

COUNTY OF WESTMORELAND, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024



COUNTY OF WESTMORELAND, VIRGINIA

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Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Commissioner of the Revenue
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Julia H. Sichol
Sue N. Jones
C.O. Balderson
Dr. Michael Perry
Amanda R. Tevis
William K. Hoover
Debra Whaley

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Westmoreland, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Westmoreland, Virginia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Westmoreland, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Westmoreland, Virginia's ability to continue as a going concern for twelve months beyond the 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 Westmoreland, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Westmoreland, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2025, on our consideration of County of Westmoreland, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Westmoreland, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Westmoreland, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
May 9, 2025

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

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

As management of the County of Westmoreland, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024.

Financial Highlights

Government-wide Financial Statements

- On a government-wide basis for governmental activities, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$40,609,585 (net position). For business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,178,268.

Fund Financial Statements

The General Fund, on a current financial resource basis, reported expenditures in excess of revenues and other financing sources of \$691,772 (Exhibit 5) after making contributions totaling \$11,212,580 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$17,848,874 an decrease of \$863,597 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,140,445 or 16% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$1,711,692 during the current fiscal year.

The Proprietary Funds, on an accrual basis, reported an increase in net position of \$279,723(Exhibit 8).

- As of the close of the current fiscal year, the County's proprietary funds reported ending net position of \$20,178,268, an increase of \$279,723.
- Combined long-term obligations in the proprietary funds decreased \$110,156 during the current fiscal year.

Overview of the Financial Statements

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

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

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

Overview of the Financial Statements: (Continued)

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements: (Continued)

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,609,585 at the close of the most recent fiscal year.

Summary Statement of Net Position

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Totals</u> | |
|----------------------------------|--------------------------------|-----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Current and other assets | \$ 22,529,847 | \$ 23,541,480 | \$ 3,772,435 | \$ 2,847,764 | \$ 26,302,282 | \$ 26,389,244 |
| Capital assets | <u>81,426,835</u> | <u>83,105,552</u> | <u>29,267,511</u> | <u>29,778,024</u> | <u>110,694,346</u> | <u>112,883,576</u> |
| Total assets | <u>\$ 103,956,682</u> | <u>\$ 106,647,032</u> | <u>\$ 33,039,946</u> | <u>\$ 32,625,788</u> | <u>\$ 136,996,628</u> | <u>\$ 139,272,820</u> |
| Deferred outflows of resources | <u>\$ 1,247,179</u> | <u>\$ 1,562,019</u> | <u>\$ 40,120</u> | <u>\$ 31,974</u> | <u>\$ 1,287,299</u> | <u>\$ 1,593,993</u> |
| Long-term liabilities | \$ 60,719,863 | \$ 62,321,399 | \$ 12,416,474 | \$ 12,526,630 | \$ 73,136,337 | \$ 74,848,029 |
| Current liabilities | <u>2,574,723</u> | <u>3,540,723</u> | <u>462,314</u> | <u>201,690</u> | <u>3,037,037</u> | <u>3,742,413</u> |
| Total liabilities | <u>\$ 63,294,586</u> | <u>\$ 65,862,122</u> | <u>\$ 12,878,788</u> | <u>\$ 12,728,320</u> | <u>\$ 76,173,374</u> | <u>\$ 78,590,442</u> |
| Deferred inflows of resources | <u>\$ 1,299,690</u> | <u>\$ 1,972,863</u> | <u>\$ 23,010</u> | <u>\$ 30,897</u> | <u>\$ 1,322,700</u> | <u>\$ 2,003,760</u> |
| Net position: | | | | | | |
| Net investment in capital assets | \$ 22,708,800 | \$ 22,888,461 | \$ 16,904,180 | \$ 17,303,246 | \$ 39,612,980 | \$ 40,191,707 |
| Restricted | 1,641,385 | 1,584,113 | 257,988 | 457,676 | 1,899,373 | 2,041,789 |
| Unrestricted | <u>16,259,400</u> | <u>15,901,492</u> | <u>3,016,100</u> | <u>2,137,623</u> | <u>19,275,500</u> | <u>18,039,115</u> |
| Total net position | <u>\$ 40,609,585</u> | <u>\$ 40,374,066</u> | <u>\$ 20,178,268</u> | <u>\$ 19,898,545</u> | <u>\$ 60,787,853</u> | <u>\$ 60,272,611</u> |

Government-wide Financial Analysis (Continued)

At the end of the current fiscal year, the County's investment in capital assets net of related debt used to acquire those assets was \$22,708,800 for governmental activities. The County uses these capital assets to provide services to citizens therefore; these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's net position increased by \$235,519 in the current fiscal year.

Governmental Activities - Governmental activities and business-type activities increased the County's net position by \$235,519 and \$279,723 respectively. Key elements of this increase are as follows:

| Summary Statement of Change in Net Position | | | | | | |
|---|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,458,010 | \$ 1,388,742 | \$ 4,351,468 | \$ 3,641,316 | \$ 5,809,478 | \$ 5,030,058 |
| Operating grants and contributions | 6,403,199 | 7,081,618 | - | - | 6,403,199 | 7,081,618 |
| Capital grants and contributions | 1,684,073 | 2,381,326 | - | - | 1,684,073 | 2,381,326 |
| General revenues: | | | | | | |
| General property taxes | 26,408,991 | 25,710,979 | - | - | 26,408,991 | 25,710,979 |
| Other local taxes | 3,580,083 | 3,542,375 | - | - | 3,580,083 | 3,542,375 |
| Grants and other contributions not restricted | 1,730,666 | 1,752,926 | - | - | 1,730,666 | -1,730,666 |
| Use of money | 800,351 | 506,221 | 55,292 | 22,284 | 855,643 | 528,505 |
| Gain /(loss) on disposal of capital assets | - | - | - | - | - | - |
| Miscellaneous | 1,460,809 | 669,522 | 17,456 | 48,105 | 1,478,265 | 717,627 |
| Total revenues | \$ 43,526,182 | \$ 43,033,709 | \$ 4,424,216 | \$ 3,711,705 | \$ 47,950,398 | \$ 46,745,414 |
| Expenses: | | | | | | |
| General government administration | \$ 4,048,158 | \$ 2,346,943 | \$ - | \$ - | \$ 4,048,158 | \$ 2,346,943 |
| Judicial administration | 1,199,841 | 1,178,590 | - | - | 1,199,841 | 1,178,590 |
| Public safety | 10,985,480 | 9,534,975 | - | - | 10,985,480 | 9,534,975 |
| Public works | 5,510,286 | 4,680,413 | - | - | 5,510,286 | 4,680,413 |
| Health and welfare | 4,743,573 | 4,583,063 | - | - | 4,743,573 | 4,583,063 |
| Education | 12,928,291 | 10,076,595 | - | - | 12,928,291 | 10,076,595 |
| Parks, recreation, and cultural | 883,026 | 1,009,071 | - | - | 883,026 | 1,009,071 |
| Community development | 1,550,501 | 2,702,286 | - | - | 1,550,501 | 2,702,286 |
| Interest on long-term debt | 1,441,507 | 1,407,834 | - | - | 1,441,507 | 1,407,834 |
| Water and Sewer | - | - | 4,144,493 | 3,727,096 | 4,144,493 | 3,727,096 |
| Total expenses | \$ 43,290,663 | \$ 37,519,770 | \$ 4,144,493 | \$ 3,727,096 | \$ 47,435,156 | \$ 41,246,866 |
| Increase in net position | \$ 235,519 | \$ 5,513,939 | \$ 279,723 | \$ (15,391) | \$ 515,242 | \$ 5,498,548 |
| Net position, July 1 | 40,374,066 | 34,860,127 | 19,898,545 | 19,913,936 | 60,272,611 | 54,774,063 |
| Net position, June 30 | \$ 40,609,585 | \$ 40,374,066 | \$ 20,178,268 | \$ 19,898,545 | \$ 60,787,853 | \$ 60,272,611 |

Government-wide Financial Analysis: (Continued)

- The increase of \$235,519 in the governmental activities net position was largely attributable revenues exceeding expenses.
- Net position for business-type activities showed a increase of \$279,723 during fiscal year 2024.

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

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$17,848,874 an decrease of \$863,597 in comparison with the prior year. Approximately 40% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted, committed, and assigned to indicate that it is not available for new spending because it has already been constrained. During fiscal year 2024 the fund balance of the General Fund decreased by \$691,722 to \$16,330,010, the fund balance of the General Capital Projects Fund decreased by (\$23,271) to 361,494 due to scheduled spending on capital projects, and the fund balance of the other governmental funds decreased by \$148,554 during FY2024 to \$1,157,370.

Proprietary Funds - The focus of the County's proprietary funds is upon determination of net income, financial position, and changes in financial position. Funds are accounted for in a manner similar to private business enterprises. The County's proprietary funds consists of the Water and Sewer Fund. The proprietary funds reflected a combined increase in net position of \$279,723.

Capital Asset and Debt Administration

- **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2024 amounts to \$81,426,835 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. Investment in capital assets for the County's proprietary operations amounts to \$29,267,511 as of June 30, 2024. This investment includes land, water systems, sewer systems, and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total long-term obligations outstanding of \$60,719,863 for its governmental activities. Of this amount \$360,000 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations \$54,650,073 represents bonds secured solely by specified revenue sources (i.e., revenue bonds), notes payable of \$3,297,000, OPEB liabilities of \$1,038,555, bond premium \$401,197 and compensated absences of \$702,597, lease liabilities of \$9,765. Business-type debt is comprised of \$12,066,124 bonds secured solely by water and sewer revenues, \$35,278 treatment plant upgrade, \$261,929 in Virginia Water Facilities Revolving Loan, net OPEB liabilities of \$27,092 and compensated absences of \$17,990.

The County's total long-term obligations decreased by \$1,711,692 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County at June 30, 2024 is 3.1 percent, which is an increase from a rate of 3 percent a year ago. This is slightly higher than the state's average unemployment rate of 2.8 percent and is less than the national average rate of 4.1 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2024 fiscal year.

Requests for Information

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

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position
June 30, 2024

| | Primary Government | | | Component |
|--|----------------------------|-----------------------------|----------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | Unit School Board |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 7,284,021 | \$ 2,487,084 | \$ 9,771,105 | \$ 3,410,526 |
| Investments | 10,232,469 | 943,772 | 11,176,241 | - |
| Receivables (net of allowance for uncollectibles): | | | | |
| Taxes receivable | 1,953,670 | - | 1,953,670 | - |
| Accounts receivable | 183,716 | 83,591 | 267,307 | 6,681 |
| Due from other governmental units | 1,461,452 | - | 1,461,452 | 1,016,747 |
| Lease receivables | 34,193 | - | 34,193 | - |
| Restricted assets: | | | | |
| Cash and investments | 1,380,326 | 257,988 | 1,638,314 | - |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 5,023,220 | 932,579 | 5,955,799 | 258,916 |
| Buildings and system | 65,151,513 | 26,339,882 | 91,491,395 | 7,235,134 |
| Machinery and equipment | 11,242,533 | 56,012 | 11,298,545 | 6,074,279 |
| Leased equipment | 9,569 | - | 9,569 | 28,182 |
| Intangible assets | - | 1,439,606 | 1,439,606 | - |
| Construction in progress | - | 499,432 | 499,432 | 7,546,671 |
| Total assets | \$ 103,956,682 | \$ 33,039,946 | \$ 136,996,628 | \$ 25,577,136 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension related items | \$ 1,043,167 | \$ 34,989 | \$ 1,078,156 | \$ 3,621,246 |
| OPEB related items | 204,012 | 5,131 | 209,143 | 543,279 |
| Total deferred outflows of resources | \$ 1,247,179 | \$ 40,120 | \$ 1,287,299 | \$ 4,164,525 |
| LIABILITIES | | | | |
| Accounts payable | \$ 2,200,936 | \$ 337,937 | \$ 2,538,873 | \$ 302,780 |
| Accrued liabilities | - | - | - | 1,948,200 |
| Retainage payable | - | - | - | 126,499 |
| Unearned revenue | 199,740 | 83,158 | 282,898 | - |
| Customers' deposits | - | 35 | 35 | - |
| Accrued interest payable | 79,447 | 41,184 | 120,631 | - |
| Due to other governmental units | 94,600 | - | 94,600 | 87,070 |
| Long-term liabilities: | | | | |
| Due within one year | 1,910,888 | 664,451 | 2,575,339 | 91,522 |
| Due in more than one year | 58,808,975 | 11,752,023 | 70,560,998 | 14,696,082 |
| Total liabilities | \$ 63,294,586 | \$ 12,878,788 | \$ 76,173,374 | \$ 17,252,153 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension related items | \$ 901,415 | \$ 18,363 | \$ 919,778 | \$ 1,802,222 |
| OPEB related items | 179,001 | 4,647 | 183,648 | 477,193 |
| Deferred revenue - property taxes | 186,487 | - | 186,487 | - |
| Leases related | 32,787 | - | 32,787 | - |
| Total deferred inflows of resources | \$ 1,299,690 | \$ 23,010 | \$ 1,322,700 | \$ 2,279,415 |
| NET POSITION | | | | |
| Net Investment in capital assets | \$ 22,708,800 | \$ 16,904,180 | \$ 39,612,980 | \$ 20,979,042 |
| Restricted: | | | | |
| Opioid settlement | 261,059 | - | 261,059 | - |
| Debt service and bond covenants | 1,380,326 | 257,988 | 1,638,314 | - |
| Unrestricted (deficit) | 16,259,400 | 3,016,100 | 19,275,500 | (10,768,949) |
| Total net position | \$ 40,609,585 | \$ 20,178,268 | \$ 60,787,853 | \$ 10,210,093 |

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

COUNTY OF WESTMORELAND, VIRGINIA

Statement of Activities
For the Year Ended June 30, 2024

| Functions/Programs | Expenses | Program Revenues | | |
|-----------------------------------|---------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| General government administration | \$ 4,048,158 | \$ 69,650 | \$ 630,989 | \$ - |
| Judicial administration | 1,199,841 | 192,454 | 661,080 | - |
| Public safety | 10,985,480 | 50,222 | 1,800,178 | 323,374 |
| Public works | 5,510,286 | 752,245 | 39,486 | 1,035,699 |
| Health and welfare | 4,743,573 | 76,784 | 3,271,466 | - |
| Education | 12,928,291 | - | - | - |
| Parks, recreation, and cultural | 883,026 | 315,889 | - | - |
| Community development | 1,550,501 | 766 | - | 325,000 |
| Interest on long-term debt | 1,441,507 | - | - | - |
| Total governmental activities | \$ 43,290,663 | \$ 1,458,010 | \$ 6,403,199 | \$ 1,684,073 |
| Business-type activities: | | | | |
| Water and sewer | \$ 4,144,493 | \$ 4,351,468 | \$ - | \$ - |
| Total business-type activities | \$ 4,144,493 | \$ 4,351,468 | \$ - | \$ - |
| Total primary government | \$ 47,435,156 | \$ 5,809,478 | \$ 6,403,199 | \$ 1,684,073 |
| COMPONENT UNIT: | | | | |
| School Board | \$ 30,814,370 | \$ 69,327 | \$ 20,680,323 | \$ 98,667 |

General revenues:
General property taxes
Local sales and use taxes
Consumers' utility taxes
Motor vehicle licenses
Taxes on recordation and wills
Other local taxes
Unrestricted revenues from use of money
Miscellaneous
Payment from local government
Grants and contributions not restricted to specific programs
Total general revenues
Change in net position
Net position - beginning
Net position - ending

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

Exhibit 2

| Net (Expense) Revenue and Changes in Net Position | | | |
|--|-----------------------------|------------------------|-----------------------|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-type Activities | Total | School Board |
| \$ (3,347,519) | | \$ (3,347,519) | |
| (346,307) | | (346,307) | |
| (8,811,706) | | (8,811,706) | |
| (3,682,856) | | (3,682,856) | |
| (1,395,323) | | (1,395,323) | |
| (12,928,291) | | (12,928,291) | |
| (567,137) | | (567,137) | |
| (1,224,735) | | (1,224,735) | |
| (1,441,507) | | (1,441,507) | |
| <u>\$ (33,745,381)</u> | | <u>\$ (33,745,381)</u> | |
| | \$ 206,975 | \$ 206,975 | |
| | <u>\$ 206,975</u> | <u>\$ 206,975</u> | |
| | <u>\$ 206,975</u> | <u>\$ (33,538,406)</u> | |
| | | | \$ <u>(9,966,053)</u> |
| \$ 26,408,991 | \$ - | \$ 26,408,991 | \$ - |
| 1,520,235 | - | 1,520,235 | - |
| 318,688 | - | 318,688 | - |
| 839,214 | - | 839,214 | - |
| 304,931 | - | 304,931 | - |
| 597,015 | - | 597,015 | - |
| 800,351 | 55,292 | 855,643 | 43,625 |
| 1,460,809 | 17,456 | 1,478,265 | 606,847 |
| - | - | - | 11,668,837 |
| 1,730,666 | - | 1,730,666 | - |
| <u>\$ 33,980,900</u> | <u>\$ 72,748</u> | <u>\$ 34,053,648</u> | <u>\$ 12,319,309</u> |
| \$ 235,519 | \$ 279,723 | \$ 515,242 | \$ 2,353,256 |
| 40,374,066 | 19,898,545 | 60,272,611 | 7,856,837 |
| <u>\$ 40,609,585</u> | <u>\$ 20,178,268</u> | <u>\$ 60,787,853</u> | <u>\$ 10,210,093</u> |

Fund Financial Statements

Balance Sheet
Governmental Funds
June 30, 2024

| | General | General Capital Projects | Other Governmental Funds | Total |
|---|----------------------|--------------------------------|--------------------------------|----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 5,698,811 | \$ 181,339 | \$ 1,403,871 | \$ 7,284,021 |
| Cash in custody of others | - | - | - | - |
| Investments | 10,048,902 | 180,155 | 3,412 | 10,232,469 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Taxes receivable | 1,953,670 | - | - | 1,953,670 |
| Accounts receivable | 183,716 | - | - | 183,716 |
| Due from other governmental units | 1,461,452 | - | - | 1,461,452 |
| Lease receivables | 34,193 | - | - | 34,193 |
| Restricted assets: | | | | |
| Temporarily restricted: | | | | |
| Cash and cash equivalents | 1,330,695 | - | - | 1,330,695 |
| Investments | - | - | 49,631 | 49,631 |
| Total assets | <u>\$ 20,711,439</u> | <u>\$ 361,494</u> | <u>\$ 1,456,914</u> | <u>\$ 22,529,847</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,901,392 | \$ - | \$ 299,544 | \$ 2,200,936 |
| Due to other governmental units | 94,600 | - | - | 94,600 |
| Unearned revenue | 199,740 | - | - | 199,740 |
| Total liabilities | <u>\$ 2,195,732</u> | <u>\$ -</u> | <u>\$ 299,544</u> | <u>\$ 2,495,276</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | \$ 1,787,503 | \$ - | \$ - | \$ 1,787,503 |
| Unavailable revenue - opioid settlement | 365,407 | - | - | 365,407 |
| Leases related | 32,787 | - | - | 32,787 |
| Total deferred inflows of resources | <u>\$ 2,185,697</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,185,697</u> |
| FUND BALANCES: | | | | |
| Nonspendable | \$ 1,406 | \$ - | \$ - | \$ 1,406 |
| Restricted | 228,673 | - | 49,631 | 278,304 |
| Committed | 2,395,539 | - | 1,107,739 | 3,503,278 |
| Assigned | 6,563,947 | 361,494 | - | 6,925,441 |
| Unassigned | 7,140,445 | - | - | 7,140,445 |
| Total fund balances | <u>\$ 16,330,010</u> | <u>\$ 361,494</u> | <u>\$ 1,157,370</u> | <u>\$ 17,848,874</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 20,711,439</u> | <u>\$ 361,494</u> | <u>\$ 1,456,914</u> | <u>\$ 22,529,847</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, 2024

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

| | | |
|--|----|------------|
| Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds | \$ | 17,848,874 |
|--|----|------------|

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

| | | | |
|---|----|--------------|------------|
| Land | \$ | 5,023,220 | |
| Buildings and improvements, net of depreciation | | 65,151,513 | |
| Machinery and equipment, net of depreciation | | 11,242,533 | |
| Leased equipment, net of depreciation | | <u>9,569</u> | 81,426,835 |

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

| | | | |
|-----------------------|----|----------------|-----------|
| Pension related items | \$ | 1,043,167 | |
| OPEB related items | | <u>204,012</u> | 1,247,179 |

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

1,966,423

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

| | | | |
|--------------------------|----|------------------|--------------|
| Accrued interest payable | \$ | (79,447) | |
| Bonds payable | | (55,411,270) | |
| Net OPEB liability | | (1,038,555) | |
| Compensated absences | | (702,597) | |
| Lease liabilities | | (9,765) | |
| Notes payable | | (3,297,000) | |
| Net pension liability | | <u>(260,676)</u> | (60,799,310) |

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

| | | | |
|-----------------------|----|------------------|--------------------|
| Pension related items | \$ | (901,415) | |
| OPEB related items | | <u>(179,001)</u> | <u>(1,080,416)</u> |

| | | |
|---|----|--------------------------|
| Net position of governmental activities | \$ | <u><u>40,609,585</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, 2024

| | General | General Capital Projects | Other Governmental Funds | Total |
|--|---------------|--------------------------------|--------------------------------|---------------|
| REVENUES | | | | |
| General property taxes | \$ 26,303,203 | \$ - | \$ 85,556 | \$ 26,388,759 |
| Other local taxes | 3,580,083 | - | - | 3,580,083 |
| Permits, privilege fees, and regulatory licenses | 501,140 | - | - | 501,140 |
| Fines and forfeitures | 173,390 | - | - | 173,390 |
| Revenue from the use of money and property | 936,496 | 7,882 | 2,407 | 946,785 |
| Charges for services | 100,455 | - | 536,591 | 637,046 |
| Miscellaneous | 1,095,402 | - | - | 1,095,402 |
| Recovered costs | 1,697,607 | - | - | 1,697,607 |
| Intergovernmental: | | | | |
| Commonwealth | 6,430,825 | - | - | 6,430,825 |
| Federal | 3,387,113 | - | - | 3,387,113 |
| Total revenues | \$ 44,205,714 | \$ 7,882 | \$ 624,554 | \$ 44,838,150 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | \$ 3,781,722 | \$ - | \$ - | \$ 3,781,722 |
| Judicial administration | 1,237,619 | - | - | 1,237,619 |
| Public safety | 12,162,558 | - | - | 12,162,558 |
| Public works | 4,558,127 | - | - | 4,558,127 |
| Health and welfare | 4,775,070 | - | - | 4,775,070 |
| Education | 11,224,056 | - | - | 11,224,056 |
| Parks, recreation, and cultural | 608,692 | - | - | 608,692 |
| Community development | 602,144 | - | 151,279 | 753,423 |
| Nondepartmental | 230,604 | - | - | 230,604 |
| Capital projects | 2,564,355 | 31,153 | 465,093 | 3,060,601 |
| Debt service: | | | | |
| Principal retirement | 1,247,108 | - | 118,637 | 1,365,745 |
| Interest and other fiscal charges | 1,905,431 | - | 38,099 | 1,943,530 |
| Total expenditures | \$ 44,897,486 | \$ 31,153 | \$ 773,108 | \$ 45,701,747 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (691,772) | \$ (23,271) | \$ (148,554) | \$ (863,597) |
| Net change in fund balances | \$ (691,772) | \$ (23,271) | \$ (148,554) | \$ (863,597) |
| Fund balances - beginning | 17,021,782 | 384,765 | 1,305,924 | 18,712,471 |
| Fund balances - ending | \$ 16,330,010 | \$ 361,494 | \$ 1,157,370 | \$ 17,848,874 |

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, 2024

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

| | | |
|--|----|-----------|
| Net change in fund balances - total governmental funds | \$ | (863,597) |
|--|----|-----------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

| | | | |
|--|----|--------------------|-------------|
| Capital asset additions | \$ | 2,230,853 | |
| Depreciation expense | | <u>(3,453,313)</u> | (1,222,460) |
| Transfer of joint tenancy assets from Primary Government to the Component Unit | | | (456,257) |

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

| | | | |
|-------------------|----|----------------|---------|
| Property taxes | \$ | 20,232 | |
| Opioid settlement | | <u>365,407</u> | 385,639 |

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.

| | | | |
|--------------------------|----|----------------|-----------|
| Lease revenue bonds | \$ | 654,144 | |
| Bond premium | | 14,859 | |
| General obligation bonds | | 120,000 | |
| Lease liabilities | | 9,601 | |
| Notes payable | | <u>582,000</u> | 1,380,604 |

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

| | | | |
|---|----|----------------|-----------------------|
| Compensated absences | \$ | (2,602) | |
| OPEB expense | | (27,256) | |
| Net pension expense | | 554,284 | |
| Accrued interest payable | | <u>487,164</u> | 1,011,590 |
| Change in net position of governmental activities | \$ | | <u><u>235,519</u></u> |

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

Statement of Net Position
Proprietary Funds
June 30, 2024

| | | Enterprise Fund |
|---|----|----------------------------|
| | | Water and Sewer Fund |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ | 2,487,084 |
| Investments | | 943,772 |
| Accounts receivable, net of allowance for uncollectibles | | 83,591 |
| Total current assets | \$ | 3,514,447 |
| Noncurrent assets: | | |
| Restricted assets: | | |
| Cash and investments | \$ | 257,988 |
| Total restricted assets | \$ | 257,988 |
| Capital assets: | | |
| Land - Sewer | \$ | 932,579 |
| Buildings and system - Sewer | | 37,948,528 |
| Buildings and system - Water | | 1,183,857 |
| Machinery and equipment - Sewer | | 375,953 |
| Intangible assets - Sewer | | 1,987,520 |
| Accumulated depreciation - Sewer | | (12,579,432) |
| Accumulated depreciation - Water | | (1,080,926) |
| Construction in progress - Sewer | | 499,432 |
| Total net capital assets | \$ | 29,267,511 |
| Total noncurrent assets | \$ | 29,525,499 |
| Total assets | \$ | 33,039,946 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related items | \$ | 34,989 |
| OPEB related items | | 5,131 |
| Total deferred outflows of resources | \$ | 40,120 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ | 337,937 |
| Customers' deposits | | 35 |
| Unearned revenue | | 83,158 |
| Accrued interest payable | | 41,184 |
| Compensated absences - current portion | | 1,799 |
| Virginia water facilities revolving fund | | 261,929 |
| Sewer treatment plant agreement - current portion | | 6,319 |
| Bond premium | | 25,702 |
| Bonds payable - current portion | | 368,702 |
| Total current liabilities | \$ | 1,126,765 |
| Noncurrent liabilities: | | |
| Bonds payable - net of current portion | \$ | 11,003,461 |
| Sewer treatment plant agreement - noncurrent portion | | 28,959 |
| Bond premium | | 668,259 |
| Net pension liability | | 8,061 |
| Net OPEB liability | | 27,092 |
| Compensated absences - net of current portion | | 16,191 |
| Total noncurrent liabilities | \$ | 11,752,023 |
| Total liabilities | \$ | 12,878,788 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related items | \$ | 18,363 |
| OPEB related items | | 4,647 |
| Total deferred inflows of resources | \$ | 23,010 |
| NET POSITION | | |
| Net investment in capital assets | \$ | 16,904,180 |
| Restricted: | | |
| Debt service and bond covenants | | 257,988 |
| Unrestricted | | 3,016,100 |
| Total net position | \$ | 20,178,268 |

