rate of 1.34%.	12,256
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Leased equipment for the Sheriff's office entered into at various dates, for lease terms ranging from 3 to 5 years, with discount rates ranging from 1.00% to 3.00%.	<u>5,002</u>
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Total lease liabilities	\$ <u>148,484</u>
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Compensated Absences	\$ <u>1,112,948</u>
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Net OPEB liabilities	\$ <u>568,750</u>
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Net pension liability	\$ <u>1,071,166</u>
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Landfill postclosure and corrective action liability	\$ <u>1,455,198</u>
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Total Primary Government	\$ <u><u>26,461,110</u></u>
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COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 6 – Long-Term Obligations: (Continued)

Component Unit-School Board:

The following is a summary of long-term obligation transactions of the Component Unit-School Board for the year ended June 30, 2025:

	Restated Balance at July 1, 2024	Issuances/ Additions	Retirements/ Deletions	Balance at June 30, 2025	Amounts Due Within One Year
Lease liabilities	\$ 921	\$ -	\$ 921	\$ -	-
Compensated absences	1,634,488	-	26,672	1,607,816	160,782
Net OPEB liabilities	4,557,833	4,976,729	5,810,055	3,724,507	-
Net pension liability	<u>20,962,343</u>	<u>28,541,505</u>	<u>32,720,009</u>	<u>16,783,839</u>	<u>-</u>
	<u>\$ 27,155,585</u>	<u>\$ 33,518,234</u>	<u>\$ 38,557,657</u>	<u>\$ 22,116,162</u>	<u>\$ 160,782</u>

*The change in the compensated absences liability is presented as a net change.

Details of long-term obligations (payable from the Component Unit-School Board):

Net OPEB liabilities	\$ <u>3,724,507</u>
Net pension liability	\$ <u>16,783,839</u>
Compensated absences	\$ <u>1,607,816</u>
Total Component Unit - School Board	\$ <u>22,116,162</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 7 - Commitments and Contingencies:

Federal programs in which the County and discretely presented component unit participate were audited in accordance with the provisions of U.S. Office of Management and the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*. Pursuant to the provisions of this guidance all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Note 8 - Litigation:

At June 30, 2025, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

Note 9 – Due To/From Component Unit and Interfund Obligations:

Interfund obligations for the year ended June 30, 2025 consisted of the following:

<u>Fund</u>	<u>Due from Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 964,985	\$ -
School	-	964,985
Total	<u>\$ 964,985</u>	<u>\$ 964,985</u>

<u>Fund</u>	<u>Due from General Fund</u>	<u>General Fund Due to Other Funds</u>
Library	\$ 20,742	\$ -
General	-	20,742
Total	<u>\$ 20,742</u>	<u>\$ 20,742</u>

Note 10 - Pension Plans:

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 equals 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 CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (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, 2023 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	85	35
Inactive members:		
Vested inactive members	17	2
Non-vested inactive members	22	15
Inactive members active elsewhere in VRS	46	7
Total inactive members	85	24
Active members	102	23
Total covered employees	272	82

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (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 employer contribution rate for the year ended June 30, 2025 was 13.10% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 \$812,036 and \$671,945 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 \$0 and \$0 for the years ended June 30, 2024 and June 30, 2023, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$12,385 and \$4,756 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$33,399 and \$52,984 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,238,457 and \$475,558 for the County and for the School Board, respectively, for the year ended June 30, 2025.

Net Pension Liability (Asset)

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, 2024. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (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, 2023, 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, 2024.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (Continued)

Actuarial Assumptions – General Employees (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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, 2023, 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, 2024.

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

Mortality rates:

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

Pre-Retirement:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (Continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits: (Continued)

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) – Hazardous Duty:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		**Expected arithmetic nominal return	7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (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. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. Through the fiscal year ended June 30, 2024, 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 112% of the actuarially determined contribution rate. From July 1, 2024 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, 2023	\$ 31,408,782	\$ 30,998,444	\$ 410,338
Changes for the year:			
Service cost	\$ 792,589	\$ -	\$ 792,589
Interest	2,112,457	-	2,112,457
Differences between expected and actual experience	1,671,043	-	1,671,043
Contributions - employer	-	671,945	(671,945)
Contributions - employee	-	281,091	(281,091)
Net investment income	-	2,982,015	(2,982,015)
Benefit payments, including refunds of employee contributions	(1,811,438)	(1,811,438)	-
Administrative expenses	-	(20,217)	20,217
Other changes	-	427	(427)
Net changes	\$ 2,764,651	\$ 2,103,823	\$ 660,828
Balances at June 30, 2024	\$ 34,173,433	\$ 33,102,267	\$ 1,071,166

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (Continued)

Changes in Net Pension Liability: (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 3,276,685	\$ 3,999,933	\$ (723,248)
Changes for the year:			
Service cost	\$ 48,440	\$ -	\$ 48,440
Interest	214,311	-	214,311
Differences between expected and actual experience	29,419	-	29,419
Contributions - employer	-	1	(1)
Contributions - employee	-	27,653	(27,653)
Net investment income	-	377,220	(377,220)
Benefit payments, including refunds of employee contributions	(300,309)	(300,309)	-
Administrative expenses	-	(2,698)	2,698
Other changes	-	(4,434)	4,434
Net changes	\$ (8,139)	\$ 97,433	\$ (105,572)
Balances at June 30, 2024	\$ 3,268,546	\$ 4,097,366	\$ (828,820)

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

The following presents the net pension liability (asset) 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 (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 5,181,733	\$ 1,071,166	\$ (2,323,113)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (529,485)	\$ (828,820)	\$ (1,074,979)

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (Continued)

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

For the year ended June 30, 2025, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$697,728 and (\$62,647), respectively. At June 30, 2025, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,138,864	\$ 70,328	\$ 13,255	\$ -
Net difference between projected and actual earnings on pension plan investments	-	871,291	-	118,118
Employer contributions subsequent to the measurement date	812,036	-	-	-
Total	\$ <u>1,950,900</u>	\$ <u>941,619</u>	\$ <u>13,255</u>	\$ <u>118,118</u>

\$812,036 and \$0 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 ending June 30, 2026. 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:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2026	\$ (301,569)	\$ (96,100)
2027	776,735	35,380
2028	(94,070)	(20,811)
2029	(183,851)	(23,332)
2030	-	-
Thereafter	-	-

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-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, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$2,400,030 and \$3,015,615 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$48,488 for the School Board for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$121,221 for the School Board for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$4,848,843 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$16,783,839 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was .17880% as compared to .20740% at June 30, 2023.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (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)

For the year ended June 30, 2025, the school division recognized pension expense of \$3,078,516. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2025, 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	\$ 2,911,759	\$ 345,591
Change of assumptions	304,649	-
Net difference between projected and actual earnings on pension plan investments	-	2,310,306
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,349,258	9,979,273
Employer contributions subsequent to the measurement date	<u>2,400,030</u>	<u>-</u>
Total	<u>\$ 14,965,696</u>	<u>\$ 12,635,170</u>

\$2,400,030 was reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. 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>	
2026	\$ 500,572
2027	2,396,133
2028	(2,387,111)
2029	(579,098)
2030	-

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 60,622,260
Plan Fiduciary Net Position	51,235,326
Employers' Net Pension Liability (Asset)	<u>\$ 9,386,934</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.52%

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.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

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		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 31,181,083	\$ 16,783,839	\$ 4,992,954

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

VRS Pension Plans:	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
Primary Government	\$ 1,950,900	\$ 941,619	\$ 1,071,166	\$ 697,728
Totals	<u>\$ 1,950,900</u>	<u>\$ 941,619</u>	<u>\$ 1,071,166</u>	<u>\$ 697,728</u>
Component Unit School Board				
School Board Nonprofessional	\$ 13,255	\$ 118,118	\$ (828,820)	\$ (62,647)
School Board Professional	14,965,696	12,635,170	16,783,839	3,078,516
Totals	<u>\$ 14,978,951</u>	<u>\$ 12,753,288</u>	<u>\$ 15,955,019</u>	<u>\$ 3,015,869</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 11 – Deferred/Unavailable Revenue:

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Unavailable revenue totaling \$3,366,293 is comprised of the following:

- A. Unavailable Property Tax Revenue – Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$3,332,376.
- B. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2025, but paid in advance by the taxpayers totaled \$33,917 at June 30, 2025.

Note 12 – Surety Bonds:

Fidelity and Deposit Company of Maryland -Surety	
Annette F. Clowdis, Clerk of Circuit Court	\$ 100,000
Patricia P. Berkeley, Treasurer	400,000
Naisha P. Carter, Commissioner of the Revenue	3,000
James R. "Randy" Grissom, Sheriff	30,000
The above constitutional officer's employees- blanket bond	50,000
Nationwide Insurance Agency- Surety	
Robbie Mason, Superintendent of Schools	10,000
Dana Ramsey, Clerk of the School Board	10,000
All social services employees - employee dishonesty coverage- blanket bond	100,000
Walter Bailey, Chairman	1,000
Hazel Bowman Smith, Vice-Chairman	1,000
Noah Davis, Supervisor	1,000
Sherry Tharpe, Supervisor	1,000
Derek Toombs, Supervisor	1,000
Robert L. Shook, Jr., Supervisor	1,000
Henry Carwile, Supervisor	1,000
Daniel N. Witt, County Administrator	1,000

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13 – Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss. Settled claims from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 14 – Solid Waste Landfill Postclosure Care and Corrective Action Costs:

The County has closed a previously operated solid waste landfill in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Environmental Quality. The total \$1,455,198 reported as landfill postclosure care and corrective action liability at June 30, 2025, represents \$935,796 for postclosure care liability and \$519,402 for ground water corrective action and remediation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from accumulated funds held in the general fund.

The County has demonstrated financial assurance requirements for 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 15 – Other Postemployment Benefits Program:

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.

Note 15 – Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Plan Description: (Continued)

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 OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% 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, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 Group Life Insurance Plan from the entity were \$29,134 and \$31,551 for the years ended June 30, 2025 and June 30, 2024, respectively, for the County; \$3,085 and \$3,495 for the years ended June 30, 2025 and June 30, 2024, respectively, for the School Board (nonprofessional); and \$79,419 and \$100,591 for the years ended June 30, 2025 and June 30, 2024, respectively, for the School Board (professional).

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, 2025, the entity reported a liability of \$253,984, \$28,121 and \$809,601 for the County, School Board (Nonprofessional), and School Board (Professional), respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was .02276%, .07255%, and .00252% for the County, School Board (Professional), and School Board (Nonprofessional), respectively, as compared to .02263%, .08624%, and .00263% for the County, School Board (Nonprofessional), and School Board (Professional), respectively, at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$4,978, (\$1,738), and \$62,667 for the County, School Board Nonprofessional, and School Board Professional, 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 CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Primary Government		
Differences between expected and actual experience	\$ 40,059	\$ 6,204
Net difference between projected and actual earnings on GLI OPEB program investments	-	21,408
Change in assumptions	1,448	12,587
Changes in proportion	9,877	5,648
Employer contributions subsequent to the measurement date	29,134	-
Total Primary Government	<u>\$ 80,518</u>	<u>\$ 45,847</u>
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 4,435	\$ 687
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,370
Change in assumptions	160	1,394
Changes in proportion	150	3,968
Employer contributions subsequent to the measurement date	3,085	-
Total Component Unit School Board (nonprofessional)	<u>\$ 7,830</u>	<u>\$ 8,419</u>
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 127,693	\$ 19,776
Net difference between projected and actual earnings on GLI OPEB program investments	-	68,241
Change in assumptions	4,615	40,122
Changes in proportion	606,408	627,557
Employer contributions subsequent to the measurement date	79,419	-
Total Component Unit School Board (professional)	<u>\$ 818,135</u>	<u>\$ 755,696</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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)

\$29,134, \$3,085, and \$79,419 for the County, School Board (Nonprofessional), and School Board (Professional), respectively, are reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’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, 2026. 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>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2026	\$ (12,164)	\$ (2,855)	\$ 13,036
2027	5,634	(225)	69,053
2028	3,308	(600)	48,280
2029	4,583	(231)	(135,138)
2030	4,176	237	(12,211)
Thereafter	-	-	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS annual report.

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

Post-Disablement:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	<u>GLI OPEB Plan</u>
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	<u>3,080,133</u>
GLI Net OPEB Liability (Asset)	<u><u>\$ 1,115,922</u></u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
	**Expected arithmetic nominal return		7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, 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 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 394,978	\$ 253,984	\$ 140,079
School Board(nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 43,732	\$ 28,121	\$ 15,510
School Board(professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 1,259,035	\$ 809,601	\$ 446,518

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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 Program 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, 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 Program (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 15 – Other Postemployment Benefits Program: (Continued)

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, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$204,366 and \$225,281 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the school division reported a liability of \$2,008,285 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2024 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, 2023 and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee HIC Program 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee HIC Program was .17378% as compared to .20340% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$202,937. 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 proportionate share and differences between actual and expected contributions.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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, 2025, 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	\$ -	\$ 95,148
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	7,144
Change in assumptions	34,597	-
Change in proportionate share and differences between actual and expected contributions	1,505,723	1,487,834
Employer contributions subsequent to the measurement date	<u>204,366</u>	<u>-</u>
Total	<u>\$ 1,744,686</u>	<u>\$ 1,590,126</u>

\$204,366 was 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, 2026. 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

2026	\$	39,067
2027		52,820
2028		56,311
2029		52,511
2030		(202,489)
Thereafter		(48,026)

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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, 2023, 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, 2024.

