

CITY
OF
BUENA VISTA
VIRGINIA



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2025

CITY OF BUENA VISTA, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR ENDED
JUNE 30, 2025**

Prepared by

Steve Bolster, Director of Finance

Buena Vista, Virginia

**CITY OF BUENA VISTA, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025**

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INTRODUCTORY SECTION



City of Buena Vista, Virginia
2039 Sycamore Avenue
Buena Vista, VA 24416

December 29, 2025

**The Honorable Mayor, City Council Members,
and Citizens of the City of Buena Vista**

Commonwealth of Virginia law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Robinson, Farmer, Cox Associates, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Buena Vista's financial statements for the year ended June 30, 2025. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. This examination was conducted using guidelines set forth by Government Auditing Standards and the Specification for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts. In addition to meeting the requirements set forth in regulatory statutes, the audit also was designed to meet requirements of the Federal Single Audit Act of 1984 and the Single Audit Amendments of 1996, and the related Uniform Guidance. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows this letter of transmittal and provides an overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Buena Vista is situated at the foot of the Blue Ridge Mountains and is centrally located in the historic and scenic Shenandoah Valley in west-central Virginia, approximately 50 miles north of Roanoke; 135 miles west of Richmond; and 180 miles southwest of Washington, D.C. This position in west-central Virginia is at the heart of a major transportation network and has immediate access to air, rail, and highway transportation. Buena Vista is served by Interstates 81 and 64, the Blue Ridge Parkway, and U.S. Routes 60 & 501 which flow through the city.

Buena Vista was a focal point of the Shenandoah Valley land boom initiated in 1889 by several land development companies, one of which was the Buena Vista Company. In less than three years, Buena Vista grew from a sparsely populated rural area to a town with 19 industries that employed more than 1,000 workers. Buena Vista was incorporated as a city by the Virginia General Assembly on February 15, 1892, encompassing a land area of approximately 6.5 square miles. It was during the land boom era that Buena Vista established its role as an industrial city and is currently the industrial and manufacturing nucleus of the area. The July 1, 2024 population for Buena Vista is estimated at 6,632, as published by the Weldon Cooper Center for Public Service, Demographics Research Group on January 27, 2025 (population is down 0.1% compared to the 2020 U.S. Census). Buena Vista is empowered to levy property taxes on both real and personal property located within its boundaries to source public services for its citizens and visitors.

The City of Buena Vista has operated under the council-manager form of government since 1892. Policy-making and legislative authority are vested in a governing City Council, consisting of the mayor and six other members, all elected on a non-partisan basis. The Council appoints the manager, who in turn appoints the heads of the various

departments. Council members serve four-year terms, with three members elected every two years. The mayor is elected for a two-year term.

The City of Buena Vista provides a full range of services, including police, fire, rescue, public works, water treatment plant, water and sewer, parks and recreation, and refuse pickup. The City of Buena Vista is also financially accountable for a legally separate school district that is reported distinctly within the City of Buena Vista's financial statements. Furthermore, Buena Vista provides funding support for regional public services provided by the following entities: Central Shenandoah Health District, Maury Express (a not-for-profit public transportation provider), Natural Bridge Soil and Water Conservation District, Rockbridge Area Community Services, Rockbridge Area Department of Social Services, Rockbridge Area Recreational Organization, Rockbridge Regional Jail, Rockbridge Regional Library System, Rockbridge Regional Public Safety Communications Center (Central Dispatch), and the Shenandoah Valley Juvenile Center. Lastly, the City is a customer of the Blue Ridge Resource Authority which operates the area's landfill.

The Council is required to adopt a final budget no later than May 31st for the next fiscal year. This annual budget serves as the foundation for the City of Buena Vista's financial planning and control. The budget is prepared at the department level followed by a review, modification, and recommendation by the Council's Budget and Finance Committee. The proposed budget is then considered, potentially revised, and adopted by the City Council. The City Manager is authorized to transfer budgeted amounts within general government departments. The School Board is authorized to transfer budgeted amounts between the school system departments without the approval of the City Council.

Local Economy

Buena Vista City Council is committed to creating jobs for its citizens and generating new revenue sources by both encouraging businesses to locate to the City and cultivating local entrepreneurs. City officials and staff also work with the Virginia Economic Development Partnership, Shenandoah Valley Workforce Development Board, Mountain Gateway Community College, and local public-private partners to help train the region's workforce in the skills necessary to be successful in today's work climate. The latest labor force totals reflect 3,154 with 3,022 employed for an unemployment rate of 4.2 percent for June 2025 while Virginia's ended FY 2025 at 3.9%. The average unemployment rate over the 12 months for Buena Vista was 3.33% versus 3.19% for Virginia. The largest sectors of the City's economy are manufacturing, local government, accommodation and food services, health care and social assistance, and retail trade. Southern Virginia University (SVU) is a key growth engine in the City. The university continues to be among the City's top employers.

In 2025, Buena Vista continued its momentum from 2024 and realized the following accomplishments. Revenue gains from the prior year included: Glen Maury Park campground rentals rose 5.12%, lodging taxes increased by 49.96%, meals taxes were up 5.48%, and sales taxes climbed 20.18%. Construction of 12 new homes began, and home sales prices averaged \$204,126, a 5.42% increase over last year. Buena Vista issued 128 building and building-related permits, down 1, with estimated project costs at \$14,651,726, up \$1,980,223 (+15.63%) compared to 2024. Sixty-five new business licenses were issued in 2025, up 37.5%.

In February 2025, local officials from the cities of Buena Vista and Lexington, and Rockbridge County approved an \$8 million project to construct a health and human services building in Buena Vista to house the Rockbridge Area Department of Social Services (RADSS). RADSS has outgrown its Lexington offices, a location that dates to the 1970s. This will bring 38 RADSS employees to Buena Vista where they will serve over 7,000 clients in our area. Construction on the 17,500 square foot building began in the Spring 2025. The project management team anticipates construction to be completed in the summer of 2026.

Progress on Magnolia Square, the signature downtown gathering space, continued in FY 2025. After construction in 2024 of both a farmers' market pavilion and stage structure by a community timber frame group, the City installed plumbing and electric infrastructure. In addition, an eye-catching mural featuring regional outdoor recreation and local fauna was painted by area artist Cheyenne Renne on the wall of the Rockbridge Area Health Center overlooking the square. Construction of public restrooms and a seating plaza, followed by a ribbon-cutting ceremony, is expected in early 2026.

Public School System

The Buena Vista City Public School Division includes a contemporary high school, a middle school, and two elementary schools. A total enrollment of approximately 890 students enables the faculty to provide personal attention

and outstanding instruction. It is the mission of Buena Vista City Public Schools to empower students to reach their fullest educational potential, discover their strengths, and develop visions for their futures. Curricula and programs encompass core academic areas based on the Standards of Learning for Virginia Public Schools. All schools provide students with opportunities to participate in art, music, and physical education programs and have modern libraries and media centers. At the high school level, students may choose from general education, career and technical education majors, or advanced academic courses that carry college level, dual-enrollment credit.

Higher Education

Southern Virginia University is a private, 4-year liberal arts college tracing its founding to 1867. SVU is also a private, faith-based institution – the only East Coast college aligned with the Latter-day Saints. An increasing number of students from around the country are discovering SVU's beautiful campus, nestled at the foothills of the Blue Ridge Mountains, and its unique approach to education. Currently, SVU is pursuing City Council approval for a five-story, six hundred bed residence hall on campus to replace aging dormitories and bring off-campus students into on-campus housing. This past year, The Ranch LLC donated the former Vista Links public golf course property to SVU. The course serves as a practice location for the SVU golf teams.

Mountain Gateway Community College (MGCC) - Rockbridge Regional Center sits within the city limits. MGCC accommodates a diversity of day and night courses to support the pursuit of associate degrees, certification programs, and workforce training. On June 20, 2025, MGCC celebrated the grand opening of the Joe Wilson Workforce Center in Buena Vista. The ribbon cutting event marked the \$7.3M transformation of a 18,750 square foot facility into a workforce development center that will drive economic development in the region. The center is a state-of-the-art facility offering real-world, hands-on courses involving welding, HVAC, plumbing, electrical, diesel mechanics, commercial driving license, and precision machining. The center is expected to create 168 new jobs, retain 457 existing jobs, and generate more than \$11 million in economic impact.

Long-term Planning and Major Initiatives and Accomplishments

The City prepares a Capital Improvement Plan (CIP) that is used as a fiscal management tool to coordinate the location, timing, and financing of capital improvements over a five-year period. The CIP includes a description of proposed capital improvement projects ranked by priority, a year-by-year schedule of expected project funding, and an estimate of project costs. The CIP is a working document and is reviewed and updated annually to reflect changing needs, priorities, and funding opportunities.

The Public Works Department completed the following infrastructure improvements in Buena Vista: contracted a city-wide project to grind (level) sidewalks to improve safety (removed ~1,525 trip-and-fall hazards over an ~10-mile area) and accessibility for users. Public Works personnel installed 1,025 feet of curb and gutters in residential and business areas, up 56.49%.

The City of Buena Vista continues to pursue strategic initiatives that strengthen our financial position and enhance long-term economic vitality. A notable example is the Bontex Reuse Study, completed in June 2025, which outlines a phased redevelopment strategy for the historic Bontex site - a property recently added to the state and national historic registers. This effort, supported by grants from the Virginia Department of Environmental Quality and the Virginia Brownfields Assistance Fund, reflects our commitment to leveraging external funding, preserving historic assets, and promoting sustainable economic development. The conceptual plan envisions a mixed-use destination that will revitalize a major gateway, attract private investment, and expand tourism opportunities tied to our outdoor recreation economy. These actions demonstrate prudent financial stewardship and alignment with the City's comprehensive plan to foster growth while maintaining fiscal responsibility.

City Council approved funding of the Buena Vista Façade Improvement Grant Program in FY 2025. This program is a local economic development initiative designed to revitalize the business districts and gateway corridors by providing financial assistance for exterior improvements to commercial and certain residential properties. It's administered by the City's Economic Development Department with oversight from the Economic Development Authority. Program results for 2025 reflect 12 businesses earning selection for grant funding, realizing \$73,645 in private investment, and \$22,422 in City reimbursement to property owners.

A Regional Housing Study was completed in Spring 2025, providing detailed analysis of trends as well as specific recommendations for Buena Vista. City-specific recommendations include: reviewing zoning regulations for impediments to new housing, developing incentive programs, creating a regional land bank for vacant properties, and

establishing an online resource hub. The Central Shenandoah Planning District Commission shared their findings at the Rocks to Roofs Housing Symposium in October 2025. Community leaders, developers, policymakers, and housing advocates convened to explore the area's most pressing housing challenges.

The City advanced its environmental stewardship focus by completing its Tree Canopy Master Plan. Council also established a citizen-led Tree Board to advise and push forward planting and maintenance efforts in Buena Vista, and to continue the City's partnership with the Boxerwood Environmental Education Program for youth internship and tree planting projects. The funding included a \$93,000 grant from the Virginia Department of Forestry's Urban and Community Forestry Program. Plan goals include maintaining a 45% tree canopy coverage citywide over the next decade, planting ~100 native trees annually to offset losses from development, and creating aesthetic improvements to Buena Vista.

The City of Buena Vista remains committed to fostering a safe and engaged community through innovative public safety initiatives. In 2025, Buena Vista Police Department (BVPD) School Resource Officers hosted two summer youth camps, culminating in the inaugural Reginald "Monk" Fix Memorial Camp, developed in partnership with the Buena Vista Police Foundation. The BVPD also maintained a consistent presence in all four city schools and collaborated with Buena Vista City Public Schools to design new programming for academic year 2026. Two major community engagement programs, the Buena Vista Community Safety Council and TRIAD (a partnership among law enforcement, senior citizens, and community groups), were launched to strengthen relationships with residents and local stakeholders. Additionally, the department organized a highly successful National Night Out and continued active partnerships with organizations such as Project Horizon, the Community Foundation of Rockbridge, Bath, and Alleghany Counties, Rockbridge Connect & Nourish, and Rockbridge Recovery/Hope House for the event. Among their most notable achievements, the BVPD sustained a 99% employee retention rate, a rare accomplishment in today's competitive law enforcement environment, reflecting the department's strong organizational culture and commitment to professional development. These achievements underscore the City's dedication to public safety, community engagement, and operational excellence.

Buena Vista's collaboration with the area's Community Foundation and Rockbridge Recovery continued in FY 2025. In August 2024, the City was awarded over \$491,139 in Opioid Abatement Authority grant funding to support individuals, families, and communities impacted by addiction with prevention and education programs. In addition, City Council approved the use of \$13,690 from opioid settlement funding to support the establishment of a regional Recovery Court. The program aims to provide treatment and supervision for individuals with substance use disorders, with a goal of reducing recidivism. The combined area funding covers the salary and benefits for a full-time coordinator. The Recovery Court was operational in June 2025. The court plans to apply for additional funding through the Commonwealth of Virginia and other grant opportunities to ensure the Recovery Court's long-term sustainability.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Buena Vista for its annual comprehensive financial report for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the finance and administration departments. We also would like to thank the Mayor, members of the City Council, and the rest of City staff for their interest and support in planning and conducting the financial operations of the City in a responsive and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jason Tyree", with a long horizontal flourish extending to the right.

Jason Tyree, City Manager

A handwritten signature in blue ink, appearing to read "Steve Bolster", with a stylized, cursive script.

Steve Bolster, Finance Director



Government Finance Officers Association

Certificate of
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**City of Buena Vista
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

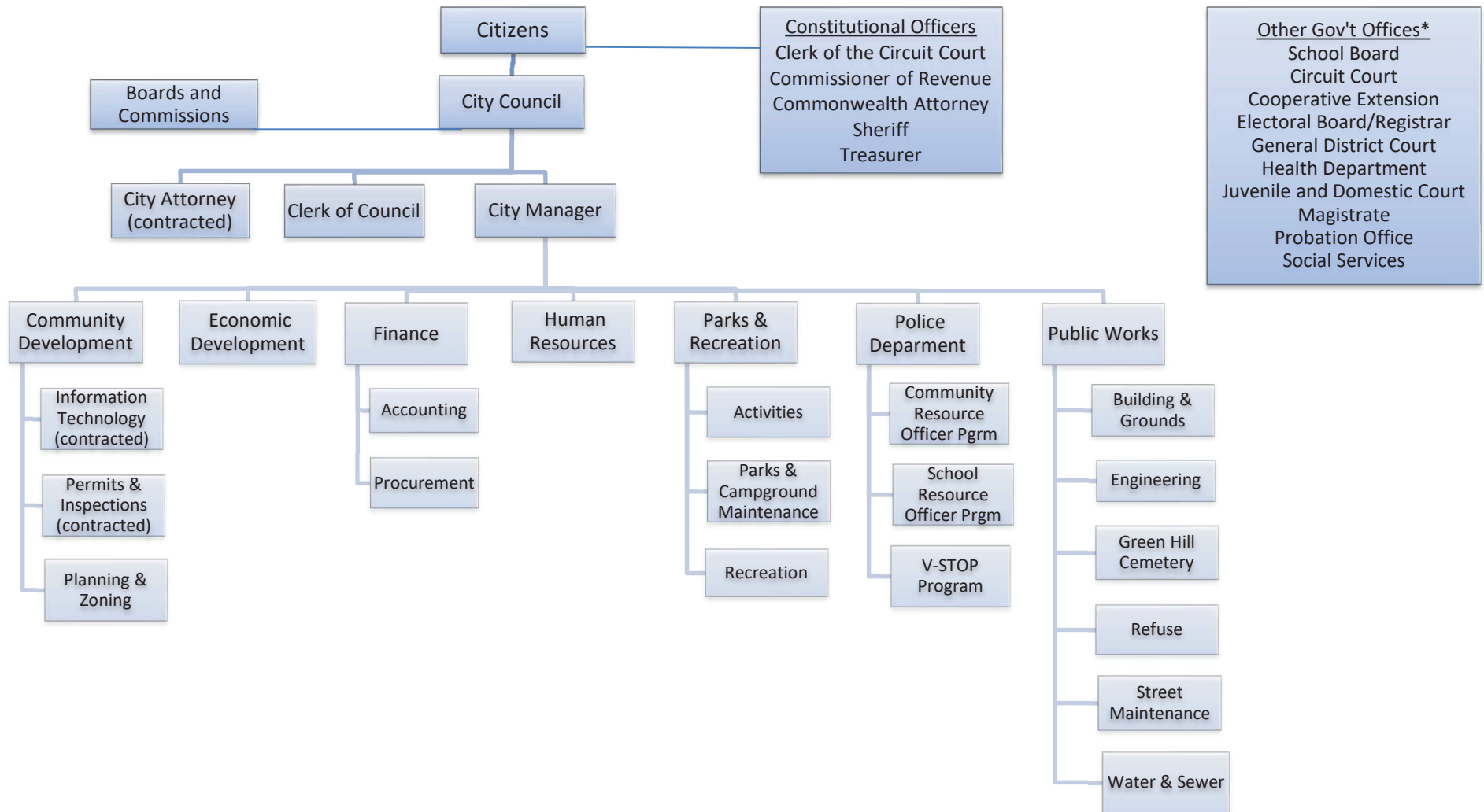
June 30, 2024

Christopher P. Morill

Executive Director/CEO



City of Buena Vista



*Administered by other governmental entities

CITY OF BUENA VISTA, VIRGINIA
ELECTED AND APPOINTED OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2025

CITY COUNCIL

Tyson Cooper, Mayor
Danny Staton, Vice-Mayor
Ronald Cash
Stanley Coffey
Melvin Henson
Michelle Poluikis
Danny Staton
Steve Webb