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2024

| | <u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u> <u>Fund</u> |
|--|---|
| OPERATING REVENUES | |
| Charges for services: | |
| Water revenues | \$ 44,747 |
| Sewer revenues | 1,866,867 |
| Total operating revenues | \$ <u>1,911,614</u> |
| OPERATING EXPENSES | |
| Water | \$ 52,294 |
| Sewer | 2,780,860 |
| Other expenses | 3,643 |
| Depreciation - water | 36,920 |
| Depreciation - sewer | 981,658 |
| Total operating expenses | \$ <u>3,855,375</u> |
| Operating income (loss) | \$ <u>(1,943,761)</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest income | \$ 55,292 |
| Availability/connection/tap fees - sewer | 2,433,354 |
| Availability/connection/tap fees - water | 6,500 |
| Interest expense - water | (17,300) |
| Interest expense - sewer | (271,818) |
| Other nonoperating item - water | 686 |
| Other nonoperating item - sewer | 16,770 |
| Total nonoperating revenues (expenses) | \$ <u>2,223,484</u> |
| Income (loss) | \$ <u>279,723</u> |
| Change in net position | \$ 279,723 |
| Total net position - beginning | 19,898,545 |
| Total net position - ending | \$ <u><u>20,178,268</u></u> |

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

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2024

| | <u>Enterprise Funds</u> <u>Water and</u> <u>Sewer</u> <u>Fund</u> |
|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | \$ 1,929,899 |
| Payments to suppliers | (2,362,906) |
| Payments to and for employees | (228,009) |
| Net cash provided by (used for) operating activities | <u>\$ (661,016)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Additions to utility plant | \$ (508,065) |
| Principal payments on bonds | (341,355) |
| Principal payments on treatment plant agreement | (6,319) |
| Proceeds from indebtedness | 261,929 |
| Interest expense | (289,118) |
| Bond premium | (25,702) |
| Availability/connection fees | 2,439,854 |
| Other | 17,456 |
| Net cash provided by (used for) capital and related financing activities | <u>\$ 1,548,680</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Sale (purchase) of investments | \$ (52,407) |
| Interest income | 55,292 |
| Net cash provided by (used for) investing activities | <u>\$ 2,885</u> |
| Net increase (decrease) in cash and cash equivalents | \$ 890,549 |
| Cash and cash equivalents - beginning | 1,596,535 |
| Cash and cash equivalents - ending | <u><u>\$ 2,487,084</u></u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | |
| Operating income (loss) | \$ (1,943,761) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | |
| Depreciation | \$ 1,018,578 |
| (Increase) decrease in accounts receivable | 18,285 |
| (Increase) decrease in deferred outflows - pension related items | (7,868) |
| (Increase) decrease in deferred outflows - OPEB related items | (278) |
| Increase (decrease) in accounts payable | 295,539 |
| Increase (decrease) in net pension liability | (2,680) |
| Increase (decrease) in net OPEB liability | 6,756 |
| Increase (decrease) in deferred inflows - pension related items | (7,890) |
| Increase (decrease) in deferred inflows - OPEB related items | 3 |
| Increase (decrease) in compensated absences | (2,785) |
| Increase (decrease) in due to other funds | (34,915) |
| Total adjustments | <u>\$ 1,282,745</u> |
| Net cash provided by (used for) operating activities | <u><u>\$ (661,016)</u></u> |

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

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

| | <u>Special Welfare</u> |
|--|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ <u>68,920</u> |
| Total assets | \$ <u>68,920</u> |
| LIABILITIES | |
| Accounts payable and accrued liabilities | \$ <u>18,817</u> |
| Total liabilities | \$ <u>18,817</u> |
| NET POSITION | |
| Restricted: | |
| Net position restricted to individuals and organizations | \$ <u><u>50,103</u></u> |

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

| | <u>Special Welfare</u> |
|--|----------------------------|
| Additions: | |
| Miscellaneous | \$ <u>9,197</u> |
| Total additions | \$ <u>9,197</u> |
| Deductions | |
| Other charges | \$ <u>2,793</u> |
| Total deductions | \$ <u>2,793</u> |
| Net Increase (decrease) in plan assets | \$ 6,404 |
| Net Positions | |
| Balance, beginning of year | <u>43,699</u> |
| Balance, end of year | \$ <u><u>50,103</u></u> |

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Narrative Profile

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

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

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

A. Financial Reporting Entity

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

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

A. Financial Reporting Entity (Continued)

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

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

Inclusions in the Financial Reporting Entity:

1. Component Unit:

a. Westmoreland County School Board:

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

Exclusions from the Financial Reporting Entity:

1. Jointly Governed Organizations:

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

A. Financial Reporting Entity (Continued)

Exclusions from the Financial Reporting Entity: (Continued)

1. Jointly Governed Organizations: (Continued)

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

a. Northern Neck Regional Jail

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

b. Rappahannock Regional Library

The Rappahannock Regional Library is considered an intergovernmental (joint) venture and therefore its operations are not included in the County's financial statements. The Counties of Westmoreland, Stafford and Spotsylvania and the City of Fredericksburg provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and to expend funds. The County appoints one (1) of the seven (7) members of the Board. No one locality contributes more than 50% of the Library's funding. The County provided \$560,663 in operating funds to the Library in 2024.

c. Middle Peninsula Northern Neck Community Services Board

The Middle Peninsula Northern Neck Community Services Board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. This organization provides mental health, mental retardation, and substance abuse services to ten counties. The Counties of Essex, King and Queen, King William, Middlesex, Richmond, Mathews, Gloucester, Westmoreland, Lancaster and Northumberland appoint one member each to the Board. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Westmoreland County contributed \$84,618 as operating grants to the Middle Peninsula Northern Neck Community Services Board for the fiscal year ended June 30, 2024.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

A. Financial Reporting Entity (Continued)

Exclusions from the Financial Reporting Entity: (Continued)

d. Middle Peninsula Juvenile Detention Commission

The Middle Peninsula Juvenile Detention Commission is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. Westmoreland County along with 16 other counties appoint one member each to the Board. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Westmoreland County contributed \$82,608 to the Middle Peninsula Juvenile Detention Commission for the fiscal year ended June 30, 2024.

Obtaining of Financial Statements for Jointly Governed Organizations

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

B. Government-Wide and Fund Financial Statements

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Internal service charges if applicable, are eliminated and the net income or loss from internal service activities are allocated to the various functional expense categories based on the internal charges to each function.

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

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

The County's fiduciary funds are presented in the fund financial statements by type (private purpose, if applicable, and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the County in FY 2024.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

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

1. Governmental Funds:

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

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

2. Proprietary Funds:

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

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

3. Fiduciary Funds (Trust and Custodial Funds):

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

a. Custodial Funds:

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

4. Component Unit:

Westmoreland County School Board:

The Westmoreland County School Board has the following funds:

Governmental Funds:

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

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

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

Custodial Funds:

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

C. Basis of Accounting

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

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

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

D. Budgets and Budgetary Accounting

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

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

Encumbrances:

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

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

D. Budgets and Budgetary Accounting: (Continued)

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

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

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. All appropriations lapse on June 30, for all County and School Board funds.
8. All budgetary data presented in the accompanying financial statements is the original budget as of June 30, 2024, as adopted, appropriated and legally amended.
9. The expenditure budget is enacted through an annual appropriations ordinance. Appropriations are made at the departmental level for the primary government and at the function level for the School Board. State law requires that if budget amendments exceed 1% of the original adopted budget the Board of Supervisors may legally amend the budget only by following procedures used in the adoption of the original budget.

E. Cash and Cash Equivalents

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

F. Investments

Investments are reported at fair value.

G. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$820,425 at June 30, 2024 and is comprised of the following:

| | |
|---|--------------------------|
| General Fund--taxes receivable | \$ 662,981 |
| Water and Sewer Fund--accounts receivable | 157,444 |
| Total | <u><u>\$ 820,425</u></u> |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

H. Prepaid Items

Prepaid items are reported on the consumption method.

I. Capital Assets

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

| | |
|-------------------------------|----------------|
| Building and improvements | 10 to 40 years |
| Furniture and other equipment | 3 to 20 years |
| Lease Equipment | 3 to 5 years |

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

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

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

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

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

L. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Retirement Plan and the additions to/deductions from the County Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Use of Estimates

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

N. Long-Term Obligations

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

O. Net Position

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

P. Net Position Flow Assumption

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

Q. Fund Equity

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

Q. Fund Equity: (Continued)

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

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

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

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

| | General Fund | General Capital Projects Fund | Other Governmental Funds | Total |
|--|-----------------------------|-------------------------------------|--------------------------------|-----------------------------|
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Leases | \$ 1,406 | \$ - | \$ - | \$ 1,406 |
| Total Nonspendable Fund Balance | <u>\$ 1,406</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,406</u> |
| Restricted: | | | | |
| Placid bay sanitary district | \$ - | \$ - | \$ 49,631 | \$ 49,631 |
| Opioid settlement | 137,268 | - | - | 137,268 |
| Underground tanks | 20,000 | - | - | 20,000 |
| Other purposes | 71,405 | - | - | 71,405 |
| Total Restricted Fund Balance | <u>\$ 228,673</u> | <u>\$ -</u> | <u>\$ 49,631</u> | <u>\$ 278,304</u> |
| Committed: | | | | |
| Placid bay sanitary district | \$ - | \$ - | \$ 833,188 | \$ 833,188 |
| Glebe Harbor Cabin Point Sanitary District | - | - | 274,551 | 274,551 |
| Financial software | 439,866 | - | - | 439,866 |
| Fire and rescue | 100,732 | - | - | 100,732 |
| Education | 1,785,600 | - | - | 1,785,600 |
| Other purposes | 69,341 | - | - | 69,341 |
| Total Committed Fund Balance | <u>\$ 2,395,539</u> | <u>\$ -</u> | <u>\$ 1,107,739</u> | <u>\$ 3,503,278</u> |
| Assigned: | | | | |
| Fire and rescue | \$ 752,618 | \$ - | \$ - | \$ 752,618 |
| Capital projects | 1,630,072 | 361,494 | - | 1,991,566 |
| Reassessment | 377,500 | - | - | 377,500 |
| Other purposes | 3,803,757 | - | - | 3,803,757 |
| Total Assigned Fund Balance | <u>\$ 6,563,947</u> | <u>\$ 361,494</u> | <u>\$ -</u> | <u>\$ 6,925,441</u> |
| Unassigned | <u>\$ 7,140,445</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,140,445</u> |
| Total Fund Balances | <u><u>\$ 16,330,010</u></u> | <u><u>\$ 361,494</u></u> | <u><u>\$ 1,157,370</u></u> | <u><u>\$ 17,848,874</u></u> |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

R. Other Postemployment Benefits (OPEB):

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

S. Leases and Subscription-Based IT Arrangements:

The County has various lease assets and subscription-based IT arrangements (SBITAs) 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. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

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).

Subscriptions

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

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

S. Leases and Subscription-Based IT Arrangements: (Continued)

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease or subscription 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 and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription 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 or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

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

NOTE 2 - DEPOSITS AND INVESTMENTS:

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

Custodial Credit Risk (Investments)

The County’s investments at June 30, 2024 were held in the County’s name by the County’s custodial bank.

The County’s investment policy stipulates that U.S. dollar denominated commercial paper issued by an entity incorporated in the U.S. must be rated at least A-1 by Standard & Poor Corp. and P-1 by Moody’s

Investors Service. The policy also stipulates that U.S. dollar denominated Corporate Notes and Bonds must have a rating of at least A by Standard & Poor Corp. and by Moody’s Investors Service.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2024 were rated by *Standard & Poor’s* and/or an equivalent national rating organization and the ratings are presented below using the *Standard & Poor’s* rating scale.

| County's Rated Debt Investments' Values | | |
|---|----|----------------------|
| Rated Debt Investments | | Fair Quality Ratings |
| | | AA+ |
| U.S. Treasuries | \$ | 5,876,489 |
| Total | \$ | 5,876,489 |

Concentration of Credit Risk

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

Interest Rate Risk

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (Continued)

The interest rate risk is summarized below:

| County's Rated Debt Investments' Values | |
|--|-----------------------------|
| Rated Debt Investments | Fair Quality Ratings |
| | AA+ |
| U.S. Treasuries | \$ 5,876,489 |
| Total | \$ 5,876,489 |

NOTE 3 - FAIR VALUE MEASUREMENTS:

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

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

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

The County has the following recurring fair value measurements as of June 30, 2024:

| Investment | June 30, 2023 | Fair Value |
|-------------------|----------------------|---|
| | | Measurement Using Quoted Prices in Active Markets For Identical Assets (Level 1) |
| U.S. Treasuries | \$ 5,876,489 | \$ 5,876,489 |
| Total | \$ 5,876,489 | \$ 5,876,489 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 4 - PROPERTY TAXES:

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

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

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

Property taxes for calendar year 2023 were levied by the County Board of Supervisors on May 1, 2023, on the assessed value listed as of January 1, 2023.

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

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

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

| | Colonial Beach | Placid Bay Sanitary District | All Other |
|---------------------|----------------|---------------------------------|-----------|
| Real Estate | 0.40 | 0.06 | 0.62 |
| Personal Property | 2.15 | N/A | 3.75 |
| Machinery and Tools | N/A | N/A | 2.00 |
| Merchants Capital | 0.24 | N/A | 0.96 |

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 5 - RECEIVABLES:

Accounts Receivable:

Receivables at June 30, 2024 consist of the following:

| | <u>Primary Government Governmental Activities</u> | <u>Business- type Activities</u> | <u>Component Unit School Board</u> |
|------------------------------|---|--|--|
| | <u>General</u> | | |
| Property taxes | \$ 2,616,651 | \$ - | \$ - |
| Water and sewer charges | - | 241,035 | - |
| Other | 183,716 | - | 6,681 |
| Total | \$ 2,800,367 | \$ 241,035 | \$ 6,681 |
| Allowance for uncollectibles | (662,981) | (157,444) | - |
| Net receivables | \$ 2,137,386 | \$ 83,591 | \$ 6,681 |

Leases Receivable:

The County has various leases related to telecommunications equipment at discount rates of 3.00%. Payments on the leases run through 2024. Leases receivable at June 30, 2024 totaled \$34,193 with corresponding deferred inflows of resources totaling \$32,787. Lease revenue totaled \$65,574 for the year ended June 30, 2024. Lease interest revenue totaled \$5,435 for the year ended June 30, 2024.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 6 - DUE FROM OTHER GOVERNMENTAL UNITS:

At June 30, 2024:

| | <u>Governmental Activities</u> | <u>Component Unit</u> |
|-----------------------------------|------------------------------------|---------------------------|
| | <u>General</u> | <u>School Board</u> |
| Commonwealth of Virginia: | | |
| Local sales taxes | \$ 389,943 | \$ - |
| Communication taxes | 62,271 | - |
| State sales taxes | - | 381,619 |
| Social Services | 153,394 | - |
| Comprehensive Services Act | 211,075 | - |
| Shared expenses and grants | 187,969 | - |
| Other | 456,800 | 195,389 |
| Federal pass-through school funds | - | 439,739 |
| Total | \$ <u>1,461,452</u> | \$ <u>1,016,747</u> |

NOTE 8 - DUE TO OTHER GOVERNMENTAL UNITS:

At June 30, 2024:

| | <u>Governmental Activities</u> | <u>Component Unit</u> |
|--------------------------------|------------------------------------|---------------------------|
| | <u>General</u> | <u>School Board</u> |
| Town of Colonial Beach: | | |
| Sales tax | \$ 88,517 | \$ 87,070 |
| Town of Montross: | | |
| Sales tax | 6,083 | - |
| Total | \$ <u>94,600</u> | \$ <u>87,070</u> |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 9 - CAPITAL ASSETS:

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

Primary Government:

| | <u>Balance July 1, 2023</u> | | <u>Increases</u> | | <u>Decreases</u> | | <u>Balance June 30, 2024</u> |
|--|---------------------------------|----------------------|----------------------|--|----------------------|--|----------------------------------|
| Governmental activities: | | | | | | | |
| Capital assets not being depreciated: | | | | | | | |
| Land | \$ 5,023,220 | \$ - | \$ - | | \$ 5,023,220 | | |
| Construction in Progress | <u>788,243</u> | <u>795,689</u> | <u>1,583,932</u> | | <u>-</u> | | |
| Total capital assets not being depreciated | \$ <u>5,811,463</u> | \$ <u>795,689</u> | \$ <u>1,583,932</u> | | \$ <u>5,023,220</u> | | |
| Other capital assets: | | | | | | | |
| Buildings and improvements | \$ 74,558,154 | \$ 1,583,932 | \$ 46,500,000 | | \$ 29,642,086 | | |
| Machinery, equipment and vehicles | 17,046,795 | 1,435,164 | 74,682 | | 18,407,277 | | |
| Leased equipment | 33,366 | - | - | | 33,366 | | |
| Jointly owned assets | <u>480,000</u> | <u>46,500,000</u> | <u>520,507</u> | | <u>46,459,493</u> | | |
| Total other capital assets | \$ <u>92,118,315</u> | \$ <u>49,519,096</u> | \$ <u>47,095,189</u> | | \$ <u>94,542,222</u> | | |
| Accumulated depreciation: | | | | | | | |
| Buildings and improvements | \$ 8,940,716 | \$ 674,585 | \$ - | | \$ 9,615,301 | | |
| Machinery, equipment and vehicles | 5,640,726 | 1,598,700 | 74,682 | | 7,164,744 | | |
| Leased equipment | 14,256 | 9,541 | - | | 23,797 | | |
| Jointly owned assets | <u>228,528</u> | <u>1,170,487</u> | <u>64,250</u> | | <u>1,334,765</u> | | |
| Total accumulated depreciation | \$ <u>14,824,226</u> | \$ <u>3,453,313</u> | \$ <u>138,932</u> | | \$ <u>18,138,607</u> | | |
| Other capital assets, net | \$ <u>77,294,089</u> | \$ <u>46,065,783</u> | \$ <u>46,956,257</u> | | \$ <u>76,403,615</u> | | |
| Net capital assets | \$ <u>83,105,552</u> | \$ <u>46,861,472</u> | \$ <u>48,540,189</u> | | \$ <u>81,426,835</u> | | |
| Depreciation is allocated to: | | | | | | | |
| General government administration | | \$ 425,810 | | | | | |
| Judicial administration | | 3,753 | | | | | |
| Public safety | | 1,200,149 | | | | | |
| Health and welfare | | 1,043 | | | | | |
| Education | | 1,222,930 | | | | | |
| Public works | | 442,419 | | | | | |
| Parks and recreation | | <u>157,209</u> | | | | | |
| Total governmental activities | | \$ <u>3,453,313</u> | | | | | |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 9 - CAPITAL ASSETS: (Continued)

Primary Government: (Continued)

| | <u>Balance</u> <u>July 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2024</u> |
|--|---------------------------------------|---------------------|------------------|--|
| Business-type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 932,579 | \$ - | \$ - | \$ 932,579 |
| Construction in progress | 35,367 | 464,065 | - | 499,432 |
| | <u>967,946</u> | <u>464,065</u> | <u>-</u> | <u>1,432,011</u> |
| Total capital assets not being depreciated | \$ 967,946 | \$ 464,065 | \$ - | \$ 1,432,011 |
| Other capital assets: | | | | |
| Buildings and systems | \$ 39,109,385 | \$ 23,000 | \$ - | \$ 39,132,385 |
| Intangible assets | 1,987,520 | - | - | 1,987,520 |
| Machinery and equipment | 354,953 | 21,000 | - | 375,953 |
| | <u>41,451,858</u> | <u>44,000</u> | <u>-</u> | <u>41,495,858</u> |
| Total other capital assets | \$ 41,451,858 | \$ 44,000 | \$ - | \$ 41,495,858 |
| Accumulated depreciation: | | | | |
| Buildings and systems | \$ 11,859,401 | \$ 933,102 | \$ - | \$ 12,792,503 |
| Intangible assets | 480,192 | 67,722 | - | 547,914 |
| Machinery and equipment | 302,187 | 17,754 | - | 319,941 |
| | <u>12,641,780</u> | <u>1,018,578</u> | <u>-</u> | <u>13,660,358</u> |
| Total accumulated depreciation | \$ 12,641,780 | \$ 1,018,578 | \$ - | \$ 13,660,358 |
| Other capital assets, net | \$ 28,810,078 | \$ (974,578) | \$ - | \$ 27,835,500 |
| Net capital assets | <u>\$ 29,778,024</u> | <u>\$ (510,513)</u> | <u>\$ -</u> | <u>\$ 29,267,511</u> |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 9 - CAPITAL ASSETS: (Continued)

Component Unit-School Board:

| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
|--|-------------------------|--------------|------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 258,916 | \$ - | \$ - | \$ 258,916 |
| Construction in Progress | 4,301,514 | 3,773,640 | 528,483 | 7,546,671 |
| Total capital assets not being depreciated | \$ 4,560,430 | \$ 3,773,640 | \$ 528,483 | \$ 7,805,587 |
| Other capital assets: | | | | |
| Buildings | \$ 21,814,379 | \$ 1,164,395 | \$ - | \$ 22,978,774 |
| Machinery, equipment and vehicles | 10,090,429 | 1,602,071 | - | 11,692,500 |
| Leased equipment | 110,150 | - | - | 110,150 |
| Subscription assets | 39,176 | - | - | 39,176 |
| Total other capital assets | \$ 32,054,134 | \$ 2,766,466 | \$ - | \$ 34,820,600 |
| Accumulated depreciation: | | | | |
| Buildings | \$ 15,016,639 | \$ 727,001 | \$ - | \$ 15,743,640 |
| Machinery, equipment and vehicles | 4,412,859 | 1,205,362 | - | 5,618,221 |
| Leased equipment | 54,651 | 27,317 | - | 81,968 |
| Subscription assets | 13,975 | 25,201 | - | 39,176 |
| Total accumulated depreciation | \$ 19,498,124 | \$ 1,984,881 | \$ - | \$ 21,483,005 |
| Other capital assets, net | \$ 12,556,010 | \$ 781,585 | \$ - | \$ 13,337,595 |
| Net capital assets | \$ 17,116,440 | \$ 4,555,225 | \$ 528,483 | \$ 21,143,182 |
| Depreciation is allocated to education | | \$ 1,984,881 | | |
| Depreciation expense | | \$ 1,920,631 | | |
| Transfer of accumulated depreciation on jointly owned assets | | 64,250 | | |
| Total increases in accumulated depreciation above | | \$ 1,984,881 | | |

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments on-behalf of school boards was reported in the school board's discrete column along with the related capital assets. Under the law, local governments have a tenancy in common with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the School Board of Westmoreland, Virginia for the year ended June 30, 2024 is that school financed assets in the amount of \$46,459,493 are reported in the Primary Government for financial reporting purposes.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

As of the June 30, 2022 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 | 109 | 51 |
| Inactive members: | | |
| Vested inactive members | 20 | 11 |
| Non-vested inactive members | 39 | 12 |
| Inactive members active elsewhere in VRS | 73 | 5 |
| Total inactive members | 132 | 28 |
| Active members | 157 | 28 |
| Total covered employees | 398 | 107 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2024 was 11.69% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,048,050 and \$972,117 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2024 was 12.94% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$84,801 and \$88,637 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension asset/liability (NPL) is calculated separately for each employer and represents that particular employer's total pension asset/liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension asset/liabilities were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

Mortality rates:

- All Others (Non 10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related
- Pre-Retirement:
 - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement:
 - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
 - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Actuarial Assumptions - General Employees: (Continued)

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

Largest 10 - Non-Hazardous Duty:

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2022 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) - Hazardous Duty:

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Long-Term Expected Rate of Return

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

| <u>Asset Class (Strategy)</u> | <u>Long-Term Target Asset Allocation</u> | <u>Arithmetic Long-term Expected Rate of Return</u> | <u>Weighted Average Long-term Expected Rate of Return*</u> |
|--------------------------------------|--|---|--|
| Public Equity | 34.00% | 6.14% | 2.09% |
| Fixed Income | 15.00% | 2.56% | 0.38% |
| Credit Strategies | 14.00% | 5.60% | 0.78% |
| Real Assets | 14.00% | 5.02% | 0.70% |
| Private Equity | 14.00% | 9.17% | 1.47% |
| MAPS - Multi-Asset Public Strategies | 6.00% | 4.50% | 0.18% |
| PIP - Private Investment Partnership | 3.00% | 7.18% | 0.14% |
| Cash | 1.00% | 1.20% | 0.01% |
| Total | <u>100.00%</u> | | <u>5.75%</u> |
| | | Inflation | <u>2.50%</u> |
| | | Expected arithmetic nominal return* | <u>8.25%</u> |

*The above allocation provides a one-year expected return of 8.25%. 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 7.14%, 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%.