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

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,478,105
Plan Fiduciary Net Position		322,457
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,155,648</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		21.82%

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
		**Expected arithmetic nominal return	<u>7.07%</u>

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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, 2024, 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 rate. From July 1, 2024 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 following 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		
	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 2,283,921	\$ 2,008,285	\$ 1,774,658

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 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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 Program (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 CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>7</u>
Inactive members:	
Vested inactive members	<u>7</u>
Total inactive members	<u>14</u>
Active members	<u>23</u>
Total covered employees	<u><u>37</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 School Board’s contractually required employer contribution rate for the year ended June 30, 2025 was 1.14% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 Board to the HIC Plan were \$7,695 and \$7,378 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

The School Board’s net HIC OPEB liability was measured as of June 30, 2024. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2024, 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, 2024.

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
	Expected arithmetic nominal return**		<u>7.07%</u>

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 47,095	\$ 15,912	\$ 31,183
Changes for the year:			
Service cost	\$ 599	\$ -	\$ 599
Interest	3,118	-	3,118
Differences between expected and actual experience	(1,555)	-	(1,555)
Contributions - employer	-	7,378	(7,378)
Net investment income	-	1,808	(1,808)
Benefit payments	(2,997)	(2,997)	-
Administrative expenses	-	(26)	26
Net changes	\$ (835)	\$ 6,163	\$ (6,998)
Balances at June 30, 2024	\$ 46,260	\$ 22,075	\$ 24,185

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Sensitivity of the School Board’s HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the School Board’s HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the School Board’s 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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 28,752	\$ 24,185	\$ 20,276

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, 2025, the School Board recognized HIC Plan OPEB expense of (\$8,095). At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 25,058
Net difference between projected and actual earnings on HIC OPEB plan investments	-	309
Change in assumptions	1,064	-
Employer contributions subsequent to the measurement date	\$ 7,695	-
Total	\$ 8,759	\$ 25,367

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$7,695 was reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board 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, 2026. 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>		
2026	\$	(11,257)
2027		(11,629)
2028		(1,298)
2029		(119)
2030		-
Thereafter		-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Medical Insurance – Pay-as-you-Go (OPEB Plan):

County

Plan Description

In addition to the pension benefits described in Note 10, the County of Charlotte, Virginia administers a single-employer defined benefit healthcare plan, the Charlotte County OPEB 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

Postemployment benefits are provided to eligible retirees include Medical insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	99
Total retirees with coverage		<u>4</u>
Total	\$	<u><u>103</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 funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2025 was \$13,169.

Total OPEB Liability

The County’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2024
Salary Increases	4.00% per year for general salary inflations as of June 30, 2024
Discount Rate	3.97% for accounting and funding disclosures as of June 30, 2024
Investment Rate of Return	6.75% as of June 30, 2024

Mortality rates are based on the Pub-2010 Healthy Lives (separate tables for pre and post retirement for males and females), projected to change from 2010 by the MP-2021 Scale.

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

Discount Rate

The final equivalent single discount rate used for this year’s valuation is 3.97% 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.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Changes in Total OPEB Liability

Balances at June 30, 2024	\$	279,558
Changes for the year:		
Service cost		11,699
Interest		10,859
Difference in experience		35,782
Changes in assumptions		(3,272)
Benefit payments		(19,860)
Net changes	\$	<u>35,208</u>
Balances at June 30, 2025	\$	<u><u>314,766</u></u>

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current discount rate:

Rate		
1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
\$ 347,270	\$ 314,766	\$ 286,722

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 (5.00% decreasing annually to an ultimate rate of 3.00%) or one percentage point higher (7.00% decreasing annually to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.00% decreasing to 3.00%)	Healthcare Cost Trend (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 293,607	\$ 314,766	\$ 335,395

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

For the year ended June 30, 2025, the County recognized OPEB expense in the amount of \$30,777. At June 30, 2025, the County had the following amounts to report as deferred outflows of resources and deferred inflows of resources related to OPEB.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,778	\$ 70,764
Changes in assumptions	19,878	59,677
Employer contributions subsequent to the measurement date	13,169	-
Total	<u>\$ 69,825</u>	<u>\$ 130,441</u>

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

<u>Year Ended June 30</u>	
2026	\$ (14,173)
2027	(21,480)
2028	(21,475)
2029	(7,130)
2030	(9,399)
Thereafter	(128)

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.

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 Charlotte County School Board OPEB Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	234
Total retirees with coverage		<u>9</u>
Total	\$	<u><u>243</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 funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$39,436.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2024
Salary Increases	4.00% per year for general salary inflations as of June 30, 2024
Discount Rate	3.97% for accounting and funding disclosures as of June 30, 2024
Investment Rate of Return	6.75% as of June 30, 2024

Mortality rates are based on the Pub-2010 Healthy Lives (separate tables for pre and post retirement for males and females), projected to change from 2010 by the MP-2021 Scale.

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Discount Rate

The final equivalent single discount rate used for this year’s valuation is 3.97% 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.

Changes in Total OPEB Liability

		<u>Primary Government</u>
Balances at June 30, 2024	\$	996,555
Changes for the year:		
Service cost		40,596
Interest		38,917
Difference in experience		(158,067)
Changes in assumptions		(5,786)
Benefit payments		(57,900)
Net changes		<u>(142,240)</u>
Balances at June 30, 2025	\$	<u><u>854,315</u></u>

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current discount rate:

	<u>Rate</u>		
	<u>1% Decrease (2.97%)</u>	<u>Current Discount Rate (3.97%)</u>	<u>1% Increase (4.97%)</u>
\$	921,020	\$ 854,315	\$ 791,007

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

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 (5.00% decreasing annually to an ultimate rate of 3.00%) or one percentage point higher (7.00% decreasing annually to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.00% decreasing to 3.00%)	Healthcare Cost Trend (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 825,753	\$ 854,315	\$ 933,120

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

For the year ended June 30, 2025, the School Board recognized OPEB expense in the amount of \$17,954. At June 30, 2025, the School Board had the following amounts to report as deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,548	\$ 273,420
Changes in assumptions	99,385	267,005
Employer contributions subsequent to the measurement date	39,436	-
Total	\$ 149,369	\$ 540,425

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

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

<u>Year Ended June 30</u>	
2026	\$ (61,559)
2027	(61,559)
2028	(61,559)
2029	(61,557)
2030	(48,380)
Thereafter	(135,878)

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.

Aggregate OPEB Information

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government				
VRS OPEB Plans:				
Group Life Insurance Program (Note 15):				
County	\$ 80,518	\$ 45,847	\$ 253,984	\$ 4,978
County Stand-Alone Plan (Note 15)	69,825	130,441	314,766	30,777
Totals	<u>\$ 150,343</u>	<u>\$ 176,288</u>	<u>\$ 568,750</u>	<u>\$ 35,755</u>
Component Unit School Board				
VRS OPEB Plans:				
Group Life Insurance Program (Note 15):				
School Board Nonprofessional	\$ 7,830	\$ 8,419	\$ 28,121	\$ (1,738)
School Board Professional	818,135	755,696	809,601	62,667
Teacher Health Insurance Credit Program (Note 15)	1,744,686	1,590,126	2,008,285	202,937
Health Insurance Credit Program (Note 15)	8,759	25,367	24,185	(8,095)
School Stand-Alone Plan (Note 15)	149,369	540,425	854,315	17,954
Totals	<u>\$ 2,728,779</u>	<u>\$ 2,920,033</u>	<u>\$ 3,724,507</u>	<u>\$ 273,725</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 16 – Interfund Transfers:

Interfund transfers for the year ended June 30, 2025 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 763,507	\$ 1,027,322
Library Fund	<u>263,815</u>	<u>-</u>
Total	<u>\$ 1,027,322</u>	<u>\$ 1,027,322</u>

Note 17 – Leases Receivable:

The County leases property to third parties. Lease revenue totaled \$82,043 for the Governmental Activities for the year ended June 30, 2025. Lease interest revenue totaled \$5,296 for the year ended June 30, 2025. Discount rates vary on lease receivables range from .845% to 1.177%. The initial lease terms range from 12 months to 60 months. The following summarizes the balances related to these leases for the year ended June 30, 2025:

	<u>Governmental Activities</u>
USDA Farm Service Agency	\$ 65,184
226 Law Lane	63,439
STEPS, Inc.	<u>20,271</u>
Total	<u>\$ 148,894</u>

Note 18 – Adoption of Accounting Principle and Restatement of Beginning Balances:

During the current year, the County implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the County now recognizes an estimated amount of leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The change resulted in the following restatements of net position:

	<u>Primary Government Governmental Activities</u>	<u>Component Unit School Board</u>
Net position as reported at June 30, 2024	\$ 29,967,078	\$ 365,505
Restatement for GASB 101 Implementation	<u>(649,152)</u>	<u>(1,634,488)</u>
Net position as restated at June 30, 2024	<u>\$ 29,317,926</u>	<u>\$ (1,268,983)</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 19 – Upcoming Pronouncements:

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosures of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update – 2025*, effective for fiscal years beginning after June 15, 2025.

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

- 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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 12,064,273	\$ 12,064,273	\$ 11,926,066	\$ (138,207)
Other local taxes	1,558,000	1,558,000	1,645,749	87,749
Permits, privilege fees, and regulatory licenses	456,100	456,100	132,555	(323,545)
Fines and forfeitures	235,000	235,000	183,591	(51,409)
Revenue from the use of money and property	1,269,642	1,269,642	942,075	(327,567)
Charges for services	324,533	324,533	347,971	23,438
Miscellaneous	1,180,733	1,180,733	1,836,097	655,364
Intergovernmental:				
Commonwealth	7,583,807	7,583,807	5,890,701	(1,693,106)
Federal	2,958,224	2,958,224	3,030,352	72,128
Total revenues	<u>\$ 27,630,312</u>	<u>\$ 27,630,312</u>	<u>\$ 25,935,157</u>	<u>\$ (1,695,155)</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,347,743	\$ 2,347,743	\$ 2,052,466	\$ 295,277
Judicial administration	945,577	945,577	811,545	134,032
Public safety	8,655,434	8,655,434	7,570,421	1,085,013
Public works	2,355,265	2,355,265	1,930,188	425,077
Health and welfare	7,346,914	7,346,914	5,389,302	1,957,612
Education	5,358,123	5,358,123	5,520,334	(162,211)
Parks, recreation, and cultural	124,735	124,735	122,527	2,208
Community development	1,251,194	1,251,194	483,551	767,643
Nondepartmental	258,778	258,778	261,035	(2,257)
Debt service:				
Principal retirement	920,912	920,912	1,022,979	(102,067)
Interest and other fiscal charges	843,560	843,560	915,180	(71,620)
Total expenditures	<u>\$ 30,408,235</u>	<u>\$ 30,408,235</u>	<u>\$ 26,079,528</u>	<u>\$ 4,328,707</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,777,923)</u>	<u>\$ (2,777,923)</u>	<u>\$ (144,371)</u>	<u>\$ 2,633,552</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,794,098	\$ 3,794,098	\$ 763,507	\$ (3,030,591)
Transfers (out)	(1,168,175)	(1,168,175)	(1,027,322)	140,853
Total other financing sources (uses)	<u>\$ 2,625,923</u>	<u>\$ 2,625,923</u>	<u>\$ (263,815)</u>	<u>\$ (2,889,738)</u>
Net change in fund balances	\$ (152,000)	\$ (152,000)	\$ (408,186)	\$ (256,186)
Fund balances - beginning	152,000	152,000	19,423,815	19,271,815
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,015,629</u>	<u>\$ 19,015,629</u>

CARES Act Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ 29,750	\$ 29,750	\$ 29,750	\$ -
Total revenues	\$ 29,750	\$ 29,750	\$ 29,750	\$ -
EXPENDITURES				
Current:				
Public safety	\$ 29,750	\$ 29,750	\$ 29,750	\$ -
Total expenditures	\$ 29,750	\$ 29,750	\$ 29,750	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

ARPA Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ 808,634	\$ 808,634	\$ -	\$ (808,634)
Total revenues	\$ 808,634	\$ 808,634	\$ -	\$ (808,634)
EXPENDITURES				
Current:				
General government administration	\$ 808,634	\$ 808,634	\$ 795,614	\$ 13,020
Total expenditures	\$ 808,634	\$ 808,634	\$ 795,614	\$ 13,020
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (795,614)	\$ (795,614)
Net change in fund balances	\$ -	\$ -	\$ (795,614)	\$ (795,614)
Fund balances - beginning	-	-	808,633	808,633
Fund balances - ending	\$ -	\$ -	\$ 13,019	\$ 13,019