BUENA VISTA APPOINTED OFFICIALS

City Manager Jason Tyree
City Attorney Brian Kearney
Clerk of Council Sarah Burch

BUENA VISTA CITY SCHOOL BOARD

Teresa Ellison, Chairperson
Lisa Kerr, Vice-Chairperson
Paula Charlton
Wayne Flint
Roy Mohler
John Rice
John Roberts

SCHOOL DIVISION APPOINTED OFFICIALS

Superintendent of Schools Dr. Tony Francis
Clerk of School Board Sandra Mohler

LEGISLATIVE ELECTION

Presiding Judge of the Circuit Court Honorable Christopher B. Russell
Chief Judge of the Circuit Court Honorable Joel R. Branscom
Judge of the General District Court Honorable Robin J. Mayer
Judge of the Juvenile & Domestic Relations District Court Honorable Robert C. Hagan, Jr.
Judge of the Juvenile & Domestic Relations District Court Honorable Correy R. Smith

CONSTITUTIONAL OFFICERS

Clerk of the Circuit Court Christopher W. Coleman
Commissioner of the Revenue Ashton C. Beverley
Commonwealth's Attorney Joshua Elrod
Sheriff Randy Hamilton
Treasurer Amarilis "Amy" Hudson

FINANCIAL SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

**TO THE CITY COUNCIL
CITY OF BUENA VISTA, VIRGINIA
BUENA VISTA, 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 City of Buena Vista, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City'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, and each major fund and the aggregate remaining fund information of the City of Buena Vista, Virginia, as of and for the year ended June 30, 2025, 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 the City of Buena Vista, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 24 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 25 to the financial statements, in 2025, the City restated beginning balances to reflect the requirements of GASB Statement No. 101, *Compensated Absences* and to correct the fund balances between the City and component unit School Board. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Buena Vista, 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 City of Buena Vista, 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 City of Buena Vista, 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 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Required Supplementary Information (Continued)

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of the City of Buena Vista, 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 the City of Buena Vista, 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 the City of Buena Vista, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
December 29, 2025

Management's Discussion and Analysis

As management of the City of Buena Vista, Virginia, we offer readers of the City of Buena Vista's financial statements this narrative overview and analysis of the financial activities of the City of Buena Vista for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal that can be found on pages 1-4 of this report.

Financial Highlights

The net position of the City of Buena Vista's Primary Government at the close of the current fiscal year was \$14,706,528 (net position). Total primary government net position increased \$4,003,990, up 37.41% from the restated prior fiscal year largely due to the increase in capital assets (\$739,929) and the decrease in revenue bonds payable (\$2,806,736).

As of the close of the current fiscal year, the City of Buena Vista's governmental funds reported combined fund balances of \$4,801,123, an increase of \$1,624,648 or 51.15% in comparison with the restated prior year. Of the ending fund balances, \$4,476,413 is unassigned and available for spending at the government's discretion. The increase of \$2,306,765, or 106.32%, is attributable to the General Fund increase in federal revenue, up \$2,839,548. This is linked to the ARPA funding that previously was identified as unearned revenue in FY 2024 but realized in FY 2025. At the end of the fiscal year, the unassigned fund balance for the General Fund was \$4,502,883, or 24.67% of total General Fund expenditures (\$18,251,572).

The total long-term debt for the City stands at \$11,659,878, down \$2,310,268 or 16.54%, compared to the prior year. This change is driven by the refinancing of a 2011 BVPWA water debt service with a payoff date of July 1, 2024. Please see Note 9 to financial statements for further details on long-term obligations.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Buena Vista's basic financial statements. The City of Buena Vista's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net position presents information on all of the City of Buena Vista's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these 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 City of Buena Vista is improving or deteriorating.

The Statement of Activities presents information showing how the government'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 this 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 City of Buena Vista 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 City of Buena Vista include general government, judicial administration, public safety, public works, health and welfare, education, parks recreation and cultural, community development, and interest expense. The business-type activities of the City of Buena Vista include water and sewer operations.

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

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 City of Buena Vista, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City of Buena Vista 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 reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Buena Vista maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and School Construction Fund. The other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City of Buena Vista maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Buena Vista uses enterprise funds to account for its Water Fund and Sewer Fund

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer activity, both of which are considered major funds of the City of Buena Vista.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary fund statements provide information on the Special Welfare Fund. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the City of Buena Vista's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 items in the financial section, this report also presents a statistical section and compliance section.

General Fund Budgetary Highlights

The FY 2025 General Fund Budget was \$16,533,403, up \$857,966 or 5.47% compared to FY 2024. The City's primary budgetary goals are to provide our citizens with public safety, public works, safety net services, and economic development environment needed to support a thriving community and to continue efforts to increase the fund balance. The City of Buena Vista executed plans to complete projects sourced from the American Rescue Plan Act funding. These efforts included a major renovation of the Glen Maury Park swimming pool (\$636,265), constructing a Town Square gathering space in the downtown area (\$200,000), replacing the roof at City Hall (\$47,700), purchasing new gas monitoring equipment for our wastewater treatment plant (\$105,152), and creating a new network/server room at City Hall (\$76,620). City Council approved a 5% cost-of-living adjustment for employees in FY 2025.

Additional impacts on the FY 2025 budget included fiscal support to regional governmental entities and external non-profit organizations. The following were approved for additional funding over the previous year: Central Dispatch (+\$42,221), Regional Jail (+\$178,194), Department of Social Services (+\$50,000), Regional Library (+\$46,483), Consolidated Dispatch (+\$42,221), Main Street Buena Vista (+\$15,000), and the Rockbridge Area Community Services Board (+\$7,526). Some of the operational support to area agencies is outside the control of Buena Vista.

The City completed a property reassessment with new assessed values effective July 1, 2024. As a result of the overall 33% increase in valuations, the real estate tax rate was equalized downward from \$1.27 to \$0.91 per \$100 of assessed valuation for FY 2025.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Buena Vista, primary government assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,706,528 at the close of fiscal year 2025.

The City of Buena Vista's governmental activities net investment in capital assets of \$8,541,618 reflects its investment in land, buildings, and machinery & equipment, less any related debt used to acquire those assets that is still outstanding. The City of Buena Vista uses these capital assets to provide services to citizens. These assets are not available for future spending. Although the City of Buena Vista'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 net position of the primary government increased \$4,003,990 during FY 2025. Key components of this change are discussed on page 16 of the MD&A.

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The following is a condensed summary of the City's statement of net position for the fiscal years ending June 30, 2025 and 2024.

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 8,928,668	\$ 11,280,118	\$ 3,612,940	\$ 5,250,429	\$ 12,541,608	\$ 16,530,547
Capital Assets	12,179,104	11,172,458	4,464,360	4,731,027	16,643,464	15,903,485
Total Assets	<u>\$ 21,107,772</u>	<u>\$ 22,452,576</u>	<u>\$ 8,077,300</u>	<u>\$ 9,981,456</u>	<u>\$ 29,185,072</u>	<u>\$ 32,434,032</u>
Deferred Outflows Long-term	\$ 1,101,900	\$ 861,432	\$ 96,336	\$ 95,219	\$ 1,198,236	\$ 956,651
Liabilities	\$ 5,432,688	\$ 5,041,535	\$ 5,565,392	\$ 5,668,807	\$ 10,998,080	\$ 10,710,342
Other liabilities	1,608,477	5,796,811	274,526	2,633,703	1,883,003	8,430,514
Total Liabilities	<u>\$ 7,041,165</u>	<u>\$ 10,838,346</u>	<u>\$ 5,839,918</u>	<u>\$ 8,302,510</u>	<u>\$ 12,881,083</u>	<u>\$ 19,140,856</u>
Deferred inflows of resources	\$ 2,622,376	\$ 2,701,592	\$ 173,321	\$ 194,174	\$ 2,795,697	\$ 2,895,766
Net Position:						
Net investment in capital assets	\$ 9,418,022	\$ 8,112,635	\$ (876,404)	\$ (639,171)	\$ 8,541,618	\$ 7,473,464
Restricted	310,273	1,010,328	199,048	617,633	509,321	1,627,961
Unrestricted (deficit)	2,817,836	651,107	2,837,753	1,601,529	5,655,589	2,252,636
Total Net Position	<u>\$ 12,546,131</u>	<u>\$ 9,774,070</u>	<u>\$ 2,160,397</u>	<u>\$ 1,579,991</u>	<u>\$ 14,706,528</u>	<u>\$ 11,354,061</u>

Governmental Activities. Net position of governmental activities increased for the City of Buena Vista by \$2,772,061 (up 28.36%) for FY 2025, while net position of business-type activities increased by \$580,406 (up 36.73%) for the fiscal year. Key components of the change are discussed on page 16 of the MD&A.

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The following is a summary of the statement of activities for fiscal years ending June 30, 2025 and 2024.

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$ 922,018	\$ 946,843	\$ 2,517,909	\$ 2,378,961	\$ 3,439,927	\$ 3,325,804
Operating grants	8,539,164	6,878,751			8,539,164	6,878,751
Capital grants	1,381,615	89,088	-	-	1,381,615	89,088
General Revenues:						
Property taxes	6,932,907	6,977,786	-	-	6,932,907	6,977,786
Other taxes	1,940,427	1,897,828	-	-	1,940,427	1,897,828
Grants and contributions not restricted to specific programs	877,328	879,023	-	-	877,328	879,023
Use of money and property	23,456	24,887	-	23,869	23,456	48,756
Miscellaneous	301,229	201,272	-	-	301,229	201,272
Total Revenue	<u>\$ 20,918,144</u>	<u>17,895,478</u>	<u>\$ 2,517,909</u>	<u>2,402,830</u>	<u>\$ 23,436,053</u>	<u>\$ 20,298,308</u>
Expenses:						
General Government						
admin	\$ 2,000,003	\$ 1,743,589	\$ -	\$ -	\$ 2,000,003	\$ 1,743,589
Judicial Admin	1,721,603	1,415,453	-	-	1,721,603	1,415,453
Public Safety	3,848,826	3,721,518	-	-	3,848,826	3,721,518
Public works	2,563,675	2,708,776	-	-	2,563,675	2,708,776
Health and Welfare	2,898,203	2,677,613	-	-	2,898,203	2,677,613
Education	1,817,779	2,879,487	-	-	1,817,779	2,879,487
Parks, Recreation, Culture	1,115,929	974,712	-	-	1,115,929	974,712
Community Development	1,241,300	829,518	-	-	1,241,300	829,518
Interest on long-term debt	172,440	189,434	-	-	172,440	189,434
Water and Sewer						
Water	-	-	1,093,152	1,360,859	1,093,152	1,360,859
Sewer	-	-	959,153	1,018,187	959,153	1,018,187
Total Expenses	<u>\$ 17,379,758</u>	<u>\$ 17,140,100</u>	<u>\$ 2,052,305</u>	<u>\$ 2,379,046</u>	<u>\$ 19,432,063</u>	<u>\$ 19,519,146</u>
Increase (decrease) in net position before transfers	\$ 3,538,386	\$ 755,378	\$ 465,604	\$ 23,784	\$ 4,003,990	\$ 779,162
Transfers	<u>(179,778)</u>	<u>-</u>	<u>179,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	\$ 3,358,608	\$ 755,378	\$ 645,382	\$ 23,784	\$ 4,003,990	\$ 779,162
Special item - disposal of golf operations	<u>-</u>	<u>26,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,768</u>
Increase (decrease) in net position	<u>\$ 3,358,608</u>	<u>\$ 782,146</u>	<u>\$ 645,382</u>	<u>\$ 23,784</u>	<u>\$ 4,003,990</u>	<u>\$ 805,930</u>
Net position, beginning, as previously reported	\$ 9,774,070	\$ 8,991,924	\$ 1,579,991	\$ 1,556,207	\$ 11,354,061	\$ 10,548,131
Restatement	<u>(586,547)</u>	<u>-</u>	<u>(64,976)</u>	<u>-</u>	<u>(651,523)</u>	<u>-</u>
Net position, beginning, as restated	\$ 9,187,523	\$ 8,991,924	\$ 1,515,015	\$ 1,556,207	\$ 10,702,538	\$ 10,548,131
Net position, ending	<u>\$ 12,546,131</u>	<u>\$ 9,774,070</u>	<u>\$ 2,160,397</u>	<u>\$ 1,579,991</u>	<u>\$ 14,706,528</u>	<u>\$ 11,354,061</u>

Governmental Activities

Key factors contributing to the increase in net position of \$2,772,061 or 28.36% over FY 2024 for governmental activities were:

- City revenues equaled \$20,918,144, up \$3,022,666 (+16.89%) versus last year. The primary contributor to this change is accounting for the ARPA funding balance previously reflected as unearned revenue in FY 2024 but realized in FY 2025.
- Overall, the City executed planned expenditures (\$17,379,758) consistent with FY 2024 totals (\$17,176,843). The City's total expenditure level saw an increase of \$239,658 over the prior year, up 1.40%.
- During fiscal year 2025, the City implemented GASB Statement No. 101, which changed the accounting for compensated absences and resulted in a restatement of beginning net position for governmental activities.

Business-type Activities

Primary circumstances related to the business-type activities (Water Fund and Sewer Fund) realizing a combined increase in net position totaling \$580,406, up 36.73% over FY 2024 include the following:

- Combined operating revenues total \$2,517,909, up \$138,948 (+5.84%) compared to last fiscal year.
- Total operating expenses equal \$1,859,713, down \$243,419 (-11.57%) compared to FY 2024.
- Joint operating income reflects \$658,196, up \$382,367 (+138.62%) compared to the previous year. The Water Fund operating income is \$559,309, while the Sewer Fund operating income is \$98,887.
- The components of nonoperating revenues/(expenses) amount to (-\$12,814). They include transfers in (+179,778), interest expense (-\$162,310), and bond issuance costs (-\$30,282).
- The Water Fund posted an increase in net position of \$546,495 (up 79.64% from the restated net position of \$686,201). The water rate remained at \$8.58 per 1,000 gallons.
- The Sewer Fund posted an increase in net position of \$98,887 (up 11.93% from the restated position of \$828,814). The sewer rate increased from \$8.54 per 1,000 gallons to \$9.04.
- During fiscal year 2025, the City implemented GASB Statement No. 101, which changed the accounting for compensated absences and resulted in a restatement of beginning net position for business-type activities.

Financial Analysis of the Government's Funds

As noted earlier, the City of Buena Vista uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of FY 2025, the City of Buena Vista's governmental funds reported combined ending fund balances of \$4,801,123 an increase of \$1,448,150 (+43.19%) in comparison with the prior year. The increase reflects governmental fund revenues exceeding expenditures by \$1,343,564.

Unassigned fund balance at the end of FY 2025 totaled \$4,476,413, which was 93.24% of the total combined fund balances and represents the unassigned fund balance that is available for spending at the government's discretion. The remainder of fund balance is designated to indicate that it is not available for new spending because it has already been restricted or assigned toward such items as 1) debt service, 2) prepaid expenses and inventory, 3) community development block grant project, and 4) future expenditures for capital and post-closure cemetery costs.