Discount Rate

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Discount Rate (Continued)

equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 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, 2022 | \$ 31,757,563 | \$ 31,220,537 | \$ 537,026 |
| Changes for the year: | | | |
| Service cost | \$ 1,013,713 | \$ - | \$ 1,013,713 |
| Interest | 2,159,406 | - | 2,159,406 |
| Changes of assumptions | - | - | - |
| Changes in Benefit Terms | 392,957 | - | 392,957 |
| Differences between expected and actual experience | (420,948) | - | (420,948) |
| Contributions - employer | - | 971,990 | (971,990) |
| Contributions - employee | - | 432,219 | (432,219) |
| Net investment income | - | 2,028,301 | (2,028,301) |
| Benefit payments, including refunds of employee contributions | (1,560,165) | (1,560,165) | - |
| Administrative expenses | - | (19,912) | 19,912 |
| Other changes | - | 819 | (819) |
| Net changes | \$ 1,584,963 | \$ 1,853,252 | \$ (268,289) |
| Balances at June 30, 2023 | \$ 33,342,526 | \$ 33,073,789 | \$ 268,737 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Changes in Net Pension Liability

| | Component School Board (nonprofessional) | | |
|--|--|--|--|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances at June 30, 2022 | \$ 5,087,980 | \$ 4,719,470 | \$ 368,510 |
| Changes for the year: | | | |
| Service cost | \$ 71,211 | \$ - | \$ 71,211 |
| Interest | 338,420 | - | 338,420 |
| Changes of assumptions | - | - | - |
| Differences between expected and actual experience | (323,581) | - | (323,581) |
| Contributions - employer | - | 86,761 | (86,761) |
| Contributions - employee | - | 33,439 | (33,439) |
| Net investment income | - | 300,090 | (300,090) |
| Benefit payments, including refunds of employee contributions | (291,132) | (291,132) | - |
| Administrative expenses | - | (3,068) | 3,068 |
| Other changes | - | 120 | (120) |
| Net changes | \$ (205,082) | \$ 126,210 | \$ (331,292) |
| Balances at June 30, 2023 | \$ 4,882,898 | \$ 4,845,680 | \$ 37,218 |

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

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

| | Rate | | |
|--|--------------|------------|----------------|
| | (5.75%) | (6.75%) | (7.75%) |
| County Net Pension Liability (Asset) | \$ 4,491,133 | \$ 268,737 | \$ (3,198,584) |
| Component Unit School Board (nonprofessional) Net Pension Liability (Asset) | \$ 537,963 | \$ 37,218 | \$ (385,084) |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$475,200, and (\$318,657), respectively. At June 30, 2024, 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 | \$ - | \$ 422,673 | \$ - | \$ 76,573 |
| Change of assumptions | 27,100 | - | - | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 3,006 | 3,006 | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 494,099 | - | 77,024 |
| Employer contributions subsequent to the measurement date | <u>1,048,050</u> | <u>-</u> | <u>84,801</u> | <u>-</u> |
| Total | <u>\$ 1,078,156</u> | <u>\$ 919,778</u> | <u>\$ 84,801</u> | <u>\$ 153,597</u> |

\$1,048,050 and \$84,801 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

| <u>Year ended June 30</u> | <u>Primary Government</u> | <u>Component Unit School Board (Nonprofessional)</u> |
|---------------------------|-------------------------------|--|
| 2025 | \$ (546,996) | \$ (131,200) |
| 2026 | (736,185) | (92,941) |
| 2027 | 378,873 | 68,022 |
| 2028 | 14,637 | 2,522 |
| 2029 | - | - |
| Thereafter | - | - |

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-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, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,992,133 and \$1,731,258 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Component Unit School Board (professional) (Continued)

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

At June 30, 2024, the school division reported a liability of \$11,084,571 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was .10967% as compared to .11010% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$849,446. 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, 2024, 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 | \$ 952,174 | \$ 432,567 |
| Change of assumptions | 502,502 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 89,636 | 495,337 |
| Net difference between projected and actual earnings on pension plan investments | - | 720,721 |
| Employer contributions subsequent to the measurement date | <u>1,992,133</u> | <u>-</u> |
| Total | <u>\$ 3,536,445</u> | <u>\$ 1,648,625</u> |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Component Unit School Board (professional) (Continued)

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

\$1,992,133 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2024. 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> | | |
|---------------------------|----|-----------|
| 2025 | \$ | (349,243) |
| 2026 | | (763,480) |
| 2027 | | 799,452 |
| 2028 | | 208,958 |
| 2029 | | - |
| Thereafter | | - |

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions: (Continued)

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2022 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 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Component Unit School Board (Professional) (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

| | | Teacher Employee Retirement Plan |
|---|----|--|
| Total Pension Liability | \$ | 57,574,609 |
| Plan Fiduciary Net Position | | 47,467,405 |
| Employers' Net Pension Liability (Asset) | \$ | 10,107,204 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | | 82.45% |

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

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

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

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

| | | | | | | Rate | | | |
|--|--|--|--|--|--|------|--|--|--|
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COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 10 - PENSION PLAN: (Continued)

Component Unit School Board (Professional) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Aggregate Pension Information

| | | Primary Government | | | |
|------------------------------|--|--------------------|------------------|-------------------------------|-----------------|
| | | Deferred Outflows | Deferred Inflows | Net Pension Liability (Asset) | Pension Expense |
| VRS Pension Plans: | | | | | |
| Primary Government | | \$ 1,078,156 | \$ 919,778 | \$ 268,737 | \$ 475,200 |
| | | | | | |
| | | Deferred Outflows | Deferred Inflows | Net Pension Liability (Asset) | Pension Expense |
| School Board Nonprofessional | | \$ 84,801 | \$ 153,597 | \$ 37,218 | \$ (318,657) |
| School Board Professional | | 3,536,445 | 1,648,625 | 11,084,571 | 849,446 |
| Totals | | \$ 3,621,246 | \$ 1,802,222 | \$ 11,121,789 | \$ 530,789 |

NOTE 11 - COMPENSATED ABSENCES:

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 12 - LONG TERM OBLIGATIONS:

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2024:

| | Balance July 1, 2023 | Issuances/ Increases | Retirements/ Decreases | Balance June 30, 2024 |
|--|-------------------------|-------------------------|---------------------------|--------------------------|
| Long-term obligations from governmental activities: | | | | |
| Direct borrowings and direct placements: | | | | |
| Lease revenue bonds | \$ 55,304,217 | \$ - | \$ 654,144 | \$ 54,650,073 |
| General obligation bonds: | | | | |
| School | 480,000 | - | 120,000 | 360,000 |
| Other liabilities: | | | | |
| Bond premium | 416,056 | - | 14,859 | 401,197 |
| Notes payable | 3,879,000 | - | 582,000 | 3,297,000 |
| Lease liabilities | 19,366 | - | 9,601 | 9,765 |
| Net OPEB liability | 996,480 | 334,677 | 292,602 | 1,038,555 |
| Net pension liability | 526,285 | 3,478,409 | 3,744,018 | 260,676 |
| Compensated absences | 699,995 | 72,602 | 70,000 | 702,597 |
| Total from governmental activities | \$ 62,321,399 | \$ 3,885,688 | \$ 5,487,224 | \$ 60,719,863 |
| Long-term obligations from business-type activities: | | | | |
| Direct borrowings and direct placements: | | | | |
| Virginia Resources Authority lease revenue bonds | \$ 5,033,518 | \$ - | \$ 121,355 | \$ 4,912,163 |
| Public Facility revenue refunding bonds | 6,680,000 | - | 220,000 | 6,460,000 |
| Treatment plant upgrade agreement | 41,597 | - | 6,319 | 35,278 |
| Virginia water facilities revolving fund | - | 261,929 | - | 261,929 |
| Other liabilities: | | | | |
| Bond premium | 719,663 | - | 25,702 | 693,961 |
| Net OPEB liability | 20,336 | 17,958 | 11,202 | 27,092 |
| Net pension liability | 10,741 | 112,949 | 115,629 | 8,061 |
| Compensated absences | 20,775 | - | 2,785 | 17,990 |
| Total from business-type activities | \$ 12,526,630 | \$ 392,836 | \$ 502,992 | \$ 12,416,474 |
| Long-term obligations from component unit: | | | | |
| Other liabilities: | | | | |
| Lease liabilities | \$ 57,982 | \$ - | \$ 20,341 | \$ 37,641 |
| Net OPEB liability | 2,928,811 | 850,687 | 795,175 | 2,984,323 |
| Net pension liability | 10,850,689 | 5,705,384 | 5,434,284 | 11,121,789 |
| Compensated absences | 218,210 | 447,462 | 21,821 | 643,851 |
| Total from component unit | \$ 14,055,692 | \$ 7,003,533 | \$ 6,271,621 | \$ 14,787,604 |
| Total long-term obligations | \$ 88,903,721 | \$ 11,282,057 | \$ 12,261,837 | \$ 87,923,941 |
| Reconciliation to Exhibit 1: | | | | |
| Primary Government | | | | |
| Long-term liabilities due within one year | | | \$ | 2,575,339 |
| Long-term liabilities due in more than one year | | | | 70,560,998 |
| Component Unit | | | | |
| Long-term liabilities due within one year | | | | 91,522 |
| Long-term liabilities due in more than one year | | | | 14,696,082 |
| Total long-term obligations | | | \$ | 87,923,941 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 12 - LONG TERM OBLIGATIONS: (Continued)

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

| Year Ending June 30, | Direct Borrowings and Direct Placements | | Notes Payable | | Lease Liabilities | | Bond Premium | |
|-------------------------|---|---------------|---------------|------------|-------------------|----------|--------------|----------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 1,861,438 | \$ 2,146,423 | \$ 594,000 | \$ 75,149 | \$ 34,418 | \$ 249 | \$ 40,561 | \$ - |
| 2026 | 1,637,877 | 1,602,241 | 607,000 | 62,822 | 6,011 | 27 | 40,561 | - |
| 2027 | 1,610,114 | 1,559,795 | 505,000 | 50,199 | 4,122 | 2 | 40,561 | - |
| 2028 | 1,531,132 | 1,516,744 | 517,000 | 38,104 | 1,527 | - | 40,561 | - |
| 2029 | 1,572,588 | 1,368,103 | 531,000 | 25,722 | 1,328 | - | 40,561 | - |
| 2030-2034 | 8,593,062 | 6,127,291 | 543,000 | 13,006 | - | - | 202,805 | - |
| 2035-2039 | 9,687,766 | 4,968,092 | - | - | - | - | 202,805 | - |
| 2040-2044 | 9,906,509 | 3,946,574 | - | - | - | - | 202,805 | - |
| 2045-2049 | 9,125,033 | 2,942,641 | - | - | - | - | 202,805 | - |
| 2050-2054 | 8,608,307 | 1,960,076 | - | - | - | - | 81,133 | - |
| 2055-2059 | 8,259,781 | 1,073,974 | - | - | - | - | - | - |
| 2060-2063 | 4,285,836 | 222,646 | - | - | - | - | - | - |
| Total | \$ 66,679,443 | \$ 29,434,600 | \$ 3,297,000 | \$ 265,002 | \$ 47,406 | \$ 278 | \$ 1,095,158 | \$ - |

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

Details of Long-Term Obligations:

| | Amount Outstanding | Due within One year |
|---|-----------------------|------------------------|
| Governmental Activities: | | |
| <u>Lease Revenue Bonds:</u> | | |
| \$46,500,000 lease revenue bonds, interest payable on Decemeber 20, 2022 and 2023 and payable in monthly installments of \$148,800 due beginning January 20, 2024 through 2059, interest payable at 2.125%. | \$ 46,099,493 | \$ 813,882 |
| \$7,505,000 public facility revenue refunding bonds, payable in nnaul installments ranging from \$117,738 to \$369,53 beginning November 2022, variable interest payable at 2.125% to 5.00%. | 7,205,000 | 160,000 |
| \$1,232,208 lease revenue bond, interest payable on September 1, 2023 and payable semi-annuall installments of \$33,199 due beginning March , 2024 through 2043, interest payable at 2.125%. | 1,202,090 | 60,465 |
| \$530,000 lease revenue bonds, payable in various annual installments ranging from \$60,952 to \$71,801, due on July 15 through 2025, interest payable sem-annually at 2.34%. | 143,490 | 70,141 |
| Total lease revenue bonds | \$ 54,650,073 | \$ 1,104,488 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 12 - LONG TERM OBLIGATIONS: (Continued)

| | <u>Amount Outstanding</u> | <u>Due within One year</u> |
|---|-------------------------------|--------------------------------|
| <u>Governmental Activities: (Continued)</u> | | |
| <u>Notes payable:</u> | | |
| The County purchased Baseball field lighting. Title to the equipment passes to the entity upon completion of payment of the minimum lease payments. The lease is due in annual installments ranging from \$109,000 to \$113,000 on January 15 through 2026, interest payable semi-annually at .70%. | \$ 225,000 | \$ 112,000 |
| The County purchased radio equipment. Title to the equipment passes to the entity upon completion of payment of the minimum lease payments. The lease is due in annual installments ranging from \$419,000 to \$543,000 on January 15 through 2030, interest payable semi-annually at 2.395%. | 3,072,000 | 482,000 |
| Total Notes payable | \$ 3,297,000 | \$ 594,000 |
| <u>Unamortized Bond Premium</u> | \$ 401,197 | \$ 14,859 |
| <u>General Obligation Bonds:</u> | | |
| \$1,975,000 general obligation school bonds, payable in annual principal installments of \$115,000, due on June 1 through 2027, interest payable semi-annually at 5.31%. | \$ 360,000 | \$ 120,000 |
| <u>Leases liabilities:</u> | | |
| Various leases secured by equipment payable through 2026 at discount rates ranging from 1.69% to 0.61% | \$ 9,765 | \$ 7,281 |
| <u>Compensated absences (payable from general fund)</u> | \$ 702,597 | \$ 70,260 |
| <u>Net pension liability</u> | \$ 260,676 | \$ - |
| <u>Net OPEB liability</u> | \$ 1,038,555 | \$ - |
| Total long-term obligations from governmental activities | \$ 60,719,863 | \$ 1,910,888 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 12 - LONG TERM OBLIGATIONS: (Continued)

| | <u>Amount Outstanding</u> | <u>Due within One year</u> |
|---|-------------------------------|--------------------------------|
| <u>Business-type Activities:</u> | | |
| <u>Lease Revenue Bonds:</u> | | |
| \$1,500,000 revenue bonds, payable in 454 monthly installments of \$5,010 beginning on February 5, 2012, interest payable at 2.375% per year. Interest only due on January 5, 2011 and January 5, 2012. | \$ 1,146,660 | \$ 33,247 |
| \$6,900,000 public facility revenue refunding bonds, payable in annual installments ranging from \$145,000 to \$365,000 beginning November 2022, variable interest payable at 2.125% to 5.00%. | 6,460,000 | 245,000 |
| \$4,308,600 revenue bonds, payable in 456 monthly installments of \$12,969 beginning on June 26, 2018, interest payable at 1.75% per year. Interest only due on May 26, 2017 and May 26, 2018. As of June 30, 2017 proceeds in the amount of \$3,433,178 have been drawn. | <u>3,765,503</u> | <u>90,455</u> |
| Total Lease Revenue bonds | \$ <u>11,372,163</u> | \$ <u>368,702</u> |
| Treatment plant upgrade agreement with the Town of Colonial Beach payable in monthly installments of \$526. Interest payable at 0.00% per year. | \$ <u>35,278</u> | \$ <u>6,319</u> |
| Financing agreement with the Virginia Resources Authority payable on September 1, 2024. Interest payable at 2.70% per year. | \$ <u>261,929</u> | \$ <u>261,929</u> |
| <u>Unamortized Bond Premium</u> | \$ <u>693,961</u> | \$ <u>25,702</u> |
| <u>Net pension liability (payable from water and sewer funds)</u> | \$ <u>8,061</u> | \$ <u>-</u> |
| <u>Net OPEB liability (payable from water and sewer funds)</u> | \$ <u>27,092</u> | \$ <u>-</u> |
| <u>Compensated absences (payable from water and sewer funds)</u> | \$ <u>17,990</u> | \$ <u>1,799</u> |
| Total long-term obligations from business-type activities | <u>\$ 12,416,474</u> | <u>\$ 664,451</u> |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

NOTE 12 - LONG TERM OBLIGATIONS: (Continued)

Details of Long-Term Obligations: (Continued)

Component Unit:

| | | |
|--|-------------------|------------------|
| <u>Compensated absences (payable from school fund)</u> | \$ <u>643,851</u> | \$ <u>64,385</u> |
|--|-------------------|------------------|

Leases liabilities:

| | | |
|--|------------------|------------------|
| Various leases secured by equipment payable through 2026 at discount rates ranging from 1.69% to 0.61% | \$ <u>37,641</u> | \$ <u>27,137</u> |
|--|------------------|------------------|

| | | |
|------------------------------|----------------------|-------------|
| <u>Net Pension Liability</u> | \$ <u>11,121,789</u> | \$ <u>-</u> |
|------------------------------|----------------------|-------------|

| | | |
|---------------------------|---------------------|-------------|
| <u>Net OPEB Liability</u> | \$ <u>2,984,323</u> | \$ <u>-</u> |
|---------------------------|---------------------|-------------|

| | | |
|---|----------------------|------------------|
| Total long-term obligations from component unit | \$ <u>14,787,604</u> | \$ <u>91,522</u> |
|---|----------------------|------------------|

| | | |
|-----------------------------|----------------------|---------------------|
| Total long-term obligations | \$ <u>87,923,941</u> | \$ <u>2,666,861</u> |
|-----------------------------|----------------------|---------------------|

COUNTY OF WESTMORELAND, VIRGINIANotes to Financial Statements
As of June 30, 2024 (Continued)**NOTE 13 - UNEARNED AND DEFERRED/UNAVAILABLE REVENUE:**

At June 30, 2024:

| | Government-wide Statements Governmental Activities | Balance Sheet Governmental Funds |
|---|---|---|
| Primary Government: | | |
| Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures. | \$ - | \$ 1,601,016 |
| Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year. | 186,487 | 186,487 |
| Unearned revenues - American Rescue Plan funds | 199,740 | 199,740 |
| Total | \$ <u>386,227</u> | \$ <u>1,987,243</u> |

NOTE 14 - COMMITMENTS AND CONTINGENCIES:**Federal Programs**

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

As of June 30, 2024, the County had outstanding construction commitments in the amount of \$266,995.

NOTE 15 - LITIGATION:

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements As of June 30, 2024 (Continued)

NOTE 16 - LANDFILL CLOSURE AND POST CLOSURE CARE COST:

The County closed its landfill prior to the date mandated by state and federal laws and regulations; thereby, reducing the liability period for post closure monitoring to ten years subsequent to closure. There was no landfill closure and post closure liability necessary at June 30, 2024 for estimated liability for post closure monitoring. These amounts are based on what it would cost to perform all closure and post closure care in 2024. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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

NOTE 17 - RISK MANAGEMENT:

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

NOTE 18 - SURETY BOND INFORMATION:

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

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

Plan Description

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured Plan, it is not included as part of the GLI Plan OPEB.

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% 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, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$50,638 and \$47,029 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to School Professional Plan were \$68,042 and \$59,286 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the School Nonprofessional Plan were \$3,646 and \$3,699 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the financial statements.

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, 2024, the County, School Board (Professional) and School Board (Nonprofessional) reported a liabilities of \$443,386, \$559,000, and \$34,900, for their proportionate share of the Net GLI OPEB Liability, respectively. The Net GLI OPEB Liability was measured as of June 30, 2023, 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, County, School Board (Professional) and School Board (Nonprofessional)'s proportion were .03697%, .04661% and .00291% respectively, as compared to .03820%, .04730% and .00330% at June 30, 2022.

For the year ended June 30, 2024, the County, School Board (Professional) and School Board (Nonprofessional) recognized GLI OPEB expense of \$36,095, \$15,225, and (\$883) respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

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

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

| | Primary Government | | School Professional | | School Nonprofessional | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 44,283 | \$ 13,459 | \$ 55,830 | \$ 16,969 | \$ 3,486 | \$ 1,059 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 17,818 | - | 22,464 | - | 1,402 |
| Change in assumptions | 9,478 | 30,720 | 11,949 | 38,730 | 746 | 2,418 |
| Changes in proportion | 41,469 | 13,467 | 7,019 | 42,142 | 74 | 7,176 |
| Employer contributions subsequent to the measurement date | 50,638 | - | 68,042 | - | 3,646 | - |
| Total | \$ 145,868 | \$ 75,464 | \$ 142,840 | \$ 120,305 | \$ 7,952 | \$ 12,055 |

\$50,638, \$68,042, and \$3,646 reported as deferred outflows of resources related to the GLI OPEB resulting from the respective County, School Board (Professional) and School Board (Nonprofessional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. 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:

| Year Ended June 30 | Primary Government | School Professional | School Nonprofessional |
|--------------------|--------------------|---------------------|------------------------|
| 2025 | \$ 7,989 | \$ (16,770) | \$ (2,354) |
| 2026 | (8,749) | (30,186) | (2,984) |
| 2027 | 15,027 | 1,937 | (756) |
| 2028 | 3,682 | (4,546) | (1,271) |
| 2029 | 1,817 | 4,058 | (384) |
| Thereafter | - | - | - |

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

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

Mortality Rates - Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers (Continued)

The actuarial assumptions used in the June 30, 2022 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 |
| Retirement Rates | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all |
| Withdrawal Rates | Adjusted rates to better fit experience at each age and service decrement through 9 years of service |
| Disability Rates | No change |
| Salary Scale | No change |
| Discount Rate | No change |

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 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 |
| Disability Rates | No change |
| Salary Scale | No change |
| Line of Duty Disability | No change |
| Discount Rate | No change |

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2022, 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. 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, 2023, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

| | | Group Life Insurance OPEB Program |
|--|----|--|
| Total GLI OPEB Liability | \$ | 3,907,052 |
| Plan Fiduciary Net Position | | 2,707,739 |
| Employers' Net GLI OPEB Liability (Asset) | \$ | <u>1,199,313</u> |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability | | 69.30% |

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

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

Long-Term Expected Rate of Return

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

| Asset Class (Strategy) | Long-Term Target Asset Allocation | Arithmetic Long-term Expected Rate of Return | Weighted Average Long-term Expected Rate of Return* |
|--------------------------------|--|---|--|
| Public Equity | 34.00% | 6.14% | 2.09% |
| Fixed Income | 15.00% | 2.56% | 0.38% |
| Credit Strategies | 14.00% | 5.60% | 0.78% |
| Real Assets | 14.00% | 5.02% | 0.70% |
| Private Equity | 16.00% | 9.17% | 1.47% |
| MAPS - Multi-Asset Public Stra | 4.00% | 4.50% | 0.18% |
| PIP - Private Investment Partr | 2.00% | 7.18% | 0.14% |
| Cash | 1.00% | 1.20% | 0.01% |
| Total | <u>100.00%</u> | | <u>5.75%</u> |
| | | Inflation | <u>2.50%</u> |
| | | Expected arithmetic nominal return** | <u>8.25%</u> |

*The above allocation provides a one-year return of 8.25%. 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 7.14%, 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%.

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, 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, 2023 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 | Current Discount | 1% Increase |
| | | (5.75%) | (6.75%) | (7.75%) |
| Proportionate share of the Group | | | | |
| Life Insurance Program | | | | |
| Net OPEB Liability: | | | | |
| Primary Government | \$ | 657,237 | \$ 443,386 | \$ 270,487 |
| School Professional | | 828,613 | 559,000 | 341,016 |
| School Nonprofessional | | 51,733 | 34,900 | 21,291 |

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

Employees Covered by Benefit Terms

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

| | <u>Primary Government</u> | <u>School Nonprofessional</u> |
|---|--------------------------------------|--|
| Inactive members or their beneficiaries currently receiving benefits | <u>30</u> | <u>10</u> |
| Vested inactive members | 1 | 2 |
| Active members | 100 | 33 |
| Total covered employees | <u><u>131</u></u> | <u><u>45</u></u> |

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County and School Board (Nonprofessional) contractually required employer contribution rates for the year ended June 30, 2024 were .22% and 2.12% of covered employee compensation, respectively. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$9,123 and \$8,604 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions from the School Board (Nonprofessional) to the HIC Plan were \$14,266 and \$8,699 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

Net HIC OPEB Liability

The County and School Board (Nonprofessional)’s net HIC OPEB liabilities were measured as of June 30, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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, 2022 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 |
| Line of Duty Disability | No change |
| Discount Rate | No change |

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 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. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates | Adjusted rates to better fit experience and changed final retirement age from 65 to 70 |
| Withdrawal Rates | Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty |
| Disability Rates | No change |
| Salary Scale | No change |
| Line of Duty Disability | No change |
| Discount Rate | No change |

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

Long-Term Expected Rate of Return

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

| <u>Asset Class (Strategy)</u> | <u>Long-term Target Asset Allocation</u> | <u>Arithmetic Long-term Expected Rate of Return</u> | <u>Weighted Average Long-term Expected Rate of Return*</u> |
|--------------------------------|--|---|--|
| Public Equity | 34.00% | 6.14% | 2.09% |
| Fixed Income | 15.00% | 2.56% | 0.38% |
| Credit Strategies | 14.00% | 5.60% | 0.78% |
| Real Assets | 14.00% | 5.02% | 0.70% |
| Private Equity | 16.00% | 9.17% | 1.47% |
| MAPS - Multi-Asset Public Stra | 4.00% | 4.50% | 0.18% |
| PIP - Private Investment Part | 2.00% | 7.18% | 0.14% |
| Cash | 1.00% | 1.20% | 0.01% |
| Total | <u>100.00%</u> | | <u>5.75%</u> |
| | | Inflation | <u>2.50%</u> |
| | | Expected arithmetic nominal return** | <u>8.25%</u> |

*The above allocation provides a one-year expected return of 8.25%. 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 7.14%, 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 WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

| | Primary Government | | |
|---|---------------------------------------|--|---|
| | Increase (Decrease) | | |
| | Total HIC OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net HIC OPEB Liability (Asset) (a) - (b) |
| Balances at June 30, 2022 | \$ 97,561 | \$ 43,668 | \$ 53,893 |
| Changes for the year: | | | |
| Service cost | \$ 2,904 | \$ - | \$ 2,904 |
| Interest | 6,647 | - | 6,647 |
| Benefit changes | - | - | - |
| Differences between expected and actual experience | (7,708) | - | (7,708) |
| Assumption changes | - | - | - |
| Contributions - employer | - | 8,604 | (8,604) |
| Net investment income | - | 2,502 | (2,502) |
| Benefit payments | (3,974) | (3,974) | - |
| Administrative expenses | - | (55) | 55 |
| Other changes | - | 338 | (338) |
| Net changes | \$ (2,131) | \$ 7,415 | \$ (9,546) |
| Balances at June 30, 2023 | \$ 95,430 | \$ 51,083 | \$ 44,347 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

Changes in Net HIC OPEB Liability: (Continued)

| | School Nonprofessional | | |
|---|---------------------------------------|--|---|
| | Increase (Decrease) | | |
| | Total HIC OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net HIC OPEB Liability (Asset) (a) - (b) |
| Balances at June 30, 2022 | \$ 191,990 | \$ 20,589 | \$ 171,401 |
| Changes for the year: | | | |
| Service cost | \$ 1,247 | \$ - | \$ 1,247 |
| Interest | 12,831 | - | 12,831 |
| Benefit changes | - | - | - |
| Differences between expected and actual experience | (49,675) | - | (49,675) |
| Assumption changes | - | - | - |
| Contributions - employer | - | 14,521 | (14,521) |
| Net investment income | - | 1,676 | (1,676) |
| Benefit payments | (6,291) | (6,291) | - |
| Administrative expenses | - | (46) | 46 |
| Other changes | - | 7 | (7) |
| Net changes | \$ (41,888) | \$ 9,867 | \$ (51,755) |
| Balances at June 30, 2023 | \$ 150,102 | \$ 30,456 | \$ 119,646 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

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

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

| | Rate | | |
|------------------------|-------------|------------------|-------------|
| | 1% Decrease | Current Discount | 1% Increase |
| | (5.75%) | (6.75%) | (7.75%) |
| Net HIC OPEB Liability | | | |
| Primary Government | \$ 54,499 | \$ 44,347 | \$ 35,769 |
| School Nonprofessional | 133,636 | 119,646 | 107,534 |

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, 2024, the County and School Board (Nonprofessional) recognized HIC Plan OPEB expense of \$9,319 and \$(9,891), respectively. At June 30, 2024, the County and School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the HIC Plan from the following sources:

| | Primary Government | | School Nonprofessional | |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 7,411 | \$ 10,726 | \$ - | \$ 41,782 |
| Net difference between projected and actual earnings on HIC OPEB plan investments | 147 | - | 340 | - |
| Change in assumptions | 11,609 | - | 1,071 | - |
| Employer contributions subsequent to the measurement date | 9,123 | - | 8,546 | - |
| Total | \$ 28,290 | \$ 10,726 | \$ 9,957 | \$ 41,782 |

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

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

\$9,123 and \$8,546 reported by the County and School Board (Nonprofessional), respectively, as deferred outflows of resources related to the HIC OPEB resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | <u>Primary Government</u> | <u>School Nonprofessional</u> |
|---------------------------|-------------------------------|-----------------------------------|
| 2025 | \$ 3,216 | \$ (22,939) |
| 2026 | 2,596 | (15,931) |
| 2027 | 2,502 | (1,499) |
| 2028 | 127 | (2) |
| 2029 | - | - |
| Thereafter | - | - |

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 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, 2021. 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 \$152,463 and \$132,845 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly 2023, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the financial statements.