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability					
Service cost	\$ 792,589	\$ 707,840	\$ 616,410	\$ 557,943	\$ 584,241
Interest	2,112,457	2,055,294	1,947,142	1,821,850	1,711,511
Differences between expected and actual experience	1,671,043	(205,572)	566,236	(553,064)	465,511
Changes in assumptions	-	-	-	760,973	-
Benefit payments, including refunds of employee contributions	(1,811,438)	(1,779,476)	(1,458,450)	(1,237,439)	(1,015,769)
Net change in total pension liability	<u>\$ 2,764,651</u>	<u>\$ 778,086</u>	<u>\$ 1,671,338</u>	<u>\$ 1,350,263</u>	<u>\$ 1,745,494</u>
Total pension liability - beginning	<u>31,408,782</u>	<u>30,630,696</u>	<u>28,959,358</u>	<u>27,609,095</u>	<u>25,863,601</u>
Total pension liability - ending (a)	<u><u>\$ 34,173,433</u></u>	<u><u>\$ 31,408,782</u></u>	<u><u>\$ 30,630,696</u></u>	<u><u>\$ 28,959,358</u></u>	<u><u>\$ 27,609,095</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 671,945	\$ 615,663	\$ 495,421	\$ 466,018	\$ 415,801
Contributions - employee	281,091	259,058	234,941	218,842	223,541
Net investment income	2,982,015	1,917,742	(26,900)	6,710,668	468,739
Benefit payments, including refunds of employee contributions	(1,811,438)	(1,779,476)	(1,458,450)	(1,237,439)	(1,015,769)
Administrative expense	(20,217)	(19,590)	(19,247)	(16,785)	(15,997)
Other	427	768	705	632	(555)
Net change in plan fiduciary net position	<u>\$ 2,103,823</u>	<u>\$ 994,165</u>	<u>\$ (773,530)</u>	<u>\$ 6,141,936</u>	<u>\$ 75,760</u>
Plan fiduciary net position - beginning	<u>30,998,444</u>	<u>30,004,279</u>	<u>30,777,809</u>	<u>24,635,873</u>	<u>24,560,113</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 33,102,267</u></u>	<u><u>\$ 30,998,444</u></u>	<u><u>\$ 30,004,279</u></u>	<u><u>\$ 30,777,809</u></u>	<u><u>\$ 24,635,873</u></u>
County's net pension liability (asset) - ending (a) - (b)	\$ 1,071,166	\$ 410,338	\$ 626,417	\$ (1,818,451)	\$ 2,973,222
Plan fiduciary net position as a percentage of the total pension liability	96.87%	98.69%	97.95%	106.28%	89.23%
Covered payroll	\$ 5,842,719	\$ 5,330,263	\$ 4,765,897	\$ 4,451,353	\$ 4,536,603
County's net pension liability as a percentage of covered payroll	18.33%	7.70%	13.14%	-40.85%	65.54%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates June 30, 2015 through June 30, 2024

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 521,323	\$ 496,713	\$ 499,908	\$ 501,753	\$ 504,280
Interest	1,674,926	1,621,726	1,560,574	1,494,782	1,415,451
Differences between expected and actual experience	(386,303)	(324,168)	(215,983)	(363,963)	(138,453)
Changes in assumptions	738,328	-	(180,040)	-	-
Benefit payments, including refunds of employee contributions	(1,224,374)	(844,175)	(737,526)	(647,871)	(648,085)
Net change in total pension liability	<u>\$ 1,323,900</u>	<u>\$ 950,096</u>	<u>\$ 926,933</u>	<u>\$ 984,701</u>	<u>\$ 1,133,193</u>
Total pension liability - beginning	<u>24,539,701</u>	<u>23,589,605</u>	<u>22,662,672</u>	<u>21,677,971</u>	<u>20,544,778</u>
Total pension liability - ending (a)	<u><u>\$ 25,863,601</u></u>	<u><u>\$ 24,539,701</u></u>	<u><u>\$ 23,589,605</u></u>	<u><u>\$ 22,662,672</u></u>	<u><u>\$ 21,677,971</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 413,711	\$ 429,689	\$ 413,671	\$ 517,045	\$ 508,216
Contributions - employee	222,493	218,822	210,021	204,950	202,851
Net investment income	1,549,503	1,644,260	2,430,144	347,483	857,967
Benefit payments, including refunds of employee contributions	(1,224,374)	(844,175)	(737,526)	(647,871)	(648,085)
Administrative expense	(15,561)	(14,104)	(13,876)	(11,980)	(11,513)
Other	(980)	(1,466)	(2,168)	(146)	(182)
Net change in plan fiduciary net position	<u>\$ 944,792</u>	<u>\$ 1,433,026</u>	<u>\$ 2,300,266</u>	<u>\$ 409,481</u>	<u>\$ 909,254</u>
Plan fiduciary net position - beginning	<u>23,615,321</u>	<u>22,182,295</u>	<u>19,882,029</u>	<u>19,472,548</u>	<u>18,563,294</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 24,560,113</u></u>	<u><u>\$ 23,615,321</u></u>	<u><u>\$ 22,182,295</u></u>	<u><u>\$ 19,882,029</u></u>	<u><u>\$ 19,472,548</u></u>
County's net pension liability (asset) - ending (a) - (b)	\$ 1,303,488	\$ 924,380	\$ 1,407,310	\$ 2,780,643	\$ 2,205,423
Plan fiduciary net position as a percentage of the total pension liability	94.96%	96.23%	94.03%	87.73%	89.83%
Covered payroll	\$ 4,510,811	\$ 4,414,261	\$ 4,233,199	\$ 4,129,210	\$ 4,046,086
County's net pension liability as a percentage of covered payroll	28.90%	20.94%	33.24%	67.34%	54.51%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability					
Service cost	\$ 48,440	\$ 44,384	\$ 47,940	\$ 54,074	\$ 52,120
Interest	214,311	213,942	223,334	227,091	224,349
Differences between expected and actual experience	29,419	30,284	(79,588)	(192,956)	(2,026)
Assumption changes	-	-	-	112,963	-
Benefit payments, including refunds of employee contributions	(300,309)	(274,114)	(380,414)	(229,128)	(238,527)
Net change in total pension liability	\$ (8,139)	\$ 14,496	\$ (188,728)	\$ (27,956)	\$ 35,916
Total pension liability - beginning	3,276,685	3,262,189	3,450,917	3,478,873	3,442,957
Total pension liability - ending (a)	<u>\$ 3,268,546</u>	<u>\$ 3,276,685</u>	<u>\$ 3,262,189</u>	<u>\$ 3,450,917</u>	<u>\$ 3,478,873</u>
Plan fiduciary net position					
Contributions - employer	\$ 1	\$ -	\$ 8,032	\$ 8,727	\$ 12,534
Contributions - employee	27,653	26,372	26,236	26,428	26,293
Net investment income	377,220	249,059	945	959,220	69,958
Benefit payments, including refunds of employee contributions	(300,309)	(274,114)	(380,414)	(229,128)	(238,527)
Administrative expense	(2,698)	(2,637)	(2,799)	(2,510)	(2,507)
Other	(4,434)	(1,416)	94	89	(81)
Net change in plan fiduciary net position	\$ 97,433	\$ (2,736)	\$ (347,906)	\$ 762,826	\$ (132,330)
Plan fiduciary net position - beginning	3,999,933	4,002,669	4,350,575	3,587,749	3,720,079
Plan fiduciary net position - ending (b)	<u>\$ 4,097,366</u>	<u>\$ 3,999,933</u>	<u>\$ 4,002,669</u>	<u>\$ 4,350,575</u>	<u>\$ 3,587,749</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (828,820)	\$ (723,248)	\$ (740,480)	\$ (899,658)	\$ (108,876)
Plan fiduciary net position as a percentage of the total pension liability	125.36%	122.07%	122.70%	126.07%	103.13%
Covered payroll	\$ 647,161	\$ 614,182	\$ 605,678	\$ 583,148	\$ 577,123
School Division's net pension liability (asset) as a percentage of covered payroll	-128.07%	-117.76%	-122.26%	-154.28%	-18.87%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates June 30, 2015 through June 30, 2024

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 63,516	\$ 65,113	\$ 60,843	\$ 50,901	\$ 42,332
Interest	226,390	228,185	227,017	213,445	215,657
Differences between expected and actual experience	(41,670)	(90,382)	(37,709)	185,909	(50,746)
Changes in assumptions	73,881	-	(3,475)	-	-
Benefit payments, including refunds of employee contributions	(226,619)	(230,491)	(229,487)	(283,260)	(194,427)
Net change in total pension liability	\$ 95,498	\$ (27,575)	\$ 17,189	\$ 166,995	\$ 12,816
Total pension liability - beginning	3,347,459	3,375,034	3,357,845	3,190,850	3,178,034
Total pension liability - ending (a)	<u>\$ 3,442,957</u>	<u>\$ 3,347,459</u>	<u>\$ 3,375,034</u>	<u>\$ 3,357,845</u>	<u>\$ 3,190,850</u>
Plan fiduciary net position					
Contributions - employer	\$ 18,186	\$ 21,728	\$ 20,699	\$ 34,751	\$ 30,279
Contributions - employee	27,529	30,988	30,970	28,231	24,557
Net investment income	237,401	260,691	399,604	55,649	157,937
Benefit payments, including refunds of employee contributions	(226,619)	(230,491)	(229,487)	(283,260)	(194,427)
Administrative expense	(2,490)	(2,352)	(2,432)	(2,304)	(2,269)
Other	(149)	(228)	(350)	(25)	(31)
Net change in plan fiduciary net position	\$ 53,858	\$ 80,336	\$ 219,004	\$ (166,958)	\$ 16,046
Plan fiduciary net position - beginning	3,666,221	3,585,885	3,366,881	3,533,839	3,517,793
Plan fiduciary net position - ending (b)	<u>\$ 3,720,079</u>	<u>\$ 3,666,221</u>	<u>\$ 3,585,885</u>	<u>\$ 3,366,881</u>	<u>\$ 3,533,839</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (277,122)	\$ (318,762)	\$ (210,851)	\$ (9,036)	\$ (342,989)
Plan fiduciary net position as a percentage of the total pension liability	108.05%	109.52%	106.25%	100.27%	110.75%
Covered payroll	\$ 595,775	\$ 672,919	\$ 678,586	\$ 612,329	\$ 533,394
School Division's net pension liability (asset) as a percentage of covered payroll	-46.51%	-47.37%	-31.07%	-1.48%	-64.30%

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan
 For the Measurement Dates of June 30, 2015 through June 30, 2024

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2024	0.18% \$	16,783,839 \$	18,618,269	90.15%	84.52%
2023	0.21%	20,962,343	20,283,593	103.35%	82.45%
2022	0.33%	31,848,307	30,795,935	103.42%	82.61%
2021	0.14%	10,493,379	11,729,555	89.46%	85.46%
2020	0.13%	19,101,777	11,324,836	168.67%	71.47%
2019	0.13%	17,566,726	11,081,090	158.53%	73.51%
2018	0.14%	16,719,000	12,836,499	130.25%	74.81%
2017	0.14%	17,424,000	11,008,363	158.28%	72.92%
2016	0.15%	20,293,000	11,009,664	184.32%	68.28%
2015	0.15%	18,417,000	10,885,051	169.20%	70.68%

Schedule of Employer Contributions - Pension Plans
 For the Years Ended June 30, 2016 through June 30, 2025

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					
2025	\$ 812,036	\$ 812,036	\$ -	\$ 6,198,745	13.10%
2024	671,945	671,945	-	5,842,719	11.50%
2023	615,702	615,702	-	5,330,263	11.55%
2022	495,424	495,424	-	4,765,897	10.40%
2021	466,019	466,019	-	4,451,353	10.47%
2020	415,026	415,026	-	4,536,603	9.15%
2019	413,712	413,712	-	4,510,811	9.17%
2018	359,668	359,668	-	4,414,261	8.15%
2017	418,240	418,240	-	4,233,199	9.88%
2016	519,455	519,455	-	4,129,210	12.58%
Component Unit School Board (nonprofessional)					
2025	\$ -	\$ -	\$ -	\$ 652,187	0.00%
2024	-	-	-	647,161	0.00%
2023	-	-	-	614,182	0.00%
2022	9,677	9,677	-	605,678	1.60%
2021	10,356	10,356	-	583,148	1.78%
2020	16,817	16,817	-	577,123	2.91%
2019	18,186	18,186	-	595,775	3.05%
2018	21,576	21,576	-	672,919	3.21%
2017	25,854	25,854	-	678,586	3.81%
2016	37,291	37,291	-	612,329	6.09%
Component Unit School Board (professional)					
2025	\$ 2,400,030	\$ 2,400,030	\$ -	\$ 16,889,722	14.21%
2024	3,015,615	3,015,615	-	18,618,269	16.20%
2023	3,273,958	3,273,958	-	20,283,593	16.14%
2022	4,969,482	4,969,482	-	30,795,935	16.14%
2021	1,912,342	1,912,342	-	11,729,555	16.30%
2020	1,744,225	1,744,225	-	11,324,836	15.40%
2019	1,710,602	1,710,602	-	11,081,090	15.44%
2018	1,832,634	1,832,634	-	12,836,499	14.28%
2017	1,603,700	1,603,700	-	11,088,363	14.46%
2016	1,541,463	1,541,463	-	11,009,664	14.00%

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

Notes to Required Supplementary Information - Pension Plans
 For the Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of County and School Board's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2024