The General Fund is the chief operating fund of the City of Buena Vista. At the end of FY 2025, the unassigned fund balance of the General Fund was \$4,502,883. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to the General Fund's total expenditures. The unassigned fund balance represents 24.67% of total General Fund expenditures.

Proprietary funds. The City of Buena Vista's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The Water Fund realized an increase in net position of \$546,495 (up 79.64% over the restated FY 2024 net position). The ending net position for FY 2025 is \$1,232,696. The City's Water rates remained \$8.58 per 1,000 gallons in FY 2025.
- The Sewer Fund achieved an increase in net position of \$98,887 (up 11.93% over the restated FY 2024 net position). The ending net position for FY 2025 is \$927,701. The City's Sewer rates were increased from \$8.58 to \$9.04 per 1,000 gallons in FY 2025.

Capital project funds. The City's capital project funds consist of the School Construction Fund and the Community Development Block Grant Fund and are used to account for activities related to City capital projects. Both the School Construction Fund balance (\$0) and the Community Development Block Grant Fund balance (\$66,073) remained the same in FY 2025 compared to FY 2024.

Capital Assets and Debt Administration

Capital Assets. The City of Buena Vista's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$16,643,464, up \$739,929 or 4.65% (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, infrastructure, and lease assets. The main increase for Buena Vista was capturing seven additional vehicle leases and three copier leases. The lease assets category is up \$468,617, or 411.35% in FY 2025. In addition, the machinery and equipment area is higher by \$469,882, or 25.09%, resulting from the investment in new gas monitors for the wastewater treatment plant and IT components for the City's new network and server room.

The following is a summary of the City's capital assets net of depreciation. Further information on the City's capital assets can be found in Note 21 to the financial statements.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 2,226,363	\$ 2,226,363	\$ 4,900	\$ 4,900	\$ 2,231,263	\$ 2,231,263
Construction in Progress	525,515	386,738	-	52,576	525,515	439,314
Buildings & Improvements	4,101,432	4,279,954	-	-	4,101,432	4,279,954
Infrastructure	2,753,163	2,579,940	4,106,601	4,386,073	6,859,764	6,966,013
Lease Assets	582,539	113,922	-	-	582,539	113,922
Machinery & Equipment	1,990,092	1,585,541	352,859	287,528	2,342,951	1,873,069
Total	\$ 12,179,104	\$ 11,172,458	\$ 4,464,360	\$ 4,731,077	\$ 16,643,464	\$ 15,903,535

Long-term liabilities. At the end of FY 2025, the City of Buena Vista's primary government had total long-term liabilities outstanding of \$11,659,878. This represents a decrease of \$2,310,268 (down 16.54%) from the last fiscal year primarily because a BVP SA water revenue bond completed in late June 2024 resulted in the paying off in full (\$2,222,921) of a 2011 revenue bond on July 1, 2024.

The following is a summary of the City's long-term liabilities. Further information on the City's long-term liabilities can be found in Note 9 to the financial statements.

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 231,801	\$ 254,982	\$ -	\$ -	\$ 231,801	\$ 254,982
Lease-Revenue Bonds	-	-	-	-	-	-
Revenue Bonds	-	500,579	5,340,764	7,646,921	5,340,764	8,147,500
Literary Loans	-	-	-	-	-	-
Net Lease Liabilities	484,407	70,274	-	-	484,407	70,274
Notes Payable	183,398	293,392	-	-	183,398	293,392
Loan Payable	1,861,476	1,940,596	-	-	1,861,476	1,940,596
Net OPEB Liabilities	1,235,456	1,218,923	118,019	148,239	1,353,475	1,367,162
Compensated absences	853,251	299,600	107,718	29,233	960,969	328,833
Net Pension Liability	1,138,477	1,404,658	105,111	162,749	1,243,588	1,567,407
Total	\$ 5,988,266	\$ 5,983,004	\$ 5,671,612	\$ 7,987,142	\$ 11,659,878	\$ 13,970,146

State statutes limit the amount of general bonded debt a governmental entity may issue up to 10 percent of its total assessed valuation. The current debt limit for the City of Buena Vista is approximately \$46,425,168.

Economic Factors and Next Year's Budgets and Rates

- The City population was 6,641 as of the 2020 U.S. Census. The Weldon Cooper Center for Public Service released their July 1, 2024 population estimate on January 27, 2025: 6,632 citizens. Minimal population changes have occurred over the past 60 years. There was no expectation that a notable shift would occur during FY 2025 or beyond.
- For the fiscal year ending June 30, 2025, the unemployment rate for the Commonwealth of Virginia and the City were 3.5% and 4.2% respectively. During the progress of this management discussion and analysis report, September 2025 unemployment rates reflected 3.5% for the State and 2.8% for the City.
- The City continues to provide adequate employee compensation and training, recognizing our workforce is a vital resource in meeting the needs of our citizens. An attractive compensation package helps to retain and attract a quality team of employees.
- A 1.5% cost of living adjustment was approved for City employees effective July 1, 2025 (FY 2026). The Commonwealth of Virginia largely sourced a 3% cost of living adjustment and 1.5% bonus for Constitutional Officers and their staff in FY 2026.
- The City's health insurance plan premiums rose by 12% for budget year 2026, a fiscal impact of approximately \$143,000.
- With the construction of a new Department of Social Services building in Buena Vista beginning in 2025, an initial \$69,586 City cost-share on the debt service payment began in FY 2026.

- For FY 2026, the Virginia Department of Criminal Justice Services (VA DCJS) informed the City that two of the four School Resource Officer grants would expire June 30, 2025. This loss of state program funding means \$183,433 would come from local tax dollars.
- In addition, the Police Department's Community Resource Program was supported by a VA DCJS grant through June 30, 2025 (FY 2025). This 2-person program was sourced locally at \$209,696 in FY 2026.
- The FY 2026 budget also took into consideration the Mountain Gateway Community College (MGCC)/Vista Links facility. In July 2025, MGCC stopped leasing this satellite campus from the City. This loss of revenue is around \$150,000 annually.
- The City remains focused on improving fund balances to mitigate potential emergency needs and have sufficient funds available to operate before tax proceeds are received.
- The City continues to concentrate on the maintenance of buildings, equipment, or infrastructure for new projects or programs.
- The City continues to evaluate the adequacy of current user charges for enterprise activities and will adjust rates as necessary to ensure these activities are self-sustaining. For FY 2026, this included the following:
 - The monthly water rate remained at \$8.58 per 1,000 gallons used.
 - The water connection fee increases from \$1,200 to \$1,500.
 - Water connection meters: from \$500 each to actual meter costs plus 5% fee for all sizes.
 - The water system development fee (new in FY 2026) is \$1,500.
 - The monthly sewer rate increased from \$9.04 per 1,000 gallons used to \$10.04.
 - The sewer connection fee increases from \$1,200 to \$1,500.
 - The sewer system development fee (new in FY 2026) is \$1,500.
- The City increased the real estate tax rate from \$0.91 per \$100 of assessed valuation to \$0.98.
- The City's personal property tax rate remained \$5.85 per \$100 of assessed valuation.
- The City adopted a cigarette tax of 25 cents per pack with an effective date for implementation on January 1, 2026.

All these factors were considered in preparing the City of Buena Vista's budget for FY 2026.

Requests for Information

This financial report is designed to provide readers with a general overview of the City of Buena Vista finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, 2039 Sycamore Avenue, Buena Vista, Virginia 24416.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2025

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents	\$ 3,642,883	\$ 2,896,876	\$ 6,539,759	\$ 2,380,736	\$ -
Investments	-	-	-	409,326	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	2,410,845	-	2,410,845	-	-
Accounts receivable	353,943	428,327	782,270	1,410	-
Leases receivable	259,071	-	259,071	-	-
Due from other governmental units	1,346,102	-	1,346,102	570,432	-
Due from component unit	688,927	-	688,927	-	-
Inventories	27,046	-	27,046	19,786	-
Accrued interest receivable	1,217	-	1,217	-	-
Prepaid items	74,429	7,189	81,618	25,451	-
Restricted assets:					
Cash and cash equivalents	124,205	280,548	404,753	-	-
Net pension asset	-	-	-	464,283	-
Capital assets (net of accumulated depreciation):					
Land	2,226,363	4,900	2,231,263	4,634	1,107,200
Buildings and improvements	4,101,432	-	4,101,432	7,531,397	-
Machinery and equipment	1,990,092	352,859	2,342,951	1,955,873	-
Infrastructure	2,753,163	4,106,601	6,859,764	-	754,634
Construction in progress	525,515	-	525,515	-	-
Lease equipment	582,539	-	582,539	46,442	-
Subscription assets	-	-	-	169,164	-
Total assets	\$ 21,107,772	\$ 8,077,300	\$ 29,185,072	\$ 13,578,934	\$ 1,861,834
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 920,915	\$ 78,967	\$ 999,882	\$ 1,989,717	\$ -
OPEB related items	180,985	17,369	198,354	1,746,370	-
Total deferred outflows of resources	\$ 1,101,900	\$ 96,336	\$ 1,198,236	\$ 3,736,087	\$ -
LIABILITIES					
Accounts payable	\$ 684,153	\$ 53,308	\$ 737,461	\$ 736,067	\$ -
Accrued liabilities	287,039	23,841	310,880	841,794	-
Accrued interest payable	7,156	9,657	16,813	3,063	-
Due to primary government	-	-	-	688,927	-
Due to other governmental units	56,247	-	56,247	-	-
Deposits held in escrow	18,304	81,500	99,804	-	-
Unearned revenue	-	-	-	8,300	-
Long-term liabilities:					
Due within one year	588,535	109,263	697,798	646,143	-
Due in more than one year	5,399,731	5,562,349	10,962,080	9,949,133	-
Total liabilities	\$ 7,041,165	\$ 5,839,918	\$ 12,881,083	\$ 12,873,427	\$ -
DEFERRED INFLOWS OF RESOURCES					
Pension related items	\$ 821,309	\$ 156,165	\$ 977,474	\$ 1,225,153	\$ -
OPEB related items	177,641	17,156	194,797	328,709	-
Deferred revenue - property taxes	1,380,415	-	1,380,415	-	-
Lease related	243,011	-	243,011	-	-
Total deferred inflows of resources	\$ 2,622,376	\$ 173,321	\$ 2,795,697	\$ 1,553,862	\$ -
NET POSITION					
Net investment in capital assets	\$ 9,418,022	\$ (876,404)	\$ 8,541,618	\$ 6,784,445	\$ 1,861,834
Restricted:					
Employee pensions	-	-	-	464,283	-
Opioid abatement	119,995	-	119,995	-	-
Community development block grant	66,073	-	66,073	-	-
Repayment of loans payable	124,205	199,048	323,253	-	-
Unrestricted (deficit)	2,817,836	2,837,753	5,655,589	(4,360,996)	-
Total net position	\$ 12,546,131	\$ 2,160,397	\$ 14,706,528	\$ 2,887,732	\$ 1,861,834

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

City of Buena Vista, Virginia

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,000,003	\$ 5,020	\$ 305,935	\$ 62,157
Judicial administration	1,189,213	2,006	518,122	6,276
Public safety	4,381,216	49,037	3,810,110	-
Public works	2,563,675	766,580	1,768,483	98,638
Health and welfare	2,893,017	-	2,065,770	-
Education	1,817,779	-	-	-
Parks, recreation, and cultural	1,115,929	99,375	-	745,146
Community development	1,246,486	-	70,744	469,398
Interest on long-term debt	172,440	-	-	-
Total governmental activities	<u>\$ 17,379,758</u>	<u>\$ 922,018</u>	<u>\$ 8,539,164</u>	<u>\$ 1,381,615</u>
Business-type activities:				
Water	\$ 1,093,152	\$ 1,459,869	\$ -	\$ -
Sewer	959,153	1,058,040	-	-
Total business-type activities	<u>\$ 2,052,305</u>	<u>\$ 2,517,909</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 19,432,063</u>	<u>\$ 3,439,927</u>	<u>\$ 8,539,164</u>	<u>\$ 1,381,615</u>
COMPONENT UNITS:				
School Board	\$ 16,752,571	\$ 74,364	\$ 14,590,432	\$ -
EDA	21,561	-	-	-
Total component units	<u>\$ 16,774,132</u>	<u>\$ 74,364</u>	<u>\$ 14,590,432</u>	<u>\$ -</u>
General revenues and transfers:				
General property taxes				
Other local taxes:				
Local sales and use taxes				
Consumers' utility taxes				
Meals taxes				
Business and professional license taxes				
Motor vehicle license taxes				
Other local taxes				
Unrestricted revenues from use of money				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning, as previously reported				
Restatement				
Net position - beginning, as restated				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Unit		
Governmental Activities	Business-type Activities	Total	School Board	EDA	
\$ (1,626,891)	\$ -	\$ (1,626,891)	\$ -	\$ -	\$ -
(662,809)	-	(662,809)	-	-	-
(522,069)	-	(522,069)	-	-	-
70,026	-	70,026	-	-	-
(827,247)	-	(827,247)	-	-	-
(1,817,779)	-	(1,817,779)	-	-	-
(271,408)	-	(271,408)	-	-	-
(706,344)	-	(706,344)	-	-	-
(172,440)	-	(172,440)	-	-	-
<u>\$ (6,536,961)</u>	<u>\$ -</u>	<u>\$ (6,536,961)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 366,717	\$ 366,717	\$ -	\$ -	\$ -
-	98,887	98,887	-	-	-
<u>\$ -</u>	<u>\$ 465,604</u>	<u>\$ 465,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (6,536,961)</u>	<u>\$ 465,604</u>	<u>\$ (6,071,357)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (2,087,775)	\$ -	\$ -
-	-	-	-	-	(21,561)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,087,775)</u>	<u>\$ -</u>	<u>\$ (21,561)</u>
\$ 6,932,907	\$ -	\$ 6,932,907	\$ -	\$ -	\$ -
637,687	-	637,687	-	-	-
244,194	-	244,194	-	-	-
461,048	-	461,048	-	-	-
226,015	-	226,015	-	-	-
132,115	-	132,115	-	-	-
239,368	-	239,368	-	-	-
23,456	-	23,456	85,107	-	-
301,229	-	301,229	345,422	-	-
877,328	-	877,328	1,719,566	-	-
(179,778)	179,778	-	-	-	-
<u>\$ 9,895,569</u>	<u>\$ 179,778</u>	<u>\$ 10,075,347</u>	<u>\$ 2,150,095</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,358,608	\$ 645,382	\$ 4,003,990	\$ 62,320	\$ (21,561)	\$ (21,561)
\$ 9,774,070	\$ 1,579,991	\$ 11,354,061	\$ 3,582,610	\$ 1,883,395	\$ 1,883,395
(586,547)	(64,976)	(651,523)	(757,198)	-	-
<u>\$ 9,187,523</u>	<u>\$ 1,515,015</u>	<u>\$ 10,702,538</u>	<u>\$ 2,825,412</u>	<u>\$ 1,883,395</u>	<u>\$ 1,883,395</u>
<u>\$ 12,546,131</u>	<u>\$ 2,160,397</u>	<u>\$ 14,706,528</u>	<u>\$ 2,887,732</u>	<u>\$ 1,861,834</u>	<u>\$ 1,861,834</u>

FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 3,544,424	\$ 98,459	\$ 3,642,883
Receivables (net of allowance for uncollectibles):			
Taxes receivable	2,410,845	-	2,410,845
Accounts receivable	332,831	21,112	353,943
Leases receivable	259,071	-	259,071
Accrued interest receivable	1,217	-	1,217
Due from component unit	688,927	-	688,927
Due from other governmental units	1,346,102	-	1,346,102
Inventories	27,046	-	27,046
Prepaid items	74,429	-	74,429
Restricted assets:			
Cash and cash equivalents	124,205	-	124,205
Total assets	<u>\$ 8,809,097</u>	<u>\$ 119,571</u>	<u>\$ 8,928,668</u>
LIABILITIES			
Accounts payable	\$ 665,810	\$ 18,343	\$ 684,153
Accrued liabilities	258,371	28,668	287,039
Due to other governmental units	56,247	-	56,247
Deposits held in escrow	18,304	-	18,304
Total liabilities	<u>\$ 998,732</u>	<u>\$ 47,011</u>	<u>\$ 1,045,743</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 2,718,796	\$ -	\$ 2,718,796
Unavailable revenue - opioid settlement	119,995	-	119,995
Lease related items	243,011	-	243,011
Total Deferred Inflows of Resources	<u>\$ 3,081,802</u>	<u>\$ -</u>	<u>\$ 3,081,802</u>
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	\$ 74,429	\$ -	\$ 74,429
Inventory	27,046	-	27,046
Restricted:			
Repayment of loans payable	124,205	-	124,205
Community development block grant	-	66,073	66,073
Assigned:			
Senior Center	-	18,330	18,330
Green Hill Cemetery	-	14,627	14,627
Unassigned	4,502,883	(26,470)	4,476,413
Total fund balances	<u>\$ 4,728,563</u>	<u>\$ 72,560</u>	<u>\$ 4,801,123</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,809,097</u>	<u>\$ 119,571</u>	<u>\$ 8,928,668</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2025

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$	4,801,123
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land	\$	2,226,363	
Buildings and improvements		4,101,432	
Machinery and equipment		1,990,092	
Infrastructure		2,753,163	
Construction in progress		525,515	
Lease equipment		582,539	
			12,179,104
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.			
Deferred revenue - property taxes	\$	1,338,381	
Deferred revenue - opioid settlement		119,995	
			1,458,376
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds			
Pension related items	\$	920,915	
OPEB related items		180,985	
			1,101,900
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds payable	\$	(231,801)	
Accrued interest payable		(7,156)	
Notes payable		(183,398)	
Loans payable		(1,861,476)	
Lease liabilities		(484,407)	
Compensated absences		(853,251)	
Net pension liability		(1,138,477)	
Net OPEB liabilities		(168,009)	
Total OPEB liability		(1,067,447)	
			(5,995,422)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(821,309)	
OPEB related items		(177,641)	
			(998,950)
Net position of governmental activities		\$	<u>12,546,131</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
Year Ended June 30, 2025

	General Fund	School Construction Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 6,956,737	\$ -	\$ -	\$ 6,956,737
Other local taxes	1,940,427	-	-	1,940,427
Permits, privilege fees, and regulatory licenses	85,907	-	-	85,907
Fines and forfeitures	31,467	-	-	31,467
Revenue from the use of money and property	203,271	18,467	230,011	451,749
Charges for services	742,369	-	62,275	804,644
Miscellaneous	264,088	-	44,957	309,045
Recovered costs	59,942	-	8,706	68,648
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	6,689,960	-	-	6,689,960
Federal	4,108,147	-	-	4,108,147
Total revenues	<u>\$ 21,082,315</u>	<u>\$ 18,467</u>	<u>\$ 345,949</u>	<u>\$ 21,446,731</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,979,674	\$ -	\$ -	\$ 1,979,674
Judicial administration	1,283,553	-	-	1,283,553
Public safety	4,218,825	-	-	4,218,825
Public works	3,070,766	-	-	3,070,766
Health and welfare	2,936,742	-	8,362	2,945,104
Education	1,756,318	-	-	1,756,318
Parks, recreation, and cultural	195,368	-	1,743,771	1,939,139
Community development	1,430,929	-	-	1,430,929
Capital outlay	532,390	-	-	532,390
Debt service:				
Principal retirement	687,769	71,834	-	759,603
Interest and other fiscal charges	159,238	27,628	-	186,866
Total expenditures	<u>\$ 18,251,572</u>	<u>\$ 99,462</u>	<u>\$ 1,752,133</u>	<u>\$ 20,103,167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,830,743</u>	<u>\$ (80,995)</u>	<u>\$ (1,406,184)</u>	<u>\$ 1,343,564</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 80,995	\$ 1,452,989	\$ 1,533,984
Transfers out	(1,713,762)	-	-	(1,713,762)
Issuance of leases	460,862	-	-	460,862
Total other financing sources (uses)	<u>\$ (1,252,900)</u>	<u>\$ 80,995</u>	<u>\$ 1,452,989</u>	<u>\$ 281,084</u>
Net change in fund balances	<u>\$ 1,577,843</u>	<u>\$ -</u>	<u>\$ 46,805</u>	<u>\$ 1,624,648</u>
Fund balances - beginning, as previously reported	\$ 3,327,218	\$ -	\$ 25,755	\$ 3,352,973
Restatement	(176,498)	-	-	(176,498)
Fund balances - beginning, as restated	<u>\$ 3,150,720</u>	<u>\$ -</u>	<u>\$ 25,755</u>	<u>\$ 3,176,475</u>
Fund balances - ending	<u>\$ 4,728,563</u>	<u>\$ -</u>	<u>\$ 72,560</u>	<u>\$ 4,801,123</u>

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

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds	\$ 1,624,648
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded the depreciation/amortization in the current period.

Capital outlays	\$ 1,964,379	
Depreciation/amortization expense	<u>(951,357)</u>	1,013,022

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(6,376)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ (23,830)	
Opioid settlement	<u>(7,816)</u>	(31,646)

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

Principal repayments	\$ 759,603	
Issuance of leases	<u>(460,862)</u>	298,741

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

Change in compensated absences	\$ (143,602)	
Change in accrued interest	14,426	
Pension expense	635,136	
OPEB expense	<u>(45,741)</u>	460,219

Change in net position of governmental activities	<u>\$ 3,358,608</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Funds
June 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,349,352	\$ 547,524	\$ 2,896,876
Accounts receivable, net of allowance for uncollectibles	258,170	170,157	428,327
Prepaid expenses	7,189	-	7,189
Total current assets	\$ 2,614,711	\$ 717,681	\$ 3,332,392
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 280,548	\$ -	\$ 280,548
Total restricted assets	\$ 280,548	\$ -	\$ 280,548
Capital assets:			
Land	\$ 4,900	\$ -	\$ 4,900
Equipment	629,930	451,010	1,080,940
Infrastructure	14,831,586	1,829,025	16,660,611
Accumulated depreciation	(11,531,595)	(1,750,496)	(13,282,091)
Total capital assets	\$ 3,934,821	\$ 529,539	\$ 4,464,360
Total noncurrent assets	\$ 4,215,369	\$ 529,539	\$ 4,744,908
Total assets	\$ 6,830,080	\$ 1,247,220	\$ 8,077,300
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 25,138	\$ 53,829	\$ 78,967
OPEB related items	5,576	11,793	17,369
Total deferred outflows of resources	\$ 30,714	\$ 65,622	\$ 96,336
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 20,190	\$ 33,118	\$ 53,308
Accrued liabilities	7,995	15,846	23,841
Accrued interest payable	9,657	-	9,657
Customer deposits	81,500	-	81,500
Bonds payable - current portion	75,632	-	75,632
Compensated absences - current portion	7,208	23,380	30,588
Total OPEB liability - current portion	969	2,074	3,043
Total current liabilities	\$ 203,151	\$ 74,418	\$ 277,569
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 5,265,132	\$ -	\$ 5,265,132
Compensated absences - net of current portion	25,392	51,738	77,130
Net OPEB liabilities	6,472	12,994	19,466
Total OPEB liability - net of current portion	30,403	65,107	95,510
Net pension liability	33,460	71,651	105,111
Total noncurrent liabilities	\$ 5,360,859	\$ 201,490	\$ 5,562,349
Total liabilities	\$ 5,564,010	\$ 275,908	\$ 5,839,918
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 58,574	\$ 97,591	\$ 156,165
OPEB related items	5,514	11,642	17,156
Total deferred inflows of resources	\$ 64,088	\$ 109,233	\$ 173,321
NET POSITION			
Net investment in capital assets	\$ (1,405,943)	\$ 529,539	\$ (876,404)
Restricted for debt service and bond covenants	199,048	-	199,048
Unrestricted	2,439,591	398,162	2,837,753
Total net position	\$ 1,232,696	\$ 927,701	\$ 2,160,397

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 1,340,655	\$ -	\$ 1,340,655
Sewer revenues	-	1,045,600	1,045,600
Penalties	47,660	-	47,660
Meter service charges	42,034	-	42,034
Reconnection fees and other charges	29,520	12,440	41,960
Total operating revenues	<u>\$ 1,459,869</u>	<u>\$ 1,058,040</u>	<u>\$ 2,517,909</u>
OPERATING EXPENSES			
Personal services	\$ 160,751	\$ 326,157	\$ 486,908
Fringe benefits	71,866	52,379	124,245
Contractual services	36,994	19,144	56,138
Other charges	317,869	479,241	797,110
Depreciation	313,080	82,232	395,312
Total operating expenses	<u>\$ 900,560</u>	<u>\$ 959,153</u>	<u>\$ 1,859,713</u>
Operating income (loss)	<u>\$ 559,309</u>	<u>\$ 98,887</u>	<u>\$ 658,196</u>
NONOPERATING REVENUES (EXPENSES)			
Transfers in	\$ 179,778	\$ -	\$ 179,778
Interest expense	(162,310)	-	(162,310)
Bond issuance costs	(30,282)	-	(30,282)
Total nonoperating revenues (expenses)	<u>\$ (12,814)</u>	<u>\$ -</u>	<u>\$ (12,814)</u>
Change in net position	<u>\$ 546,495</u>	<u>\$ 98,887</u>	<u>\$ 645,382</u>
Net position - beginning, as previously reported	\$ 704,719	\$ 875,272	\$ 1,579,991
Restatement	(18,518)	(46,458)	(64,976)
Net position - beginning, as restated	<u>\$ 686,201</u>	<u>\$ 828,814</u>	<u>\$ 1,515,015</u>
Net position - ending	<u>\$ 1,232,696</u>	<u>\$ 927,701</u>	<u>\$ 2,160,397</u>

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

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,479,119	\$ 1,044,636	\$ 2,523,755
Payments to suppliers	(401,036)	(545,150)	(946,186)
Payments to employees	(250,229)	(449,637)	(699,866)
Net cash provided by (used for) operating activities	\$ 827,854	\$ 49,849	\$ 877,703
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	\$ 179,778	\$ -	\$ 179,778
Net cash provided by (used for) noncapital financing activities	\$ 179,778	\$ -	\$ 179,778
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	\$ (68,569)	\$ (60,076)	\$ (128,645)
Bond issuance costs paid	(30,282)	-	(30,282)
Principal payments on bonds	(2,306,157)	-	(2,306,157)
Interest expense	(212,559)	-	(212,559)
Net cash provided by (used for) capital and related financing activities	\$ (2,617,567)	\$ (60,076)	\$ (2,677,643)
Net increase (decrease) in cash and cash equivalents	\$ (1,609,935)	\$ (10,227)	\$ (1,620,162)
Cash and cash equivalents - beginning, including restricted	4,239,835	557,751	4,797,586
Cash and cash equivalents - ending, including restricted	\$ 2,629,900	\$ 547,524	\$ 3,177,424
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 559,309	\$ 98,887	\$ 658,196
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 313,080	\$ 82,232	\$ 395,312
(Increase) decrease in accounts receivable	23,219	(12,702)	10,517
(Increase) decrease in prepaid items	(2,774)	10,630	7,856
(Increase) decrease in deferred outflows of resources	1,060	(2,177)	(1,117)
Increase (decrease) in compensated absences	2,737	10,772	13,509
Increase (decrease) in net liabilities	(3,439)	(4,783)	(8,222)
Increase (decrease) in total OPEB liability	(8,710)	(13,288)	(21,998)
Increase (decrease) in accounts payable	(43,399)	(57,395)	(100,794)
Increase (decrease) in customer deposits	(3,625)	-	(3,625)
Increase (decrease) in due to other funds	(344)	(702)	(1,046)
Increase (decrease) in accrued liabilities	2,309	5,299	7,608
Increase (decrease) in deferred inflows of resources	9,084	(29,937)	(20,853)
Increase (decrease) in net pension liability	(20,653)	(36,987)	(57,640)
Total adjustments	\$ 268,545	\$ (49,038)	\$ 219,507
Net cash provided by (used for) operating activities	\$ 827,854	\$ 49,849	\$ 877,703

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2025

	Private-Purpose Trust	Custodial Fund
	Blues Education Foundation	Special Welfare Fund
ASSETS		
Cash and cash equivalents	\$ 7,044	\$ 3,036
Total assets	<u>\$ 7,044</u>	<u>\$ 3,036</u>
LIABILITIES		
Accounts payable	\$ -	\$ 1,114
Total liabilities	<u>\$ -</u>	<u>\$ 1,114</u>
NET POSITION		
Restricted for social services clients	\$ -	\$ 1,922
Restricted for grant awards	<u>7,044</u>	<u>-</u>
Total net position	<u>\$ 7,044</u>	<u>\$ 1,922</u>

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

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

	Private-Purpose Trust Blues Education Foundation	Custodial Fund Special Welfare Fund
ADDITIONS		
Contributions and events:		
Donations	\$ 200	\$ -
Private contributions	-	10,800
Total contributions	\$ 200	\$ 10,800
Investment earnings:		
Interest	\$ 4	\$ -
Total additions	\$ 204	\$ 10,800
DEDUCTIONS		
Recipient payments	\$ -	\$ 10,604
Administrative expenses	600	-
Total deductions	\$ 600	\$ 10,604
Net increase (decrease) in fiduciary net position	\$ (396)	\$ 196
Net position - beginning	7,440	1,726
Net position - ending	\$ 7,044	\$ 1,922

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

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Financial Reporting Entity

The City of Buena Vista, Virginia (government) is a municipal corporation governed by an elected seven-member City Council. The accompanying financial statements present the government and its component unit, entities 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. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended Component Units – The City has no blended component units for the year ended June 30, 2025.

Discretely Presented Component Units – The component unit column in the financial statements includes the financial data of the City's discretely presented component units. These component units are reported in separate columns to emphasize that they are legally separate from the City.

The Buena Vista City School Board operates the elementary and secondary public schools in the City. School Board members are popularly elected. The School Board is fiscally dependent upon the City because the City approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The Buena Vista City School Board does not prepare separate financial statements.

The Buena Vista City School Board maintains an internal service fund entitled Health Insurance Fund that has been included in the discretely presented component unit financial statements. The purpose of this fund is to disclose the School Board's self-insured health insurance transactions for the fiscal year.

The Economic Development Authority of Buena Vista, Virginia is included as a component unit because the Authority's primary use of funds is to provide for economic development of the City, thereby benefiting the City even though it does not provide services directly to the City. The City is financially accountable to the Authority in that the City appoints the Authority's Board of Directors and has a financial indebtedness burden related to the Authority. The Economic Development Authority of Buena Vista, Virginia does not prepare separate financial statements.

Other Organizations:

Included in the City's Financial Report: None

Excluded from the City's Financial Report:

Rockbridge Area Community Services Board:

The Rockbridge Area Community Services Board is considered an intergovernmental (joint) venture and therefore its operations are not included in the City's financial statements. The Cities of Lexington and Buena Vista and the County of Rockbridge provide the financial support for the Board and appoint its governing Board in which is vested 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. Summary financial information is included in Note 4 of these financial statements. Complete financial statements can be obtained from the Rockbridge Area Community Services Board.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity (continued)

Other Organizations: (continued)

Maury Service Authority:

The Maury Service Authority is responsible for acquiring, financing, constructing, and maintaining facilities for the improvement, treatment, storage and transmission of potable water. The Maury Service Authority is considered an intergovernmental (joint) venture and therefore its operations are not included in the City's financial statements. The Cities of Buena Vista and Lexington and the County of Rockbridge appoint the Board of Directors and each provides substantially all of the Authority's revenues. Summary financial information is included in Note 4 of these financial statements. Complete financial statements of the Maury Service Authority are available at the Authority's office in Lexington, Virginia.

Rockbridge Regional Public Safety Communications Center:

The Rockbridge Regional Public Safety Communications Center is organized for the purpose of establishing a mutually beneficial basis for the use and operation of a consolidated public safety dispatch center for the County of Rockbridge and Cities of Lexington and Buena Vista, Virginia. The Cities of Buena Vista and Lexington and the County of Rockbridge appoint the Board of Directors and each provides substantially all of the Center's revenues. The Center is not included in these financial statements because the City does not have ability to designate the management and exercise significant control over the operations of the entity. Summary financial information is included in Note 4 of these financial statements. Complete financial statements of the Rockbridge Regional Public Safety Communications Center are available at the Center's office in Lexington, Virginia.