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

At June 30, 2024, the school division reported a liability of \$1,333,892 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC was .11010% as compared to .11404% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$94,687. 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 WESTMORELAND, VIRGINIA

Notes of Financial Statements
June 30, 2024 (Continued)

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

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

At June 30, 2024, 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 \$ | - | \$ 58,711 |
| Net difference between projected and actual earnings on Teacher HIC OPEB plan investments | 669 | - |
| Change in assumptions | 31,051 | 1,344 |
| Change in proportion | 30,836 | 101,746 |
| Employer contributions subsequent to the measurement date | <u>152,463</u> | <u>-</u> |
| Total | <u>\$ 215,019</u> | <u>\$ 161,801</u> |

\$152,463 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, 2025. 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

| | |
|------------|-------------|
| 2025 | \$ (20,213) |
| 2026 | (27,145) |
| 2027 | (14,807) |
| 2028 | (17,237) |
| 2029 | (15,540) |
| Thereafter | (4,303) |

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

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

Mortality Rates - Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2022 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 |

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, 2023, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

| | | Teacher Employee HIC OPEB Plan |
|---|----|---|
| Total Teacher Employee HIC OPEB Liability | \$ | 1,475,471 |
| Plan Fiduciary Net Position | | 264,054 |
| Teacher Employee net HIC OPEB Liability (Asset) | \$ | <u>1,211,417</u> |

Plan Fiduciary Net Position as a Percentage
of the Total Teacher Employee HIC OPEB Liability 17.90%

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

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

Long-Term Expected Rate of Return

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

| Asset Class (Strategy) | Long-Term Target Asset Allocation | Arithmetic Long-term Expected Rate of Return | Weighted Average Long-term Expected Rate of Return* |
|--------------------------------------|--|---|--|
| Public Equity | 34.00% | 6.14% | 2.09% |
| Fixed Income | 15.00% | 2.56% | 0.38% |
| Credit Strategies | 14.00% | 5.60% | 0.78% |
| Real Assets | 14.00% | 5.02% | 0.70% |
| Private Equity | 16.00% | 9.17% | 1.47% |
| MAPS - Multi-Asset Public Strategies | 4.00% | 4.50% | 0.18% |
| PIP - Private Investment Partnership | 2.00% | 7.18% | 0.14% |
| Cash | 1.00% | 1.20% | 0.01% |
| Total | 100.00% | | 5.75% |
| | | Inflation | 2.50% |
| | | Expected arithmetic nominal return** | 8.25% |

*The above allocation provides a one-year return of 8.25%. 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 7.14%, 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%.

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, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution

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

Discount Rate: (Continued)

rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

| | | Rate | | |
|---|----|-------------|------------------|--------------|
| | | 1% Decrease | Current Discount | 1% Increase |
| | | (5.75%) | (6.75%) | (7.75%) |
| School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan | | | | |
| Net HIC OPEB Liability | \$ | 1,508,780 | \$ 1,333,892 | \$ 1,185,689 |

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 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at<http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

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

Plan Description

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

Benefits Provided

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

Plan Membership

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

| | | |
|--------------------------------|----|------------|
| Active employees | \$ | 130 |
| Retirees and surviving spouses | | <u>-</u> |
| Total | \$ | <u>130</u> |

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. This is determined annually as part of the budgetary process. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2024 was \$12,891.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

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

Total OPEB Liability

The County’s total OPEB liability was measured as of June 30, 2024.

Actuarial Assumptions

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

| | |
|---------------------------|----------------------------------|
| Inflation | 2.50% |
| Salary Increases | Varies based on years of service |
| Discount Rate | 3.93% |
| Investment Rate of Return | N/A |

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates. The final equivalent single discount rate used for this year’s valuation is 3.93% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

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

Changes in Total OPEB Liability

| Changes in Net OPEB Liability - County | | Primary Government |
|--|----|----------------------|
| | | Total OPEB Liability |
| Balances at June 30, 2023 | \$ | 502,958 |
| Changes for the year: | | |
| Service cost | | 83,178 |
| Interest | | 21,161 |
| Changes in assumptions | | (16,492) |
| Benefit payments | | (12,891) |
| Net changes | | 74,956 |
| Balances at June 30, 2024 | \$ | 577,914 |

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 (2.93%) or one percentage point higher (4.93%) than the current discount rate:

| Rate | | |
|------------------------|----------------------------------|------------------------|
| 1% Decrease (2.93%) | Current Discount Rate (3.93%) | 1% Increase (4.93%) |
| \$ 639,718 | \$ 577,914 | \$ 523,764 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

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

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (1.50% decreasing to an ultimate rate of 2.90%) or one percentage point higher (3.50% decreasing to an ultimate rate of 4.90%) than the current healthcare cost trend rates:

| Rates | | |
|-------------|-----------------|-------------|
| | Healthcare Cost | |
| 1% Decrease | Trend | 1% Increase |
| \$ 491,848 | \$ 577,914 | \$ 682,438 |

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

For the year ended June 30, 2024, the County recognized OPEB expense in the amount of \$64,726. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 34,985 | \$ 26,536 |
| Changes in assumptions | - | 70,922 |
| Total | \$ 34,985 | \$ 97,458 |

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

| Year Ended June 30 | |
|--------------------|-------------|
| 2025 | \$ (32,592) |
| 2026 | (26,496) |
| 2027 | (2,116) |
| 2028 | (1,269) |
| 2029 | - |
| Thereafter | - |

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

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

Plan Description

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

Benefits Provided

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

Plan Membership

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

| | | |
|--------------------------------|----|------------|
| Active | \$ | 232 |
| Retirees and surviving spouses | | 3 |
| Spouse of current retiree | | 1 |
| | | <hr/> |
| Total | \$ | <u>236</u> |

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School for OPEB as the benefits came due during the year ended June 30, 2024 was \$39,776.

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

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------|--|
| Inflation | 2.50% |
| Salary Increases | Ranges from 3.50% to 5.35% based on years of service |
| Discount Rate | 3.93% |

Mortality Rates:

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

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

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

Discount Rate

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The final equivalent single discount rate used for this year’s valuation is 3.93% as of the end of the fiscal year with the expectation that the School Board will continue paying the pay-go cost.

Changes in Total OPEB Liability

| Changes in Net OPEB Liability - School Board | | |
|--|----|--|
| | | Primary Government Total OPEB Liability |
| Balances at June 30, 2023 | \$ | 769,301 |
| Changes for the year: | | |
| Service cost | | 62,649 |
| Interest | | 29,647 |
| Effect of economic/demographic gains or losses | | 126,773 |
| Effect of assumption changes | | (11,709) |
| Benefit payments | | (39,776) |
| Net changes | | 167,584 |
| Balances at June 30, 2024 | \$ | 936,885 |

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 (2.93%) or one percentage point higher (4.93%) than the current discount rate:

| Rate | | |
|------------------------|----------------------------------|------------------------|
| 1% Decrease (2.93%) | Current Discount Rate (3.93%) | 1% Increase (4.93%) |
| \$ 10,001,899 | \$ 936,885 | \$ 874,837 |

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

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

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

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

| Rates | | |
|-----------------|------------|--------------|
| Healthcare Cost | | |
| 1% Decrease | Trend | 1% Increase |
| \$ 837,585 | \$ 936,885 | \$ 1,052,392 |

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

For the year ended June 30, 2023, the School Board recognized OPEB expense in the amount of \$83,471. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 108,918 | \$ 113,248 |
| Changes in assumptions | 58,593 | 28,002 |
| Total | <u>\$ 167,511</u> | <u>\$ 141,250</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:

| Year Ended June 30 | |
|--------------------|------------|
| 2025 | \$ (9,729) |
| 2026 | (4,463) |
| 2027 | 7,823 |
| 2028 | 7,823 |
| 2029 | 7,823 |
| Thereafter | 16,984 |

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

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

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

| | Primary Government | | | |
|--------------------------------|---------------------|-------------------|-------------------|-------------------|
| | Net OPEB Liability | Deferred Outflows | Deferred Inflows | OPEB Expense |
| County Pay-as-you-go (Note 22) | \$ 577,914 | \$ 34,985 | \$ 97,458 | \$ 64,726 |
| Group Life County - (Note 19) | 443,386 | 145,868 | 75,464 | 36,095 |
| County HIC Program (Note 20) | 44,347 | 28,290 | 10,726 | 9,319 |
| Total | <u>\$ 1,065,647</u> | <u>\$ 209,143</u> | <u>\$ 183,648</u> | <u>\$ 110,140</u> |

| | Component Unit School Board | | | |
|---|-----------------------------|-------------------|-------------------|-------------------|
| | Net OPEB Liability | Deferred Outflows | Deferred Inflows | OPEB Expense |
| School Pay-as-you-go (Note 23) | \$ 936,885 | \$ 167,511 | \$ 141,250 | \$ 83,471 |
| Group Life - School Professional (Note 19) | 559,000 | 142,840 | 120,305 | 15,225 |
| Group Life - School Nonprofessional (Note 19) | 34,900 | 7,952 | 12,055 | (883) |
| Nonprofessional HIC Program (Note 20) | 119,646 | 9,957 | 41,782 | (9,891) |
| Teacher HIC Program (Note 21) | 1,333,892 | 215,019 | 161,801 | 94,687 |
| Total | <u>\$ 2,984,323</u> | <u>\$ 543,279</u> | <u>\$ 477,193</u> | <u>\$ 182,609</u> |

NOTE 24— NEW ACCOUNTING STANDARDS:

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

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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.

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

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (continued)

NOTE 25— COVID-19:

ARPA Funding

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

In June 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$199,740 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

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

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) | |
|--|------------------|----------------|-------------------|---|--|
| | Original | Final | Actual Amounts | | |
| REVENUES | | | | | |
| General property taxes | \$ 26,603,075 | \$ 26,603,075 | \$ 26,303,203 | \$ (299,872) | |
| Other local taxes | 3,175,458 | 3,218,230 | 3,580,083 | 361,853 | |
| Permits, privilege fees, and regulatory licenses | 302,865 | 302,865 | 501,140 | 198,275 | |
| Fines and forfeitures | 189,000 | 189,000 | 173,390 | (15,610) | |
| Revenue from the use of money and property | 246,324 | 246,324 | 936,496 | 690,172 | |
| Charges for services | 82,431 | 93,641 | 100,455 | 6,814 | |
| Miscellaneous | 95,024 | 720,918 | 1,095,402 | 374,484 | |
| Recovered costs | 1,493,669 | 1,523,184 | 1,697,607 | 174,423 | |
| Intergovernmental: | | | | | |
| Commonwealth | 6,492,624 | 7,054,627 | 6,430,825 | (623,802) | |
| Federal | 1,890,378 | 2,156,880 | 3,387,113 | 1,230,233 | |
| Total revenues | \$ 40,570,848 | \$ 42,108,744 | \$ 44,205,714 | \$ 2,096,970 | |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government administration | \$ 3,794,119 | \$ 4,137,346 | \$ 3,781,722 | \$ 355,624 | |
| Judicial administration | 1,270,792 | 1,413,717 | 1,237,619 | 176,098 | |
| Public safety | 11,814,869 | 13,552,628 | 12,162,558 | 1,390,070 | |
| Public works | 4,387,769 | 4,722,871 | 4,558,127 | 164,744 | |
| Health and welfare | 5,230,710 | 5,234,641 | 4,775,070 | 459,571 | |
| Education | 11,194,578 | 11,224,056 | 11,224,056 | - | |
| Parks, recreation, and cultural | 608,704 | 627,823 | 608,692 | 19,131 | |
| Community development | 568,688 | 718,008 | 602,144 | 115,864 | |
| Nondepartmental | 233,499 | 231,268 | 230,604 | 664 | |
| Capital projects | 597,779 | 4,984,714 | 2,564,355 | 2,420,359 | |
| Debt service: | | | | | |
| Principal retirement | 1,247,108 | 1,247,108 | 1,247,108 | - | |
| Interest and other fiscal charges | 1,854,948 | 2,841,830 | 1,905,431 | 936,399 | |
| Total expenditures | \$ 42,803,563 | \$ 50,936,010 | \$ 44,897,486 | \$ 6,038,524 | |
| Excess (deficiency) of revenues over (under) | | | | | |
| expenditures | \$ (2,232,715) | \$ (8,827,266) | \$ (691,772) | \$ 8,135,494 | |
| Net change in fund balances | | | | | |
| Fund balances - beginning | 2,203,114 | 8,828,161 | 17,021,782 | 8,193,621 | |
| Fund balances - ending | \$ - | \$ - | \$ 16,330,010 | \$ 16,330,010 | |

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
Pension Plans
For The Measurement Dates of June 30, 2014 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 1,013,713 | \$ 927,316 | \$ 800,714 | \$ 812,645 | \$ 690,198 | \$ 715,093 | \$ 670,396 | \$ 642,911 | \$ 648,302 | \$ 608,513 |
| Interest | 2,159,406 | 2,077,383 | 1,952,574 | 1,837,004 | 1,773,060 | 1,658,624 | 1,613,872 | 1,636,243 | 1,554,107 | 1,477,841 |
| Changes in benefit terms | 392,957 | - | - | - | - | - | - | - | - | - |
| Differences between expected and actual experience | (420,948) | (222,572) | (1,224,195) | 615,113 | 88,440 | 560,982 | (366,157) | (1,497,135) | (78,724) | - |
| Changes in assumptions | - | - | 1,043,354 | - | 765,175 | - | 5,897 | - | - | - |
| Benefit payments | (1,560,165) | (1,746,574) | (1,554,919) | (1,550,299) | (1,312,558) | (1,287,255) | (1,282,127) | (921,085) | (979,525) | (1,014,156) |
| Net change in total pension liability | \$ 1,584,963 | \$ 1,035,553 | \$ 1,017,528 | \$ 1,714,463 | \$ 2,004,315 | \$ 1,647,444 | \$ 641,881 | \$ (139,066) | \$ 1,144,160 | \$ 1,072,198 |
| Total pension liability - beginning | <u>31,757,563</u> | <u>30,722,010</u> | <u>29,704,482</u> | <u>27,990,019</u> | <u>25,985,704</u> | <u>24,338,260</u> | <u>23,696,379</u> | <u>23,835,445</u> | <u>22,691,285</u> | <u>21,619,087</u> |
| Total pension liability - ending (a) | <u>\$ 33,342,526</u> | <u>\$ 31,757,563</u> | <u>\$ 30,722,010</u> | <u>\$ 29,704,482</u> | <u>\$ 27,990,019</u> | <u>\$ 25,985,704</u> | <u>\$ 24,338,260</u> | <u>\$ 23,696,379</u> | <u>\$ 23,835,445</u> | <u>\$ 22,691,285</u> |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 971,990 | \$ 807,514 | \$ 724,095 | \$ 620,679 | \$ 588,834 | \$ 603,624 | \$ 586,693 | \$ 672,423 | \$ 633,577 | \$ 667,482 |
| Contributions - employee | 432,219 | 387,048 | 348,574 | 332,040 | 312,664 | 298,340 | 289,810 | 252,601 | 244,702 | 248,749 |
| Net investment income | 2,028,301 | (42,462) | 6,943,397 | 487,915 | 1,624,057 | 1,699,333 | 2,530,844 | 364,286 | 907,326 | 2,710,890 |
| Benefit payments | (1,560,165) | (1,746,574) | (1,554,919) | (1,550,299) | (1,312,558) | (1,287,255) | (1,282,127) | (921,085) | (979,525) | (1,014,156) |
| Administrator charges | (19,912) | (19,795) | (17,302) | (16,814) | (16,020) | (14,732) | (14,715) | (12,671) | (12,350) | (14,578) |
| Other | 819 | 734 | 653 | (572) | (1,019) | (1,510) | (2,250) | (153) | (193) | 143 |
| Net change in plan fiduciary net position | \$ 1,853,252 | \$ (613,535) | \$ 6,444,498 | \$ (127,051) | \$ 1,195,958 | \$ 1,297,800 | \$ 2,108,255 | \$ 355,401 | \$ 793,537 | \$ 2,598,530 |
| Plan fiduciary net position - beginning | <u>31,220,537</u> | <u>31,834,072</u> | <u>25,389,574</u> | <u>25,516,625</u> | <u>24,320,667</u> | <u>23,022,867</u> | <u>20,914,612</u> | <u>20,559,211</u> | <u>19,765,674</u> | <u>17,167,144</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 33,073,789</u> | <u>\$ 31,220,537</u> | <u>\$ 31,834,072</u> | <u>\$ 25,389,574</u> | <u>\$ 25,516,625</u> | <u>\$ 24,320,667</u> | <u>\$ 23,022,867</u> | <u>\$ 20,914,612</u> | <u>\$ 20,559,211</u> | <u>\$ 19,765,674</u> |
| County's net pension liability (asset) - ending (a) - (b) | \$ 268,737 | \$ 537,026 | \$ (1,112,062) | \$ 4,314,908 | \$ 2,473,394 | \$ 1,665,037 | \$ 1,315,393 | \$ 2,781,767 | \$ 3,276,234 | \$ 2,925,611 |
| Plan fiduciary net position as a percentage of the total pension liability | 99.19% | 98.31% | 103.62% | 85.47% | 91.16% | 93.59% | 94.60% | 88.26% | 86.25% | 87.11% |
| Covered payroll | \$ 8,687,902 | \$ 8,307,470 | \$ 7,395,271 | \$ 7,007,158 | \$ 6,551,860 | \$ 6,197,162 | \$ 5,970,248 | \$ 5,131,610 | \$ 4,810,683 | \$ 4,926,874 |
| County's net pension liability as a percentage of covered payroll | 3.09% | 6.46% | -15.04% | 61.58% | 37.75% | 26.87% | 22.03% | 54.21% | 68.10% | 59.38% |

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

Schedule of Changes in Net Pension Liability and Related Ratios

Component Unit School Board (nonprofessional)

Pension Plans

For The Measurement Dates of June 30, 2014 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 71,211 | \$ 78,709 | \$ 74,931 | \$ 75,204 | \$ 70,864 | \$ 75,447 | \$ 77,136 | \$ 85,052 | \$ 84,808 | \$ 98,467 |
| Interest | 338,420 | 346,255 | 319,169 | 310,121 | 294,007 | 274,669 | 275,668 | 265,470 | 262,208 | 252,023 |
| Differences between expected and actual experience | (323,581) | (255,377) | 77,360 | 49,029 | 211,579 | 199,979 | (114,005) | 24,513 | (83,136) | - |
| Changes of assumptions | - | - | 130,745 | - | 110,127 | - | (4,064) | - | - | - |
| Benefit payments | (291,132) | (265,203) | (294,063) | (306,580) | (277,985) | (269,707) | (228,312) | (230,372) | (204,176) | (205,806) |
| Net change in total pension liability | \$ (205,082) | \$ (95,616) | \$ 308,142 | \$ 127,774 | \$ 408,592 | \$ 280,388 | \$ 6,423 | \$ 144,663 | \$ 59,704 | \$ 144,684 |
| Total pension liability - beginning | <u>5,087,980</u> | <u>5,183,596</u> | <u>4,875,454</u> | <u>4,747,680</u> | <u>4,339,088</u> | <u>4,058,700</u> | <u>4,052,277</u> | <u>3,907,614</u> | <u>3,847,910</u> | <u>3,703,226</u> |
| Total pension liability - ending (a) | <u>\$ 4,882,898</u> | <u>\$ 5,087,980</u> | <u>\$ 5,183,596</u> | <u>\$ 4,875,454</u> | <u>\$ 4,747,680</u> | <u>\$ 4,339,088</u> | <u>\$ 4,058,700</u> | <u>\$ 4,052,277</u> | <u>\$ 3,907,614</u> | <u>\$ 3,847,910</u> |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 86,761 | \$ 97,210 | \$ 96,163 | \$ 66,596 | \$ 64,017 | \$ 59,979 | \$ 62,921 | \$ 74,703 | \$ 77,446 | \$ 76,884 |
| Contributions - employee | 33,439 | 34,826 | 34,465 | 35,600 | 34,115 | 34,871 | 36,575 | 35,640 | 37,061 | 36,335 |
| Net investment income | 300,090 | (4,076) | 1,066,469 | 77,448 | 260,455 | 284,160 | 432,043 | 61,050 | 161,881 | 495,868 |
| Benefit payments | (291,132) | (265,203) | (294,063) | (306,580) | (277,985) | (269,707) | (228,312) | (230,372) | (204,176) | (205,806) |
| Administrator charges | (3,068) | (3,046) | (2,741) | (2,747) | (2,709) | (2,550) | (2,569) | (2,313) | (2,275) | (2,729) |
| Other | 120 | 111 | 100 | (89) | (163) | (249) | (382) | (26) | (34) | 26 |
| Net change in plan fiduciary net position | \$ 126,210 | \$ (140,178) | \$ 900,393 | \$ (129,772) | \$ 77,730 | \$ 106,504 | \$ 300,276 | \$ (61,318) | \$ 69,903 | \$ 400,578 |
| Plan fiduciary net position - beginning | <u>4,719,470</u> | <u>4,859,648</u> | <u>3,959,255</u> | <u>4,089,027</u> | <u>4,011,297</u> | <u>3,904,793</u> | <u>3,604,517</u> | <u>3,665,835</u> | <u>3,595,932</u> | <u>3,195,354</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 4,845,680</u> | <u>\$ 4,719,470</u> | <u>\$ 4,859,648</u> | <u>\$ 3,959,255</u> | <u>\$ 4,089,027</u> | <u>\$ 4,011,297</u> | <u>\$ 3,904,793</u> | <u>\$ 3,604,517</u> | <u>\$ 3,665,835</u> | <u>\$ 3,595,932</u> |
| School Division's net pension liability - ending (a) - (b) | \$ 37,218 | \$ 368,510 | \$ 323,948 | \$ 916,199 | \$ 658,653 | \$ 327,791 | \$ 153,907 | \$ 447,760 | \$ 241,779 | \$ 251,978 |
| Plan fiduciary net position as a percentage of the total pension liability | 99.24% | 92.76% | 93.75% | 81.21% | 86.13% | 92.45% | 96.21% | 88.95% | 93.81% | 93.45% |
| Covered payroll | \$ 684,981 | \$ 709,528 | \$ 701,544 | \$ 720,745 | \$ 690,577 | \$ 709,125 | \$ 741,630 | \$ 719,396 | \$ 743,755 | \$ 726,912 |
| School Division's net pension liability as a percentage of covered payroll | 5.43% | 51.94% | 46.18% | 127.12% | 95.38% | 46.22% | 20.75% | 62.24% | 32.51% | 34.66% |

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

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
Pension Plans
For The Measurement Dates of June 30, 2014 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Employer's Proportion of the Net Pension Liability (Asset) | 0.10967% | 0.11010% | 0.11403% | 0.11600% | 0.11310% | 0.12031% | 0.12267% | 0.11459% | 0.11744% | 0.11661% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ 11,084,571 | \$ 10,482,179 | \$ 8,852,260 | \$ 16,885,412 | \$ 14,888,550 | \$ 14,148,000 | \$ 15,086,000 | \$ 16,059,000 | \$ 14,781,000 | \$ 14,092,000 |
| Employer's Covered Payroll | 10,978,917 | 10,291,140 | 10,138,070 | 10,312,225 | 9,558,257 | 9,776,252 | 9,890,689 | 8,831,974 | 8,268,366 | 8,098,877 |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 100.96% | 101.86% | 87.32% | 163.74% | 155.77% | 144.72% | 152.53% | 181.83% | 178.77% | 174.00% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 82.45% | 82.61% | 85.46% | 71.47% | 73.51% | 74.81% | 72.92% | 68.28% | 70.68% | 70.88% |

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

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

Schedule of Employer Contributions

Pension Plans

For The Years Ended June 30, 2014 through June 30, 2023

| 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 | | | | | |
| 2024 | \$ 1,048,050 | \$ 1,048,050 | \$ - | \$ 9,377,444 | 11.18% |
| 2023 | 972,117 | 972,117 | - | 8,687,902 | 11.19% |
| 2022 | 810,017 | 810,017 | - | 8,307,470 | 9.75% |
| 2021 | 724,088 | 724,088 | - | 7,395,271 | 9.79% |
| 2020 | 622,237 | 622,237 | - | 7,007,158 | 8.88% |
| 2019 | 588,834 | 588,834 | - | 6,551,860 | 8.99% |
| 2018 | 603,623 | 603,623 | - | 6,197,162 | 9.74% |
| 2017 | 599,413 | 599,413 | - | 5,970,248 | 10.04% |
| 2016 | 677,886 | 677,886 | - | 5,131,610 | 13.21% |
| 2015 | 635,491 | 635,491 | - | 4,810,683 | 13.21% |
| Component Unit School Board (Nonprofessional) | | | | | |
| 2024 | \$ 84,801 | \$ 84,801 | \$ - | \$ 672,887 | 12.60% |
| 2023 | 88,637 | 88,637 | - | 684,981 | 12.94% |
| 2022 | 97,209 | 97,209 | - | 709,528 | 13.70% |
| 2021 | 96,164 | 96,164 | - | 701,544 | 13.71% |
| 2020 | 66,543 | 66,543 | - | 720,745 | 9.23% |
| 2019 | 64,017 | 64,017 | - | 690,577 | 9.27% |
| 2018 | 59,983 | 59,983 | - | 709,125 | 8.46% |
| 2017 | 63,558 | 63,558 | - | 741,630 | 8.57% |
| 2016 | 75,033 | 75,033 | - | 719,396 | 10.43% |
| 2015 | 77,574 | 77,574 | - | 743,755 | 10.43% |
| Component Unit School Board (Professional) | | | | | |
| 2024 | \$ 1,992,133 | \$ 1,992,133 | \$ - | \$ 12,600,287 | 15.81% |
| 2023 | 1,731,258 | 1,731,258 | - | 10,978,917 | 15.77% |
| 2022 | 1,635,619 | 1,635,619 | - | 10,291,140 | 15.89% |
| 2021 | 1,613,270 | 1,613,270 | - | 10,138,070 | 15.91% |
| 2020 | 1,541,868 | 1,541,868 | - | 10,312,225 | 14.95% |
| 2019 | 1,449,843 | 1,449,843 | - | 9,558,257 | 15.17% |
| 2018 | 1,733,735 | 1,733,735 | - | 9,776,252 | 16.32% |
| 2017 | 1,449,975 | 1,449,975 | - | 9,890,689 | 14.66% |
| 2016 | 1,227,802 | 1,227,802 | - | 8,831,974 | 13.90% |
| 2015 | 1,198,913 | 1,198,913 | - | 8,268,366 | 14.50% |