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					
2024	0.02276% \$	253,984 \$	5,842,719	4.35%	73.41%
2023	0.02263%	271,405	5,330,263	5.09%	69.30%
2022	0.02191%	263,818	4,765,897	5.54%	67.21%
2021	0.02160%	251,250	4,455,380	5.64%	67.45%
2020	0.02210%	368,312	4,541,968	8.11%	52.64%
2019	0.02301%	374,434	4,510,811	8.30%	52.00%
2018	0.02328%	354,000	4,426,060	8.00%	51.22%
2017	0.02299%	345,000	4,240,178	8.14%	48.86%
Component Unit School Board (nonprofessional)					
2024	0.00252% \$	28,121 \$	647,161	4.35%	73.41%
2023	0.00263%	31,542	618,081	5.10%	69.30%
2022	0.00278%	24,059	605,578	3.97%	67.21%
2021	0.00280%	32,949	583,148	5.65%	67.45%
2020	0.00280%	46,727	577,123	8.10%	52.64%
2019	0.00306%	49,794	599,742	8.30%	52.00%
2018	0.00354%	54,000	672,919	8.02%	51.22%
2017	0.00368%	55,000	678,586	8.11%	48.86%
Component Unit School Board (professional)					
2024	0.07255% \$	809,601 \$	18,627,880	4.35%	73.41%
2023	0.08624%	1,034,288	20,313,202	5.09%	69.30%
2022	0.14174%	1,706,686	30,831,621	5.54%	67.21%
2021	0.05700%	663,635	11,768,958	5.64%	67.45%
2020	0.05500%	918,694	11,329,284	8.11%	52.64%
2019	0.05657%	920,545	11,088,946	8.30%	52.00%
2018	0.06002%	912,000	11,413,497	7.99%	51.22%
2017	0.06019%	906,000	11,102,273	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, 2017 through June 30, 2025

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					
2025	\$ 29,134	\$ 29,134	\$ -	\$ 6,198,745	0.47%
2024	31,551	31,551	-	5,842,719	0.54%
2023	28,783	28,783	-	5,330,263	0.54%
2022	25,736	25,736	-	4,765,897	0.54%
2021	24,059	24,059	-	4,455,380	0.54%
2020	23,618	23,618	-	4,541,968	0.52%
2019	23,456	23,456	-	4,510,811	0.52%
2018	23,016	23,016	-	4,426,060	0.52%
2017	22,049	22,049	-	4,240,178	0.52%
Component Unit School Board (nonprofessional)					
2025	\$ 3,085	\$ 3,085	\$ -	\$ 656,488	0.47%
2024	3,495	3,495	-	647,161	0.54%
2023	3,338	3,338	-	618,081	0.54%
2022	3,271	3,271	-	605,578	0.54%
2021	3,149	3,149	-	583,148	0.54%
2020	3,001	3,001	-	577,123	0.52%
2019	3,119	3,119	-	599,742	0.52%
2018	3,499	3,499	-	672,919	0.52%
2017	3,529	3,529	-	678,586	0.52%
Component Unit School Board (professional)					
2025	\$ 79,419	\$ 79,419	\$ -	\$ 16,897,608	0.47%
2024	100,591	100,591	-	18,627,880	0.54%
2023	109,691	109,691	-	20,313,202	0.54%
2022	166,491	166,491	-	30,831,621	0.54%
2021	63,552	63,552	-	11,768,958	0.54%
2020	58,912	58,912	-	11,329,284	0.52%
2019	57,663	57,663	-	11,088,946	0.52%
2018	59,350	59,350	-	11,413,497	0.52%
2017	57,732	57,732	-	11,102,273	0.52%

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

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 Component Unit School Board
 For the Measurement Dates of June 30, 2017 through June 30, 2024

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)
2024	0.17378% \$	2,008,285 \$	18,618,269	10.79%	21.82%
2023	0.20340%	2,464,265	20,283,593	12.15%	17.90%
2022	0.33037%	4,126,475	30,791,359	13.40%	15.08%
2021	0.13263%	1,702,397	11,729,555	14.51%	13.15%
2020	0.12918%	1,685,175	11,324,836	14.88%	9.95%
2019	0.13211%	1,729,448	11,081,090	15.61%	8.97%
2018	0.14065%	1,786,000	11,375,134	15.70%	8.08%
2017	0.14051%	1,783,000	11,089,399	16.08%	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
 Component Unit School Board
 For the Years Ended June 30, 2017 through June 30, 2025

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)
2025	\$ 204,366	\$ 204,366	\$ -	\$ 16,889,722	1.21%
2024	225,281	225,281	-	18,618,269	1.21%
2023	245,431	245,431	-	20,283,593	1.21%
2022	372,575	372,575	-	30,791,359	1.21%
2021	141,928	141,928	-	11,729,555	1.21%
2020	135,898	135,898	-	11,324,836	1.20%
2019	132,973	132,973	-	11,081,090	1.20%
2018	139,914	139,914	-	11,375,134	1.23%
2017	136,400	123,092	13,308	11,089,399	1.11%

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.

Notes to Required Supplementary Information
 Teacher Employee Health Insurance Credit (HIC) Plan
 Component Unit School Board
 For the Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Schedule of Changes in Total OPEB Liability and Related Ratios
 Primary Government
 For the Years Ended June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 11,699	\$ 11,622	\$ 15,501	\$ 13,413	\$ 16,188	\$ 14,716	\$ 14,287	\$ 7,400
Interest	10,859	11,299	7,522	8,995	14,620	14,771	7,160	6,900
Plan changes	-	-	-	-	-	-	2,639	-
Differences between expected and actual experience	35,782	-	(29,475)	-	(136,309)	-	32,000	-
Change of assumptions	(3,272)	(4,374)	(79,997)	18,131	21,538	19,131	156,747	-
Benefit payments	(19,860)	(19,698)	(18,080)	(17,832)	(8,620)	(2,933)	(2,204)	(2,800)
Net change in total OPEB liability	\$ 35,208	\$ (1,151)	\$ (104,529)	\$ 22,707	\$ (92,583)	\$ 45,685	\$ 210,629	\$ 11,500
Total OPEB liability - beginning	279,558	280,709	385,238	362,531	455,114	409,429	198,800	187,400
Total OPEB liability - ending	\$ 314,766	\$ 279,558	\$ 280,709	\$ 385,238	\$ 362,531	\$ 455,114	\$ 409,429	\$ 198,900
Covered-employee payroll	\$ 5,735,592	\$ 5,496,910	\$ 4,973,578	\$ 4,430,195	\$ 4,429,413	\$ 4,637,076	\$ 4,267,000	\$ 4,071,300
County's total OPEB liability (asset) as a percentage of covered-employee payroll	5.49%	5.09%	5.64%	8.70%	8.18%	9.81%	9.60%	4.89%

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

Schedule of Changes in Total OPEB Liability and Related Ratios
 Component Unit School Board
 For the Years Ended June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 40,596	\$ 40,277	\$ 64,005	\$ 56,196	\$ 52,538	\$ 49,689	\$ 50,204	\$ 85,700
Interest	38,917	37,015	26,348	31,219	38,738	42,818	42,484	47,500
Changes in assumptions	(5,786)	(10,669)	(271,455)	59,448	71,554	49,548	(173,923)	-
Differences between expected and actual experience	(158,067)	-	(99,718)	-	(112,488)	-	29,000	-
Benefit payments	(57,900)	(65,794)	(63,507)	(49,683)	(90,202)	(84,301)	(78,786)	(50,700)
Net change in total OPEB liability	\$ (142,240)	\$ 829	\$ (344,327)	\$ 97,180	\$ (39,860)	\$ 57,754	\$ (131,021)	\$ 82,500
Total OPEB liability - beginning	996,555	995,726	1,340,053	1,242,873	1,282,733	1,224,979	1,356,000	1,273,500
Total OPEB liability - ending	<u>\$ 854,315</u>	<u>\$ 996,555</u>	<u>\$ 995,726</u>	<u>\$ 1,340,053</u>	<u>\$ 1,242,873</u>	<u>\$ 1,282,733</u>	<u>\$ 1,224,979</u>	<u>\$ 1,356,000</u>
Covered-employee payroll	\$ 10,999,094	\$ 10,950,109	\$ 12,270,762	\$ 11,704,565	\$ 11,530,329	\$ 11,647,480	\$ 11,308,233	\$ 10,484,900
County's total OPEB liability (asset) as a percentage of covered-employee payroll	7.77%	9.10%	8.11%	11.45%	10.78%	11.01%	10.83%	12.93%

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

Notes to Required Supplementary Information - County and Component Unit School Board OPEB
 For the Year Ended June 30, 2025

County and Component Unit School Board:

Valuation Date: 6/30/2024
 Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.97% as of June 30, 2024
Inflation	2.50% per year as of June 30, 2024
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.00% in 2024 and gradually declines to 4.00%
Salary Increase Rates	The salary increase rate starts at 4.00% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the Pub-2010, projected into the future using Scale MP-2021

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2020 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability					
Service cost	\$ 599	\$ 560	\$ 755	\$ 912	\$ -
Interest	3,118	5,971	5,562	5,062	-
Changes in benefit terms	-	-	-	-	74,996
Differences between expected and actual experience	(1,555)	(45,857)	(3,122)	1	-
Changes of assumptions	-	-	5,834	1,983	-
Benefit payments	(2,997)	(2,952)	(2,610)	-	-
Net change in total HIC OPEB liability	<u>\$ (835)</u>	<u>\$ (42,278)</u>	<u>\$ 6,419</u>	<u>\$ 7,958</u>	<u>\$ 74,996</u>
Total HIC OPEB Liability - beginning	47,095	89,373	82,954	74,996	-
Total HIC OPEB Liability - ending (a)	<u>\$ 46,260</u>	<u>\$ 47,095</u>	<u>\$ 89,373</u>	<u>\$ 82,954</u>	<u>\$ 74,996</u>
Plan fiduciary net position					
Contributions - employer	\$ 7,378	\$ 7,002	\$ 6,583	\$ 6,356	\$ -
Net investment income	1,808	898	(116)	823	-
Benefit payments	(2,997)	(2,952)	(2,610)	-	-
Administrator charges	(26)	(23)	(20)	(28)	-
Other	-	(1)	-	-	-
Net change in plan fiduciary net position	<u>\$ 6,163</u>	<u>\$ 4,924</u>	<u>\$ 3,837</u>	<u>\$ 7,151</u>	<u>\$ -</u>
Plan fiduciary net position - beginning	15,912	10,988	7,151	-	-
Plan fiduciary net position - ending (b)	<u>\$ 22,075</u>	<u>\$ 15,912</u>	<u>\$ 10,988</u>	<u>\$ 7,151</u>	<u>\$ -</u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 24,185	\$ 31,183	\$ 78,385	\$ 75,803	\$ 74,996
Plan fiduciary net position as a percentage of the total HIC OPEB liability	47.72%	33.79%	12.29%	8.62%	0.00%
Covered payroll	\$ 647,161	\$ 614,182	\$ 605,678	\$ 583,148	\$ Unknown
School Board's net HIC OPEB liability as a percentage of covered payroll	3.74%	5.08%	12.94%	13.00%	Unknown

Schedule is intended to show information for 10 years. Information prior to the 2020 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, 2021 through June 30, 2025

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)
2025	\$ 7,695	\$ 7,695	\$ -	\$ 652,187	1.18%
2024	7,378	7,378	-	647,161	1.14%
2023	7,002	7,002	-	614,182	1.14%
2022	6,602	6,602	-	605,678	1.09%
2021	6,356	6,356	-	583,148	1.09%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2025

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

- Other Supplementary Information –
Combining and Individual Fund Statements and Schedules

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2025

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Library Fund	Local Sales Tax Fund	Permanent Fund	
ASSETS				
Cash and cash equivalents	\$ 55	\$ 2,594,938	\$ -	\$ 2,594,993
Due from other funds	20,742	-	-	20,742
Due from other governments	-	141,579	-	141,579
Restricted assets:				
Investments	-	-	448,061	448,061
Total assets	\$ 20,797	\$ 2,736,517	\$ 448,061	\$ 3,205,375
LIABILITIES				
Accounts payable	\$ 34,711	\$ -	\$ -	\$ 34,711
Total liabilities	\$ 34,711	\$ -	\$ -	\$ 34,711
FUND BALANCES				
Nonspendable:				
Permanent fund corpus	\$ -	\$ -	\$ 100,000	\$ 100,000
Restricted:				
Library operations	-	-	348,061	348,061
Assigned:				
Education	-	2,736,517	-	2,736,517
Unassigned	(13,914)	-	-	(13,914)
Total fund balances	\$ (13,914)	\$ 2,736,517	\$ 448,061	\$ 3,170,664
Total liabilities and fund balances	\$ 20,797	\$ 2,736,517	\$ 448,061	\$ 3,205,375

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2025

	Special Revenue Funds		Permanent Fund	Total Nonmajor Funds
	Library Fund	Local Sales Tax Fund		
REVENUES				
Revenue from the use of money and property	\$ -	\$ 64,326	\$ 49,123	\$ 113,449
Intergovernmental:				
Commonwealth	96,541	811,776	-	908,317
Total revenues	\$ 96,541	\$ 876,102	\$ 49,123	\$ 1,021,766
EXPENDITURES				
Current:				
Education	\$ -	\$ 199,648	\$ -	\$ 199,648
Parks, recreation, and cultural	380,000	-	5,323	385,323
Total expenditures	\$ 380,000	\$ 199,648	\$ 5,323	\$ 584,971
Excess (deficiency) of revenues over (under) expenditures	\$ (283,459)	\$ 676,454	\$ 43,800	\$ 436,795
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 263,815	\$ -	\$ -	\$ 263,815
Net change in fund balances	\$ (19,644)	\$ 676,454	\$ 43,800	\$ 700,610
Fund balances - beginning	5,730	2,060,063	404,261	2,470,054
Fund balances - ending	\$ (13,914)	\$ 2,736,517	\$ 448,061	\$ 3,170,664