In addition, the Rockbridge Area Department of Social Services, Rockbridge Area Network Authority, Rockbridge Area Recreational Organization, Rockbridge County Regional Jail Commission, Rockbridge Regional Library System, Regional Transit System, Regional Tourism Program, and Shenandoah Valley Detention Home are considered intergovernmental ventures; therefore, their operations are not included in the Buena Vista, Virginia financial report. The cities of Buena Vista and Lexington and Rockbridge County provide financial support and appoint members to their governing bodies, in which is vested the administration and control over operations.

B. Government-wide and fund financial statements

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-wide and fund financial statements (continued)

The statement of net position is designed to display financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide statement of net position and will report depreciation expenses – 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.

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the City, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the City.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund.

Capital project funds account for and report financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The School Construction Fund is considered a major capital projects fund.

The government reports the following major proprietary funds:

The *Water Fund* operates the water distribution system.

The *Sewer Fund* operates the sewage treatment plants, sewage pumping stations, and collection systems.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Additionally, the government reports the following fund types:

Special revenue funds account for and report the proceeds of the specific revenue sources (other than major capital projects) that are legally restricted to expenditures. Senior Center, Park and Recreation, and Green Hill Cemetery funds are nonmajor special revenue funds of the City.

Capital projects funds account for and report financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The Community Development Block Grant fund is a nonmajor capital projects fund of the City.

Fiduciary funds (Trust and Custodial) account for assets held by the government in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. The City's two fiduciary funds are the Special Welfare Fund and the Blues Education Foundation Private-Purpose Trust. The Special Welfare Fund maintains funds belonging to individuals, primarily children, in the care of the local social services agency. The Blues Education Foundation Private-Purpose Trust consists of funds held in trust to be used to award grants to selected recipients. All resources of the Private-purpose trust, including any earnings on invested resources, may be used to support charitable and educational grant activities. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Buena Vista, Virginia's own programs.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. The principal operating revenues of the government's internal service fund are charges to funds for services. Operating expenses for the internal service fund include the cost of service and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

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

2. Receivables and payables

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

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property taxes are also payable in two installments on June 5th and December 5th. The City bills and collects its own property taxes.

4. Allowance for Uncollectible Accounts

The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$616,857 at June 30, 2025 and is comprised of property tax and water and sewer receivables of \$455,957, and \$160,900, respectively.

5. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

6. Capital assets

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

Major outlays for capital assets and improvements are capitalized and reported at historical costs (except for intangible right-to-use lease assets, the measurement of which is discussed in more detail in Note 1-D-17 below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

The City has elected to record infrastructure costs beginning with costs incurred in 1980. No infrastructure costs prior to 1980 have been recorded.

Property, plant, and equipment and infrastructure of the primary government’s governmental activities, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Governmental Activities</u>
Buildings	50 years
Building improvements	50 years
Infrastructure, lines, and accessories	30-50 years
Machinery and equipment	5-10 years
Lease equipment	4-5 years
Subscription assets	5 years

Property, plant and equipment and infrastructure purchased by the Enterprise Funds are stated at cost or estimated historical cost. Donated property is recorded at acquisition value at the date of donation. Depreciation has been provided over the following estimated useful lives using the straight-line method:

<u>Assets</u>	<u>Enterprise Funds</u>
Water/sewer infrastructure	30-50 years
Equipment (all proprietary)	8-10 years

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

7. *Compensated Absences*

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or utilized for early retirement) during or upon separation from employment. Based on the criteria listed, leave qualifying for liability recognition for compensated absences includes vacation, sick, comp, and holiday leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

8. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

9. *Fund balance*

The following classifications of fund balance 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 – that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the City Council/Board of Supervisors/City Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council/Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

9. Fund Balance (continued)

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. 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 City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

10. Net Position

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

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

Sometimes the City 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted - net position is applied.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

11. Inventory and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method and consists of expendable supplies and fuel. The cost of such inventory is recorded as expenditures/expenses when consumed rather than when purchased.

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

12. Restricted Assets

The general fund and the water fund maintain restricted cash for debt service and customer deposits that are limited by applicable bond covenants. At June 30, 2025 the general fund had restricted cash for debt service of \$124,205, and the water fund had restricted cash for debt service and customer deposits of \$860,826.

13. Deferred Outflows/Inflows of Resources

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

14. 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 City's Retirement Plan and the additions to/deductions from the City's Retirement Plan's fiduciary net 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.

15. 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' fiduciary net 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.

16. Medical, Dental, and Prescription Insurance – Pay as You Go Program

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined based on an actuarial valuation. Benefit payments are recognized when due and payable in accordance with the benefit terms.

17. Leases and Subscription-Based IT Arrangements

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

Lessee

The City 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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

17. Leases and Subscription-Based IT Arrangements (continued)

Lessor

The City 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 City 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 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.

Key Estimates and Judgements

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A. Budgetary information

1. Prior to April 30, the City Manager submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an appropriations ordinance.
4. The Appropriations Ordinance places legal restrictions on expenditures at the department level. The appropriation for each department can be revised only by the City Council. The City Manager is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts between the school system's departments without the approval of the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Capital Projects and Proprietary Funds.
6. Budgets for all funds are legally adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. All appropriations lapse at year-end.
8. All budgetary data presented in the accompanying financial statements includes both the original and the amended budget for the year ended June 30, 2025. Several supplemental appropriations were necessary during the year.
9. The following funds have legally adopted budgets: General, Park and Recreation, Senior Center, School Construction, Water and Sewer, School Operating and School Nutrition Funds. The legal level of control, the level on which expenditures may not legally exceed appropriations, is the departmental level.
10. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is not part of the City's accounting system.

B. Excess of expenditures over appropriations

For the year ended June 30, 2025, the following funds incurred expenditures exceeding appropriations:

Fund	Excess Expenditures over Appropriations
General	\$ 199,523
Park and Recreation	5,459
School Construction	56,698
School Operating	184,206
School Facilities	117,533
School Activity Funds	397,288
Total All Funds	\$ <u>960,707</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY: (CONTINUED)

C. Deficit fund balance

At June 30, 2025, the park and recreation fund had deficit fund balance of \$26,470.

NOTE 3—DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

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

Custodial Credit Risk (Investments)

The City of Buena Vista sets forth the following authorized investments to mitigate custodial credit risk. Whereas, authorized investments for public funds are limited to those set forth in Chapter 18, Section 2.2-4501 of the Code of Virginia. Investment vehicles for the City of Buena Vista shall be further restricted in consideration of the size of the portfolio and the absence of professional investment personnel. The City’s investment policy for credit risk is consistent with the investments allowed by statutes as detailed above. The City does not have a formal policy for investment-related risk.

City's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 18,134
Total	\$ 18,134

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 3—DEPOSITS AND INVESTMENTS (CONTINUED):

External Investment Pool

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

Interest Rate Risk

The City invests funds in low-risk investments backed by U.S. government agencies.

	Fair Value	Maturity Less than 1 year
Local Government Investment Pool	\$ <u>18,134</u>	\$ <u>18,134</u>

NOTE 4—JOINT VENTURES:

As described in Note 1-A, the following authorities, boards, and commissions are construed as operating as joint ventures between the Cities of Lexington and Buena Vista and the County of Rockbridge. Summary financial information for these organizations at June 30, 2025 is provided below:

	Rockbridge Area Community Services Board	Maury Service Authority (1)	Rockbridge Regional Public Safety Communications Center
Total assets and deferred outflows of resource	\$ 17,360,697	\$ 36,197,009	\$ 3,706,509
Total liabilities and deferred inflows of resources	<u>5,663,787</u>	<u>9,375,272</u>	<u>2,623,641</u>
Total net position	<u>\$ 11,696,910</u>	<u>\$ 26,821,737</u>	<u>\$ 1,082,868</u>
For the year ended June 30, 2025			
Operating revenue	\$ 4,631,372	\$ 5,392,832	\$ 2,386,305
Operating expenses	(9,788,349)	(5,794,614)	(2,583,700)
Nonoperating income (expense)	6,631,177	186,944	-
Capital contributions	-	144,224	-
Change in net position	<u>\$ 1,474,200</u>	<u>\$ (70,614)</u>	<u>\$ (197,395)</u>
Net position at beginning of year, as restated	<u>10,222,710</u>	<u>26,892,351</u>	<u>430,105</u>
Net position at end of year	<u>\$ 11,696,910</u>	<u>\$ 26,821,737</u>	<u>\$ 232,710</u>

(1) Maury Service Authority June 30, 2025 summary financial data was not available at the time of report issuance. June 30, 2024 data is presented above.

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**NOTE 5—DUE FROM OTHER GOVERNMENTS:**

The following amounts represent receivables from other governments at year-end:

	Primary Government	Discretely Presented Component Unit School Board
<u>Federal Government:</u>		
Categorical aid - Welfare	\$ 13,503	\$ -
Categorical aid - Security officer grant	56,100	-
Categorical aid - Byrne justice assistance grant	57,381	-
Categorical aid - Victim Witness Grant	12,434	-
Categorical aid - Violence Against Women Grant	12,500	-
Categorical aid - Ground transportation safety	2,385	-
Categorical aid - Special Education	-	17,952
Categorical aid - Title I	-	38,562
Categorical aid - Title II Part A	-	6,706
Categorical aid - Twenty-First Century	-	47,896
Categorical aid - Title IV Part A	-	110,878
Categorical aid - IDEA Part B Section 619 Special Education Preschool	-	1,983
Categorical aid - Title VI Rural and Local	-	11,648
Categorical aid - School Food Program Grant	-	48,328
Noncategorical aid - Education Stabilization Funds		44,062
<u>Commonwealth of Virginia:</u>		
State Sales Tax	107,100	224,300
Personal Property Tax Relief Funds	374,445	-
Categorical aid - Welfare	18,493	-
Categorical aid - School Resource Officer Grant	77,648	18,117
Communications Tax	32,638	-
Comprehensive Service Act Funds - Rockbridge County	549,915	-
Other State Funds	31,560	-
Totals	\$ <u>1,346,102</u>	\$ <u>570,432</u>

NOTE 6—DUE TO OTHER GOVERNMENTS:

During fiscal year 2013 the City entered into an agreement with the County of Rockbridge, Virginia and the City of Lexington, Virginia in order to fund certain renovation improvements to the Rockbridge County Regional Jail. The agreement stipulates that each locality shall be responsible for a portion of the debt issued to finance the project. The City of Lexington serves as fiscal agent for the project and as such, will pay the annual debt service. The participating localities will reimburse the City of Lexington for the debt service. As of June 30, 2025, the portion of the debt allocable to the City of Buena Vista, Virginia amounted to \$56,247.

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**NOTE 7—INTERFUND OBLIGATIONS:**

<u>Fund</u>	<u>Due to Primary Government/ Component Unit</u>	<u>Due from Primary Government/ Component Unit</u>
Primary Government:		
General Fund	\$ -	\$ 688,927
Component Unit-School Board:		
School Fund	688,927	-
Total reporting entity	<u>\$ 688,927</u>	<u>\$ 688,927</u>

The amount receivable from the component unit School Fund relates to cash necessary to cover the balance of local appropriations overspent at year-end due back from the School Fund.

NOTE 8—INTERFUND TRANSFERS:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental activities:		
General Fund	\$ -	\$ 1,713,762
Park Activities Fund	1,452,989	-
School Construction Fund	80,995	-
Total governmental activities	<u>\$ 1,533,984</u>	<u>\$ 1,713,762</u>
Business-type Activities:		
Water Fund	<u>\$ 179,778</u>	<u>\$ -</u>
Total business-type activities	<u>\$ 179,778</u>	<u>\$ -</u>
Total primary government	<u>\$ 1,713,762</u>	<u>\$ 1,713,762</u>
Total interfund transfers	<u>\$ 1,713,762</u>	<u>\$ 1,713,762</u>

During the year, transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

The following table provides the purposes of interfund transfers throughout the year:

Transfers to/from other funds:

Transfer to the Park and Recreation Fund from the General Fund:

 to supplement Park and Recreation Fund operations and fund capital improvements \$ 1,452,989

Transfer to School Construction Fund from the General Fund:

 to fund debt service payments for long-term obligations 80,995

Transfer to the water fund for debt service payoff 179,778

Total transfers \$ 1,713,762

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—LONG-TERM OBLIGATIONS:

Primary Government-Governmental Activities Obligations

The following is a summary of long-term obligation transactions for the City's governmental activities for the year ended June 30, 2025.

	Balance June 30, 2024 as restated	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Direct Borrowings and Direct Placements:				
General obligation bonds	\$ 254,982	\$ -	\$ 23,181	\$ 231,801
Revenue bond	500,579	-	500,579	-
Loans payable	1,940,596	-	79,120	1,861,476
Total Direct Borrowings and Direct Placements	\$ 2,696,157	\$ -	\$ 602,880	\$ 2,093,277
Notes payable	\$ 293,392	\$ -	\$ 109,994	\$ 183,398
Lease liabilities	70,274	460,862	46,729	484,407
Other Long-Term Obligations:				
Net OPEB liabilities	178,474	66,690	77,155	168,009
Total OPEB liability	1,040,449	126,785	99,787	1,067,447
Compensated absences*	709,649	449,070	305,468	853,251
Net pension liability	1,404,658	2,373,205	2,639,386	1,138,477
Total Other Long-Term Obligations	\$ 3,696,896	\$ 3,476,612	\$ 3,278,519	\$ 3,894,989
Total governmental activities obligations	\$ 6,393,053	\$ 3,476,612	\$ 3,881,399	\$ 5,988,266

*Balance for compensated absences at June 30, 2024 has been restated for implementation of GASB Statement No. 101.

For governmental activities, compensated absences are generally liquidated in the General and Parks and Recreation Funds.