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

Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2024

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, 2022 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

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

Componer

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

Schedule of County of Westmoreland, Virginia's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

| 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 | | | | | |
| 2023 | 0.03697% \$ | 443,386 \$ | 8,709,158 | 5.09% | 69.30% |
| 2022 | 0.03820% | 459,965 | 8,309,937 | 5.54% | 67.21% |
| 2021 | 0.03580% | 417,391 | 7,401,470 | 5.64% | 67.45% |
| 2020 | 0.03408% | 568,739 | 7,013,227 | 8.11% | 52.64% |
| 2019 | 0.03345% | 544,321 | 6,557,341 | 8.30% | 52.00% |
| 2018 | 0.03265% | 496,000 | 6,208,077 | 7.99% | 51.22% |
| 2017 | 0.03238% | 488,000 | 5,972,040 | 8.17% | 48.86% |
| Component Unit School Board (Nonprofessional) | | | | | |
| 2023 | 0.00291% \$ | 34,900 \$ | 684,981 | 5.10% | 69.30% |
| 2022 | 0.00330% | 39,254 | 709,528 | 5.53% | 67.21% |
| 2021 | 0.00350% | 40,866 | 723,766 | 5.65% | 67.45% |
| 2020 | 0.00350% | 58,409 | 720,745 | 8.10% | 52.64% |
| 2019 | 0.00352% | 57,279 | 690,577 | 8.29% | 52.00% |
| 2018 | 0.00373% | 57,000 | 709,125 | 8.04% | 51.22% |
| 2017 | 0.00402% | 60,000 | 741,630 | 8.09% | 48.86% |
| Component Unit School Board (Professional) | | | | | |
| 2023 | 0.04661% \$ | 559,000 \$ | 10,978,917 | 5.09% | 69.30% |
| 2022 | 0.04730% | 569,658 | 10,291,140 | 5.54% | 67.21% |
| 2021 | 0.04910% | 571,890 | 10,142,487 | 5.64% | 67.45% |
| 2020 | 0.05011% | 836,254 | 10,312,225 | 8.11% | 54.64% |
| 2019 | 0.04882% | 794,431 | 9,558,257 | 8.31% | 52.00% |
| 2018 | 0.05144% | 782,000 | 9,781,015 | 8.00% | 51.22% |
| 2017 | 0.05280% | 795,000 | 9,739,667 | 8.16% | 48.86% |

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2015 through June 30, 2024

| | | Contributions in Relation to | | | Contributions | |
|---|---|---|--|----------------------------------|---------------------------------|--|
| | Contractually Required Contribution | Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Payroll | as a % of Covered Payroll | |
| Date | (1) | (2) | (3) | (4) | (5) | |
| Primary Government | | | | | | |
| 2024 | \$ 50,638 | \$ 50,638 | \$ | \$ 9,377,444 | 0.54% | |
| 2023 | 47,029 | 47,029 | - | 8,709,158 | 0.54% | |
| 2022 | 44,874 | 44,874 | - | 8,309,937 | 0.54% | |
| 2021 | 39,968 | 39,968 | - | 7,401,470 | 0.54% | |
| 2020 | 36,469 | 36,469 | - | 7,013,227 | 0.52% | |
| 2019 | 34,098 | 34,098 | - | 6,557,341 | 0.52% | |
| 2018 | 32,282 | 32,282 | - | 6,208,077 | 0.52% | |
| 2017 | 31,055 | 31,055 | - | 5,972,040 | 0.52% | |
| 2016 | 24,658 | 24,658 | - | 5,137,105 | 0.48% | |
| 2015 | 23,091 | 23,091 | - | 4,810,683 | 0.48% | |
| Component Unit School Board (Nonprofessional) | | | | | | |
| 2024 | \$ 3,646 | \$ 3,646 | \$ | \$ 675,126 | 0.54% | |
| 2023 | 3,699 | 3,699 | - | 684,981 | 0.54% | |
| 2022 | 3,831 | 3,831 | - | 709,528 | 0.54% | |
| 2021 | 3,908 | 3,908 | - | 723,766 | 0.54% | |
| 2020 | 3,748 | 3,748 | - | 720,745 | 0.52% | |
| 2019 | 3,591 | 3,591 | - | 690,577 | 0.52% | |
| 2018 | 3,687 | 3,687 | - | 709,125 | 0.52% | |
| 2017 | 3,856 | 3,856 | - | 741,630 | 0.52% | |
| 2016 | 3,453 | 3,453 | - | 719,395 | 0.48% | |
| 2015 | 3,570 | 3,570 | - | 743,755 | 0.48% | |
| Component Unit School Board (Professional) | | | | | | |
| 2024 | \$ 68,042 | \$ 68,042 | \$ | \$ 12,600,287 | 0.54% | |
| 2023 | 59,286 | 59,286 | - | 10,978,917 | 0.54% | |
| 2022 | 55,572 | 55,572 | - | 10,291,140 | 0.54% | |
| 2021 | 54,769 | 54,769 | - | 10,142,487 | 0.54% | |
| 2020 | 53,624 | 53,624 | - | 10,312,225 | 0.52% | |
| 2019 | 49,771 | 49,771 | - | 9,558,257 | 0.52% | |
| 2018 | 50,861 | 50,861 | - | 9,781,015 | 0.52% | |
| 2017 | 50,646 | 50,646 | - | 9,739,667 | 0.52% | |
| 2016 | 41,975 | 41,975 | - | 8,744,831 | 0.48% | |
| 2015 | 41,912 | 41,912 | - | 8,731,688 | 0.48% | |

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2024

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, 2022 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 Changes in the County's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|---------------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total HIC OPEB Liability | | | | | | | |
| Service cost | \$ 2,904 | 3,756 | \$ 2,361 | \$ 2,919 | \$ 2,535 | \$ 2,862 | \$ 2,503 |
| Interest | 6,647 | 5,764 | 4,416 | 4,249 | 4,131 | 3,918 | 3,795 |
| Differences between expected and actual experience | (7,708) | (7,322) | 14,598 | 1,556 | 448 | (611) | - |
| Changes of assumptions | - | 16,860 | 1,185 | - | 1,618 | - | (2,146) |
| Benefit payments | (3,974) | (6,267) | (6,406) | (6,102) | (3,514) | (2,738) | (2,062) |
| Net change in total HIC OPEB liability | \$ (2,131) | 12,791 | \$ 16,154 | \$ 2,622 | \$ 5,218 | \$ 3,431 | \$ 2,090 |
| Total HIC OPEB Liability - beginning | 97,561 | 84,770 | 68,616 | 65,994 | 60,776 | 57,345 | 55,255 |
| Total HIC OPEB Liability - ending (a) | \$ 95,430 | 97,561 | \$ 84,770 | \$ 68,616 | \$ 65,994 | \$ 60,776 | \$ 57,345 |
| Plan fiduciary net position | | | | | | | |
| Contributions - employer | \$ 8,604 | 7,809 | \$ 6,407 | \$ 6,092 | \$ 5,493 | \$ 6,287 | \$ 5,895 |
| Net investment income | 2,502 | (3) | 7,470 | 561 | 1,704 | 1,490 | 1,824 |
| Benefit payments | (3,974) | (6,267) | (6,406) | (6,102) | (3,514) | (2,738) | (2,062) |
| Administrator charges | (55) | (76) | (89) | (54) | (38) | (39) | (35) |
| Other | 338 | 6,353 | - | - | (2) | (79) | 79 |
| Net change in plan fiduciary net position | \$ 7,415 | 7,816 | \$ 7,382 | \$ 497 | \$ 3,643 | \$ 4,921 | \$ 5,701 |
| Plan fiduciary net position - beginning | 43,668 | 35,852 | 28,470 | 27,973 | 24,330 | 19,409 | 13,708 |
| Plan fiduciary net position - ending (b) | \$ 51,083 | 43,668 | \$ 35,852 | \$ 28,470 | \$ 27,973 | \$ 24,330 | \$ 19,409 |
| Net HIC OPEB liability - ending (a) - (b) | \$ 44,347 | 53,893 | \$ 48,918 | \$ 40,146 | \$ 38,021 | \$ 36,446 | \$ 37,936 |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 53.53% | 44.76% | 42.29% | 41.49% | 42.39% | 40.03% | 33.85% |
| Covered payroll | \$ 3,910,852 | 3,549,068 | \$ 2,912,198 | \$ 2,769,139 | \$ 2,496,883 | \$ 2,329,923 | \$ 2,184,545 |
| Net HIC OPEB liability as a percentage of covered payroll | 1.13% | 1.52% | 1.68% | 1.45% | 1.52% | 1.56% | 1.74% |

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

Schedule of Changes in the Westmoreland County School Board's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 |
|--|--------------------|----------------|-------------------|-------------------|
| Total HIC OPEB Liability | | | | |
| Service cost | \$ 1,247 | 824 | \$ 1,044 | \$ - |
| Interest | 12,831 | 9,236 | 8,386 | - |
| Changes of benefit terms | - | 72,544 | - | 124,231 |
| Differences between expected and actual experience | (49,675) | (26,870) | - | - |
| Changes of assumptions | - | 3,376 | 5,464 | - |
| Benefit payments | (6,291) | (6,245) | - | - |
| Net change in total HIC OPEB liability | \$ (41,888) | 52,865 | \$ 14,894 | \$ 124,231 |
| Total HIC OPEB Liability - beginning | 191,990 | 139,125 | 124,231 | - |
| Total HIC OPEB Liability - ending (a) | \$ 150,102 | 191,990 | \$ 139,125 | \$ 124,231 |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 14,521 | 16,106 | \$ 9,541 | \$ - |
| Net investment income | 1,676 | (225) | 1,392 | - |
| Benefit payments | (6,291) | (6,245) | - | - |
| Administrator charges | (46) | (44) | (43) | - |
| Other | 7 | 107 | - | - |
| Net change in plan fiduciary net position | \$ 9,867 | 9,699 | \$ 10,890 | \$ - |
| Plan fiduciary net position - beginning | 20,589 | 10,890 | - | - |
| Plan fiduciary net position - ending (b) | \$ 30,456 | 20,589 | \$ 10,890 | \$ - |
| Net HIC OPEB liability - ending (a) - (b) | \$ 119,646 | 171,401 | \$ 128,235 | \$ 124,231 |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 20.29% | 10.72% | 7.83% | 0.00% |
| Covered payroll | \$ 684,981 | 709,528 | \$ 701,544 | \$ 690,577 |
| Net HIC OPEB liability as a percentage of covered payroll | 17.47% | 24.16% | 18.28% | 17.99% |

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

Schedule of Employer Contributions

Health Insurance Credit (HIC) Plan

For the Years Ended June 30, 2015 through June 30, 2024

| Date | Contributions in Relation to | | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as a % of Covered Payroll |
|--|---|---|--|----------------------------------|--|
| | Contractually Required Contribution | Contractually Required Contribution | | | |
| (1) | (2) | (3) | (4) | (5) | |
| Primary Government | | | | | |
| 2024 | \$ 9,123 | \$ 9,123 | \$ - | \$ 4,146,749 | 0.22% |
| 2023 | 8,604 | 8,604 | - | 3,910,852 | 0.22% |
| 2022 | 7,808 | 7,808 | - | 3,549,068 | 0.22% |
| 2021 | 6,407 | 6,407 | - | 2,912,198 | 0.22% |
| 2020 | 6,092 | 6,092 | - | 2,769,139 | 0.22% |
| 2019 | 5,493 | 5,493 | - | 2,496,883 | 0.22% |
| 2018 | 6,291 | 6,291 | - | 2,329,923 | 0.27% |
| 2017 | 5,898 | 5,898 | - | 2,184,545 | 0.27% |
| 2016 | 4,021 | 4,021 | - | 1,675,322 | 0.24% |
| 2015 | 3,357 | 3,357 | - | 1,398,662 | 0.24% |
| Component Unit School Board (Nonprofessional) | | | | | |
| 2024 | \$ 8,546 | \$ 8,546 | \$ - | \$ 672,887 | 1.27% |
| 2023 | 8,699 | 8,699 | - | 684,981 | 1.27% |
| 2022 | 9,650 | 9,650 | - | 709,528 | 1.36% |
| 2021 | 9,541 | 9,541 | - | 701,544 | 1.36% |

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

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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, 2022, 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 |

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Westmoreland School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

| Date | Employer's Proportion of the Net HIC OPEB Liability (Asset) | Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) | Employer's Covered Payroll | Employer's | Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability |
|------|--|--|----------------------------------|---|--|
| | | | | Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) | |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 2023 | 0.11010% \$ | 1,333,892 \$ | 12,600,287 | 10.59% | 17.90% |
| 2022 | 0.11404% | 1,379,197 | 10,978,917 | 12.56% | 15.08% |
| 2021 | 0.11463% | 1,471,355 | 10,138,070 | 14.51% | 13.15% |
| 2020 | 0.11763% | 1,534,503 | 10,312,225 | 14.88% | 9.95% |
| 2019 | 0.11396% | 1,491,847 | 9,558,257 | 15.61% | 8.97% |
| 2018 | 0.12094% | 1,536,000 | 9,781,015 | 15.70% | 8.08% |
| 2017 | 0.12341% | 1,565,000 | 9,739,667 | 16.07% | 7.04% |

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

Schedule of Employer Contributions

Teacher Employee Health Insurance Credit (HIC) Plan

For the Years Ended June 30, 2015 through June 30, 2024

| 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) |
|------|--|---|---|---|---|
| 2024 | \$ 152,463 | \$ 152,463 | \$ - | \$ 12,600,287 | 1.21% |
| 2023 | 132,845 | 132,845 | - | 10,978,917 | 1.21% |
| 2022 | 124,523 | 124,523 | - | 10,291,140 | 1.21% |
| 2021 | 122,671 | 122,671 | - | 10,138,070 | 1.21% |
| 2020 | 123,747 | 123,747 | - | 10,312,225 | 1.20% |
| 2019 | 114,699 | 114,699 | - | 9,558,257 | 1.20% |
| 2018 | 120,306 | 120,306 | - | 9,781,015 | 1.23% |
| 2017 | 108,110 | 108,110 | - | 9,739,667 | 1.11% |
| 2016 | 92,613 | 92,613 | - | 8,737,106 | 1.06% |
| 2015 | 92,556 | 92,556 | - | 8,731,688 | 1.06% |

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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, 2022 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 (Asset) and Related Ratios
Pay-As-You-Go Plan
For the Measurement Dates of June 30, 2018 through 2024

| | Primary Government 2024 | Primary Government 2023 | Primary Government 2022 | Primary Government 2021 | Primary Government 2020 | Primary Government 2019 | Primary Government 2018 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 83,178 | 91,417 | \$ 62,119 | \$ 63,179 | \$ 50,867 | \$ 49,903 | \$ 50,455 |
| Interest | 21,161 | 16,997 | 9,539 | 10,874 | 14,498 | 17,859 | 16,284 |
| Changes in assumptions | (16,492) | (46,193) | (55,554) | (24,128) | 28,232 | (82,701) | (14,166) |
| Economic/demographic gains or losses | - | 54,421 | - | (85,504) | - | (29,041) | - |
| Benefit payments | (12,891) | (4,795) | (8,994) | (18,521) | (37,408) | (29,202) | (24,355) |
| Net change in total OPEB liability | \$ 74,956 | 111,847 | \$ 7,110 | \$ (54,100) | \$ 56,189 | \$ (73,182) | \$ 28,218 |
| Total OPEB liability - beginning | 502,958 | 391,111 | 384,001 | 438,101 | 381,912 | 455,094 | 426,876 |
| Total OPEB liability - ending | \$ 577,914 | 502,958 | \$ 391,111 | \$ 384,001 | \$ 438,101 | \$ 381,912 | \$ 455,094 |
| Covered-employee payroll | \$ 6,742,838 | 6,742,838 | \$ 5,927,569 | \$ 5,927,569 | \$ 5,461,505 | \$ 5,461,505 | \$ 4,971,600 |
| School Board's total OPEB liability (asset) as a percentage of covered-employee payroll | 8.57% | 7.46% | 6.60% | 6.48% | 8.02% | 6.99% | 9.15% |

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

Notes to Required Supplementary Information - Pay-As-You Go OPEB Plan
For the Year Ended June 30, 2024

Valuation Date: 7/1/2022
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 | 3.93% |
| Inflation | 2.50% |
| Healthcare Trend Rate | The healthcare trend rate assumption starts at 6.40% to 3.90% over 49 years. |
| Salary Increase Rates | Varies based on years of service |
| Retirement Age | Based in VRS eligibility and service requirments |
| Mortality Rates | The mortality rates are based on the RP-2014 Employee Mortality Tables. |

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Component Unit School Board
For the Measurement Dates of June 30, 2018 through 2024

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-------------------|----------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 62,649 | 58,912 | \$ 65,990 | \$ 66,977 | \$ 55,041 | \$ 56,509 | \$ 57,806 |
| Interest | 29,647 | 27,014 | 16,782 | 16,008 | 38,265 | 38,623 | 34,151 |
| Effect of plan changes | - | - | - | - | (323,393) | | |
| Effect of economic/demographic gains or losses | 126,773 | - | (152,897) | - | (66,919) | | |
| Changes in assumptions | (11,709) | (6,249) | 92,118 | 1,994 | (53,023) | 35,297 | (34,352) |
| Benefit payments | (39,776) | (28,924) | (28,680) | (34,021) | (27,662) | (39,642) | (28,442) |
| Net change in total OPEB liability | \$ 167,584 | 50,753 | \$ (6,687) | \$ 50,958 | \$ (377,691) | \$ 90,787 | \$ 29,163 |
| Total OPEB liability - beginning | 769,301 | 718,548 | 725,235 | 674,277 | 1,051,968 | 961,181 | 932,018 |
| Total OPEB liability - ending | \$ 936,885 | 769,301 | \$ 718,548 | \$ 725,235 | \$ 674,277 | \$ 1,051,968 | \$ 961,181 |
| Covered-employee payroll | \$ 13,153,397 | 10,409,662 | \$ 10,409,662 | \$ 10,103,423 | \$ 10,103,423 | \$ 10,512,834 | \$ 10,512,834 |
| School Board's total OPEB liability (asset) as a percentage of covered-employee payroll | 7.12% | 7.39% | 6.90% | 7.18% | 6.67% | 10.01% | 9.14% |

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

Notes to Required Supplementary Information - Component Unit School Board Pay-As-You Go OPEB Plan
For the Year Ended June 30, 2024

Valuation Date: 1/1/2024
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 |
| Discount Rate | 3.93% |
| Inflation | 2.50% |
| Healthcare Trend Rate | The healthcare trend rate assumption starts at 3.50% and gradually increases to 4.20% by 2092 for pre-65 and 1.80% gradually increases to 4.60% for post-65 |
| Salary Increase Rates | Ranges from 3.50% to 5.35% based on years of service |
| Retirement Age | Based in VRS eligibility and service requirments |
| Mortality Rates | The mortality rates are based on the RP-2014 Employee Mortality Tables. |

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|--------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ 3,137 | \$ 3,137 | \$ 7,882 | \$ 4,745 |
| Total revenues | <u>\$ 3,137</u> | <u>\$ 3,137</u> | <u>\$ 7,882</u> | <u>\$ 4,745</u> |
| EXPENDITURES | | | | |
| Capital projects | \$ 364,867 | \$ 749,634 | \$ 31,153 | \$ 718,481 |
| Total expenditures | <u>\$ 364,867</u> | <u>\$ 749,634</u> | <u>\$ 31,153</u> | <u>\$ 718,481</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (361,730)</u> | <u>\$ (746,497)</u> | <u>\$ (23,271)</u> | <u>\$ 723,226</u> |
| Net change in fund balances | \$ (361,730) | \$ (746,497) | \$ (23,271) | \$ 723,226 |
| Fund balances - beginning | 361,730 | 746,497 | 384,765 | (361,732) |
| Fund balances - ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 361,494</u></u> | <u><u>\$ 361,494</u></u> |

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2024

| | Placid Bay Sanitary District Fund | Glebe Harbor Cabin Point Sanitary District Fund | Total |
|-------------------------------------|---|--|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,113,650 | \$ 290,221 | \$ 1,403,871 |
| Investments | 3,412 | - | 3,412 |
| Restricted assets: | | | |
| Investments | 49,631 | - | 49,631 |
| Total assets | <u>\$ 1,166,693</u> | <u>\$ 290,221</u> | <u>\$ 1,456,914</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 283,874 | \$ 15,670 | \$ 299,544 |
| FUND BALANCES: | | | |
| Restricted | \$ 49,631 | \$ - | \$ 49,631 |
| Committed | 833,188 | 274,551 | 1,107,739 |
| Total fund balances | <u>\$ 882,819</u> | <u>\$ 274,551</u> | <u>\$ 1,157,370</u> |
| Total liabilities and fund balances | <u>\$ 1,166,693</u> | <u>\$ 290,221</u> | <u>\$ 1,456,914</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

| | Placid Bay Sanitary District Fund | Glebe Harbor Cabin Point Sanitary District Fund | Total |
|---|---|--|--------------|
| REVENUES | | | |
| General property taxes | \$ 85,556 | \$ - | \$ 85,556 |
| Revenue from the use of money and property | 2,407 | - | 2,407 |
| Charges for services | 225,598 | 310,993 | 536,591 |
| Total revenues | \$ 313,561 | \$ 310,993 | \$ 624,554 |
| EXPENDITURES | | | |
| Current: | | | |
| Community development | \$ - | \$ 151,279 | \$ 151,279 |
| Capital projects | 436,196 | 28,897 | 465,093 |
| Debt service: | | | |
| Principal retirement | 20,000 | 98,637 | 118,637 |
| Interest and other fiscal charges | 27,181 | 10,918 | 38,099 |
| Total expenditures | \$ 483,377 | \$ 289,731 | \$ 773,108 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (169,816) | \$ 21,262 | \$ (148,554) |
| Net change in fund balances | \$ (169,816) | \$ 21,262 | \$ (148,554) |
| Fund balances - beginning | 1,052,635 | 253,289 | 1,305,924 |
| Fund balances - ending | \$ 882,819 | \$ 274,551 | \$ 1,157,370 |

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

| | Placid Bay Sanitary District Fund | | | |
|---|-----------------------------------|--------------|--------------|---|
| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| General property taxes | \$ 61,052 | \$ 61,052 | \$ 85,556 | \$ 24,504 |
| Revenue from the use of money and property | 840 | 840 | 2,407 | 1,567 |
| Charges for services | 222,204 | 222,204 | 225,598 | 3,394 |
| Total revenues | \$ 284,096 | \$ 284,096 | \$ 313,561 | \$ 29,465 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | \$ - | \$ - | \$ - | - |
| Capital projects | 287,194 | 1,130,850 | 436,196 | 694,654 |
| Debt service: | | | | |
| Principal retirement | 20,000 | 20,000 | 20,000 | - |
| Interest and other fiscal charges | 27,182 | 27,182 | 27,181 | 1 |
| Total expenditures | \$ 334,376 | \$ 1,178,032 | \$ 483,377 | \$ 694,655 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (50,280) | \$ (893,936) | \$ (169,816) | \$ 724,120 |
| Net change in fund balances | \$ (50,280) | \$ (893,936) | \$ (169,816) | \$ 724,120 |
| Fund balances - beginning | 50,280 | 893,936 | 1,052,635 | 158,699 |
| Fund balances - ending | \$ - | \$ - | \$ 882,819 | \$ 882,819 |

| Glebe Harbor-Cabin Point Sanitary District Fund | | | | |
|---|-------------|------------|---|---|
| Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) | |
| Original | Final | | | |
| \$ - | \$ - | \$ - | \$ - | - |
| - | - | - | - | - |
| 306,884 | 306,884 | 310,993 | 4,109 | |
| \$ 306,884 | \$ 306,884 | \$ 310,993 | \$ 4,109 | |
| | | | | |
| \$ 156,745 | \$ 203,461 | \$ 151,279 | \$ 52,182 | |
| 39,111 | 69,603 | 28,897 | 40,706 | |
| 98,637 | 98,637 | 98,637 | - | |
| 12,391 | 12,391 | 10,918 | 1,473 | |
| \$ 306,884 | \$ 384,092 | \$ 289,731 | \$ 94,361 | |
| | | | | |
| \$ - | \$ (77,208) | \$ 21,262 | \$ 98,470 | |
| | | | | |
| \$ - | \$ (77,208) | \$ 21,262 | \$ 98,470 | |
| - | 77,208 | 253,289 | 176,081 | |
| \$ - | \$ - | \$ 274,551 | \$ 274,551 | |

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2024

| | School Operating Fund | School Cafeteria Fund | School Activity Fund | Total Governmental Funds |
|---|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,980,441 | \$ 261,086 | \$ 168,999 | \$ 3,410,526 |
| Accounts receivable | 4,377 | - | 2,304 | 6,681 |
| Due from other governmental units | 979,741 | 37,006 | - | 1,016,747 |
| Total assets | <u>\$ 3,964,559</u> | <u>\$ 298,092</u> | <u>\$ 171,303</u> | <u>\$ 4,433,954</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 298,941 | \$ 2,671 | \$ 1,168 | \$ 302,780 |
| Accrued liabilities | 1,903,784 | 44,416 | - | 1,948,200 |
| Retainage payable | 126,499 | - | - | 126,499 |
| Due to other governmental units | 87,070 | - | - | 87,070 |
| Total liabilities | <u>\$ 2,416,294</u> | <u>\$ 47,087</u> | <u>\$ 1,168</u> | <u>\$ 2,464,549</u> |
| FUND BALANCES: | | | | |
| Restricted - school activities | \$ - | \$ - | \$ 170,135 | \$ 170,135 |
| Restricted - school safety and security equipment | 70,660 | - | - | 70,660 |
| Committed - cafeteria | - | 251,005 | - | 251,005 |
| Unassigned | 1,477,605 | - | - | 1,477,605 |
| Total fund balances | <u>\$ 1,548,265</u> | <u>\$ 251,005</u> | <u>\$ 170,135</u> | <u>\$ 1,969,405</u> |
| Total liabilities and fund balances | <u>\$ 3,964,559</u> | <u>\$ 298,092</u> | <u>\$ 171,303</u> | <u>\$ 4,433,954</u> |