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended June 30, 2025

	Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Commonwealth	96,541	96,541	96,541	-
Federal	-	-	-	-
Total revenues	<u>\$ 96,541</u>	<u>\$ 96,541</u>	<u>\$ 96,541</u>	<u>\$ -</u>
EXPENDITURES				
Current:				
Education	\$ -	\$ -	\$ -	-
Parks, recreation, and cultural	<u>395,053</u>	<u>395,053</u>	<u>380,000</u>	<u>15,053</u>
Total expenditures	<u>\$ 395,053</u>	<u>\$ 395,053</u>	<u>\$ 380,000</u>	<u>\$ 15,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (298,512)</u>	<u>\$ (298,512)</u>	<u>\$ (283,459)</u>	<u>\$ 15,053</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 298,512</u>	<u>\$ 298,512</u>	<u>\$ 263,815</u>	<u>\$ (34,697)</u>
Net change in fund balances	\$ -	\$ -	\$ (19,644)	\$ (19,644)
Fund balances - beginning, as restated	<u>-</u>	<u>-</u>	<u>5,730</u>	<u>5,730</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (13,914)</u></u>	<u><u>\$ (13,914)</u></u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended June 30, 2025

	Local Sales Tax Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 64,326	\$ 64,326
Intergovernmental:				
Commonwealth	264,650	264,650	811,776	547,126
Federal	-	-	-	-
Total revenues	<u>\$ 264,650</u>	<u>\$ 264,650</u>	<u>\$ 876,102</u>	<u>\$ 611,452</u>
EXPENDITURES				
Current:				
Education	\$ 264,650	\$ 264,650	\$ 199,648	\$ 65,002
Parks, recreation, and cultural	-	-	-	-
Total expenditures	<u>\$ 264,650</u>	<u>\$ 264,650</u>	<u>\$ 199,648</u>	<u>\$ 65,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676,454</u>	<u>\$ 676,454</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 676,454	\$ 676,454
Fund balances - beginning, as restated	-	-	2,060,063	2,060,063
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,736,517</u></u>	<u><u>\$ 2,736,517</u></u>

Combining Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2025

	Custodial Funds			Total
	<u>Special Welfare</u>	<u>Virtual Virginia</u>	<u>Inmate Fund</u>	
ASSETS				
Cash and cash equivalents	\$ 23,823	\$ 7,483,902	\$ 41,142	\$ 7,548,867
Due from other governments	-	2,572,035	-	2,572,035
Prepaid expenses	-	10,918	-	10,918
Total assets	<u>\$ 23,823</u>	<u>\$ 10,066,855</u>	<u>\$ 41,142</u>	<u>\$ 10,131,820</u>
LIABILITIES				
Accounts payable	\$ -	\$ 5,661	\$ -	\$ 5,661
Accrued expenses	-	360,373	-	360,373
Total liabilities	<u>\$ -</u>	<u>\$ 366,034</u>	<u>\$ -</u>	<u>\$ 366,034</u>
NET POSITION				
Restricted:				
Amounts held for Virtual Virginia	\$ -	\$ 9,700,821	\$ -	\$ 9,700,821
Amounts held for special welfare	23,823	-	-	23,823
Amounts held for sheriff accounts	-	-	41,142	41,142
Total net position	<u>23,823</u>	<u>9,700,821</u>	<u>41,142</u>	<u>9,765,786</u>

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

Combining Statement of Changes in Fiduciary Net Position
 Custodial Funds
 June 30, 2025

	Custodial Funds			Total
	<u>Special Welfare</u>	<u>Virtual Virginia</u>	<u>Inmate Fund</u>	
ADDITIONS:				
Revenue from the use of money and property	\$ -	\$ 183,831	\$ -	\$ 183,831
Miscellaneous	41,188	-	356,563	397,751
Intergovernmental:				
Commonwealth	-	9,418,844	-	9,418,844
Federal	-	5,138,000	-	5,138,000
Total additions	<u>41,188</u>	<u>14,740,675</u>	<u>356,563</u>	<u>15,138,426</u>
DEDUCTIONS:				
Inmate personal items	\$ -	\$ -	\$ 359,192	\$ 359,192
Special welfare	38,193	-	-	38,193
Education - administrative	-	5,493,052	-	5,493,052
Education - instruction	-	8,757,130	-	8,757,130
Total deductions	<u>38,193</u>	<u>14,250,182</u>	<u>359,192</u>	<u>14,647,567</u>
Change in net position	\$ 2,995	\$ 490,493	\$ (2,629)	\$ 490,859
NET POSITION:				
Net position, beginning of the year	20,828	9,210,328	43,771	9,274,927
Net position, ending of the year	<u>23,823</u>	<u>9,700,821</u>	<u>41,142</u>	<u>9,765,786</u>

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

Combining Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2025

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>School Activity Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,338,926	\$ 242,066	\$ 394,198	\$ 1,975,190
Receivables (net of allowance for uncollectibles):				
Accounts receivable	26,090	-	-	26,090
School food inventory	-	41,582	-	41,582
Due from other governmental units	1,062,424	101,967	-	1,164,391
Prepaid items	531,895	-	-	531,895
Total assets	<u>\$ 2,959,335</u>	<u>\$ 385,615</u>	<u>\$ 394,198</u>	<u>\$ 3,739,148</u>
LIABILITIES				
Accounts payable	\$ 81,710	\$ 2,730	\$ -	\$ 84,440
Accrued liabilities	912,586	39,813	-	952,399
Due to primary government	964,985	-	-	964,985
Total liabilities	<u>\$ 1,959,281</u>	<u>\$ 42,543</u>	<u>\$ -</u>	<u>\$ 2,001,824</u>
FUND BALANCE				
Nonspendable:				
Inventory	\$ -	\$ 41,582	\$ -	\$ 41,582
Prepaid items	531,895	-	-	531,895
Assigned to:				
Textbooks	1,000,054	-	-	1,000,054
School activity funds	-	-	394,198	394,198
Cafeteria operations	-	301,490	-	301,490
Unassigned	(531,895)	-	-	(531,895)
Total fund balances	<u>\$ 1,000,054</u>	<u>\$ 343,072</u>	<u>\$ 394,198</u>	<u>\$ 1,737,324</u>
Total liabilities and fund balances	<u>\$ 2,959,335</u>	<u>\$ 385,615</u>	<u>\$ 394,198</u>	<u>\$ 3,739,148</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above \$ 1,737,324

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

Capital assets, cost	\$ 37,481,692	
Accumulated depreciation	<u>(20,117,083)</u>	17,364,609

The net pension asset is not an available resource and, therefore, is not reported in the funds 828,820

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred outflows of resources:		
Pension related items	\$ 14,978,951	
OPEB related items	<u>2,728,779</u>	17,707,730

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

Net OPEB liabilities	\$ (3,724,507)	
Net pension liability	(16,783,839)	
Compensated absences	(1,607,816)	
Deferred inflows of resources:		
Pension related items	(12,753,288)	
OPEB related items	<u>(2,920,033)</u>	(37,789,483)

Net position of governmental activities \$ (151,000)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2025

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 525	\$ 239	\$ -	\$ 764
Charges for services	386,000	55,365	-	441,365
Miscellaneous	646,459	84	826,268	1,472,811
Intergovernmental:				
Local government	5,514,893	-	-	5,514,893
Commonwealth	19,402,068	21,610	-	19,423,678
Federal	3,825,472	1,148,949	-	4,974,421
Total revenues	<u>\$ 29,775,417</u>	<u>\$ 1,226,247</u>	<u>\$ 826,268</u>	<u>\$ 31,827,932</u>
EXPENDITURES				
Current:				
Education	\$ 28,701,124	\$ 1,011,619	\$ 819,212	\$ 30,531,955
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	<u>\$ 28,701,124</u>	<u>\$ 1,011,619</u>	<u>\$ 819,212</u>	<u>\$ 30,531,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,074,293</u>	<u>\$ 214,628</u>	<u>\$ 7,056</u>	<u>\$ 1,295,977</u>
Net change in fund balances	\$ 1,074,293	\$ 214,628	\$ 7,056	\$ 1,295,977
Fund balances - beginning	(74,239)	128,444	387,142	441,347
Fund balances - ending	<u>\$ 1,000,054</u>	<u>\$ 343,072</u>	<u>\$ 394,198</u>	<u>\$ 1,737,324</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above	\$ 1,295,977
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 2,033,485	
Depreciation expense	(2,253,957)	
Joint assets - net	<u>570,167</u>	349,695

The issuance of equipment loans 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.

Payment of lease liabilities	921
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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.

Change in accrued interest payable	\$ 282	
Change in compensated absences	26,672	
Pension expense	(615,839)	
OPEB expense	<u>60,275</u>	<u>(528,610)</u>

Change in net position of governmental activities	<u>\$ 1,117,983</u>
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Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2025

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 525	\$ 525
Charges for services	-	-	386,000	386,000
Miscellaneous	975,063	975,063	646,459	(328,604)
Intergovernmental:				
Local government	5,347,682	5,347,682	5,514,893	167,211
Commonwealth	19,821,973	19,821,973	19,402,068	(419,905)
Federal	4,625,318	4,625,318	3,825,472	(799,846)
Total revenues	<u>\$ 30,770,036</u>	<u>\$ 30,770,036</u>	<u>\$ 29,775,417</u>	<u>\$ (994,619)</u>
EXPENDITURES				
Current:				
Education	\$ 31,296,409	\$ 31,296,409	\$ 28,701,124	\$ 2,595,285
Debt service:				
Principal retirement	80,000	80,000	-	80,000
Interest and other fiscal charges	63,750	63,750	-	63,750
Total expenditures	<u>\$ 31,440,159</u>	<u>\$ 31,440,159</u>	<u>\$ 28,701,124</u>	<u>\$ 2,739,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (670,123)</u>	<u>\$ (670,123)</u>	<u>\$ 1,074,293</u>	<u>\$ 1,744,416</u>
Net change in fund balances	\$ (670,123)	\$ (670,123)	\$ 1,074,293	\$ 1,744,416
Fund balances - beginning	670,123	670,123	(74,239)	(744,362)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,054</u>	<u>\$ 1,000,054</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2025

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 261	\$ 261	\$ 239	\$ (22)
Charges for services	80,000	80,000	55,365	(24,635)
Miscellaneous	50,000	50,000	84	(49,916)
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	26,565	26,565	21,610	(4,955)
Federal	1,328,595	1,328,595	1,148,949	(179,646)
Total revenues	<u>\$ 1,485,421</u>	<u>\$ 1,485,421</u>	<u>\$ 1,226,247</u>	<u>\$ (259,174)</u>
EXPENDITURES				
Current:				
Education	\$ 1,473,857	\$ 1,473,857	\$ 1,011,619	\$ 462,238
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	<u>\$ 1,473,857</u>	<u>\$ 1,473,857</u>	<u>\$ 1,011,619</u>	<u>\$ 462,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,564</u>	<u>\$ 11,564</u>	<u>\$ 214,628</u>	<u>\$ 203,064</u>
Net change in fund balances	\$ 11,564	\$ 11,564	\$ 214,628	\$ 203,064
Fund balances - beginning	(11,564)	(11,564)	128,444	140,008
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,072</u>	<u>\$ 343,072</u>