The City's outstanding general obligation bonds and loans payable from direct borrowings and direct placements related to governmental activities of \$2,093,277 contain a provision that in the event of default the entire unpaid principal and interest become immediately due and payable. The City has pledged to secure the payment and performance of the City's obligations under the bonds with the City's right, title, and interest to all revenue collected by the City.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Governmental Activities Obligations (continued)

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

Year Ending June 30,	Direct Borrowings and Direct Placements			
	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2026	\$ 23,181	\$ 19,583	\$ 76,564	\$ 76,296
2027	23,181	19,583	92,069	72,300
2028	23,181	19,583	96,255	68,113
2029	23,181	19,583	100,640	63,728
2030	23,181	19,583	83,809	58,953
2031	23,181	19,583	79,079	56,114
2032	23,181	19,583	82,295	52,898
2033	23,181	19,583	85,645	49,548
2034	23,181	19,583	96,662	46,058
2035	23,172	9,791	92,770	42,423
2036	-	-	96,558	38,636
2037	-	-	100,504	34,690
2038	-	-	104,615	30,579
2039	-	-	108,898	26,295
2040	-	-	113,361	21,832
2041	-	-	118,012	17,182
2042	-	-	122,858	12,335
2043	-	-	98,675	7,285
2044	-	-	112,207	2,021
Totals	\$ 231,801	\$ 186,038	\$ 1,861,476	\$ 777,286

Year Ending June 30,	Notes Payable		Lease Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 109,682	\$ 6,361	\$ 103,790	\$ 12,530
2027	73,716	2,970	102,591	9,600
2028	-	-	104,521	6,633
2029	-	-	102,999	3,629
2030	-	-	70,506	996
Totals	\$ 183,398	\$ 9,331	\$ 484,407	\$ 33,388

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Governmental Activities Obligations (continued)

Details of long-term obligations:

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates	Amount of Installments	Final Maturity Date	Balance	Amount Due Within One Year
Governmental activities:							
General obligation bonds:							
VPSC GO Series 2012C							
School Bond	9/26/2012	\$ 509,973	1.90%	SA \$23,181	A 12/1/2034	\$ 231,801	\$ 23,181
Loans payable							
City National Bank Loan #2543	3/5/2009	\$ 1,800,000	5.00%	A \$93,735	A 4/5/2044	\$ 1,326,137	\$ 36,276
City National Bank Loan #2519	3/5/2009	\$ 700,000	5.00%	A \$42,459	A 4/5/2044	426,721	17,040
Bank of Botetourt	10/1/2014	\$ 300,000	4.88%	M \$2,431	M 10/1/2029	108,618	23,248
Total loans payable						\$ 1,861,476	\$ 76,564
Notes payable							
Refuse Truck	1/21/2022	\$ 161,800	2.27%	M \$34,262	M 1/21/2027	\$ 53,235	\$ 33,399
Body Cameras	11/22/2021	\$ 130,336	0.00%	A \$25,084	A 11/1/2025	25,084	25,084
School Buses (2)	5/27/2022	\$ 252,588	5.23%	A \$56,699	A 9/15/2026	105,079	51,199
Total notes payable						\$ 183,398	\$ 109,682
Lease liabilities							
Copier - City Hall	4/29/2021	\$ 10,171	1.81%	M \$183 (P&I)	M 4/28/2026	\$ 1,815	\$ 1,815
Copier - Police Department	9/3/2021	\$ 11,446	1.72%	M \$196 (P&I)	M 9/2/2026	2,905	2,318
Copier - Treasurer	12/28/2020	\$ 4,636	1.64%	M \$89 (P&I)	M 12/27/2025	531	531
Copier - District Courts	5/11/2023	\$ 6,849	2.23%	M \$121 (P&I)	M 5/10/2028	3,967	1,372
Copier - Circuit Court	5/8/2023	\$ 5,942	2.23%	M \$105 (P&I)	M 5/7/2028	3,442	1,190
Copier - Public Works	8/21/2023	\$ 5,119	2.66%	M \$91 (P&I)	M 8/20/2028	3,229	1,019
Postage Machine	4/28/2024	\$ 13,484	2.62%	M \$717 (P&I)	M 4/27/2029	10,209	2,626
2024 GMC Sierra #5691	6/17/2024	\$ 31,072	3.20%	M \$556 (P&I)	M 6/16/2029	25,002	5,955
2024 GMC Sierra #7876	6/17/2024	\$ 28,275	3.20%	M \$507 (P&I)	M 6/16/2029	22,751	5,419
2024 Ford F-150 #7089	5/7/2025	\$ 64,841	2.86%	M \$1,160 (P&I)	M 5/31/2030	63,804	12,262
2024 Ford F-150 #7728	5/7/2025	\$ 63,937	2.86%	M \$1,144 (P&I)	M 5/31/2030	62,915	12,091
2025 Ram 1500 #7271	8/27/2024	\$ 42,715	3.00%	M \$766 (P&I)	M 8/31/2029	35,954	8,224
2024 Nissan Rogue #0157	5/14/2024	\$ 31,325	2.62%	M \$557 (P&I)	M 5/31/2029	24,857	6,107
2024 Chevrolet Tahoe #5624	5/7/2025	\$ 75,550	2.86%	M \$1,352 (P&I)	M 5/31/2030	74,342	14,287
2024 Chevrolet Tahoe #4456	5/7/2025	\$ 75,550	2.86%	M \$1,352 (P&I)	M 5/31/2030	74,342	14,287
2024 Chevrolet Tahoe #5144	5/7/2025	\$ 75,550	2.86%	M \$1,352 (P&I)	M 5/31/2030	74,342	14,287
Total lease liabilities						\$ 484,407	\$ 103,790
Other long-term obligations:							
Net pension liability (payable from general fund)						1,138,477	-
Net OPEB liabilities (payable from general fund)						168,009	-
Total OPEB liability (payable from general fund)						1,067,447	32,957
Compensated absences (payable from general fund)						853,251	242,361
Total other obligations						\$ 3,894,989	\$ 488,790
Total long-term obligations from governmental activities						\$ 5,988,266	\$ 588,535

A = annual installments M = monthly installments SA= semi-annual installments

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Business-type Activities Obligations

The following is a summary of changes in long-term obligation transactions for the City's enterprise funds for the year ended June 30, 2025:

	Balance June 30, 2024 as restated	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Direct Borrowings and Direct Placements:				
Revenue bonds	\$ 7,646,921	\$ -	\$ 2,306,157	\$ 5,340,764
Total Direct Borrowings and Direct Placements	\$ 7,646,921	\$ -	\$ 2,306,157	\$ 5,340,764
Other Long-Term Obligations				
Net OPEB liabilities	\$ 27,688	\$ 6,999	\$ 15,221	\$ 19,466
Total OPEB liability	120,551	9,635	31,633	98,553
Compensated absences*	94,209	39,742	26,233	107,718
Net pension liability	162,751	216,313	273,953	105,111
Total Other Long-Term Obligations	\$ 405,199	\$ 272,689	\$ 347,040	\$ 330,848
Total business-type obligations	\$ 8,052,120	\$ 272,689	\$ 2,653,197	\$ 5,671,612

*Balance for compensated absences at June 30, 2024 has been restated for implementation of GASB Statement No. 101.

Compensated absences are generally liquidated in the water and sewer funds based on which fund incurred the related liability.

The City's outstanding revenue bonds from direct borrowings and direct placements related to business-type activities of \$5,340,764 contain a provision that in the event of default the entire unpaid principal and interest become immediately due and payable. The City has pledged to secure the payment and performance of the City's obligations under the bonds with the City's right, title, and interest to revenue collected by the City.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Business-type Activities Obligations (continued)

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

Year Ending June 30,	Direct Borrowings and Direct Placements	
	Principal	Interest
2026	\$ 75,632	\$ 152,836
2027	77,835	150,633
2028	80,102	148,366
2029	82,437	146,031
2030	84,837	143,631
2031-2035	462,733	679,607
2036-2040	534,178	608,162
2041-2045	616,657	525,683
2046-2050	711,864	430,476
2051-2055	821,775	320,565
2056-2060	948,652	193,688
2061-2064	844,062	50,533
Total	\$ 5,340,764	\$ 3,550,211

Details of long-term obligations:

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Business-type activities:							
Revenue bond:							
Rural Development							
				\$6,044-			
Revenue Bond	5/31/2024	\$ 5,424,000	2.875% A	\$18,971	M 6/1/2064	\$ 5,340,764	\$ 75,632
Total revenue bonds						\$ 5,340,764	\$ 75,632
Other long-term obligations:							
Net pension liability (payable from water and sewer funds)						\$ 105,111	\$ -
Net OPEB liabilities (payable from water and sewer funds)						19,466	-
Total OPEB liability (payable from water and sewer funds)						98,553	3,043
Compensated absences (payable from water and sewer funds)						107,718	30,588
Total other obligations						\$ 330,848	\$ 33,631
Total long-term obligations from business-type activities						\$ 5,671,612	\$ 109,263

A = annual installments M = monthly installments SA = semi-annual installments

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Discretely Presented Component Unit—School Board:

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

	Balance June 30, 2024 as restated	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Lease liabilities	\$ 47,916	\$ 21,210	\$ 26,216	\$ 42,910
Subscription liabilities	-	142,450	10,295	132,155
Other Long-Term Obligations:				
Net OPEB liabilities	\$ 1,013,120	\$ 304,646	\$ 391,922	\$ 925,844
Total OPEB liability	1,794,000	1,241,000	287,000	2,748,000
Compensated absences*	1,259,227	1,029,256	704,930	1,583,553
Net pension liability	5,710,571	2,440,197	2,987,954	5,162,814
Total Other Long-Term Obligations	\$ 9,776,918	\$ 5,015,099	\$ 4,371,806	\$ 10,420,211
Total Long-Term Obligations	\$ 9,824,834	\$ 5,178,759	\$ 4,408,317	\$ 10,595,276

*Balance for compensated absences at June 30, 2024 has been restated for implementation of GASB Statement No. 101.

Details of Long-term Indebtedness:

Year Ending June 30,	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 22,271	\$ 1,057	\$ 26,154	\$ 1,429
2027	15,034	521	25,864	1,719
2028	5,605	124	26,284	1,300
2029	-	-	26,710	873
2030	-	-	27,143	440
Totals	\$ 42,910	\$ 1,702	\$ 132,155	\$ 5,761

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates	Amount of Installments	Final Maturity Date	Balance	Amount Due Within One Year
Discretely Presented Component Unit - School Board							
Lease liabilities							
Copier - PMHS	2/9/2022	\$ 11,395	2.54% A	\$2,022 (P&I)	A 2/8/2027	\$ 3,893	\$ 1,922
Copier - PMHS	10/16/2020	\$ 37,465	1.64% A	\$7,723 (P&I)	A 10/15/2025	7,646	7,646
Copier - EHES	11/22/2022	\$ 15,318	3.16% M	\$316 (P&I)	M 11/21/2027	8,507	3,570
Copier - PMMS	7/25/2023	\$ 20,272	2.72% A	\$5,255 (P&I)	A 7/24/2027	10,144	5,004
Copier - EHES	9/28/2023	\$ 21,210	2.66% A	\$4,467 (P&I)	A 9/27/2028	12,720	4,129
Total lease liabilities						\$ 42,910	\$ 22,271
Subscription liabilities							
Security system	10/29/2024	\$ 142,450	1.62% A	\$27,583 (P&I)	A 11/30/2029	\$ 132,155	\$ 26,154
Total subscription liabilities						\$ 132,155	\$ 26,154
Other obligations:							
Net pension liability (payable from school fund)						\$ 5,162,814	\$ -
Net OPEB liabilities (payable from school fund)						925,844	-
Total OPEB liability (payable from school fund)						2,748,000	287,000
Compensated absences (payable from school fund)						1,583,553	310,718
Total other obligations						\$ 10,420,211	\$ 597,718
Total long-term obligations from discretely presented component unit - school board						\$ 10,595,276	\$ 646,143

A = annual installments M= monthly installments SA=semi-annual installments

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**NOTE 10—LEASES RECEIVABLE:**

The following is a summary of leases receivable transactions of the City for the year ended June 30, 2025:

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance	Lease Revenue	Interest Revenue
Carilion Clinic	\$ 244,691	\$ -	\$ 29,791	\$ 214,900	\$ 31,964	\$ 4,043
Mountain Gateway						
Community College	153,832	-	141,975	11,857	141,206	351
Advanced Drainage						
Systems	34,758	-	2,444	32,314	2,839	1,056
	<u>\$ 433,281</u>	<u>\$ -</u>	<u>\$ 174,210</u>	<u>\$ 259,071</u>	<u>\$ 176,009</u>	<u>\$ 5,450</u>

Lease Description	Lease Term Remaining	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Carilion Clinic	75 months	Monthly	1.75%	\$ 214,900	\$ 30,998
Mountain Gateway					
Community College	1 month	Monthly	0.40%	11,857	11,857
Advanced Drainage					
Systems	132 months	Annually	3.00%	32,314	2,518
				<u>\$ 259,071</u>	<u>\$ 45,373</u>

NOTE 11—PENSION PLANS:**Plan Description**

All full-time, salaried permanent employees of the City and (nonprofessional) employees of public school divisions are automatically covered by 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.

NOTE 11—PENSION PLANS: (CONTINUED)

Benefit Structures (Continued)

- 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 and 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 and 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.

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.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	88	27
Inactive members:		
Vested inactive members	20	3
Non-vested inactive members	30	24
Inactive members active elsewhere in VRS	31	9
Total inactive members	81	36
Active members	85	20
Total covered employees	254	83

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 City's contractually required employer contribution rate for the year ended June 30, 2025 was 11.85% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$581,288 and \$658,013 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 0.41% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$2,294 and \$6,807 for the years ended June 30, 2025 and June 30, 2024, respectively.

NOTE 11—PENSION PLANS: (CONTINUED)

Contributions (Continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$19,367 and \$3,531 for the City and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$19,708 and \$1,411 for the City and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,056,495 and \$353,101 for the City and School Board, respectively, for the year ended June 30, 2025.

Net Pension Liability/Asset

The net pension liability (NPL)/ net pension asset (NPA) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The City’s and Component Unit School Board’s (nonprofessional) net pension liability/asset were measured as of June 30, 2024. The total pension liabilities used to calculate the net pension liability/asset were determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the City’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality rates:

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

Pre-Retirement:

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

Long-Term Expected Rate of Return

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

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

NOTE 11—PENSION PLANS: (CONTINUED)

Long-Term Expected Rate of Return (continued)

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

**On June 15, 2023, the VRS Board elected a long-term rate or 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 equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. Through the fiscal year ended June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2024 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 22,655,726	\$ 21,088,317	\$ 1,567,409
Changes for the year:			
Service cost	\$ 470,837	\$ -	\$ 470,837
Interest	1,515,410	-	1,515,410
Differences between expected and actual experience	559,420	-	559,420
Contributions - employer	-	654,520	(654,520)
Contributions - employee	-	197,066	(197,066)
Net investment income	-	2,031,066	(2,031,066)
Benefit payments, including refunds of employee contributions	(1,352,076)	(1,352,076)	-
Administrative expenses	-	(13,580)	13,580
Other changes	-	416	(416)
Net changes	\$ 1,193,591	\$ 1,517,412	\$ (323,821)
Balances at June 30, 2024	\$ 23,849,317	\$ 22,605,729	\$ 1,243,588

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
Balances at June 30, 2023	\$ 1,679,131	\$ 1,999,033	\$ (319,902)
Changes for the year:			
Service cost	\$ 46,353	\$ -	\$ 46,353
Interest	112,740	-	112,740
Differences between expected and actual experience	(82,125)	-	(82,125)
Contributions - employer	-	6,910	(6,910)
Contributions - employee	-	24,448	(24,448)
Net investment income	-	191,282	(191,282)
Benefit payments, including refunds of employee contributions	(110,516)	(110,516)	-
Administrative expenses	-	(1,328)	1,328
Other changes	-	37	(37)
Net changes	\$ (33,548)	\$ 110,833	\$ (144,381)
Balances at June 30, 2024	\$ 1,645,583	\$ 2,109,866	\$ (464,283)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
City of Buena Vista, Virginia			
Net Pension Liability (Asset)	\$ 4,121,903	\$ 1,243,588	\$ (1,124,001)
Component Unit School Board (nonprofessional)			
Net Pension (Asset)	\$ (295,905)	\$ (464,283)	\$ (606,341)

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

For the year ended June 30, 2025, the City and Component Unit School Board (nonprofessional) recognized pension expense/(income) of \$(140,302) and \$(80,373) respectively. At June 30, 2025, the City 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	\$ 352,992	\$ 313,837	\$ -	\$ 30,797
Net difference between projected and actual earnings on pension plan investments	-	598,035	-	57,930
Impact of change in proportional allocation	65,602	65,602	-	-
Employer contributions subsequent to the measurement date	581,288	-	2,294	-
Total	\$ 999,882	\$ 977,474	\$ 2,294	\$ 88,727

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

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

\$581,288 and \$2,294 reported as deferred outflows of resources related to pensions resulting from the City’s and Component Unit School Board’s (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability and an increase of the Net Pension Asset in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30,</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
2026	\$ (632,877)	\$ (82,970)
2027	313,357	16,727
2028	(114,371)	(10,670)
2029	(124,989)	(11,814)
2030	-	-
Thereafter	-	-

Pension Plan Data

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

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NOTE 11—PENSION PLANS: (CONTINUED)

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 options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$881,974 and \$927,614 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$29,984 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$16,747 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,998,388 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$5,162,814 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.05500% as compared to 0.05650% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$293,711. 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.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

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

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 895,675	\$ 106,306
Change of assumptions	93,712	-
Net difference between projected and actual earnings on pension plan investments	-	710,664
Changes in proportion and differences between employer contributions and proportionate share of contributions	116,062	319,456
Employer contributions subsequent to the measurement date	<u>881,974</u>	<u>-</u>
Total	<u>\$ 1,987,423</u>	<u>\$ 1,136,426</u>

\$881,974 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30,</u>	
2026	\$ (485,905)
2027	462,910
2028	75,208
2029	(83,190)
2030	-

NOTE 11—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality rates:

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

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

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

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions (continued)

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

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

Net Pension Liability

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 9,591,497	\$ 5,162,814	\$ 1,535,864

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expense
VRS Pension Plan	\$ 999,882	\$ 977,474	\$ 1,243,588	\$ (140,302)
	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
School Board Nonprofessional	\$ 2,294	\$ 88,727	\$ (464,283)	\$ (80,373)
School Board Professional	1,987,423	1,136,426	5,162,814	293,711
Totals	\$ 1,989,717	\$ 1,225,153	\$ 4,698,531	\$ 213,338

NOTE 12—LINE OF DUTY ACT (LODA) (OPEB BENEFITS):

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The City has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the City to VACORP. VACORP assumes all liability for the City's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The City's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The City's LODA premium for the year ended June 30, 2025 was \$29,502.