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

| | |
|--|----------------------|
| Total fund balances per above | \$ 1,969,405 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | |
| Land | \$ 258,916 |
| Construction in progress | 7,546,671 |
| Buildings and systems | 7,235,134 |
| Machinery and equipment | 6,074,279 |
| Leased equipment | <u>28,182</u> |
| | 21,143,182 |
| Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. | |
| OPEB related items | \$ (477,193) |
| Pension related items | <u>(1,802,222)</u> |
| | (2,279,415) |
| Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds | |
| Pension related items | \$ 3,621,246 |
| OPEB related items | <u>543,279</u> |
| | 4,164,525 |
| Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds. | |
| Compensated absences | \$ (643,851) |
| Net OPEB liability | (2,984,323) |
| Net pension liability | (11,121,789) |
| Lease liabilities | <u>(37,641)</u> |
| | (14,787,604) |
| Net position of governmental activities | <u>\$ 10,210,093</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2024

| | School Operating Fund | School Cafeteria Fund | School Activity Fund | Total Governmental Funds |
|---|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| REVENUES | | | | |
| Revenue from the use of money and property | \$ 43,585 | \$ 40 | \$ - | \$ 43,625 |
| Charges for services | - | 69,327 | - | 69,327 |
| Miscellaneous | 326,846 | 36,011 | 243,990 | 606,847 |
| Intergovernmental: | | | | |
| Local government | 11,212,580 | - | - | 11,212,580 |
| Commonwealth | 15,995,484 | 23,892 | - | 16,019,376 |
| Federal | 3,200,258 | 1,397,640 | - | 4,597,898 |
| Total revenues | \$ 30,778,753 | \$ 1,526,910 | \$ 243,990 | \$ 32,549,653 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | \$ 29,960,807 | \$ 1,892,898 | \$ 218,292 | \$ 32,071,997 |
| Capital projects | 3,537,823 | - | - | 3,537,823 |
| Debt service: | | | | |
| Principal retirement | 20,341 | - | - | 20,341 |
| Interest and other fiscal charges | 652 | - | - | 652 |
| Total expenditures | \$ 33,519,623 | \$ 1,892,898 | \$ 218,292 | \$ 35,630,813 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (2,740,870) | \$ (365,988) | \$ 25,698 | \$ (3,081,160) |
| Net change in fund balances | \$ (2,740,870) | \$ (365,988) | \$ 25,698 | \$ (3,081,160) |
| Fund balances - beginning of year | 4,289,135 | 616,993 | 144,437 | 5,050,565 |
| Fund balances - ending | \$ 1,548,265 | \$ 251,005 | \$ 170,135 | \$ 1,969,405 |

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 \$ (3,081,160)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

| | | |
|-------------------------|--------------|-----------|
| Capital asset additions | \$ 5,491,116 | |
| Depreciation expense | (1,920,631) | 3,570,485 |

Transfer of joint tenancy assets from Primary Government to the Component Unit 456,257

Bond and loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases the long term liabilities and does not affect the statement of activities. Similarly, the repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

| | | |
|-------------------------------|-----------|--------|
| Repayments of long-term debt: | | |
| Lease liabilities | \$ 20,341 | 20,341 |

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

| | | |
|----------------------|--------------|-----------|
| Compensated absences | \$ (425,641) | |
| OPEB expense | 105,119 | |
| Pension expense | 1,546,139 | 1,225,617 |

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in governmental funds.

| | | |
|---|--------------|--|
| Change in net position of governmental activities | \$ 161,716 | |
| | \$ 2,353,256 | |

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

| School Operating Fund | | | | | | | | |
|---|----|------------|----|-------------|---|-------------|----|-----------|
| | | | | | Variance with Final Budget Positive (Negative) | | | |
| Budgeted Amounts | | | | | | | | |
| Original | | Final | | Actual | | | | |
| REVENUES | | | | | | | | |
| Revenue from the use of money and property | \$ | 30,500 | \$ | 30,500 | \$ | 43,585 | \$ | 13,085 |
| Charges for services | | - | | - | | - | | - |
| Miscellaneous | | 106,900 | | 259,397 | | 326,846 | | 67,449 |
| Intergovernmental: | | | | | | | | |
| Local government | | 11,183,102 | | 11,212,580 | | 11,212,580 | | - |
| Commonwealth | | 15,217,126 | | 15,503,294 | | 15,995,484 | | 492,190 |
| Federal | | 1,493,605 | | 3,794,038 | | 3,200,258 | | (593,780) |
| Total revenues | \$ | 28,031,233 | \$ | 30,799,809 | \$ | 30,778,753 | \$ | (21,056) |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| Education | \$ | 27,583,307 | \$ | 31,218,627 | \$ | 29,960,807 | \$ | 1,257,820 |
| Capital projects | | 92,000 | | 4,375,323 | | 3,537,823 | | 837,500 |
| Debt service: | | | | | | | | |
| Principal retirement | | 20,341 | | 20,341 | | 20,341 | | - |
| Interest and other fiscal charges | | 652 | | 652 | | 652 | | - |
| Total expenditures | \$ | 27,696,300 | \$ | 35,614,943 | \$ | 33,519,623 | \$ | 2,095,320 |
| Excess (deficiency) of revenues over (under) expenditures | | | | | | | | |
| | \$ | 334,933 | \$ | (4,815,134) | \$ | (2,740,870) | \$ | 2,074,264 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers out | \$ | (55,617) | \$ | (55,617) | \$ | - | \$ | 55,617 |
| Total other financing sources (uses) | \$ | (55,617) | \$ | (55,617) | \$ | - | \$ | 55,617 |
| Net change in fund balances | | | | | | | | |
| | \$ | 279,316 | \$ | (4,870,751) | \$ | (2,740,870) | \$ | 2,129,881 |
| Fund balances - beginning | | (279,316) | | 4,870,751 | | 4,289,135 | | (581,616) |
| Fund balances - ending | \$ | - | \$ | - | \$ | 1,548,265 | \$ | 1,548,265 |

Exhibit 38

| School Cafeteria Fund | | | |
|-----------------------|---------------------|---------------------|---|
| Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
| Original | Final | | |
| \$ 25 | \$ 25 | \$ 40 | \$ 15 |
| - | - | 69,327 | 69,327 |
| 28,500 | 31,000 | 36,011 | 5,011 |
| - | - | - | - |
| 57,735 | 57,735 | 23,892 | (33,843) |
| 1,372,345 | 1,394,938 | 1,397,640 | 2,702 |
| <u>\$ 1,458,605</u> | <u>\$ 1,483,698</u> | <u>\$ 1,526,910</u> | <u>\$ 43,212</u> |
| | | | |
| \$ 1,558,605 | \$ 1,871,991 | \$ 1,892,898 | \$ (20,907) |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 1,558,605</u> | <u>\$ 1,871,991</u> | <u>\$ 1,892,898</u> | <u>\$ (20,907)</u> |
| | | | |
| <u>\$ (100,000)</u> | <u>\$ (388,293)</u> | <u>\$ (365,988)</u> | <u>\$ 22,305</u> |
| | | | |
| \$ - | \$ - | \$ - | \$ - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | |
| \$ (100,000) | \$ (388,293) | \$ (365,988) | \$ 22,305 |
| 100,000 | 388,293 | 616,993 | 228,700 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 251,005</u> | <u>\$ 251,005</u> |

Statement of Fiduciary Net Position
Discretely Presented Component Unit - School Board
Custodial Funds
June 30, 2024

| | <u>Alternative Education Program</u> |
|--|---|
| ASSETS | |
| Cash and cash equivalents | \$ 182,582 |
| Receivables: | |
| Due from state | <u>22,219</u> |
| Total assets | <u>\$ 204,801</u> |
| LIABILITIES | |
| Accounts payable | \$ 8,380 |
| Accrued liabilities | <u>14,667</u> |
| Total liabilities | <u>\$ 23,047</u> |
| NET POSITION | |
| Restricted: | |
| Net position restricted to individuals and organizations | <u><u>\$ 181,754</u></u> |

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

Statement of Changes in Fiduciary Net Position
Discretely Presented Component Unit - School Board
Custodial Funds
For the Year Ended June 30, 2024

| | <u>Alternative Education Program</u> |
|--|--|
| Additions: | |
| Contributions | |
| Contributions | \$ <u>420,806</u> |
| Total additions | \$ <u>420,806</u> |
| Deductions | |
| Other charges | \$ <u>392,807</u> |
| Total deductions | \$ <u>392,807</u> |
| Net Increase (decrease) in plan assets | \$ 27,999 |
| Net Positions | |
| Balance, beginning of year | <u>153,755</u> |
| Balance, end of year | \$ <u><u>181,754</u></u> |

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

Supporting Schedules

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

| 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 | \$ 18,003,959 | \$ 18,003,959 | \$ 17,993,479 | \$ (10,480) |
| Real and personal public service corporation taxes | 429,801 | 429,801 | 407,429 | (22,372) |
| Personal property taxes | 7,382,643 | 7,382,643 | 6,987,145 | (395,498) |
| Mobile home taxes | 32,979 | 32,979 | 31,108 | (1,871) |
| Machinery and tools taxes | 123,622 | 123,622 | 125,873 | 2,251 |
| Farm machinery and tools taxes | 127,461 | 127,461 | 126,304 | (1,157) |
| Merchants capital taxes | 77,373 | 77,373 | 95,294 | 17,921 |
| Penalties | 294,287 | 294,287 | 343,715 | 49,428 |
| Interest | 130,950 | 130,950 | 192,856 | 61,906 |
| Total general property taxes | \$ 26,603,075 | \$ 26,603,075 | \$ 26,303,203 | \$ (299,872) |
| Other local taxes: | | | | |
| Local sales and use taxes | \$ 1,402,666 | \$ 1,402,666 | \$ 1,520,235 | \$ 117,569 |
| Consumers' utility taxes | 341,215 | 341,215 | 318,688 | (22,527) |
| Utility gross receipts taxes | 51,154 | 51,154 | 48,478 | (2,676) |
| Motor vehicle licenses | 810,823 | 810,823 | 839,214 | 28,391 |
| Taxes on recordation and wills | 240,000 | 240,000 | 304,931 | 64,931 |
| E-911 taxes | 3,000 | 3,000 | 9,700 | 6,700 |
| Cigarette tax | 135,000 | 135,000 | 146,597 | 11,597 |
| Meals tax | 146,200 | 146,200 | 250,863 | 104,663 |
| Transient occupancy tax | 45,000 | 87,772 | 140,747 | 52,975 |
| Golf cart decals | 400 | 400 | 630 | 230 |
| Total other local taxes | \$ 3,175,458 | \$ 3,218,230 | \$ 3,580,083 | \$ 361,833 |
| Permits, privilege fees, and regulatory licenses: | | | | |
| Animal licenses | \$ 5,000 | \$ 5,000 | \$ 3,981 | \$ (1,019) |
| Permits and other licenses | 297,865 | 297,865 | 497,159 | 199,294 |
| Total permits, privilege fees, and regulatory licenses | \$ 302,865 | \$ 302,865 | \$ 501,140 | \$ 198,275 |
| Fines and forfeitures: | | | | |
| Court fines and forfeitures | \$ 189,000 | \$ 189,000 | \$ 173,390 | \$ (15,610) |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ 79,241 | \$ 79,241 | \$ 790,062 | \$ 710,821 |
| Revenue from use of property | 167,083 | 167,083 | 146,434 | (20,649) |
| Total revenue from use of money and property | \$ 246,324 | \$ 246,324 | \$ 936,496 | \$ 690,172 |
| Charges for services: | | | | |
| Sheriff's fees | \$ 1,300 | \$ 1,300 | \$ 1,288 | \$ (12) |
| Charges for law enforcement and traffic control | 21,081 | 32,291 | 29,920 | (2,371) |
| Charges for courthouse maintenance | 18,000 | 18,000 | 15,599 | (2,401) |
| Charges for court appointed attorney | 6,000 | 6,000 | 1,808 | (4,192) |
| Concealed weapons permits | 10,000 | 10,000 | 12,735 | 2,735 |
| Charges for Commonwealth's Attorney | 1,600 | 1,600 | 1,657 | 57 |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| General Fund: (Continued) | | | | |
| Charges for services: (Continued) | | | | |
| Miscellaneous jail and inmate fees | \$ 3,600 | \$ 3,600 | \$ 4,126 | \$ 526 |
| Charges for animal control | 2,050 | 2,050 | 2,153 | 103 |
| Charges for sanitation and waste removal | 8,300 | 8,300 | 25,507 | 17,207 |
| Charges for parks, recreation and cultural | 8,000 | 8,000 | 4,896 | (3,104) |
| Charges for planning and community development | 2,500 | 2,500 | 766 | (1,734) |
| Total charges for services | <u>\$ 82,431</u> | <u>\$ 93,641</u> | <u>\$ 100,455</u> | <u>\$ 6,814</u> |
| Miscellaneous: | | | | |
| Expenditure refunds | \$ 200 | \$ 200 | \$ 540 | \$ 340 |
| Miscellaneous other | 94,824 | 220,718 | 594,862 | 374,144 |
| Montross volunteer rescue squad | - | 500,000 | 500,000 | - |
| Total miscellaneous | <u>\$ 95,024</u> | <u>\$ 720,918</u> | <u>\$ 1,095,402</u> | <u>\$ 374,484</u> |
| Recovered costs: | | | | |
| Other recovered costs | \$ 678,669 | \$ 680,525 | \$ 685,180 | \$ 4,655 |
| Rescue recovery | 815,000 | 842,659 | 1,012,427 | 169,768 |
| Total recovered costs | <u>\$ 1,493,669</u> | <u>\$ 1,523,184</u> | <u>\$ 1,697,607</u> | <u>\$ 174,423</u> |
| Total revenue from local sources | <u>\$ 32,187,846</u> | <u>\$ 32,897,237</u> | <u>\$ 34,387,776</u> | <u>\$ 1,490,539</u> |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Motor vehicle carriers' tax | \$ 50 | \$ 50 | \$ 28 | \$ (22) |
| Mobile home titling tax | 20,000 | 20,000 | 63,696 | 43,696 |
| Motor vehicle rental tax | 4,000 | 4,000 | 3,571 | (429) |
| Tax on deeds | 65,000 | 65,000 | 105,640 | 40,640 |
| Communication sales and use taxes | 448,600 | 448,600 | 414,959 | (33,641) |
| Personal property tax relief funds | 1,139,679 | 1,139,679 | 1,139,679 | - |
| Total noncategorical aid | <u>\$ 1,677,329</u> | <u>\$ 1,677,329</u> | <u>\$ 1,727,573</u> | <u>\$ 50,244</u> |
| Categorical aid: | | | | |
| Shared expenses: | | | | |
| Commonwealth's attorney | \$ 332,501 | \$ 332,501 | \$ 360,261 | \$ 27,760 |
| Sheriff | 1,257,771 | 1,257,771 | 1,309,329 | 51,558 |
| Commissioner of revenue | 145,058 | 145,058 | 144,823 | (235) |
| Treasurer | 127,019 | 127,019 | 133,214 | 6,195 |
| Registrar/electoral board | 66,584 | 83,256 | 87,369 | 4,113 |
| Clerk of the Circuit Court | 255,617 | 255,617 | 254,449 | (1,168) |
| Total shared expenses | <u>\$ 2,184,550</u> | <u>\$ 2,201,222</u> | <u>\$ 2,289,445</u> | <u>\$ 88,223</u> |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|---------------|---|
| General Fund: (Continued) | | | | |
| Intergovernmental: (Continued) | | | | |
| Revenue from the Commonwealth: (Continued) | | | | |
| Categorical aid: (Continued) | | | | |
| Other categorical aid: | | | | |
| Welfare administration and public assistance | \$ 681,313 | \$ 800,651 | \$ 592,058 | \$ (208,593) |
| Four for life | 25,000 | 25,000 | 22,678 | (2,322) |
| Victim-witness grant | - | 36,250 | - | (36,250) |
| Fire programs | 54,000 | 54,000 | 64,097 | 10,097 |
| Children's Services Act | 1,578,791 | 1,578,791 | 1,312,882 | (265,909) |
| Criminal justice grants | - | - | 47,288 | 47,288 |
| Emergency services | - | 1,400 | 1,400 | - |
| VJCCCA grants | 142,000 | 207,094 | 196,997 | (10,097) |
| Library grant | - | 46,370 | 46,370 | - |
| Wireless grant | 85,229 | 85,229 | 81,396 | (3,833) |
| Other categorical aid | 64,412 | 341,291 | 48,641 | (292,650) |
| Total other categorical aid | \$ 2,630,745 | \$ 3,176,076 | \$ 2,413,807 | \$ (762,269) |
| Total categorical aid | \$ 4,815,295 | \$ 5,377,298 | \$ 4,703,252 | \$ (674,046) |
| Total revenue from the Commonwealth | \$ 6,492,624 | \$ 7,054,627 | \$ 6,430,825 | \$ (623,802) |
| Revenue from the federal government: | | | | |
| Noncategorical aid: | | | | |
| Payments in lieu of taxes | \$ 1,600 | \$ 1,600 | \$ 3,093 | \$ 1,493 |
| American rescue funds | - | - | 1,360,699 | 1,360,699 |
| ARPA law enforcement equipment grant | 324,996 | 362,000 | 323,374 | (38,626) |
| Total noncategorical aid | \$ 326,596 | \$ 363,600 | \$ 1,687,166 | \$ 1,323,566 |
| Categorical aid: | | | | |
| Welfare administration and public assistance | \$ 1,223,424 | \$ 1,307,083 | \$ 1,296,582 | \$ (10,501) |
| School resource officer grant | 40,415 | 40,415 | 20,208 | (20,207) |
| EMP Grant | - | - | 7,500 | 7,500 |
| Justice assistance act grant program | - | 2,517 | 4,231 | 1,714 |
| Byrne justice grant | 79,429 | 79,429 | 78,060 | (1,369) |
| U.S. fish and wildlife | 1,450 | 1,450 | - | (1,450) |
| DMV grants | - | 71,696 | 39,486 | (32,210) |
| Interest subsidy | 98,895 | 98,895 | 99,187 | 292 |
| Local assistance and tribal consistency fund | - | 50,000 | 50,000 | - |
| ARPA tourism grant | - | - | 35,000 | 35,000 |
| HRSA rural public health workforce training network | 120,169 | 141,795 | 69,693 | (72,102) |
| Total categorical aid | \$ 1,563,782 | \$ 1,793,280 | \$ 1,699,947 | \$ (93,333) |
| Total revenue from the federal government | \$ 1,890,378 | \$ 2,156,880 | \$ 3,387,113 | \$ 1,230,233 |
| Total General Fund | \$ 40,570,848 | \$ 42,108,744 | \$ 44,205,714 | \$ 2,096,970 |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|---------------|---|
| Capital Projects Fund: | | | | |
| General Capital Projects Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | \$ 3,137 | \$ 3,137 | \$ 7,882 | \$ 4,745 |
| Total revenue from use of money and property | \$ 3,137 | \$ 3,137 | \$ 7,882 | \$ 4,745 |
| Total revenue from local sources | \$ 3,137 | \$ 3,137 | \$ 7,882 | \$ 4,745 |
| Total General Capital Projects Fund | \$ 3,137 | \$ 3,137 | \$ 7,882 | \$ 4,745 |
| Special Revenue Fund: | | | | |
| Placid Bay Sanitary District Fund: | | | | |
| Revenue from local sources: | | | | |
| General property taxes: | | | | |
| Real property taxes | \$ 53,702 | \$ 53,702 | \$ 73,393 | \$ 19,691 |
| Penalties | 3,400 | 3,400 | 4,958 | 1,558 |
| Interest | 3,950 | 3,950 | 7,205 | 3,255 |
| Total general property taxes | \$ 61,052 | \$ 61,052 | \$ 85,556 | \$ 24,504 |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | \$ 840 | \$ 840 | \$ 2,407 | \$ 1,567 |
| Charges for services: | | | | |
| Road maintenance user fees | \$ 222,204 | \$ 222,204 | \$ 225,598 | \$ 3,394 |
| Total Placid Bay Sanitary District Fund | \$ 284,096 | \$ 284,096 | \$ 313,561 | \$ 29,465 |
| Special Revenue Fund: | | | | |
| Glebe Harbor-Cabin Point Sanitary District Fund: | | | | |
| Revenue from local sources: | | | | |
| Charges for services: | | | | |
| Recreational fees | \$ 306,884 | \$ 306,884 | \$ 310,993 | \$ 4,109 |
| Total Glebe Harbor-Cabin Point Sanitary District Fund | \$ 306,884 | \$ 306,884 | \$ 310,993 | \$ 4,109 |
| Total Primary Government | \$ 41,164,965 | \$ 42,702,861 | \$ 44,838,150 | \$ 2,135,289 |