- Supporting Schedules -

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2025

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	\$ 6,431,622	\$ 6,431,622	\$ 6,556,905	\$ 125,283
Real and personal public service corporation taxes	562,838	562,838	648,805	85,967
Personal property taxes	4,044,767	4,044,767	3,670,191	(374,576)
Mobile home taxes	31,749	31,749	28,376	(3,373)
Machinery and tools taxes	757,151	757,151	788,968	31,817
Merchant's capital taxes	56,146	56,146	47,545	(8,601)
Penalties	130,000	130,000	135,145	5,145
Interest	50,000	50,000	50,131	131
Total general property taxes	<u>\$ 12,064,273</u>	<u>\$ 12,064,273</u>	<u>\$ 11,926,066</u>	<u>\$ (138,207)</u>
Other local taxes:				
Local sales and use taxes	\$ 900,000	\$ 900,000	\$ 975,065	\$ 75,065
Consumer utility taxes	220,000	220,000	228,464	8,464
Motor vehicle licenses	324,000	324,000	332,885	8,885
Taxes on recordation and wills	83,000	83,000	73,535	(9,465)
Utility consumption taxes	31,000	31,000	35,800	4,800
Total other local taxes	<u>\$ 1,558,000</u>	<u>\$ 1,558,000</u>	<u>\$ 1,645,749</u>	<u>\$ 87,749</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 4,793	\$ (207)
Transfer fees	500	500	533	33
Permits and other licenses	450,600	450,600	127,229	(323,371)
Total permits, privilege fees, and regulatory licenses	<u>\$ 456,100</u>	<u>\$ 456,100</u>	<u>\$ 132,555</u>	<u>\$ (323,545)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 235,000	\$ 235,000	\$ 183,591	\$ (51,409)
Revenue from use of money and property:				
Revenue from use of money	\$ 1,023,000	\$ 1,023,000	\$ 640,684	\$ (382,316)
Revenue from use of property	246,642	246,642	301,391	54,749
Total revenue from use of money and property	<u>\$ 1,269,642</u>	<u>\$ 1,269,642</u>	<u>\$ 942,075</u>	<u>\$ (327,567)</u>
Charges for services:				
Charges for work release/inmate fees	\$ 67,933	\$ 67,933	\$ 72,906	\$ 4,973
Charges for law enforcement and traffic control	8,000	8,000	5,890	(2,110)
Jail bed days - other localities	-	-	28,422	28,422
Law library fees	1,100	1,100	1,457	357
Courthouse security fees	83,000	83,000	51,368	(31,632)
Courthouse maintenance fees	17,500	17,500	15,811	(1,689)
Charges for Commonwealth's Attorney	1,000	1,000	1,512	512
School charges for sheriff	140,000	140,000	159,017	19,017
Charges for sanitation and waste removal	6,000	6,000	11,588	5,588
Total charges for services	<u>\$ 324,533</u>	<u>\$ 324,533</u>	<u>\$ 347,971</u>	<u>\$ 23,438</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 289,483	\$ 289,483	\$ 376,112	\$ 86,629
Solar payments	891,250	891,250	1,380,834	489,584
Sheriff funds	-	-	79,151	79,151
Total miscellaneous revenue	<u>\$ 1,180,733</u>	<u>\$ 1,180,733</u>	<u>\$ 1,836,097</u>	<u>\$ 655,364</u>
Total revenue from local sources	<u>\$ 17,088,281</u>	<u>\$ 17,088,281</u>	<u>\$ 17,014,104</u>	<u>\$ (74,177)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier tax	\$ 72,000	\$ 72,000	\$ 84,861	\$ 12,861
Mobile home titling tax	40,000	40,000	41,615	1,615
Tax on deeds (grantor tax)	20,000	20,000	23,759	3,759
Auto rental tax	1,500	1,500	2,712	1,212
Communication sales and use tax	90,000	90,000	83,357	(6,643)
Personal property tax relief funds	686,900	686,900	686,910	10
Total noncategorical aid	<u>\$ 910,400</u>	<u>\$ 910,400</u>	<u>\$ 923,214</u>	<u>\$ 12,814</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 294,020	\$ 294,020	\$ 290,161	\$ (3,859)
Sheriff	1,738,949	1,738,949	1,693,812	(45,137)
Commissioner of revenue	122,067	122,067	121,690	(377)
Treasurer	128,179	128,179	146,384	18,205
Registrar/electoral board	87,029	87,029	72,779	(14,250)
DMV license agent	27,000	27,000	34,122	7,122
Clerk of the Circuit Court	298,509	298,509	289,387	(9,122)
Total shared expenses	<u>\$ 2,695,753</u>	<u>\$ 2,695,753</u>	<u>\$ 2,648,335</u>	<u>\$ (47,418)</u>
Other categorical aid:				
Litter control	\$ 20,853	\$ 20,853	\$ 18,385	\$ (2,468)
Fire programs funds	48,441	48,441	48,441	-
Prisoner days	105,000	105,000	119,000	14,000
VJCCCA grant	83,023	83,023	61,540	(21,483)
WIB fiscal agent fees	20,000	20,000	20,000	-
Victim witness	41,432	41,432	21,387	(20,045)
E911 wireless	64,000	64,000	101,830	37,830
Public assistance and welfare administration	2,587,880	2,587,880	811,685	(1,776,195)
Comprehensive services act funds	948,400	948,400	924,062	(24,338)
Emergency services	13,103	13,103	13,074	(29)
Other categorical aid	45,522	45,522	179,748	134,226
Total other categorical aid	<u>\$ 3,977,654</u>	<u>\$ 3,977,654</u>	<u>\$ 2,319,152</u>	<u>\$ (1,658,502)</u>
Total categorical aid	<u>\$ 6,673,407</u>	<u>\$ 6,673,407</u>	<u>\$ 4,967,487</u>	<u>\$ (1,705,920)</u>
Total revenue from the Commonwealth	<u>\$ 7,583,807</u>	<u>\$ 7,583,807</u>	<u>\$ 5,890,701</u>	<u>\$ (1,693,106)</u>
Revenue from the federal government:				
Noncategorical aid:				
BAB subsidy	\$ 63,750	\$ 63,750	\$ 63,750	-
Payments in lieu of taxes	18,000.00	18,000.00	11,933	(6,067)
Total noncategorical aid	<u>\$ 81,750</u>	<u>\$ 81,750</u>	<u>\$ 75,683</u>	<u>\$ (6,067)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenue from the federal government:				
Categorical aid:				
Emergency services	\$ 7,500	\$ 7,500	\$ 24,203	\$ 16,703
Byrne justice grant	40,260	40,260	40,525	265
LLE block grant	5,000	5,000	-	(5,000)
HMGP grant	-	-	162,118	162,118
Victim witness	42,454	42,454	33,511	(8,943)
Welfare administration and assistance	50,000	50,000	1,594,914	1,544,914
Workforce investment act	2,731,260	2,731,260	1,099,398	(1,631,862)
Total categorical aid	<u>\$ 2,876,474</u>	<u>\$ 2,876,474</u>	<u>\$ 2,954,669</u>	<u>\$ 78,195</u>
Total revenue from the federal government	<u>\$ 2,958,224</u>	<u>\$ 2,958,224</u>	<u>\$ 3,030,352</u>	<u>\$ 72,128</u>
Total General Fund	<u>\$ 27,630,312</u>	<u>\$ 27,630,312</u>	<u>\$ 25,935,157</u>	<u>\$ (1,695,155)</u>
CARES Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
CARES Act funds	\$ 29,750	\$ 29,750	\$ 29,750	\$ -
Total CARES Act Fund	<u>\$ 29,750</u>	<u>\$ 29,750</u>	<u>\$ 29,750</u>	<u>\$ -</u>
ARPA Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
ARPA funds	\$ 808,634	\$ 808,634	\$ -	\$ (808,634)
Total CARES Act Fund	<u>\$ 808,634</u>	<u>\$ 808,634</u>	<u>\$ -</u>	<u>\$ (808,634)</u>
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
State library funds	\$ 96,541	\$ 96,541	\$ 96,541	\$ -
Total revenue from the Commonwealth	<u>\$ 96,541</u>	<u>\$ 96,541</u>	<u>\$ 96,541</u>	<u>\$ -</u>
Total Library Fund	<u>\$ 96,541</u>	<u>\$ 96,541</u>	<u>\$ 96,541</u>	<u>\$ -</u>
Special Revenue Fund:				
Local Sales Tax Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 64,326	\$ 64,326
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Sales Tax	\$ 264,650	264,650	811,776	\$ 547,126
Total Local Sales Tax Fund	<u>\$ 264,650</u>	<u>\$ 264,650</u>	<u>\$ 876,102</u>	<u>\$ 611,452</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Permanent Fund:				
Library Trust Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 49,123	\$ 49,123
Total revenue from use of money and property	\$ -	\$ -	\$ 49,123	\$ 49,123
Total revenue from local sources	\$ -	\$ -	\$ 49,123	\$ 49,123
Total Library Trust Fund	\$ -	\$ -	\$ 49,123	\$ 49,123
Total Nonmajor funds	\$ 361,191	\$ 361,191	\$ 1,021,766	\$ 660,575
Total Primary Government	\$ 28,829,887	\$ 28,829,887	\$ 26,986,673	\$ (1,843,214)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 525	\$ 525
Charges for services:				
Tuition and payments from other divisions	\$ -	\$ -	\$ 386,000	\$ 386,000
Miscellaneous:				
Other miscellaneous	\$ 975,063	\$ 975,063	\$ 646,459	\$ (328,604)
Total revenue from local sources	\$ 975,063	\$ 975,063	\$ 1,032,984	\$ 57,921
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Charlotte, Virginia	\$ 5,347,682	\$ 5,347,682	\$ 5,514,893	\$ 167,211
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,516,990	\$ 2,516,990	\$ 2,365,750	\$ (151,240)
Basic school aid	8,496,290	8,496,290	8,426,183	(70,107)
GED	8,203	8,203	56,076	47,873
Gifted and talented	75,525	75,525	76,076	551
Remedial summer education	42,947	42,947	51,537	8,590
Special education	1,269,922	1,269,922	1,250,710	(19,212)
Textbook payment	415,041	415,041	193,377	(221,664)
Vocational education	532,560	532,560	512,083	(20,477)
Fringe Benefits	1,582,433	1,582,433	1,935,918	353,485
Homebound	25,283	25,283	21,578	(3,705)
Class size reduction	417,657	417,657	428,676	11,019
English as a second language	14,830	14,830	32,238	17,408
Algebra readiness	39,337	39,337	42,513	3,176
Technology	180,000	180,000	-	(180,000)
Workplace	-	-	605	605
Education technology	473,123	473,123	-	(473,123)
At risk	1,465,612	1,465,612	2,355,938	890,326
Early reading	73,727	73,727	92,960	19,233
Other state funds	2,192,493	2,192,493	1,559,850	(632,643)
Total categorical aid	\$ 19,821,973	\$ 19,821,973	\$ 19,402,068	\$ (419,905)
Total revenue from the Commonwealth	\$ 19,821,973	\$ 19,821,973	\$ 19,402,068	\$ (419,905)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2025 (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)				
Revenue from the federal government:				
Noncategorical aid:				
CARES act funds	\$ 2,060,515	\$ 2,060,515	\$ 1,794,907	\$ (265,608)
Categorical aid:				
Title I	\$ 1,059,804	\$ 1,059,804	\$ 749,329	\$ (310,475)
Title VI-B, special education flow-through	702,840	702,840	470,316	(232,524)
Vocational education	70,529	70,529	50,376	(20,153)
Title VI-B, special education pre-school	19,418	19,418	19,398	(20)
EESA - Title II	105,415	105,415	92,427	(12,988)
Rural schools	70,295	70,295	17,763	(52,532)
Gear up grant	-	-	239,026	239,026
Title IV Part B	536,502	536,502	364,788	(171,714)
Other federal funds	-	-	1,942	1,942
ESSER	-	-	25,200	25,200
Total categorical aid	\$ 2,564,803	\$ 2,564,803	\$ 2,030,565	\$ (534,238)
Total revenue from the federal government	4,625,318	4,625,318	3,825,472	(799,846)
Total School Operating Fund	\$ 30,770,036	\$ 30,770,036	\$ 29,775,417	\$ (994,619)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 261	\$ 261	\$ 239	\$ (22)
Charges for services:				
Cafeteria sales	\$ 80,000	\$ 80,000	\$ 55,365	\$ (24,635)
Miscellaneous revenue:				
Other miscellaneous	\$ 50,000	\$ 50,000	\$ 84	\$ (49,916)
Total revenue from local sources	\$ 130,261	\$ 130,261	\$ 55,688	\$ (74,573)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 26,565	\$ 26,565	\$ 33,566	\$ 7,001
Total revenue from the Commonwealth	26,565	26,565	33,566	7,001
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,328,595	\$ 1,328,595	\$ 1,136,993	\$ (191,602)
Total revenue from the federal government	1,328,595	1,328,595	1,136,993	(191,602)
Total intergovernmental	\$ 1,355,160	\$ 1,355,160	\$ 1,170,559	\$ (184,601)
Total School Cafeteria Fund	\$ 1,485,421	\$ 1,485,421	\$ 1,226,247	\$ (259,174)

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 160,316	\$ 160,316	\$ 139,379	\$ 20,937
General and financial administration:				
County administrator	\$ 680,823	\$ 680,823	\$ 661,643	\$ 19,180
Professional services	100,000	100,000	95,207	4,793
Commissioner of revenue	299,501	299,501	274,246	25,255
Reassessment	386,891	386,891	212,379	174,512
Treasurer	396,951	396,951	386,798	10,153
County attorney	71,325	71,325	69,230	2,095
Total general and financial administration	\$ 1,935,491	\$ 1,935,491	\$ 1,699,503	\$ 235,988
Board of elections:				
Electoral board and officials	\$ 77,566	\$ 77,566	\$ 49,819	\$ 27,747
Registrar	174,370	174,370	163,765	10,605
Total board of elections	\$ 251,936	\$ 251,936	\$ 213,584	\$ 38,352
Total general government administration	\$ 2,347,743	\$ 2,347,743	\$ 2,052,466	\$ 295,277
Judicial administration:				
Courts:				
Circuit court	\$ 13,800	\$ 13,800	\$ 8,420	\$ 5,380
General district court	3,800	3,800	3,831	(31)
Juvenile and domestic relations court	4,585	4,585	3,595	990
Special magistrates	2,400	2,400	1,692	708
Clerk of the circuit court	497,454	497,454	438,888	58,566
Total courts	\$ 522,039	\$ 522,039	\$ 456,426	\$ 65,613
Commonwealth's attorney:				
Commonwealth's attorney	\$ 423,538	\$ 423,538	\$ 355,119	\$ 68,419
Total judicial administration	\$ 945,577	\$ 945,577	\$ 811,545	\$ 134,032
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,381,476	\$ 3,381,476	\$ 3,043,998	\$ 337,478
Witness assistance	42,454	42,454	33,267	9,187
Dare	3,973.00	3,973	1,895	2,078
Asset forfeiture	55,493.00	55,493	26,150	29,343
E-911 system	536,035	536,035	336,820	199,215
Total law enforcement and traffic control	\$ 4,019,431	\$ 4,019,431	\$ 3,442,130	\$ 577,301