NOTE 13—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 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

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)***Benefit Amounts***

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 COLA was \$9,532 as of June 30, 2025.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. City contributions to the GLI Plan were \$23,055 and \$23,293 for the years ended June 30, 2025 and June 30, 2024, respectively. School Board contributions to the Group Life Insurance Plan for professional employees were \$29,209 and \$31,677 for the years ended June 30, 2025 and June 30, 2024 respectively. School Board contributions to the Group Life Insurance Plan for nonprofessional employees were \$2,629 and \$2,941, for the years ended June 30, 2025 and June 30, 2024 respectively.

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

At June 30, 2025, the City reported a liability of \$187,475 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.01680% as compared to 0.01719% at June 30, 2023.

At June 30, 2025, the School Board reported liability of \$23,658 for nonprofessional employees and \$254,988 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2024, the participating employer's proportion for nonprofessional employees was 0.00212% as compared to 0.00210% at June 30, 2023. At June 30, 2024, the participating employer's proportion for School Board professional employees was 0.02285% as compared to 0.02383% at June 30, 2023.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 13—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 Group Life Insurance Program OPEB (continued)

For the year ended June 30, 2025, the City recognized GLI OPEB expense of \$2,927, while the School Board recognized GLI OPEB expense of \$832 and (\$5,767) for nonprofessional and professional employees, 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.

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	29,569	\$	4,579
Net difference between projected and actual earnings on GLI OPEB plan investments		-		15,802
Change of assumptions		1,069		9,291
Changes in proportionate share		661		6,125
Employer contributions subsequent to the measurement date		23,055		-
Total	\$	54,354	\$	35,797

	Component Unit School Board			
	Nonprofessional Employees		Professional Employees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,731	\$ 578	\$ 40,218	\$ 6,229
Net difference between projected and actual earnings on GLI OPEB plan investments	-	1,994	-	21,493
Change of assumptions	135	1,172	1,453	12,637
Changes in proportionate share	3,198	601	6,550	29,255
Employer contributions subsequent to the measurement date	2,629	-	29,209	-
Total	\$ 9,693	\$ 4,345	\$ 77,430	\$ 69,614

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 13—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 Group Life Insurance Program OPEB (continued)

\$23,055, \$2,629 and \$29,209 for the City and School Board nonprofessional and professional employees respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Primary Government	Component Unit School Board			
	Nonprofessional Employees		Professional Employees	
	Year Ended June 30	Year Ended June 30	Year Ended June 30	
2026	\$ (9,843)	2026 \$ (499)	2026 \$ (21,476)	
2027	2,065	2027 1,035	2027 (3,016)	
2028	(233)	2028 859	2028 460	
2029	1,305	2029 849	2029 453	
2030	2,208	2030 475	2030 2,186	
Thereafter	-	Thereafter -	Thereafter -	

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups 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 Annual Report.

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (continued)

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

NET GLI OPEB Liability

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return (continued)

** 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 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 difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
City's proportionate share of the Group Life Insurance Plan Net OPEB Liability	\$ 291,548	\$ 187,475	\$ 103,398
School Board's proportionate share of the Group Life Insurance Plan Net OPEB Liability - nonprofessional employees	\$ 36,791	\$ 23,658	\$ 13,048
School Board's proportionate share of the Group Life Insurance Plan Net OPEB Liability - professional employees	\$ 396,540	\$ 254,988	\$ 140,633

Group Life Insurance Program Fiduciary Net Position

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

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB Plan): (CONTINUED)

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	4
Inactive members:	
Inactive members active elsewhere in VRS	6
Active members	20
Total covered employees	<u>30</u>

Contributions

The contribution requirements for active employees is governed §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 City’s contractually required employer contribution rate for the year ended June 30, 2025 was 1.02% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the City to the HIC Plan were \$5,706 and \$5,555 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB Plan): (CONTINUED)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 14—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:

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

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

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

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB Plan): (CONTINUED)

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 29,507	\$ 8,796	\$ 20,711
Changes for the year:			
Service cost	\$ 611	\$ -	\$ 611
Interest	1,977	-	1,977
Differences between expected and actual experience	(2,199)	-	(2,199)
Contributions - employer	-	5,555	(5,555)
Net investment income	-	1,080	(1,080)
Benefit payments	(1,656)	(1,656)	-
Administrative expenses	-	(17)	17
Other changes	-	1	(1)
Net changes	\$ (1,267)	\$ 4,963	\$ (6,230)
Balances at June 30, 2024	\$ 28,240	\$ 13,759	\$ 14,481

Sensitivity of the City's HIC NET OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
City's Net HIC OPEB Liability	\$ 17,481	\$ 14,481	\$ 11,928

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 14—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

For the year ended June 30, 2025, the City recognized HIC Plan OPEB expense of \$(3,004). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the City's HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 11,429
Net difference between projected and actual earnings on HIC OPEB plan investments	-	228
Change in assumptions	743	-
Employer contributions subsequent to the measurement date	5,706	-
Total	<u>\$ 6,449</u>	<u>\$ 11,657</u>

\$5,706 reported as deferred outflows of resources related to the HIC OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting period as follows:

Year Ended June 30,

2026	\$ (5,255)
2027	(4,799)
2028	(570)
2029	(290)
2030	-
Thereafter	-

HIC Plan Data

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

NOTE 15—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 Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

**NOTE 15—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)**

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Credit Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$75,101 and \$70,980 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the school division reported a liability of \$632,717 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, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee HIC 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was 0.05475% as compared to 0.05630% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$25,210. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 29,977
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	2,251
Change of assumptions	10,900	-
Change in proportionate share and differences between actual and expected contributions	18,797	71,865
Employer contributions subsequent to the measurement date	75,101	-
Total	\$ 104,798	\$ 104,093

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 15—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)

\$75,101 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>		
2026	\$	(24,112)
2027		(19,189)
2028		(17,613)
2029		(5,773)
2030		(4,300)
Thereafter		(3,409)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

**NOTE 15—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)**

Actuarial Assumptions (continued)

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed ifnal 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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 15—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)

Net Teacher Employee HIC OPEB Liability

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 15—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)

Long-Term Expected Rate of Return (continued)

**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 Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	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	\$ 719,557	\$ 632,717	\$ 559,112

Teacher Employee HIC OPEB Fiduciary Net Position

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

NOTE 16—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):

Plan Description

In addition to the pension benefits described in Note 11, the City administers a single-employer defined benefit healthcare plan, the City of Buena Vista OPEB Plan. The plan provides post-employment 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.

The School Board also administers a single-employer defined benefit healthcare plan, the City of Buena Vista School Board OPEB Plan. Similar to the City of Buena Vista OPEB Plan, this plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The School Board plan does not issue a publicly available financial report.

Benefits Provided

Post-employment benefits are provided to eligible retirees include Medical, Dental, and Prescription insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits if they have at least 5 years of service with the County. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits if they have at least 10 years of service with the School Board.

Plan Membership

At July 1, 2024 (the measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	45	118
Total retirees with coverage	3	13
Total	48	131

Contributions

The City and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or the School board for the respective plans. The amount paid by the City for OPEB as the benefits came due during the year ended June 30, 2025 was \$36,000. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$287,000.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

**NOTE 16—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):
(CONTINUED)**

Total OPEB Liability

The City's and School Board's total OPEB liabilities were measured as of July 1, 2024. The total OPEB liabilities were determined by actuarial valuations as of that date.

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuations for the County and for the School Board were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Salary Increases	2.50% per year for general salary inflations
Discount Rate	The discount rate has been set to equal 4.09% and represents the Municipal AA 20-year yield curve rate as of July 1, 2024
Investment Rate of Return	N/A

Mortality rates for active employees and healthy retirees were based on a PUB-2010 Amount-Weighted General Mortality Table – Employees/Retirees with MP-2021 Projection Scale Fully Generational.

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 11-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year's valuation is 4.09% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2024	\$ 1,161,000	\$ 1,794,000
Changes for the year:		
Service cost	30,000	64,000
Interest	45,000	66,000
Difference between expected and actual experience	(73,000)	1,031,000
Changes of assumptions	(36,000)	(287,000)
Contributions - employer	39,000	80,000
Net changes	5,000	954,000
Balances at June 30, 2025	\$ 1,166,000	\$ 2,748,000

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

**NOTE 16—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):
(CONTINUED)**

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

The following amounts present the total OPEB liabilities of the County and Component Unit School Board, as well as what the total OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate:

		Rate	
		Current Discount Rate (4.09%)	
1% Decrease (3.09%)			1% Increase (5.09%)
Primary Government			
\$	1,278,000	\$	1,166,000
			\$
			1,063,000
Component Unit School Board			
\$	2,939,000	\$	2,748,000
			\$
			2,573,000

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

The following presents the total OPEB liabilities of the County and Component Unit School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

		Rate	
		Healthcare Cost Trend	
1% Decrease (6.00% decreasing to 4.00%)		(7.00% decreasing to 5.00%)	1% Increase (8.00% decreasing to 6.00%)
Primary Government			
\$	1,042,000	\$	1,166,000
			\$
			1,307,000
Component Unit School Board			
\$	2,514,000	\$	2,748,000
			\$
			3,020,000

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

**NOTE 16—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):
(CONTINUED)**

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

For the year ended June 30, 2025, the Primary Government recognized OPEB expense in the amount of \$76,000. The School Board recognized OPEB expense in the amount of \$455,000. At June 30, 2025, the Primary Government and Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,000	\$ 64,000
Changes of assumptions	62,000	95,000
Employer contributions subsequent to the measurement date	36,000	-
Total	<u>\$ 144,000</u>	<u>\$ 159,000</u>

	Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,160,000	\$ 51,000
Changes in assumptions	101,000	88,000
Employer contributions subsequent to the measurement date	287,000	-
Total	<u>\$ 1,548,000</u>	<u>\$ 139,000</u>

Amounts reported as deferred inflows of resources related to the OPEB Plan will be recognized in OPEB expense in future reporting periods as follows:

Primary Government		Component Unit School Board	
Year Ended June 30,		Year Ended June 30,	
2026	\$ (18,000)	2026	\$ 201,000
2027	(21,000)	2027	223,000
2028	(3,000)	2028	233,000
2029	(3,000)	2029	233,000
2030	(2,000)	2030	189,000
Thereafter	(4,000)	Thereafter	43,000

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 17—SUMMARY OF POSTEMPLOYMENT BENEFIT (OPEB) PLANS:

The following is a summary of the City's OPEB plans as of June 30, 2025:

	Primary Government				
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	Total OPEB Liability	OPEB Expense
VRS OPEB Plans:					
Group Life Insurance Program (Note 13)	\$ 54,354	\$ 35,797	\$ 187,475	\$ -	\$ 2,927
City Stand-Alone Plan (Note 16)	144,000	159,000	-	1,166,000	76,000
Totals	<u>\$ 198,354</u>	<u>\$ 194,797</u>	<u>\$ 187,475</u>	<u>\$ 1,166,000</u>	<u>\$ 78,927</u>
	Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	Total OPEB Liability	OPEB Expense
VRS OPEB Plans:					
Group Life Insurance Program (Note 13):					
School Board Nonprofessional	\$ 9,693	\$ 4,345	\$ 23,658	\$ -	\$ 832
School Board Professional	77,430	69,614	254,988	-	(5,767)
Health Insurance Credit Program (Note 14)	6,449	11,657	14,481	-	(3,004)
Teacher Health Insurance Credit Program (Note 15)	104,798	104,093	632,717	-	25,210
School Stand-Alone Plan (Note 16)	1,548,000	139,000	-	2,748,000	455,000
Totals	<u>\$ 1,746,370</u>	<u>\$ 328,709</u>	<u>\$ 925,844</u>	<u>\$ 2,748,000</u>	<u>\$ 472,271</u>

NOTE 18—DEFERRED, UNAVAILABLE, AND UNEARNED REVENUE:

Deferred and unavailable revenue represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred and unavailable revenue in the government-wide financial statements and fund financial statements totaling \$1,380,415, and \$2,718,796, respectively is comprised of the following:

	Government-wide Financial Statements	Fund Financial Statements
Primary Government deferred/unavailable property tax revenue:		
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.	\$ -	\$ 1,338,381
Unavailable revenue representing uncollected property tax billings for the second half of calendar year 2025. The uncollected tax billings are not available for the funding of current expenditures.	991,366	991,366
Deferred prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	389,049	389,049
Total primary government deferred/unavailable revenue	<u>\$ 1,380,415</u>	<u>\$ 2,718,796</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)
NOTE 19—CONTINGENT LIABILITIES:

Federal programs in which the City and its component unit participate were audited in accordance with the Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Pursuant to the terms of an annexation agreement, the City is obligated to make certain improvements to the City infrastructure. While the exact cost of these improvements is unknown, the cost will be significant.

The City of Buena Vista, along with the City of Lexington and County of Rockbridge, have entered into an agreement with the Rockbridge Regional Public Safety Communications Center, for the purpose of providing contributions for the payment of debt associated with its radio upgrade project through June 30, 2030. Each locality will contribute a percentage of the total cost of the upgrade based upon its annual assessed value of real estate. The County of Rockbridge is serving as fiscal agent for the radio upgrade project. The amount owed by the Rockbridge Regional Public Safety Communications Center on the lease obligation at June 30, 2025 was \$2,457,627 and an annual payment of \$757,744 will be paid by the Center through June 2030.

NOTE 20—HEALTH INSURANCE FUND:

The Buena Vista City School Board maintains an internal service fund entitled Health Insurance Fund that has been included in the discretely presented component unit financial statements. The purpose of this fund is to disclose the School Board's self-insured health insurance transactions for the fiscal year as required by GASB 10. The School Board uses Jefferson Health Plan as the administrator of their self-insured plan. The Health Insurance fund pays Jefferson Health Plan an administrative fee for these services. This fund serves the School Board component unit and accounts for the health insurance activities of the aforementioned funds but does not constitute a transfer of risk from the City.

Significant losses, over \$80,000, are covered by commercial insurance. Stop loss insurance coverage began in October 2015. During fiscal year 2025, there were no settlement amounts exceeding coverage.

The School Board records an estimated liability for indemnity health care claims. Claims liabilities are based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported (IBNR) based on historical experience.