Schedule of Revenues - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2024 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| Discretely Presented Component Unit - School Board: | | | | |
| School Operating Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | \$ 1,500 | \$ 1,500 | \$ 418 | \$ (1,082) |
| Revenue from the use of property | 29,000 | 29,000 | 43,167 | 14,167 |
| Total revenue from use of money and property | <u>\$ 30,500</u> | <u>\$ 30,500</u> | <u>\$ 43,585</u> | <u>\$ 13,085</u> |
| Miscellaneous: | | | | |
| Expenditure refunds | \$ 106,900 | \$ 122,497 | \$ 124,381 | \$ 1,884 |
| Other miscellaneous | - | 136,900 | 202,465 | 65,565 |
| Total miscellaneous | <u>\$ 106,900</u> | <u>\$ 259,397</u> | <u>\$ 326,846</u> | <u>\$ 67,449</u> |
| Total revenue from local sources | <u>\$ 137,400</u> | <u>\$ 289,897</u> | <u>\$ 370,431</u> | <u>\$ 80,534</u> |
| Intergovernmental: | | | | |
| Revenues from local governments: | | | | |
| Contribution from County of Westmoreland, Virginia | <u>\$ 11,183,102</u> | <u>\$ 11,212,580</u> | <u>\$ 11,212,580</u> | <u>\$ -</u> |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | \$ 2,206,223 | \$ 2,206,223 | \$ 2,401,365 | \$ 195,142 |
| Basic school aid | 5,676,912 | 5,676,912 | 6,078,188 | 401,276 |
| Remedial education | 328,360 | 328,360 | 332,696 | 4,336 |
| Gifted and talented | 40,712 | 40,712 | 42,555 | 1,843 |
| Special education | 658,059 | 658,059 | 687,841 | 29,782 |
| Vocational SOQ payments | 155,447 | 155,447 | 162,482 | 7,035 |
| Social security fringe benefits | 274,623 | 274,623 | 287,052 | 12,429 |
| Retirement fringe benefits | 640,293 | 640,293 | 669,271 | 28,978 |
| Early reading intervention | 74,294 | 74,294 | 46,922 | (27,372) |
| At risk payments | 1,270,024 | 1,270,024 | 1,351,715 | 81,691 |
| Technology | 154,000 | 297,015 | 98,667 | (198,348) |
| Standards of Learning algebra readiness | 27,881 | 27,881 | 25,828 | (2,053) |
| K-3 initiatives | 288,565 | 288,565 | 319,130 | 30,565 |
| Preschool initiative | 310,513 | 310,513 | 263,105 | (47,408) |
| Other state funds | 3,111,220 | 3,254,373 | 3,228,667 | (25,706) |
| Total categorical aid | <u>\$ 15,217,126</u> | <u>\$ 15,503,294</u> | <u>\$ 15,995,484</u> | <u>\$ 492,190</u> |
| Total revenue from the Commonwealth | <u>\$ 15,217,126</u> | <u>\$ 15,503,294</u> | <u>\$ 15,995,484</u> | <u>\$ 492,190</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Title I | \$ 701,164 | \$ 827,890 | \$ 780,389 | \$ (47,501) |
| Title VI-B, flow-through | 400,934 | 476,042 | 515,682 | 39,640 |
| Title VI-B, preschool | 20,183 | 20,183 | 20,506 | 323 |
| Title II Part A | 94,194 | 168,146 | 143,143 | (25,003) |
| Education stabilization funds | - | 1,516,899 | 1,429,020 | (87,879) |
| Other federal funds | 277,130 | 784,878 | 311,518 | (473,360) |
| Total categorical aid | <u>\$ 1,493,605</u> | <u>\$ 3,794,038</u> | <u>\$ 3,200,258</u> | <u>\$ (593,780)</u> |
| Total revenue from the federal government | <u>\$ 1,493,605</u> | <u>\$ 3,794,038</u> | <u>\$ 3,200,258</u> | <u>\$ (593,780)</u> |
| Total School Operating Fund | <u>\$ 28,031,233</u> | <u>\$ 30,799,809</u> | <u>\$ 30,778,753</u> | <u>\$ (21,056)</u> |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|--------------------|-----------------|--------------|---|
| Discretely Presented Component Unit - School Board: (Continued) | | | | |
| Special Revenue Fund: | | | | |
| School Cafeteria Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | \$ 25 | \$ 25 | \$ 40 | \$ 15 |
| Charges for services: | | | | |
| Cafeteria sales | \$ - | \$ - | \$ 69,327 | \$ 69,327 |
| Miscellaneous: | | | | |
| Other miscellaneous | \$ 28,500 | \$ 31,000 | \$ 36,011 | 5,011 |
| Total revenue from local sources | \$ 28,525 | \$ 31,025 | \$ 105,378 | \$ 74,353 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| School food program grant | \$ 57,735 | \$ 57,735 | \$ 23,892 | \$ (33,843) |
| Total categorical aid | \$ 57,735 | \$ 57,735 | \$ 23,892 | \$ (33,843) |
| Total revenue from the Commonwealth | 57,735 | 57,735 | 23,892 | (33,843) |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| School food program grant | \$ 1,364,360 | \$ 1,364,360 | \$ 1,361,455 | \$ (2,905) |
| Pandemic EBT administrative costs | 7,985 | 7,985 | 13,592 | 5,607 |
| ESSER special education | - | 22,593 | 22,593 | - |
| Total categorical aid | \$ 1,372,345 | \$ 1,394,938 | \$ 1,397,640 | \$ 2,702 |
| Total revenue from the federal government | \$ 1,372,345 | \$ 1,394,938 | \$ 1,397,640 | \$ 2,702 |
| Total School Cafeteria Fund | \$ 1,458,605 | \$ 1,483,698 | \$ 1,526,910 | \$ 43,212 |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|--------------------|-----------------|--------------|---|
| General Fund: | | | | |
| General government administration: | | | | |
| Legislative: | | | | |
| Board of supervisors | \$ 131,762 | \$ 125,630 | \$ 119,202 | \$ 6,428 |
| General and financial administration: | | | | |
| County administrator | \$ 622,849 | \$ 690,769 | \$ 688,483 | \$ 2,286 |
| County attorney | 106,305 | 106,483 | 106,483 | - |
| Independent auditor | 74,230 | 74,230 | - | 74,230 |
| Commissioner of revenue | 455,297 | 465,297 | 411,969 | 53,328 |
| Assessor | 40,000 | 40,000 | - | 40,000 |
| Treasurer | 433,049 | 436,237 | 420,055 | 16,182 |
| Accounting | 545,031 | 593,247 | 533,771 | 59,476 |
| Data processing | 642,627 | 829,949 | 759,844 | 70,105 |
| Risk management | 490,525 | 503,056 | 503,056 | - |
| Dues for local government | 5,345 | 5,345 | 4,390 | 955 |
| Total general and financial administration | \$ 3,415,258 | \$ 3,744,613 | \$ 3,428,051 | \$ 316,562 |
| Board of elections: | | | | |
| Electoral board and officials | \$ 92,520 | \$ 111,352 | \$ 83,642 | \$ 27,710 |
| Registrar | 154,579 | 155,751 | 150,827 | 4,924 |
| Total board of elections | \$ 247,099 | \$ 267,103 | \$ 234,469 | \$ 32,634 |
| Total general government administration | \$ 3,794,119 | \$ 4,137,346 | \$ 3,781,722 | \$ 355,624 |
| Judicial administration: | | | | |
| Courts: | | | | |
| Circuit court | \$ 27,677 | \$ 29,008 | \$ 28,573 | \$ 435 |
| General district court | 2,082 | 2,085 | 1,444 | 641 |
| Juvenile and domestic relations district court | 1,710 | 1,710 | 764 | 946 |
| Clerk of the circuit court | 475,878 | 616,139 | 462,898 | 153,241 |
| Victim-witness | 93,643 | 95,737 | 91,379 | 4,358 |
| Other | 8,000 | 9,200 | 1,853 | 7,347 |
| Total courts | \$ 608,990 | \$ 753,879 | \$ 586,911 | \$ 166,968 |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | \$ 661,802 | \$ 659,838 | \$ 650,708 | \$ 9,130 |
| Total commonwealth's attorney | \$ 661,802 | \$ 659,838 | \$ 650,708 | \$ 9,130 |
| Total judicial administration | \$ 1,270,792 | \$ 1,413,717 | \$ 1,237,619 | \$ 176,098 |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff - law enforcement | \$ 3,465,175 | \$ 3,872,553 | \$ 3,735,017 | \$ 137,536 |
| Other law enforcement and traffic control | 542,006 | 828,979 | 589,767 | 239,212 |
| Sheriff - 911 system | 996,747 | 1,323,973 | 988,717 | 335,256 |
| Total law enforcement and traffic control | \$ 5,003,928 | \$ 6,025,505 | \$ 5,313,501 | \$ 712,004 |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|--------------------|-----------------|---------------|---|
| General Fund: (Continued) | | | | |
| Public Safety: (Continued) | | | | |
| Fire and rescue services: | | | | |
| Volunteer fire department | \$ 903,030 | \$ 977,250 | \$ 845,277 | \$ 131,973 |
| Ambulance and rescue services | 4,336,707 | 4,562,724 | 4,391,412 | 171,312 |
| Forestry | 7,810 | 7,810 | 7,810 | - |
| Total fire and rescue services | \$ 5,247,547 | \$ 5,547,784 | \$ 5,244,499 | \$ 303,285 |
| Correction and detention: | | | | |
| Juvenile and domestic relations court service unit | \$ 93,609 | \$ 93,609 | \$ 91,876 | \$ 1,733 |
| Juvenile commission crime control | 142,000 | 196,997 | 196,997 | - |
| Total correction and detention | \$ 235,609 | \$ 290,606 | \$ 288,873 | \$ 1,733 |
| Inspections: | | | | |
| Building | \$ 353,464 | \$ 373,767 | \$ 337,820 | \$ 35,947 |
| Other protection: | | | | |
| Animal control | \$ 337,282 | \$ 424,025 | \$ 370,649 | \$ 53,376 |
| Medical examiner | 300 | 300 | 240 | 60 |
| Emergency management | 190,213 | 370,007 | 133,152 | 236,855 |
| Emergency services (civil defense) | 446,526 | 520,634 | 473,824 | 46,810 |
| Total other protection | \$ 974,321 | \$ 1,314,966 | \$ 977,865 | \$ 337,101 |
| Total public safety | \$ 11,814,869 | \$ 13,552,628 | \$ 12,162,558 | \$ 1,390,070 |
| Public works: | | | | |
| Maintenance of highways, streets, bridges and sidewalks: | | | | |
| Highways, streets, bridges and sidewalks | \$ 12,100 | \$ 14,456 | \$ 14,456 | - |
| Sanitation and waste removal: | | | | |
| Refuse collection | \$ 841,661 | \$ 796,583 | \$ 796,585 | \$ (2) |
| Refuse disposal | 2,113,829 | 2,244,863 | 2,240,528 | 4,335 |
| Total sanitation and waste removal | \$ 2,955,490 | \$ 3,041,446 | \$ 3,037,113 | \$ 4,333 |
| Maintenance of general buildings and grounds: | | | | |
| General properties | \$ 1,420,179 | \$ 1,666,969 | \$ 1,506,558 | \$ 160,411 |
| Total public works | \$ 4,387,769 | \$ 4,722,871 | \$ 4,558,127 | \$ 164,744 |
| Health and welfare: | | | | |
| Health: | | | | |
| Local health department | \$ 266,126 | \$ 266,127 | \$ 266,127 | - |
| Mental health and mental retardation: | | | | |
| Contribution to Chapter X Board | \$ 84,618 | \$ 84,618 | \$ 84,618 | - |
| Welfare: | | | | |
| Welfare administration | \$ 2,367,620 | \$ 2,639,888 | \$ 2,263,728 | \$ 376,160 |
| Public assistance | 121,566 | 182,517 | 100,986 | 81,531 |
| Comprehensive Services Act | 2,390,780 | 2,061,491 | 2,059,611 | 1,880 |
| Total welfare | \$ 4,879,966 | \$ 4,883,896 | \$ 4,424,325 | \$ 459,571 |
| Total health and welfare | \$ 5,230,710 | \$ 5,234,641 | \$ 4,775,070 | \$ 459,571 |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| General Fund: (Continued) | | | | |
| Education: | | | | |
| Other instructional costs: | | | | |
| Contribution to local school board | \$ 11,183,102 | \$ 11,212,580 | \$ 11,212,580 | \$ - |
| Contributions to community college | 11,476 | 11,476 | 11,476 | - |
| Total education | <u>\$ 11,194,578</u> | <u>\$ 11,224,056</u> | <u>\$ 11,224,056</u> | <u>\$ -</u> |
| Parks, recreation, and cultural: | | | | |
| Parks and recreation: | | | | |
| Public landings | \$ - | \$ - | \$ 11 | \$ (11) |
| Recreational complex | 20,265 | 20,264 | 8,018 | 12,246 |
| Total parks and recreation | <u>\$ 20,265</u> | <u>\$ 20,264</u> | <u>\$ 8,029</u> | <u>\$ 12,235</u> |
| Cultural enrichment: | | | | |
| Westmoreland museum | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ - |
| Other cultural enrichment | - | 6,610 | - | 6,610 |
| Total cultural enrichment | <u>40,000</u> | <u>46,610</u> | <u>40,000</u> | <u>6,610</u> |
| Library: | | | | |
| Contribution to regional library | <u>\$ 548,439</u> | <u>\$ 560,949</u> | <u>\$ 560,663</u> | <u>\$ 286</u> |
| Total parks, recreation, and cultural | <u>\$ 608,704</u> | <u>\$ 627,823</u> | <u>\$ 608,692</u> | <u>\$ 19,131</u> |
| Community development: | | | | |
| Planning and community development: | | | | |
| Planning | \$ 390,982 | \$ 411,674 | \$ 357,565 | \$ 54,109 |
| Community development | 63,666 | 63,666 | 63,666 | - |
| Northern Neck Planning Commission | 17,000 | 17,000 | 17,000 | - |
| Planning District Commission | 7,500 | 8,210 | 7,455 | 755 |
| Zoning board | 2,100 | 2,440 | 1,808 | 632 |
| Wetlands board | 5,400 | 5,400 | 5,224 | 176 |
| Housing assistance | - | 2,432 | 2,432 | - |
| Tourism | 7,000 | 129,818 | 72,629 | 57,189 |
| Industrial Development Authority | 3,000 | 3,000 | - | 3,000 |
| Total planning and community development | <u>\$ 496,648</u> | <u>\$ 643,640</u> | <u>\$ 527,779</u> | <u>\$ 115,861</u> |
| Environmental management: | | | | |
| Contribution to soil and water conservation district | <u>\$ 16,000</u> | <u>\$ 16,000</u> | <u>\$ 16,000</u> | <u>\$ -</u> |
| Total environmental management | <u>\$ 16,000</u> | <u>\$ 16,000</u> | <u>\$ 16,000</u> | <u>\$ -</u> |
| Cooperative extension program: | | | | |
| Cooperative extension program | <u>\$ 56,040</u> | <u>\$ 58,368</u> | <u>\$ 58,365</u> | <u>\$ 3</u> |
| Total cooperative extension program | <u>\$ 56,040</u> | <u>\$ 58,368</u> | <u>\$ 58,365</u> | <u>\$ 3</u> |
| Total community development | <u>\$ 568,688</u> | <u>\$ 718,008</u> | <u>\$ 602,144</u> | <u>\$ 115,864</u> |
| Nondepartmental: | | | | |
| Other nondepartmental | <u>\$ 233,499</u> | <u>\$ 231,268</u> | <u>\$ 230,604</u> | <u>\$ 664</u> |
| Total nondepartmental | <u>233,499</u> | <u>231,268</u> | <u>230,604</u> | <u>664</u> |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|---------------|---|
| General Fund: (Continued) | | | | |
| Capital projects: | | | | |
| Other capital projects | | | | |
| Ambulance purchase | \$ - | 1,083,049 | 351,749 | \$ 731,300 |
| HVAC | - | 935,558 | 566,630 | 368,928 |
| Broadband expansion | - | 325,000 | 325,000 | - |
| Cole point wwtp drip system | - | 995,429 | 795,689 | 199,740 |
| Well replacement | - | 42 | 42 | - |
| School football field lighting | - | 500,802 | 500,802 | - |
| Other capital projects | 597,779 | 1,144,834 | 24,443 | 1,120,391 |
| Total capital projects | \$ 597,779 | \$ 4,984,714 | \$ 2,564,355 | \$ 2,420,359 |
| Debt service: | | | | |
| Principal retirement | \$ 1,247,108 | \$ 1,247,108 | \$ 1,247,108 | \$ - |
| Interest and other fiscal charges | 1,854,948 | 2,841,830 | 1,905,431 | 936,399 |
| Total debt service | \$ 3,102,056 | \$ 4,088,938 | \$ 3,152,539 | \$ 936,399 |
| Total General Fund | \$ 42,803,563 | \$ 50,936,010 | \$ 44,897,486 | \$ 6,038,524 |
| Capital Projects Fund: | | | | |
| General Capital Projects Fund: | | | | |
| Capital projects expenditures: | | | | |
| New High School | \$ - | \$ 43,740 | \$ 25,048 | \$ 18,692 |
| Other capital projects | 364,867 | 705,894 | 6,105 | 699,789 |
| Total capital projects | \$ 364,867 | \$ 749,634 | \$ 31,153 | \$ 718,481 |
| Total General Capital Projects Fund | \$ 364,867 | \$ 749,634 | \$ 31,153 | \$ 718,481 |
| Special Revenue Fund: | | | | |
| Placid Bay Sanitation District Fund: | | | | |
| Roads projects | \$ 287,194 | \$ 1,130,850 | \$ 436,196 | \$ 694,654 |
| Debt service: | | | | |
| Principal retirement | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ - |
| Interest and other fiscal charges | 27,182 | 27,182 | 27,181 | 1 |
| Total debt service | \$ 47,182 | \$ 47,182 | \$ 47,181 | \$ 1 |
| Total Placid Bay Sanitation District Fund | \$ 334,376 | \$ 1,178,032 | \$ 483,377 | \$ 694,655 |
| Glebe Harbor-Cabin Point Sanitary District Fund: | | | | |
| Community development: | | | | |
| Glebe Harbor-Cabin Point sanitary district | \$ 156,745 | \$ 203,461 | \$ 151,279 | \$ 52,182 |
| Capital projects: | | | | |
| Dredging and beach projects | \$ - | \$ 38,850 | \$ 21,040 | \$ 17,810 |
| Other | 39,111 | 30,753 | 7,857 | 22,896 |
| Total capital projects | \$ 39,111 | \$ 69,603 | \$ 28,897 | \$ 40,706 |
| Debt service: | | | | |
| Principal retirement | \$ 98,637 | \$ 98,637 | \$ 98,637 | \$ - |
| Interest and other fiscal charges | 12,391 | 12,391 | 10,918 | 1,473 |
| Total debt service | \$ 111,028 | \$ 111,028 | \$ 109,555 | \$ 1,473 |
| Total Glebe Harbor-Cabin Point Sanitary District Fund | \$ 306,884 | \$ 384,092 | \$ 289,731 | \$ 94,361 |
| Total Primary Government | \$ 43,809,690 | \$ 53,247,768 | \$ 45,701,747 | \$ 7,546,021 |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|---------------|---|
| Discretely Presented Component Unit - School Board | | | | |
| School Operating Fund: | | | | |
| Education: | | | | |
| Instruction costs: | | | | |
| Classroom instruction | \$ 17,026,475 | \$ 18,740,485 | \$ 18,096,749 | \$ 643,736 |
| Guidance services | 720,702 | 728,966 | 639,586 | 89,380 |
| Social worker services | 78,710 | 81,577 | 80,888 | 689 |
| Homebound instruction | 10,765 | 12,777 | 8,475 | 4,302 |
| Improvement of instruction | 173,000 | 56,092 | 55,841 | 251 |
| Media services | 421,261 | 422,367 | 388,171 | 34,196 |
| Office of the principal | 1,563,912 | 1,718,611 | 1,680,295 | 38,316 |
| Total instruction costs | \$ 19,994,825 | \$ 21,760,875 | \$ 20,950,005 | \$ 810,870 |
| Administration, attendance, and health: | | | | |
| Board services | \$ 68,140 | \$ 77,549 | \$ 77,334 | \$ 215 |
| Executive administration | 873,460 | 1,197,288 | 1,193,257 | 4,031 |
| Fiscal services | 302,511 | 306,144 | 305,094 | 1,050 |
| Health services | 506,197 | 559,672 | 538,836 | 20,836 |
| Psychologist services | 134,148 | 134,487 | 132,054 | 2,433 |
| Total administration, attendance, and health | \$ 1,884,456 | \$ 2,275,140 | \$ 2,246,575 | \$ 28,565 |
| Operating costs: | | | | |
| Pupil transportation | \$ 2,368,497 | \$ 2,573,010 | \$ 2,549,872 | \$ 23,138 |
| Operation and maintenance of school plant | 2,456,337 | 2,612,026 | 2,519,180 | 92,846 |
| Operation and maintenance - vehicle services | 13,000 | 72,643 | 72,130 | 513 |
| Facilities | - | 940,385 | 640,866 | 299,519 |
| Technology | 866,192 | 984,548 | 982,179 | 2,369 |
| Total operating costs | \$ 5,704,026 | \$ 7,182,612 | \$ 6,764,227 | \$ 418,385 |
| Total education | \$ 27,583,307 | \$ 31,218,627 | \$ 29,960,807 | \$ 1,257,820 |
| Capital projects: | | | | |
| School capital projects | \$ 92,000 | \$ 4,375,323 | \$ 3,537,823 | \$ 837,500 |
| Debt service: | | | | |
| Principal retirement | \$ 20,341 | \$ 20,341 | \$ 20,341 | \$ - |
| Interest and other fiscal charges | 652 | 652 | 652 | - |
| Total debt service | \$ 20,993 | \$ 20,993 | \$ 20,993 | \$ - |
| Total School Operating Fund | \$ 27,696,300 | \$ 35,614,943 | \$ 33,519,623 | \$ 2,095,320 |
| Special Revenue Fund: | | | | |
| School Cafeteria Fund: | | | | |
| Education: | | | | |
| School food services: | | | | |
| Food services | \$ 1,558,605 | \$ 1,871,991 | \$ 1,892,898 | \$ (20,907) |

Statistical Information

COUNTY OF WESTMORELAND, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

| Fiscal Year | General Government Administration | Judicial Administration | Public Safety | Public Works | Health and Welfare | Education | Parks, Recreation, and Cultural | Community Development | Interest on Long-Term Debt | Water and Sewer | Total |
|-------------|-----------------------------------|-------------------------|---------------|--------------|--------------------|--------------|---------------------------------|-----------------------|----------------------------|-----------------|---------------|
| 2015 | \$ 2,579,220 | \$ 870,734 | \$ 4,564,172 | \$ 1,986,869 | \$ 3,767,706 | \$ 7,785,510 | \$ 670,301 | \$ 627,158 | \$ 422,919 | \$ 2,123,793 | \$ 25,398,382 |
| 2016 | 2,775,459 | 1,122,068 | 4,575,347 | 2,727,720 | 3,526,367 | 7,801,727 | 685,361 | 666,753 | 455,844 | 2,158,315 | 26,494,961 |
| 2017 | 2,372,887 | 1,198,255 | 5,936,637 | 2,933,598 | 3,920,143 | 8,573,701 | 713,998 | 795,107 | 439,842 | 1,956,058 | 28,840,226 |
| 2018 | 2,837,806 | 1,193,501 | 5,501,750 | 2,849,927 | 3,795,038 | 8,603,139 | 721,856 | 686,047 | 480,837 | 2,212,642 | 28,882,543 |
| 2019 | 2,985,304 | 1,236,444 | 5,831,993 | 3,351,899 | 4,594,264 | 8,904,747 | 719,343 | 783,581 | 526,687 | 2,441,678 | 31,375,940 |
| 2020 | 3,319,050 | 1,388,093 | 6,067,544 | 3,130,794 | 4,461,638 | 9,429,674 | 737,893 | 656,402 | 1,538,633 | 2,658,138 | 33,387,859 |
| 2021 | 3,905,289 | 1,214,270 | 8,732,375 | 3,640,166 | 4,773,312 | 9,870,585 | 818,833 | 789,684 | 1,296,415 | 3,485,174 | 38,526,103 |
| 2022 | 3,768,018 | 1,152,759 | 8,784,652 | 4,289,160 | 4,331,398 | 8,991,636 | 866,940 | 892,473 | 1,499,550 | 3,539,999 | 38,116,585 |
| 2023 | 2,353,745 | 1,178,590 | 9,534,975 | 4,680,413 | 4,583,063 | 10,076,595 | 1,009,071 | 2,702,286 | 1,407,834 | 3,727,096 | 41,253,668 |
| 2024 | 4,048,158 | 1,199,841 | 10,985,480 | 5,510,286 | 4,743,573 | 12,928,291 | 883,026 | 1,550,501 | 1,441,507 | 4,144,493 | 47,435,156 |

Government-Wide Revenues
Last Ten Fiscal Years

| Fiscal Year | PROGRAM REVENUES | | | GENERAL REVENUES | | | | | | |
|-------------|----------------------|------------------------------------|----------------------------------|------------------------|-------------------|----------------------------------|---------------|--|---|---------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | General Property Taxes | Other Local Taxes | Unrestricted Investment Earnings | Miscellaneous | Grants and Contributions Not Restricted to Specific Programs | Gain (loss) on Disposal of Capital Assets | Total |
| 2015 | \$ 2,555,417 | \$ 4,673,753 | \$ 897,712 | \$ 16,117,911 | \$ 1,803,473 | \$ 325,181 | \$ 117,511 | \$ 1,894,172 | \$ - | \$ 28,385,130 |
| 2016 | 2,230,519 | 4,483,909 | - | 16,551,690 | 1,834,980 | 316,823 | 160,320 | 1,954,848 | - | 27,533,089 |
| 2017 | 2,969,039 | 5,101,508 | 315,911 | 18,189,040 | 2,142,928 | 268,154 | 120,648 | 1,891,268 | - | 30,998,496 |
| 2018 | 2,997,050 | 5,025,480 | 222,789 | 19,228,193 | 2,207,897 | 364,212 | 118,985 | 1,868,995 | 3,610 | 32,037,211 |
| 2019 | 3,189,213 | 5,551,423 | 265,883 | 19,467,644 | 2,268,067 | 560,543 | 148,574 | 1,850,396 | - | 33,301,743 |
| 2020 | 3,325,497 | 5,521,933 | 590,227 | 20,496,866 | 2,439,803 | 764,836 | 310,672 | 2,343,426 | - | 35,793,260 |
| 2021 | 4,339,929 | 8,663,155 | 1,157,078 | 24,021,951 | 2,880,254 | 260,910 | 228,942 | 1,817,348 | - | 43,369,567 |
| 2022 | 4,751,961 | 6,042,567 | 674,343 | 25,077,671 | 3,162,691 | (7,738) | 597,061 | 1,771,038 | 90,000 | 42,159,594 |
| 2023 | 5,030,058 | 7,081,618 | 2,381,326 | 25,710,979 | 3,542,375 | 506,900 | 669,522 | 1,752,926 | - | 46,675,704 |
| 2024 | 1,311,576 | 6,403,199 | 1,684,073 | 26,408,991 | 3,580,083 | 946,785 | 1,460,809 | 1,730,666 | - | 43,526,182 |

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

| Fiscal Year | General Property Taxes | Other Local Taxes | Permit Privilege Fees & Regulatory Licenses | Fines & Forfeitures | Use of Money & Property | Charges for Services | Miscellaneous | Recovered Costs | Intergovernmental (2) | Total |
|-------------|------------------------|-------------------|---|---------------------|-------------------------|----------------------|---------------|-----------------|-----------------------|---------------|
| 2014 | \$ 15,187,452 | \$ 1,763,138 | \$ 207,342 | \$ 160,108 | \$ 309,297 | \$ 371,017 | \$ 276,203 | \$ 983,803 | \$ 16,969,527 | \$ 36,227,887 |
| 2015 | 16,244,065 | 1,803,473 | 203,244 | 166,637 | 309,425 | 368,049 | 382,562 | 1,038,376 | 18,461,019 | 38,976,850 |
| 2016 | 16,416,266 | 1,834,980 | 220,715 | 141,797 | 309,203 | 373,322 | 466,087 | 920,276 | 18,495,838 | 39,178,484 |
| 2017 | 18,025,610 | 2,142,928 | 257,469 | 175,653 | 306,001 | 729,809 | 354,721 | 994,473 | 21,928,438 | 44,915,102 |
| 2018 | 18,996,339 | 2,207,897 | 398,162 | 178,583 | 375,466 | 719,653 | 359,742 | 1,170,574 | 21,787,957 | 46,194,373 |
| 2019 | 19,754,183 | 2,268,067 | 275,080 | 222,405 | 515,129 | 743,201 | 364,593 | 1,466,432 | 22,041,206 | 47,650,296 |
| 2020 | 20,159,983 | 2,439,803 | 520,326 | 199,475 | 731,957 | 540,391 | 318,545 | 1,352,595 | 23,282,077 | 49,545,152 |
| 2021 | 24,168,054 | 2,880,254 | 503,100 | 254,712 | 294,757 | 549,025 | 1,007,278 | 1,408,956 | 27,194,018 | 58,260,154 |
| 2022 | 24,680,457 | 3,162,691 | 584,053 | 308,569 | 55,465 | 548,368 | 903,621 | 1,627,023 | 27,077,615 | 58,947,862 |
| 2023 | 25,757,492 | 3,542,375 | 508,914 | 273,899 | 549,336 | 628,011 | 1,003,284 | 1,698,424 | 34,650,444 | 68,612,179 |
| 2024 | 26,388,759 | 3,580,083 | 501,140 | 173,390 | 946,785 | 637,046 | 1,095,402 | 1,697,607 | 31,155,011 | 66,175,223 |

(1) Includes General, Special Revenue, and Debt Service Funds of the Primary Government and Component Unit School Board.

(2) Excludes contributions from the primary government to the Component Unit School Board.

General Government Expenditures by Function (1)
Last Ten Fiscal Years

| Fiscal Year | General Government Administration | Judicial Administration | Public Safety | Public Works | Health and Welfare | Education (2) | Recreation and Cultural | Community Development | Non-Departmental | Debt Service | Total |
|-------------|-----------------------------------|-------------------------|---------------|--------------|--------------------|---------------|-------------------------|-----------------------|------------------|--------------|---------------|
| 2015 | \$ 2,504,023 | \$ 847,974 | \$ 5,292,467 | \$ 2,815,618 | \$ 3,686,314 | \$ 18,975,603 | \$ 447,269 | \$ 580,603 | \$ 176,701 | \$ 1,336,521 | \$ 36,663,093 |
| 2016 | 2,759,675 | 859,048 | 5,195,903 | 2,665,091 | 3,492,592 | 19,086,043 | 457,279 | 654,640 | 175,655 | 1,509,079 | 36,855,005 |
| 2017 | 2,679,950 | 954,407 | 6,315,427 | 2,868,395 | 4,079,536 | 22,076,010 | 464,842 | 794,888 | 178,157 | 1,562,925 | 41,974,537 |
| 2018 | 2,799,588 | 982,881 | 6,804,541 | 2,757,952 | 3,861,324 | 24,017,356 | 502,293 | 708,105 | 178,157 | 1,548,981 | 44,161,178 |
| 2019 | 2,899,096 | 1,044,214 | 7,297,160 | 3,198,150 | 4,596,180 | 22,809,599 | 487,135 | 921,772 | 178,157 | 2,028,506 | 45,459,969 |
| 2020 | 3,051,098 | 1,102,536 | 7,598,510 | 2,927,448 | 4,421,566 | 23,880,177 | 507,098 | 666,669 | 176,778 | 2,612,573 | 46,944,453 |
| 2021 | 3,443,125 | 1,138,038 | 9,067,558 | 3,628,016 | 4,504,909 | 26,662,948 | 514,889 | 617,607 | 272,510 | 2,415,423 | 52,265,023 |
| 2022 | 3,526,852 | 1,189,003 | 10,227,285 | 4,046,803 | 4,504,561 | 26,825,601 | 555,251 | 615,844 | 210,702 | 2,877,639 | 54,579,541 |
| 2023 | 3,587,695 | 1,213,153 | 11,019,891 | 4,340,120 | 4,622,196 | 26,593,489 | 581,859 | 665,386 | 207,166 | 2,577,548 | 55,408,503 |
| 2024 | 3,781,722 | 1,237,619 | 12,162,558 | 4,558,127 | 4,775,070 | 32,104,466 | 608,692 | 753,423 | 230,604 | 3,309,275 | 63,521,556 |

(1) Includes current expenditures of the General, Special Revenue and Debt Service Funds of the Primary Government, debt service expenditures of the Capital Projects Funds, and Component Unit School Board.

(2) Excludes contribution from Primary Government to Discretionary Presented Component Unit.