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2025 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire services	\$ 577,016	\$ 577,016	\$ 550,180	\$ 26,836
Rescue squad	1,857,022	1,857,022	1,370,130	486,892
Division of forestry	20,123	20,123	19,353	770
Total fire and rescue services	<u>\$ 2,454,161</u>	<u>\$ 2,454,161</u>	<u>\$ 1,939,663</u>	<u>\$ 514,498</u>
Correction and detention:				
Sheriff	\$ 1,786,964	\$ 1,786,964	\$ 1,854,131	\$ (67,167)
VJCCA	264,361	264,361	209,726	54,635
Total correction and detention	<u>\$ 2,051,325</u>	<u>\$ 2,051,325</u>	<u>\$ 2,063,857</u>	<u>\$ (12,532)</u>
Inspections:				
Building	\$ 97,875	\$ 97,875	\$ 96,404	\$ 1,471
Other protection:				
Animal control	\$ 32,392	\$ 32,392	\$ 28,227	\$ 4,165
Medical examiner	250	250	140	110
Total other protection	<u>\$ 32,642</u>	<u>\$ 32,642</u>	<u>\$ 28,367</u>	<u>\$ 4,275</u>
Total public safety	<u>\$ 8,655,434</u>	<u>\$ 8,655,434</u>	<u>\$ 7,570,421</u>	<u>\$ 1,085,013</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 1,225,830	\$ 1,225,830	\$ 920,909	\$ 304,921
Maintenance of general buildings and grounds:				
General properties	\$ 1,128,435	\$ 1,128,435	\$ 1,008,279	\$ 120,156
Canneries	1,000	1,000	1,000	-
Total maintenance of general buildings and grounds	<u>\$ 1,129,435</u>	<u>\$ 1,129,435</u>	<u>\$ 1,009,279</u>	<u>\$ 120,156</u>
Total public works	<u>\$ 2,355,265</u>	<u>\$ 2,355,265</u>	<u>\$ 1,930,188</u>	<u>\$ 425,077</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 109,176	\$ 109,176	\$ 107,308	\$ 1,868
Mental health and mental retardation:				
Crossroads Board	\$ 67,752	\$ 67,752	\$ 67,752	-
Welfare:				
Public assistance	\$ 3,163,126	\$ 3,163,126	\$ 2,899,548	\$ 263,578
Workforce investment	2,731,260	2,731,260	1,078,441	1,652,819
Comprehensive services act	1,275,600	1,275,600	1,236,253	39,347
Total welfare	<u>\$ 7,169,986</u>	<u>\$ 7,169,986</u>	<u>\$ 5,214,242</u>	<u>\$ 1,955,744</u>
Total health and welfare	<u>\$ 7,346,914</u>	<u>\$ 7,346,914</u>	<u>\$ 5,389,302</u>	<u>\$ 1,957,612</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2025 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 10,441	\$ 10,441	\$ 5,441	\$ 5,000
Contribution to County school board	5,347,682	5,347,682	5,514,893	(167,211)
Total education	<u>\$ 5,358,123</u>	<u>\$ 5,358,123</u>	<u>\$ 5,520,334</u>	<u>\$ (162,211)</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 24,500	\$ 24,500	\$ 24,792	\$ (292)
Cultural enrichment:				
Red hill shrine	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Adult programs	97,735	97,735	97,735	-
Total cultural enrichment	<u>\$ 100,235</u>	<u>\$ 100,235</u>	<u>\$ 97,735</u>	<u>\$ 2,500</u>
Total parks, recreation, and cultural	<u>\$ 124,735</u>	<u>\$ 124,735</u>	<u>\$ 122,527</u>	<u>\$ 2,208</u>
Community development:				
Planning and community development:				
Planning	\$ 403,600	\$ 403,600	\$ 65,475	\$ 338,125
Zoning appeals board	1,600	1,600	-	1,600
Economic development	592,239	592,239	196,612	395,627
Total planning and community development	<u>\$ 997,439</u>	<u>\$ 997,439</u>	<u>\$ 262,087</u>	<u>\$ 735,352</u>
Environmental management:				
Contribution to soil and water district	\$ 185,827	\$ 185,827	\$ 174,021	\$ 11,806
Cooperative extension program:				
Extension office	\$ 67,928	\$ 67,928	\$ 47,443	\$ 20,485
Total community development	<u>\$ 1,251,194</u>	<u>\$ 1,251,194</u>	<u>\$ 483,551</u>	<u>\$ 767,643</u>
Nondepartmental:				
Fixed charges	\$ 228,778	\$ 228,778	\$ 230,400	\$ (1,622)
Other capital outlay	30,000	30,000	30,635	(635)
Total nondepartmental	<u>\$ 258,778</u>	<u>\$ 258,778</u>	<u>\$ 261,035</u>	<u>\$ (2,257)</u>
Debt service:				
Principal retirement	\$ 920,912	\$ 920,912	\$ 1,022,979	\$ (102,067)
Interest and other fiscal charges	843,560	843,560	915,180	(71,620)
Total debt service	<u>\$ 1,764,472</u>	<u>\$ 1,764,472</u>	<u>\$ 1,938,159</u>	<u>\$ (173,687)</u>
Total General Fund	<u>\$ 30,408,235</u>	<u>\$ 30,408,235</u>	<u>\$ 26,079,528</u>	<u>\$ 4,328,707</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2025 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
CARES Act Fund:				
Public safety	\$ 29,750	\$ 29,750	\$ 29,750	\$ -
Total CARES Act Fund	<u>\$ 29,750</u>	<u>\$ 29,750</u>	<u>\$ 29,750</u>	<u>\$ -</u>
ARPA Fund:				
Broadband project	\$ 502,434	\$ 502,434	\$ 489,414	\$ 13,020
General government	306,200	306,200	306,200	-
Total ARPA Fund	<u>\$ 808,634</u>	<u>\$ 808,634</u>	<u>\$ 795,614</u>	<u>\$ 13,020</u>
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund				
Parks, recreation, and cultural:				
Library	\$ 395,053	\$ 395,053	\$ 380,000	\$ 15,053
Total Library Fund	<u>\$ 395,053</u>	<u>\$ 395,053</u>	<u>\$ 380,000</u>	<u>\$ 15,053</u>
Special Revenue Fund:				
Local Sales Tax Fund				
Education:				
Education capital projects	\$ 264,650	\$ 264,650	\$ 199,648	\$ 65,002
Total Local Sales Tax Fund	<u>\$ 264,650</u>	<u>\$ 264,650</u>	<u>\$ 199,648</u>	<u>\$ 65,002</u>
Permanent Fund:				
Library Trust Fund				
Parks, recreation, and cultural:				
Library	\$ -	\$ -	\$ 5,323	\$ (5,323)
Total Library Trust Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,323</u>	<u>\$ (5,323)</u>
Total Nonmajor funds	<u>\$ 659,703</u>	<u>\$ 659,703</u>	<u>\$ 584,971</u>	<u>\$ 74,732</u>
Total Primary Government	<u>\$ 31,906,322</u>	<u>\$ 31,906,322</u>	<u>\$ 27,489,863</u>	<u>\$ 4,416,459</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2025 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Education costs:				
Elementary and secondary schools	\$ 21,126,659	\$ 21,126,659	\$ 20,525,508	\$ 601,151
Administration attendance and health services	4,900,395	4,900,395	1,916,083	2,984,312
Pupil transportation	2,104,711	2,104,711	2,282,164	(177,453)
Operation and maintenance of school plant	3,164,644	3,164,644	3,977,369	(812,725)
Total education	\$ 31,296,409	\$ 31,296,409	\$ 28,701,124	\$ 2,595,285
Debt service:				
Principal retirement	\$ 80,000	\$ 80,000	\$ -	\$ 80,000
Interest and other fiscal charges	63,750	63,750	-	63,750
Total debt service	\$ 143,750	\$ 143,750	\$ -	\$ 143,750
Total School Operating Fund	\$ 31,440,159	\$ 31,440,159	\$ 28,701,124	\$ 2,739,035
Special revenue fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,473,857	\$ 1,473,857	\$ 1,011,619	\$ 462,238
Total School Cafeteria Fund	\$ 1,473,857	\$ 1,473,857	\$ 1,011,619	\$ 462,238

- Other Statistical Information -

COUNTY OF CHARLOTTE, VIRGINIA

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	Total
	Administration	Administration		Safety	Safety		Welfare	Welfare		Education	Education			
2015-16	\$ 1,324,440	\$ 522,473	\$ 4,413,589	\$ 1,249,862	\$ 5,311,449	\$ 3,342,859	\$ 322,956	\$ 880,479	\$ 531,702	\$ 17,899,809				
2016-17	1,413,203	200,636	4,244,904	1,474,975	5,650,959	3,496,953	348,367	215,733	444,203	17,489,933				
2017-18	1,484,642	583,483	4,562,360	1,358,053	5,332,595	3,556,731	306,880	236,461	759,288	18,180,493				
2018-19	1,624,064	833,675	4,695,731	1,604,848	4,855,427	8,316,036	275,779	266,351	677,788	23,149,699				
2019-20	1,560,917	1,122,896	4,479,057	1,415,261	5,156,000	7,079,867	355,679	270,920	700,861	22,141,458				
2020-21	1,787,474	1,220,755	5,539,042	1,415,726	5,476,252	3,261,373	486,542	834,713	988,183	21,010,060				
2021-22	2,207,360	1,258,773	4,631,069	1,621,275	4,725,317	4,753,086	425,217	293,851	827,317	20,743,265				
2022-23	3,105,123	1,280,168	5,215,687	1,928,447	4,800,548	4,015,870	445,431	279,403	783,168	21,853,845				
2023-24	1,974,670	1,265,235	7,040,811	1,703,772	4,978,658	5,062,993	456,112	553,666	745,465	23,781,382				
2024-25	2,478,580	1,355,979	7,495,710	1,753,713	5,360,550	6,418,165	508,901	483,158	709,592	26,564,348				

Table 2

COUNTY OF CHARLOTTE, VIRGINIA

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			
2015-16	\$ 670,452	\$ 6,754,669	\$ -	\$ 8,484,155	\$ 1,193,246	\$ 274,082	\$ 414,617	\$ 1,483,133	\$ 19,274,354		
2016-17	870,501	6,907,933	-	8,723,038	1,273,165	385,514	564,923	1,023,144	19,748,218		
2017-18	1,100,419	6,828,943	-	8,873,499	1,215,078	383,570	477,171	986,098	19,864,778		
2018-19	805,034	6,560,594	-	9,009,416	1,296,251	348,008	515,252	995,199	19,529,754		
2019-20	877,512	6,387,721	-	10,817,608	1,409,243	324,275	557,302	1,080,006	21,453,667		
2020-21	592,281	6,700,114	-	11,189,481	1,459,643	413,909	697,820	2,864,230	23,917,478		
2021-22	594,789	9,206,323	-	10,944,966	1,506,170	218,455	615,365	1,385,808	24,471,876		
2022-23	567,178	6,894,691	-	12,828,733	1,559,302	887,864	934,411	1,922,969	25,595,148		
2023-24	638,603	8,527,931	-	12,788,909	1,636,310	1,481,220	2,024,641	1,267,072	28,364,686		
2024-25	965,508	8,830,473	-	12,450,322	1,645,749	754,133	1,777,978	1,028,647	27,452,810		

COUNTY OF CHARLOTTE, VIRGINIA

General Governmental Expenditures by Function (1) (2)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects	Debt Service	Total
2015-16	\$ 1,214,326	\$ 608,872	\$ 4,330,787	\$ 1,165,377	\$ 5,348,625	\$ 19,511,653	\$ 321,080	\$ 896,048	\$ -	\$ -	\$ 860,330	\$ 34,257,098
2016-17	1,314,206	581,723	4,480,463	1,391,332	5,682,287	19,662,452	348,714	217,818	125,164	4,137,433	774,628	38,716,220
2017-18	1,243,629	578,725	4,660,161	1,379,335	5,383,706	20,046,339	355,269	243,473	122,186	13,751,603	1,021,196	48,785,622
2018-19	1,410,185	582,880	4,858,751	1,664,813	5,059,955	20,574,134	383,383	279,684	154,506	3,374,797	1,374,148	39,717,236
2019-20	1,346,157	589,552	4,493,583	1,588,938	5,087,478	20,758,128	360,961	273,267	85,844	1,627,853	1,352,559	37,564,320
2020-21	1,490,291	653,815	5,243,528	1,400,716	5,358,757	21,256,403	424,972	507,070	507,589	4,985,924	1,285,422	43,114,487
2021-22	1,522,612	749,975	4,889,141	1,585,553	4,967,013	24,366,341	438,357	472,509	208,587	3,424,163	2,437,326	45,061,577
2022-23	2,360,888	813,846	5,241,421	1,809,019	4,892,150	29,683,423	455,137	284,145	711,225	331,374	1,901,558	48,484,186
2023-24	2,741,756	867,198	7,410,807	1,803,445	5,016,672	29,918,938	465,588	559,966	716,740	-	1,897,602	51,398,712
2024-25	2,848,080	811,545	7,600,171	1,930,188	5,389,302	30,737,044	507,850	483,551	261,035	-	1,938,159	52,506,925

(1) Includes General, Special Revenue Funds, and Permanent Funds of the primary government and its discretely presented component unit, except for capital projects and nondepartmental.