COUNTY OF WESTMORELAND, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy | (2) Current Tax Collections | Percent of Levy Collected | (1) Delinquent Tax Collections | (2) Total Tax Collections | Percent of Total Tax Collections to Tax Levy | Outstanding Delinquent Taxes (1) | Percent of Delinquent Taxes to Tax Levy |
|-------------|----------------|--------------------------------|---------------------------|-----------------------------------|------------------------------|--|----------------------------------|---|
| 2015 | \$ 17,239,611 | \$ 16,601,711 | \$ 96.30% | \$ 392,522 | \$ 16,994,233 | 98.58% | \$ 765,447 | 4.44% |
| 2016 | 17,407,375 | 16,818,365 | 96.62% | 354,757 | 17,173,122 | 98.65% | 728,990 | 4.19% |
| 2017 | 19,153,748 | 18,417,796 | 96.16% | 340,581 | 18,758,377 | 97.94% | 917,892 | 4.79% |
| 2018 | 20,362,579 | 19,460,975 | 95.57% | 332,565 | 19,793,540 | 97.21% | 1,144,971 | 5.62% |
| 2019 | 21,227,499 | 19,850,535 | 93.51% | 561,974 | 20,412,509 | 96.16% | 1,020,801 | 4.81% |
| 2020 | 21,876,414 | 20,555,472 | 93.96% | 372,981 | 20,928,453 | 95.67% | 1,069,834 | 4.89% |
| 2021 | 25,569,094 | 24,927,857 | 97.49% | 476,774 | 25,404,631 | 99.36% | 1,049,361 | 4.10% |
| 2022 | 26,866,736 | 25,881,053 | 96.33% | 462,175 | 26,343,228 | 98.05% | 1,462,291 | 5.44% |
| 2023 | 28,263,442 | 26,992,760 | 95.50% | 565,302 | 27,558,062 | 97.50% | 1,679,294 | 5.94% |
| 2024 | 28,906,923 | 24,943,699 | 86.29% | 822,933 | 25,766,633 | 89.14% | 2,616,651 | 9.05% |

(1) Exclusive of penalties and interest.

(2) Includes Personal Property Relief Act reimbursements to the County of:
\$1,139,679 in fiscal years 2015 through 2024.

Assessed Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Real Estate | (1) Personal Property | Machinery & Tools | Farm Machinery | Merchants Capital | Public Utility | Total |
|-------------|------------------|--------------------------|-------------------|----------------|-------------------|----------------|------------------|
| 2015 | \$ 2,530,561,850 | \$ 158,944,510 | \$ 4,900,250 | \$ 8,087,890 | \$ 10,559,880 | \$ 58,762,670 | \$ 2,771,817,050 |
| 2016 | 2,548,831,080 | 161,740,470 | 4,745,020 | 8,090,260 | 11,504,310 | 59,991,280 | 2,794,902,420 |
| 2017 | 2,456,076,950 | 167,682,450 | 5,053,880 | 8,517,510 | 10,540,750 | 62,498,530 | 2,710,370,070 |
| 2018 | 2,471,944,680 | 172,731,330 | 6,529,580 | 8,096,780 | 12,152,360 | 63,953,780 | 2,735,408,510 |
| 2019 | 2,493,031,410 | 171,289,290 | 6,049,830 | 7,875,090 | 9,823,820 | 65,943,400 | 2,754,012,840 |
| 2020 | 2,511,939,160 | 182,413,190 | 5,879,860 | 8,179,440 | 12,182,200 | 71,939,940 | 2,792,533,790 |
| 2021 | 2,536,324,360 | 183,967,370 | 5,752,920 | 8,405,400 | 11,481,810 | 76,435,141 | 2,822,367,001 |
| 2022 | 2,562,893,750 | 202,470,420 | 7,872,680 | 7,339,850 | 8,613,460 | 70,113,540 | 2,859,303,700 |
| 2023 | 3,060,045,960 | 253,526,150 | 6,320,280 | 7,514,860 | 10,585,040 | 76,041,400 | 3,414,033,690 |
| 2024 | 3,134,795,260 | 256,415,920 | 6,293,660 | 7,224,620 | 11,950,640 | 67,542,344 | 3,484,222,444 |

(1) Includes mobile homes.

Property Tax Rates (1)
Last Ten Fiscal Years

| Fiscal Years | Real Estate (2) | Personal Property (2) | Machinery and Tools | Farm Machinery | Merchants' Capital |
|-----------------|--------------------|--------------------------|---------------------------|-------------------|-----------------------|
| 2015 | \$ 0.52 | \$ 3.00 | \$ 1.50 | \$ 1.25 | \$ 0.46 |
| 2016 | 0.52 | 3.00 | 1.50 | 1.25 | 0.46 |
| 2017 | 0.60 | 3.00 | 1.50 | 1.25 | 0.46 |
| 2018 | 0.61 | 3.25 | 1.50 | 1.25 | 0.46 |
| 2019 | 0.63 | 3.25 | 1.50 | 1.25 | 0.46 |
| 2020 | 0.65 | 3.25 | 1.50 | 1.25 | 0.46 |
| 2021 | 0.76 | 3.75 | 2.00 | 1.54 | 0.96 |
| 2022 | 0.76 | 3.75 | 2.00 | 1.75 | 0.96 |
| 2023 | 0.62 | 3.75 | 2.00 | 1.75 | 0.96 |
| 2024 | 0.62 | 3.75 | 2.00 | 1.75 | 0.96 |

(1) Per \$100 of assessed value.

(2) Also applies to public utility property.

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

| Fiscal Year | Population (1) | Assessed Value (2) | Gross Bonded Debt (3) | Less | | Net Bonded Debt | Ratio of Net General Obligation Debt to Assessed Value | Net Bonded Debt per Capita |
|----------------|-------------------|-----------------------|-----------------------------|--|---|-----------------------|---|-------------------------------------|
| | | | | Debt Service Monies Available | Debt Payable from Enterprise Revenues (4) | | | |
| 2015 | 17,725 | \$ 2,771,817,050 | \$ 21,647,747 | \$ 113,999 | \$ 9,808,373 | \$ 11,725,375 | 0.42% | 662 |
| 2016 | 17,477 | 2,794,902,420 | 20,954,085 | 117,754 | 9,769,336 | 11,066,995 | 0.40% | 633 |
| 2017 | 17,629 | 2,710,370,070 | 23,350,085 | 121,338 | 12,903,434 | 10,325,313 | 0.38% | 586 |
| 2018 | 17,760 | 2,735,408,510 | 23,723,799 | 111,227 | 13,567,637 | 10,044,935 | 0.37% | 566 |
| 2019 | 17,911 | 2,754,012,840 | 22,724,422 | - | 13,300,456 | 9,423,966 | 0.34% | 526 |
| 2020 | 17,895 | 2,792,533,790 | 69,046,815 | - | 13,024,684 | 56,022,131 | 2.01% | 3,131 |
| 2021 | 18,477 | 2,822,367,001 | 68,444,515 | - | 12,740,016 | 55,704,499 | 1.97% | 3,015 |
| 2022 | 18,731 | 2,859,303,700 | 64,102,749 | - | 12,052,570 | 52,050,179 | 1.82% | 2,779 |
| 2023 | 19,013 | 3,414,033,690 | 67,497,735 | - | 11,713,518 | 55,784,217 | 1.63% | 2,934 |
| 2024 | 19,500 | 3,484,222,444 | 66,382,236 | - | 11,372,163 | 55,010,073 | 1.58% | 2,821 |

(1) Weldon Cooper Center for Public Service

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt, Literary Fund Loans and IDA Lease Revenue Bonds.
Does not include VRS retirement incentive obligation loan, leases, and compensated absences.

(4) Includes General Obligation Debt payable from enterprise revenues.

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

| Fiscal Year | Principal | Interest | Total Debt Service | Total General Governmental Expenditures (2) | Ratio of Debt Service to General Governmental Expenditures |
|----------------|------------|------------|--------------------------|--|--|
| 2015 | \$ 808,197 | \$ 528,324 | \$ 1,336,521 | \$ 36,663,093 | 3.65% |
| 2016 | 981,272 | 527,807 | 1,509,079 | 36,855,005 | 4.09% |
| 2017 | 1,074,887 | 488,038 | 1,562,925 | 41,974,537 | 3.72% |
| 2018 | 1,094,505 | 454,476 | 1,548,981 | 44,161,178 | 3.51% |
| 2019 | 1,463,604 | 564,902 | 2,028,506 | 45,459,969 | 4.46% |
| 2020 | 1,273,719 | 1,448,083 | 2,721,802 | 46,944,453 | 5.80% |
| 2021 | 1,229,169 | 1,880,502 | 3,109,671 | 52,265,023 | 5.95% |
| 2022 | 1,572,392 | 1,278,745 | 2,851,137 | 54,579,541 | 5.22% |
| 2023 | 1,110,036 | 1,400,204 | 2,510,240 | 55,408,503 | 4.53% |
| 2024 | 1,115,499 | 1,674,485 | 2,789,984 | 63,521,556 | 4.39% |

(1) Includes General, Capital Projects and Debt Service Funds of the Primary Government and Component Unit School Board.

(2) From Table 4.

Local Sales Tax Revenues
Last Ten Fiscal Years

| Fiscal Year | Local Sales Tax Revenue | Percent Change |
|-------------|----------------------------|----------------|
| 2015 | \$ 975,041 | 4.18% |
| 2016 | 982,106 | 0.72% |
| 2017 | 1,023,032 | 4.17% |
| 2018 | 1,077,728 | 5.35% |
| 2019 | 830,126 | -22.97% |
| 2020 | 1,003,512 | 20.89% |
| 2021 | 1,209,685 | 20.55% |
| 2022 | 1,274,178 | 5.33% |
| 2023 | 1,456,037 | 14.27% |
| 2024 | 1,520,235 | 4.41% |

Ten Largest Taxpayers
As of June 30, 2024

| Taxpayer Name | Type of Business | Total Tax |
|--|------------------|--------------|
| Potomac Supply, LLC | Wood Products | \$ 9,266,900 |
| Montross Realty Management LLC | Real Estate | 6,238,400 |
| Second Development, LLC | Manufacturing | 4,360,300 |
| Beachgate Shopping Center LLC | Real Estate | 3,799,400 |
| Gull Harbor, LLC | Real Estate | 3,672,820 |
| Riverwood Preservation LP | Real Estate | 3,398,700 |
| Northern Neck Farmers Market LLC | Retail | 3,395,400 |
| Bevans Oyster (Beavans Properties LLC) | Retail | 3,118,600 |
| Food Lion, LLC | Retail | 3,097,400 |
| Tuxie LLC | Real Estate | 2,701,300 |
| OTS Montross LLC | Real Estate | 1,563,900 |

Compliance

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Westmoreland, Virginia as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise County of Westmoreland, Virginia, Virginia's basic financial statements and have issued our report thereon dated May 9, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Westmoreland, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Westmoreland, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Westmoreland, Virginia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item (2024-001 to 2024-004) that we consider to be a material weaknesses.

Report on Compliance and Other Matters

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

County of Westmoreland, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on County of Westmoreland, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Westmoreland, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
May 9, 2025



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Westmoreland, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Westmoreland, Virginia's major federal programs for the year ended June 30, 2024. County of Westmoreland, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Westmoreland, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
May 9, 2025

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Federal Expenditures | Payments to Subrecipients |
|---|--|---|-------------------------|------------------------------|
| Department of Health and Human Services: | | | | |
| Pass Through Payments: | | | | |
| Department of Social Services: | | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 400123/400124 | \$ 176,530 | \$ - |
| CCDF Cluster: | | | | |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 0760123/0760124 | \$ 41,780 | \$ - |
| Total CCDF Cluster | | | \$ 41,780 | \$ - |
| Medicaid Cluster: | | | | |
| Medical Assistance Program | 93.778 | 1200123/1200124 | \$ 296,496 | \$ - |
| Total Medicaid Cluster | | | \$ 296,496 | \$ - |
| Title IV-E Prevention Program | 93.472 | 1140123/1140124 | 3,986 | - |
| Guardianship Assistance | 93.090 | 1110123/1110124 | 277 | - |
| Mary Lee Allen Promoting Safe and Stable Families Program | 93.556 | 0950122/0950123 | 13,809 | - |
| Refugee and Entrant Assistance State/Replacement Designee Administered Programs | 93.566 | 0500123/0500124 | 826 | - |
| Low-Income Home Energy Assistance | 93.568 | 0600423/0600424 | 42,273 | - |
| Adoption and Legal Guardianship Incentive Payments | 93.603 | 1130120 | 49 | - |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 0900122/0900123 | 181 | - |
| Foster Care Title IV-E | 93.658 | 1100123/1110124 | 108,116 | - |
| Adoption Assistance | 93.659 | 1120123/1120124 | 52,048 | - |
| Social Services Block Grant | 93.667 | 1000123/1000124 | 162,870 | - |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood | 93.674 | 9150122/9150123 | 9,005 | - |
| Children's Health Insurance Program | 93.767 | 0540123/0540124 | 3,390 | - |
| Bay Rivers Telehealth Alliance: | | | | |
| Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement | 93.912 | HRSA-22-117 | \$ 69,693 | \$ - |
| Total Department of Health and Human Services | | | \$ 981,329 | \$ - |
| Department of Agriculture: | | | | |
| Pass Through Payments: | | | | |
| Department of Agriculture: | | | | |
| EBT Administrative Cost Grants | 10.649 | 2021215900941 | \$ 13,592 | \$ - |
| Child and Adult Care Food Program | 10.558 | 202424N20204 1/202424N10994 1 | 44,348 | - |
| | | 202424N11994 1 | | |
| Summer Food Service Program for Children | 10.559 | 202323N11994 1 | 46,088 | - |
| Child Nutrition Cluster: | | | | |
| National School Lunch Program | 10.555 | 202323N11994 1/202423N11994 1 | \$ 769,703 | \$ - |
| | | 202424N11994 1/202221N89034 1 | | |
| Food Distribution - National School Lunch Program | 10.555 | 202323N11994 1/202423N11994 1 | 74,673 | - |
| | | 202424N11994 1/202221N89034 1 | | |
| Total 10.555 | | | \$ 844,376 | \$ - |
| School Breakfast Program | 10.553 | 202323N11994 1/202423N11994 1 | \$ 426,642 | \$ - |
| | | 202424N11994 1 | | |
| Total 10.553 | | | \$ 426,642 | \$ - |
| Total Child Nutrition Cluster | | | \$ 1,271,018 | \$ - |
| Department of Social Services: | | | | |
| SNAP Cluster: | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 010123/010124/040123/040124 | \$ 378,418 | \$ - |
| Total SNAP Cluster | | | \$ 378,418 | \$ - |
| Total Department of Agriculture | | | \$ 1,753,464 | \$ - |
| Department of the Treasury: | | | | |
| Pass through payments:: | | | | |
| Virginia Department of Accounts | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 12110 | \$ 1,360,699 | \$ - |
| Virginia Department of Criminal Justice: | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 122373 | 323,374 | - |
| Virginia Tourism Corporation: | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | 35,000 | - |
| Department of Social Services: | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 9122222 | 6,528 | - |
| Total 21.027 | | | \$ 1,725,601 | \$ - |
| Direct payments: | | | | |
| COVID-19 Local Assistance and Tribal Consistency Fund | 21.032 | N/A | \$ 50,000 | \$ - |
| Total Department of the Treasury | | | \$ 1,775,601 | \$ - |

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Federal Expenditures | Payments to Subrecipients |
|---|--|--|-------------------------|------------------------------|
| Department of Homeland Security: | | | | |
| Pass Through Payments: | | | | |
| Department of Emergency Management: | | | | |
| Emergency Management Performance Grants | 97.042 | 122463 | \$ 7,500 | \$ - |
| Total Department of Homeland Security | | | \$ 7,500 | \$ - |
| Department of Justice: | | | | |
| Direct payments: | | | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | N/A | \$ 20,208 | \$ - |
| Pass Through Payments: | | | | |
| Virginia Department of Criminal Justice: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 122611/124569 | \$ 4,231 | \$ - |
| Crime Victim Assistance | 16.575 | CJS99001 | 78,060 | - |
| Total Department of Justice | | | \$ 102,499 | \$ - |
| Department of Transportation: | | | | |
| Pass Through Payments: | | | | |
| Department of Motor Vehicles: | | | | |
| Highway Safety Cluster: | | | | |
| State and Community Highway Safety | 20.600 | BPT2353025/BPT202454099 | \$ 21,187 | \$ - |
| Total Highway Safety Cluster | | | \$ 21,187 | \$ - |
| Alcohol Open Container Requirements | 20.607 | ENFAL202454022 | 18,299 | - |
| Total Department of Transportation | | | \$ 39,486 | \$ - |
| Department of Education: | | | | |
| Pass Through Payments: | | | | |
| Virginia Council of Higher Education: | | | | |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | 122743/124447 | \$ 46,598 | \$ - |
| Virginia Tech University: | | | | |
| English Language Acquisition State Grants | 84.365 | S365A220046 | 7,980 | - |
| Department of Education: | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | S010A210046/S010A220046 S010A230046 | 780,389 | - |
| Special Education Cluster (IDEA): | | | | |
| Special Education Grants to States | 84.027 | H027A220107/H027A230107 H027A210107/H027X210107 | 515,682 | - |
| Special Education Preschool Grants | 84.173 | H173A230112 | 20,506 | - |
| Total Special Education Cluster (IDEA) | | | \$ 536,188 | \$ - |
| Total Special Education Cluster | | | \$ 536,188 | \$ - |
| Migrant Education State Grant Program | 84.011 | S011A220047/S011A230047 | \$ 83,824 | \$ - |
| Career and Technical Education - Basic Grants to States | 84.048 | V048A220046 | 53,549 | - |
| Migrant Education Coordination Program | 84.144 | S144F220047 | 5,593 | - |
| Rural Education | 84.358 | S358B210046/S358B220046 S358B230046 | 60,548 | - |
| Student Support and Academic Enrichment Program | 84.424 | S424A200048/S424A210048 S424A220048/S424A230048 | 53,424 | - |
| Supporting Effective Instruction State Grants | 84.367 | S367A210044/S367A220044 S367A230044 | 143,146 | - |
| COVID 19 - Education Stabilization Fund: | | | | |
| Elementary and Secondary School Emergency Relief Fund (ESSER) | 84.425D | S425D210008 | 5,509 | - |
| American Rescue Plan Elementary and Secondary School Emergency Relief Fund | 84.425U | S425U210008 | 1,435,445 | - |
| American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth | 84.425W | ARP-HCY/G095-ARPII | 10,659 | - |
| Total Education Stabilization Fund | | | \$ 1,451,613 | \$ - |
| Total Department of Education | | | \$ 3,222,852 | \$ - |
| Total Expenditures of Federal Awards | | | \$ 7,882,731 | \$ - |

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF WESTMORELAND, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Westmoreland, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Westmoreland, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Westmoreland, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

(3) The County did not elect to use the 10% de minimis indirect cost rate.

Note 3 - Food Distribution

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

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

| | | |
|---------------------------------|----|------------------|
| General Fund | \$ | 3,387,113 |
| Less: Payments in Lieu of Taxes | | (3,093) |
| Less: Interest Subsidy | | (99,187) |
| Total primary government | \$ | <u>3,284,833</u> |

Component Unit School Board:

| | | |
|-----------------------------------|----|------------------|
| School Operating Fund | \$ | 3,200,258 |
| School Cafeteria Fund | | 1,397,640 |
| Total Component Unit School Board | \$ | <u>4,597,898</u> |

| | | |
|---|----|------------------|
| Total expenditures of federal awards per basic financial statements | \$ | <u>7,882,731</u> |
|---|----|------------------|

| | | |
|---|----|-------------------------|
| Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards | \$ | <u><u>7,882,731</u></u> |
|---|----|-------------------------|

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes

Significant deficiency(ies) reported?

No

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

No

Significant deficiency(ies) reported?

No

Type of auditors' report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR,
Section 200.516 (a)?

No

Identification of major programs:

CFDA #

Name of Federal Program or Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

84.425D/84.425C/84.425U

COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A
and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

No

Section II - Financial Statement Findings

2024-001: Material Weakness - Material Audit Adjustments Proposed by the external Auditor - County

Criteria:

Identification of a material adjustment to the financial statements that was not detected by the County's internal controls indicates that a material weakness may exist.

Condition:

The financial statements required material adjustments by the Auditors to ensure such statements complied with Generally Accepted Accounting Principles (GAAP). Material audit adjustments were proposed to financial statement groups of the county including, Cash, Accounts Receivable, Due from other Governmental units, Capital Assets, Unearned Revenue, Accounts Payable and Debt to be in accordance with Generally Accepted Accounting Principles.

Cause:

The county's internal controls in place to capture and record all necessary balances in the automated accounting system were not adequate for the year end June 30, 2024.

Effect:

There is a reasonable possibility that a material misstatement of the financial statement will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend that the County strengthen internal controls to capture and record all balances accurately in accordance with General Accepted Accounting Principles and eliminate the need for material audit adjustments. In addition, capturing and recording all necessary balances in the accounting system will assist Management and those charged with governance in their decision making for the County.

Management's Response:

The County acknowledges the finding regarding material adjustments to the financial statements that were not detected by our internal controls.

In response to this finding, the County will implement the following corrective actions:

1. Conduct a comprehensive review of our current financial reporting processes and internal controls
2. Develop enhanced month-end and year-end closing procedures with specific focus on GAAP compliance
3. Implement additional review steps for all significant account reconciliations
4. Establish a pre-audit review process to identify potential adjustments before the annual audit

We believe these steps will strengthen our internal controls and ensure all balances are recorded accurately in accordance with GAAP.

Person responsible for corrective action: Finance Director and County Administrator system.

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024 (Continued)

Section II - Financial Statement Findings (continued)

2024-002: Material Weakness - Accounts Receivable and Due from Other Governments Schedule and Reconciliation - County

Criteria:

Accounts receivable and due from other governments should be reconciled to the general ledger at fiscal year end.

Condition:

The County was not maintaining a listing and reconciling the amount of accounts receivable and due from other governments at fiscal year end to the general ledger.

Cause:

The county's internal controls in place to capture and record all necessary balances in the automated accounting system were not adequate for the year end June 30, 2024.

Effect:

There is a reasonable possibility that a material misstatement of the financial statement will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend that the County strengthen internal controls to record and reconcile Accounts Receivable and Due from Other Governments in the automated accounting system at fiscal year end, any differences should be investigated and corrected.

Management's Response:

The County acknowledges the finding regarding the lack of proper reconciliation of accounts receivable and due from other governments to the general ledger. The County recognizes the importance of maintaining accurate financial records and proper reconciliation processes. Staff turnover impacted this reconciliation this year.

In response to this finding, we will implement the following corrective actions:

1. Develop a comprehensive reconciliation procedure specifically for accounts receivable and due from other governments accounts
2. Create standardized documentation requirements including detailed subsidiary ledgers that support general ledger balances
3. Implement a formal month-end and year-end reconciliation schedule with appropriate review protocols
4. Provide specialized training to accounting staff responsible for these reconciliations

The Finance Department has already begun evaluating current procedures and will design improved controls to address the identified weaknesses. We are committed to strengthening our internal controls to ensure all balances are properly captured, recorded, and reconciled in our automated accounting system, with any differences promptly investigated and corrected.

Person responsible for corrective action: Finance Director

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024 (Continued)

Section II - Financial Statement Findings (continued)

2024-003: Material Weakness - Depreciation Schedule - County

Criteria:

The depreciation schedule for Governmental Activities and Business-Type Activities should be maintained and updated each fiscal year. All current year additions and disposals should be captured. A reconciliation to the previous year depreciation schedule should be completed and the Business-Type Activities should be reconciled to the general ledger at fiscal year end.

Condition:

The County was not updating the depreciation schedule, reconciling to the previous fiscal year depreciation schedule and reconciling the Business-type activities to the general ledger.

Cause:

The county's internal controls in place to capture and record all necessary balances in the automated accounting system

Effect:

There is a reasonable possibility that a material misstatement of the financial statement will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend that the County strengthen internal controls to update and reconcile the depreciation schedule each fiscal year. All current year additions and disposals should be captured and Business-type activities should be reconciled to the general ledger at fiscal year-end. Any differences should be investigated and corrected.

Management's Response:

The County acknowledges the finding regarding the inadequate maintenance and reconciliation of depreciation schedules for both Governmental Activities and Business-Type Activities. We agree with the auditor's assessment and recommendation.

In response to this finding, the County will implement the following corrective actions:

1. Establish a comprehensive process for updating the depreciation schedule annually, including formal procedures for capturing all current year additions and disposals
2. Develop a standardized reconciliation process between the current and previous year depreciation schedules to ensure continuity and accuracy
3. Implement quarterly reconciliations of Business-Type Activities to the general ledger, with particular emphasis on a thorough year-end reconciliation
4. Institute supervisory reviews of all capital asset-related activities to ensure compliance with established procedures

The Finance Department, in collaboration with department heads, will conduct a complete inventory of County assets to establish an accurate baseline for future depreciation calculations. We are committed to strengthening our internal controls and ensuring that all differences identified during reconciliations are promptly investigated and corrected.

Person responsible for corrective action: Finance Director and Department Head

COUNTY OF WESTMORELAND, VIRGINIA

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024 (Continued)

Section II - Financial Statement Findings (continued)

2024-004: Material Weakness -State and Federal Revenue Reconciliation- County

Criteria:

A state and federal revenue reconciliation to the general ledger should be completed each fiscal year.

Condition:

The County was not reconciling state and federal revenues to the general ledger adequately.

Cause:

The county's internal controls in place to capture and record all necessary balances in the automated accounting system were not adequate for the year end June 30, 2024.

Effect:

There is a reasonable possibility that a material misstatement of the financial statement will not be prevented or detected by the entity's internal controls over financial reporting.

Recommendation:

We recommend that the County strengthen internal controls to reconcile state and federal revenue in the accounting system. Any differences should be investigated and corrected.

Management's Response:

The County acknowledges the finding regarding the lack of adequate reconciliation of state and federal revenues to the general ledger. We agree with the auditor's assessment and recommendation. The County will take immediate action to strengthen our internal controls over revenue reconciliation processes.

Beginning May 1, 2025, we will implement a comprehensive monthly reconciliation procedure for all state and federal revenue accounts. This will include:

1. Downloading the Cardinal Report monthly and establishing clear responsibilities for revenue reconciliation within the Finance Department
2. Adding quarterly reviews by the County Administrator to ensure compliance with the new procedures

The County has already begun addressing the identified weaknesses by reviewing our current processes and identifying areas for improvement. We are committed to resolving this issue promptly to ensure accurate financial reporting and to maintain strong fiscal management practices.

Person responsible for corrective action: Finance Director

Section III - Federal Award Findings and Questioned Costs

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

COUNTY OF WESTMORELAND, VIRGINIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

2023-001: Material Weakness - Material Audit Adjustments Proposed by the external Auditor -County

Status: A similar finding has been reported in the 2024 findings and questioned costs.