(2) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 4

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes (2)	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (3)	Total
2015-16	\$ 9,024,457	\$ 1,193,246	\$ 39,231	\$ 137,887	\$ 274,325	\$ 681,461	\$ 786,122	\$ -	\$ 22,978,904	\$ 35,115,633
2016-17	9,355,908	1,273,165	67,514	171,807	385,684	858,970	809,462	-	23,095,127	36,017,637
2017-18	9,532,677	1,215,078	63,086	198,866	383,756	998,847	1,045,150	-	22,604,922	36,042,382
2018-19	9,729,225	1,296,251	70,740	225,331	348,648	671,035	998,765	-	22,803,578	36,143,573
2019-20	11,521,560	1,409,243	110,096	232,630	324,978	678,385	1,068,238	-	23,249,653	38,594,783
2020-21	11,900,883	1,459,643	72,422	192,861	414,101	345,128	1,639,942	-	26,231,451	42,256,431
2021-22	11,642,208	1,506,170	76,158	128,094	218,697	423,230	2,477,816	-	29,230,953	45,703,326
2022-23	12,852,848	1,559,302	137,229	145,638	888,111	343,340	2,704,891	-	32,518,290	51,149,649
2023-24	12,637,707	1,636,310	71,896	221,935	1,481,348	404,633	3,536,759	-	32,820,815	52,811,403
2024-25	12,612,976	1,645,749	132,555	183,591	1,056,288	789,336	3,308,908	-	33,570,309	53,299,712

(1) Includes General, Special Revenue Funds and Permanent Funds of the primary government and its discretely presented component unit.

(2) Includes Commonwealth of Virginia PPTRA reimbursement.

(3) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)		Current Tax (1), (3) Collections		Percent of Levy Collected		Delinquent Tax (2) Collections		Total Tax Collections		Percent of Total Tax Collections to Tax Levy		Outstanding Delinquent Taxes		Percent of Delinquent Taxes to Tax Levy	
	\$	\$	\$	\$	%	%	\$	\$	\$	\$	%	%	\$	\$	%	%
2015-16	\$	8,273,289	\$	7,657,365	92.56%		\$	680,182	\$	8,337,547	100.78%		\$	834,447	10.09%	
2016-17		8,607,788		7,943,358	92.28%			563,580		8,506,938	98.83%			855,507	9.94%	
2017-18		8,790,027		7,980,087	90.79%			705,776		8,685,863	98.81%			1,028,980	11.71%	
2018-19		8,999,397		8,275,813	91.96%			766,502		9,042,315	100.48%			893,352	9.93%	
2019-20		10,822,521		9,945,690	91.90%			888,960		10,834,650	100.11%			2,359,096	21.80%	
2020-21		10,963,516		10,311,343	94.05%			902,630		11,213,973	102.28%			959,047	8.75%	
2021-22		10,771,679		10,114,400	93.90%			840,898		10,955,298	101.70%			1,539,637	14.29%	
2022-23		11,753,105		11,273,771	95.92%			892,167		12,165,938	103.51%			2,265,967	19.28%	
2023-24		11,753,105		11,273,771	95.92%			677,026		11,950,797	101.68%			3,068,888	26.11%	
2024-25		11,724,278		11,194,073	95.48%			731,993		11,926,066	101.72%			3,684,033	31.42%	

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes Commonwealth of Virginia PPTRA reimbursement.

COUNTY OF CHARLOTTE, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years (1)

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools		Merchants' Capital	Public Service	Total
2015-16	\$ 918,211,760	\$ 90,948,657	\$ 6,136,918	\$ 7,635,331	\$ 935,525	\$ 79,478,190	\$ 1,103,346,381	
2016-17	921,926,484	95,220,649	6,347,614	11,119,083	937,876	89,162,041	1,124,713,747	
2017-18	925,156,500	97,106,146	6,504,781	11,844,083	950,457	95,059,396	1,136,621,363	
2018-19	931,964,828	99,670,743	6,460,738	16,214,741	889,622	94,596,884	1,149,797,556	
2019-20	1,009,946,924	104,112,957	4,194,137	18,039,253	946,620	94,277,236	1,231,517,127	
2020-21	1,014,726,886	105,876,505	4,239,810	17,337,663	1,038,295	102,430,010	1,245,649,169	
2021-22	1,013,653,926	143,845,815	4,351,440	22,078,608	1,149,420	122,487,493	1,307,566,702	
2022-23	1,021,270,334	150,224,246	4,453,989	23,798,858	1,524,133	116,366,714	1,317,638,274	
2023-24	1,021,270,334	150,224,246	4,453,989	23,798,858	1,524,133	116,366,714	1,317,638,274	
2024-25	1,058,733,375	127,902,438	4,695,971	26,334,858	1,578,712	104,722,123	1,323,967,477	

(1) 100% of fair market value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Personal Property		Mobile Homes		Machinery and Tools		Merchant's Capital		
		\$		\$						\$	
2015-16	\$	0.53	\$	3.75		0.53		3.00		\$	3.20
2016-17		0.53		3.75		0.53		3.00			3.20
2017-18		0.53		3.75		0.53		3.00			3.20
2018-19		0.53		3.75		0.53		3.00			3.20
2019-20		0.62		3.95		0.62		3.00			3.20
2020-21		0.62		3.95		0.62		3.00			3.20
2021-22		0.62		2.60		0.62		3.00			3.20
2022-23		0.62		3.25		0.62		3.00			3.20
2023-24		0.62		3.25		0.62		3.00			3.20
2024-25		0.62		3.46		0.62		3.00			3.20

(1) Per \$100 of assessed value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 8

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)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2015-16	12,454	\$ 1,103,346,381	\$ 12,770,000	1.16%	1,025
2016-17	12,316	1,124,713,747	12,605,000	1.12%	1,023
2017-18	12,231	1,136,621,363	18,535,000	1.63%	1,515
2018-19	12,021	1,149,797,556	18,008,000	1.57%	1,498
2019-20	11,928	1,231,517,127	17,462,000	1.42%	1,464
2020-21	11,936	1,245,649,169	20,635,000	1.66%	1,729
2021-22	11,448	1,307,566,702	20,045,000	1.53%	1,751
2022-23	11,448	1,317,638,274	19,330,000	1.47%	1,689
2023-24	11,448	1,317,638,274	18,585,000	1.41%	1,623
2024-25	11,258	1,323,967,477	17,795,000	1.34%	1,581

(1) Weldon Cooper Center for Public Service.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans.

Excludes capital leases, premiums on bonds, net OPEB liabilities net pension liability, landfill postclosure and corrective action liability, and compensated absences.

COUNTY OF CHARLOTTE, VIRGINIA

Table 9

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2015-16	\$ 173,031	\$ 687,299	\$ 860,330	\$ 34,257,098	2.51%
2016-17	269,973	504,655	774,628	38,716,220	2.00%
2017-18	274,229	746,967	1,021,196	48,785,622	2.09%
2018-19	641,766	732,382	1,374,148	39,717,236	3.46%
2019-20	633,320	719,239	1,352,559	37,564,320	3.60%
2020-21	479,932	805,490	1,285,422	43,114,487	2.98%
2021-22	1,318,782	1,118,544	2,437,326	45,061,577	5.41%
2022-23	916,416	985,142	1,901,558	48,484,186	3.92%
2023-24	951,109	946,493	1,897,602	51,398,712	3.69%
2024-25	1,022,979	915,180	1,938,159	52,506,925	3.69%

(1) Includes General and Permanent funds of the Primary Government and Special Revenue funds of the Discretely Presented Component Unit - School Board.

(2) Excludes capital projects and nondepartmental.

- 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 Charlotte, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Charlotte, Virginia's basic financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Charlotte, 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 the County of Charlotte, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Charlotte, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Charlotte, 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*.

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

Charlottesville, Virginia

December 10, 2025



**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 Charlotte, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Charlotte, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Charlotte, Virginia's major federal programs for the year ended June 30, 2025. County of Charlotte, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Charlotte, Virginia's complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of Charlotte, Virginia's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Charlotte, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Charlotte, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Charlotte, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Charlotte, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Charlotte, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia

December 10, 2025

COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Pass- through to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Pass-Through Payments:				
Virginia Department of Social Services:				
Title IV-E Prevention Program	93.472	0010125 / 0010124	\$ -	\$ 27,000
Guardianship Assistance	93.090	1110125 / 1110124	-	5,378
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950124	-	13,969
Temporary Assistance for Needy Families (TANF)	93.558	0400124 / 0400125	-	332,319
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500124 / 0500125	-	370
Low-Income Home Energy Assistance	93.568	0600424 / 0600425	-	34,505
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760124 / 0760125	-	33,908
Chafee Education and Training Vouchers Program	93.599	9160124	-	565
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900124 / 0900125	-	645
Foster Care - Title IV-E	93.658	1100124 / 1100125	-	95,982
Adoption Assistance	93.659	1120124 / 1120125	-	248,713
Social Services Block Grant	93.667	1000124 / 1000125	-	184,687
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150124 / 9150125	-	1,989
Children's Health Insurance Program (CHIP)	93.767	0540124 / 0540125	-	3,445
Medical Assistance Program (Medicaid Cluster)	93.778	1200124 / 1200125	-	279,058
Total Department of Health and Human Services			\$ -	\$ 1,262,533
Department of Agriculture:				
Pass-Through Payments:				
Virginia Department of Agriculture:				
National School Lunch Program - Food Distribution (Child Nutrition Cluster)	10.555	Unknown	\$ -	\$ 66,610
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	402540	-	766,764
School Breakfast Program (Child Nutrition Cluster)	10.553	402530	-	368,985
Total Child Nutrition Cluster			\$ -	\$ 1,135,749
Child and Adult Care Food Program	10.558	Unknown	-	13,201
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0040124 / 0040125	-	332,380
Total Department of Agriculture			\$ -	\$ 1,481,330
Department of Justice:				
Pass-Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	Unknown	\$ -	\$ 33,511
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unknown	-	40,525
Total Department of Justice			\$ -	\$ 74,036

COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended June 30, 2025

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Pass- through to Subrecipients	Federal Expenditures
Department of Labor:				
Pass-Through Payments:				
Virginia Community College System:				
WIOA Cluster:				
WIA/WIOA Adult Program	17.258	Unknown	\$ -	\$ 439,696
WIA/WIOA Youth Activities	17.259	Unknown	-	442,229
WIA/WIOA Dislocated Worker Formula Grants	17.278	Unknown	-	217,473
Total WIOA Cluster			<u>\$ -</u>	<u>\$ 1,099,398</u>
Total Department of Labor			<u>\$ -</u>	<u>\$ 1,099,398</u>
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Accounts:				
COVID 19-Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	\$ -	\$ 252,640
Total Department of Treasury			<u>\$ -</u>	<u>\$ 252,640</u>
Department of Homeland Security				
Pass-Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	Unknown	\$ -	\$ 24,203
Department of Education:				
Pass-Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A240046	\$ -	\$ 749,329
Special Education - Grants to States (IDEA) (Special Education Cluster)	84.027	H027A240107	-	470,316
Special Education - Preschool Grants (IDEA) (Special Education Cluster)	84.173	H173A240112	-	19,398
Total Special Education Cluster (IDEA)			<u>\$ -</u>	<u>\$ 489,714</u>
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	V048A240046	-	50,376
Supporting Effective Instruction State Grants	84.367	S367A240044	-	92,427
Twenty-First Century Community Learning Centers	84.287	S287C240047	-	305,162
Rural Education	84.358	S358B240046	-	17,763
English Language Acquisition State Grants	84.365	Unknown	-	1,678
Student Support and Academic Enrichment Program	84.424	S424A240048	-	226,188
COVID-19-Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	-	1,820,107
Total Department of Education			<u>\$ -</u>	<u>\$ 3,752,744</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 7,946,884</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Charlotte, Virginia under programs of the federal government for the year ended June 30, 2025. 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 Charlotte, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Charlotte, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures 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.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate

The County did not elect to use the 15-percent de minimis indirect cost rate under Uniform Guidance.

Note 5 - Loan Balances

The County has no loan guarantees which are subject to reporting requirements for the current year.

Note 6 - 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	\$ 3,030,352
CARES Act Fund	29,750
Less: Payments in lieu of taxes	(11,933)
Less: BAB Subsidy	(63,750)
Total primary government	<u>\$ 2,984,419</u>
Component Unit School Board:	
School Operating Fund	\$ 3,825,472
School Cafeteria Fund	1,136,993
Total component unit School Board	<u>\$ 4,962,465</u>
Total federal expenditures per basic financial statements	<u>\$ 7,946,884</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 7,946,884</u></u>

COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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>Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
10.553 / 10.555	Child Nutrition Cluster
84.425D	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? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings

There are no findings from the prior year.