Jefferson Health has established a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. At June 30, 2025 the plan liability was \$141,234. The net position of the Plan maintained by the School Board can be found on Exhibit 42. The following represents the change in approximate aggregate liabilities for the fund:

	<u>Health Insurance</u>
July 1, 2023 Liability	\$ 114,315
Claims and Changes in Estimates	1,929,109
Claim Payments	<u>2,022,391</u>
June 30, 2024 Liability	21,033
Claims and Changes in Estimates	2,580,558
Claim Payments	<u>2,460,357</u>
June 30, 2025 Liability	<u><u>\$ 141,234</u></u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 21—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2025 was as follows:

Primary Government

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 2,226,363	\$ -	\$ -	\$ 2,226,363
Construction in progress	386,738	138,777	-	525,515
Total capital assets not being depreciated	\$ 2,613,101	\$ 138,777	\$ -	\$ 2,751,878
Capital assets being depreciated:				
Buildings and improvements	\$ 7,410,833	\$ 54,567	\$ -	\$ 7,465,400
Infrastructure	29,735,347	297,722	-	30,033,069
Machinery and Equipment	4,805,877	940,923	(133,459)	5,613,341
Total capital assets being depreciated	\$ 41,952,057	\$ 1,293,212	\$ (133,459)	\$ 43,111,810
Accumulated depreciation:				
Buildings and improvements	\$ (3,130,879)	\$ (233,089)	\$ -	\$ (3,363,968)
Infrastructure	(27,155,407)	(124,499)	-	(27,279,906)
Machinery and Equipment	(3,220,336)	(529,996)	127,083	(3,623,249)
Total accumulated depreciation	\$ (33,506,622)	\$ (887,584)	\$ 127,083	\$ (34,267,123)
Capital assets being depreciated, net	\$ 8,445,435	\$ 405,628	\$ (6,376)	\$ 8,844,687
Lease assets:				
Equipment	\$ 224,290	\$ 532,390	\$ (94,025)	\$ 662,655
Accumulated amortization				
Equipment	\$ (110,368)	\$ (63,773)	\$ 94,025	\$ (80,116)
Net right-to-use lease assets	\$ 113,922	\$ 468,617	\$ -	\$ 582,539
Governmental activities capital assets, net	\$ 11,172,458	\$ 1,013,022	\$ (6,376)	\$ 12,179,104
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 4,900	\$ -	\$ -	\$ 4,900
Construction in progress	52,576	52,576	(105,152)	-
Total capital assets not being depreciated	\$ 57,476	\$ 52,576	\$ (105,152)	\$ 4,900
Capital assets being depreciated:				
Infrastructure	\$ 16,635,210	\$ 25,401	\$ -	\$ 16,660,611
Machinery and equipment	925,120	155,820	-	1,080,940
Total capital assets being depreciated	\$ 17,560,330	\$ 181,221	\$ -	\$ 17,741,551
Accumulated depreciation:				
Infrastructure	\$ (12,249,187)	\$ (304,823)	\$ -	\$ (12,554,010)
Machinery and equipment	(637,592)	(90,489)	-	(728,081)
Total accumulated depreciation	\$ (12,886,779)	\$ (395,312)	\$ -	\$ (13,282,091)
Capital assets being depreciated, net	\$ 4,673,551	\$ (214,091)	\$ -	\$ 4,459,460
Business-type activities capital assets, net	\$ 4,731,027	\$ (161,515)	\$ (105,152)	\$ 4,464,360

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 21—CAPITAL ASSETS: (CONTINUED)

Primary Government (continued)

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government administration	\$	196,568
Judicial administration		16,262
Public safety		235,815
Public works		313,532
Health and welfare		7,855
Education		61,461
Parks, recreation and cultural		119,864
Total depreciation/amortization expense - governmental activities	\$	<u>951,357</u>
Business-type activities:		
Water	\$	313,080
Sewer		82,232
Total depreciation expense - business-type activities	\$	<u>395,312</u>

Discretely Presented Component Unit School Board

	Balance July 1, 2024	Increases	Decreases/ Transfers	Balance June 30, 2025
Governmental activities				
Capital assets not being depreciated:				
Land and land improvements	\$ 4,634	\$ -	\$ -	\$ 4,634
Total capital assets not being depreciated	\$ 4,634	\$ -	\$ -	\$ 4,634
Capital assets being depreciated:				
Buildings and improvements	\$ 16,005,022	\$ 95,356	\$ -	\$ 16,100,378
Machinery and equipment	3,523,301	680,261	-	4,203,562
Total capital assets being depreciated	\$ 19,528,323	\$ 775,617	\$ -	\$ 20,303,940
Accumulated depreciation:				
Buildings and improvements	\$ (8,250,390)	\$ (312,711)	\$ (5,880)	\$ (8,568,981)
Machinery and equipment	(1,736,486)	(517,083)	5,880	(2,247,689)
Total accumulated depreciation	\$ (9,986,876)	\$ (829,794)	\$ -	\$ (10,816,670)
Capital assets being depreciated, net	\$ 9,541,447	\$ (54,177)	\$ -	\$ 9,487,270
Lease assets:				
Equipment	\$ 98,637	\$ 21,210	\$ (11,965)	\$ 107,882
Accumulated amortization	(48,011)	(25,394)	11,965	(61,440)
Net lease assets	\$ 50,626	\$ (4,184)	\$ -	\$ 46,442
Intangible assets:				
Subscription assets	\$ 62,830	\$ 142,450	\$ -	\$ 205,280
Accumulated amortization	(6,791)	(29,325)	-	(36,116)
Net subscription assets	\$ 56,039	\$ 113,125	\$ -	\$ 169,164
Governmental activities capital assets, net	\$ 9,652,746	\$ 54,764	\$ -	\$ 9,707,510

Depreciation/amortization expense for the Component Unit School Board was \$884,513 for the year ended June 30, 2025 and was charged to the education function. Additionally, the City retains 100% of the value of School Board assets financed with general City debt on the City's books until the related debt associated with each asset is fully defeased.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 21—CAPITAL ASSETS: (CONTINUED)

Discretely Presented Component Unit Economic Development Authority of Buena Vista

	Balance July 1, 2024	Increases	Decreases/ Transfers/ Reclassifications	Balance June 30, 2025
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 1,107,200	\$ -	\$ -	\$ 1,107,200
Total capital assets not being depreciated	\$ 1,107,200	\$ -	\$ -	\$ 1,107,200
Capital assets being depreciated:				
Infrastructure	\$ 862,439	\$ -	\$ -	\$ 862,439
Total capital assets being depreciated	\$ 862,439	\$ -	\$ -	\$ 862,439
Accumulated depreciation:				
Infrastructure	\$ (86,244)	\$ (21,561)	\$ -	\$ (107,805)
Total accumulated depreciation	\$ (86,244)	\$ (21,561)	\$ -	\$ (107,805)
Capital assets being depreciated, net	\$ 776,195	\$ (21,561)	\$ -	\$ 754,634
Governmental activities capital assets, net	\$ 1,883,395	\$ (21,561)	\$ -	\$ 1,861,834

NOTE 22—RISK MANAGEMENT:

The City is 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 City joined together with other local governments in Virginia to form the Virginia Risk Sharing Association, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The City pays an annual premium to the association for its workers compensation, auto property, liability, flood, and crime coverage.

In the event of the loss, deficit or depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The City continues to carry commercial insurance for all other risks of loss, including general liability and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 23—ARBITRAGE REBATE COMPLIANCE:

As of June 30, 2025, and for the year then ended, the City was not liable for any amounts due under current rules governing arbitrage earnings.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 24—ADOPTION OF ACCOUNTING PRINCIPLES:

During 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of vacation and sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. See Note 25 for the restatement in net position resulting from the adoption of the accounting principle.

NOTE 25—RESTATEMENT OF BEGINNING BALANCES:

During 2025, the City restated beginning balances as follows:

<u>Government-wide financial statements:</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Unit School Board</u>
Net position, as reported, June 30, 2024	\$ 9,774,070	\$ 1,579,991	\$ 3,582,610
Restatement for GASB 101 implementation	(410,049)	(64,976)	(933,696)
Restatement to correct prior year school operating fund net position	(176,498)	-	176,498
Net position, as restated, June 30, 2024	<u>\$ 9,187,523</u>	<u>\$ 1,515,015</u>	<u>\$ 2,825,412</u>

Fund financial statements:

	<u>General Fund Fund Balance</u>	<u>Water Fund Net Position</u>	<u>Sewer Fund Net Position</u>	<u>School Operating Fund Fund Balance</u>	<u>School Facilities Fund Fund Balance</u>
Fund balance/net position, as reported, June 30, 2024	\$ 3,327,218	\$ 704,719	\$ 875,272	\$ 58,996	\$ -
Restatement for implementation of GASB No. 101	-	(18,518)	(46,458)	-	-
Restatement to correct erroneous School Board fund balances	(176,498)	-	-	(58,996)	235,494
Fund balance/net position, as restated, June 30, 2024	<u>\$ 3,150,720</u>	<u>\$ 686,201</u>	<u>\$ 828,814</u>	<u>\$ -</u>	<u>\$ 235,494</u>

NOTE 26—UPCOMING PRONOUNCEMENTS:

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

General Fund

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 7,104,820	\$ 7,104,820	\$ 6,956,737	\$ (148,083)
Other local taxes	2,107,534	2,107,534	1,940,427	(167,107)
Permits, privilege fees, and regulatory licenses	49,730	49,730	85,907	36,177
Fines and forfeitures	40,800	40,800	31,467	(9,333)
Revenue from the use of money and property	210,033	210,033	203,271	(6,762)
Charges for services	826,400	826,400	742,369	(84,031)
Miscellaneous	50,000	50,000	264,088	214,088
Recovered costs	22,750	22,750	59,942	37,192
Intergovernmental:				
Commonwealth	5,926,793	5,926,793	6,689,960	763,167
Federal	194,543	194,543	4,108,147	3,913,604
Total revenues	<u>\$ 16,533,403</u>	<u>\$ 16,533,403</u>	<u>\$ 21,082,315</u>	<u>\$ 4,548,912</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,847,065	\$ 1,931,858	\$ 1,979,674	\$ (47,816)
Judicial administration	1,173,921	1,199,496	1,283,553	(84,057)
Public safety	4,058,983	4,327,711	4,218,825	108,886
Public works	2,852,800	3,128,887	3,070,766	58,121
Health and welfare	2,593,173	3,097,036	2,936,742	160,294
Education	2,445,245	2,445,245	1,756,318	688,927
Parks, recreation, and cultural	193,810	193,810	195,368	(1,558)
Community development	683,340	1,497,042	1,430,929	66,113
Capital outlay	-	-	532,390	(532,390)
Debt service:				
Principal retirement	145,148	145,148	687,769	(542,621)
Interest and other fiscal charges	85,816	85,816	159,238	(73,422)
Total expenditures	<u>\$ 16,079,301</u>	<u>\$ 18,052,049</u>	<u>\$ 18,251,572</u>	<u>\$ (199,523)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 454,102</u>	<u>\$ (1,518,646)</u>	<u>\$ 2,830,743</u>	<u>\$ 4,349,389</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (377,838)	\$ (377,838)	\$ (1,713,762)	\$ (1,335,924)
Issuance of leases	-	-	460,862	460,862
Total other financing sources (uses)	<u>\$ (377,838)</u>	<u>\$ (377,838)</u>	<u>\$ (1,252,900)</u>	<u>\$ (875,062)</u>
Net change in fund balances	<u>\$ 76,264</u>	<u>\$ (1,896,484)</u>	<u>\$ 1,577,843</u>	<u>\$ 3,474,327</u>
Fund balances - beginning, as previously reported	\$ (76,264)	\$ 1,896,484	\$ 3,327,218	\$ 1,430,734
Restatement	-	-	(176,498)	(176,498)
Fund balances - beginning, as restated	<u>\$ (76,264)</u>	<u>\$ 1,896,484</u>	<u>\$ 3,150,720</u>	<u>\$ 1,254,236</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,728,563</u>	<u>\$ 4,728,563</u>

City of Buena Vista, Virginia

Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

Pension Plans

For the Measurement Dates of June 30, 2015 through June 30, 2024

	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 470,837	\$ 452,017	\$ 397,221	\$ 423,628
Interest	1,515,410	1,542,760	1,495,027	1,423,871
Changes of assumptions	-	-	-	890,709
Differences between expected and actual experience	559,420	(1,088,741)	22,787	(725,814)
Benefit payments	(1,352,076)	(1,308,006)	(1,217,337)	(1,493,556)
Net change in total pension liability	\$ 1,193,591	\$ (401,970)	\$ 697,698	\$ 518,838
Total pension liability - beginning	<u>22,655,726</u>	<u>23,057,696</u>	<u>22,359,998</u>	<u>21,841,160</u>
Total pension liability - ending (a)	<u>\$ 23,849,317</u>	<u>\$ 22,655,726</u>	<u>\$ 23,057,696</u>	<u>\$ 22,359,998</u>
Plan fiduciary net position				
Contributions - employer	\$ 654,520	\$ 623,289	\$ 563,609	\$ 534,551
Contributions - employee	197,066	186,119	172,205	164,372
Net investment income	2,031,066	1,299,890	(17,730)	4,583,858
Benefit payments	(1,352,076)	(1,308,006)	(1,217,337)	(1,493,556)
Administrator charges	(13,580)	(13,076)	(12,961)	(11,860)
Other	416	522	477	427
Net change in plan fiduciary net position	\$ 1,517,412	\$ 788,738	\$ (511,737)	\$ 3,777,792
Plan fiduciary net position - beginning	<u>21,088,317</u>	<u>20,299,579</u>	<u>20,811,316</u>	<u>17,033,524</u>
Plan fiduciary net position - ending (b)	<u>\$ 22,605,729</u>	<u>\$ 21,088,317</u>	<u>\$ 20,299,579</u>	<u>\$ 20,811,316</u>
City's net pension liability - ending (a) - (b)	\$ 1,243,588	\$ 1,567,409	\$ 2,758,117	\$ 1,548,682
Plan fiduciary net position as a percentage of the total pension liability	94.79%	93.08%	88.04%	93.07%
Covered payroll	\$ 4,313,473	\$ 4,049,652	\$ 3,734,633	\$ 3,541,938
City's net pension liability as a percentage of covered payroll	28.83%	38.70%	73.85%	43.72%

2020	2019	2018	2017	2016	2015
\$ 424,055	\$ 405,680	\$ 416,975	\$ 421,410	\$ 370,108	\$ 376,655
1,394,209	1,333,809	1,289,662	1,218,525	1,193,493	1,122,225
-	581,508	-	(86,427)	-	-
(91,708)	354,955	56,071	550,201	(234,737)	449,987
(1,080,679)	(1,070,157)	(1,193,913)	(981,021)	(961,506)	(900,002)
\$ 645,877	\$ 1,605,795	\$ 568,795	\$ 1,122,688	\$ 367,358	\$ 1,048,865
21,195,283	19,589,488	19,020,693	17,898,005	17,530,647	16,481,782
<u>\$ 21,841,160</u>	<u>\$ 21,195,283</u>	<u>\$ 19,589,488</u>	<u>\$ 19,020,693</u>	<u>\$ 17,898,005</u>	<u>\$ 17,530,647</u>
\$ 509,480	\$ 499,822	\$ 420,150	\$ 433,392	\$ 456,213	\$ 422,230
167,622	174,786	156,960	167,101	152,926	142,031
325,913	1,083,991	1,155,010	1,753,735	248,114	649,744
(1,080,679)	(1,070,157)	(1,193,913)	(981,021)	(961,506)	(900,002)
(11,174)	(10,858)	(10,265)	(10,284)	(9,194)	(9,098)
(384)	(683)	(1,021)	(1,556)	(107)	(136)
\$ (89,222)	\$ 676,901	\$ 526,921	\$ 1,361,367	\$ (113,554)	\$ 304,769
17,122,746	16,445,845	15,918,924	14,557,557	14,671,111	14,366,342
<u>\$ 17,033,524</u>	<u>\$ 17,122,746</u>	<u>\$ 16,445,845</u>	<u>\$ 15,918,924</u>	<u>\$ 14,557,557</u>	<u>\$ 14,671,111</u>
\$ 4,807,636	\$ 4,072,537	\$ 3,143,643	\$ 3,101,769	\$ 3,340,448	\$ 2,859,536
77.99%	80.79%	83.95%	83.69%	81.34%	83.69%
\$ 3,571,857	\$ 3,471,307	\$ 3,269,880	\$ 3,343,997	\$ 3,112,616	\$ 2,867,942
134.60%	117.32%	96.14%	92.76%	107.32%	99.71%

City of Buena Vista, Virginia

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

	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 46,353	\$ 45,733	\$ 34,828	\$ 33,397
Interest	112,740	109,603	108,097	100,827
Changes of assumptions	-	-	-	60,639
Differences between expected and actual experience	(82,125)	6,981	(8,698)	2,371
Benefit payments	(110,516)	(122,395)	(123,256)	(125,459)
Net change in total pension liability	\$ (33,548)	\$ 39,922	\$ 10,971	\$ 71,775
Total pension liability - beginning	1,679,131	1,639,209	1,628,238	1,556,463
Total pension liability - ending (a)	\$ 1,645,583	\$ 1,679,131	\$ 1,639,209	\$ 1,628,238
Plan fiduciary net position				
Contributions - employer	\$ 6,910	\$ 6,376	\$ 8,653	\$ 7,560
Contributions - employee	24,448	21,834	18,170	16,229
Net investment income	191,282	124,074	(655)	456,779
Benefit payments	(110,516)	(122,395)	(123,256)	(125,459)
Administrator charges	(1,328)	(1,288)	(1,311)	(1,204)
Other	37	50	46	42
Net change in plan fiduciary net position	\$ 110,833	\$ 28,651	\$ (98,353)	\$ 353,947
Plan fiduciary net position - beginning	1,999,033	1,970,382	2,068,735	1,714,788
Plan fiduciary net position - ending (b)	\$ 2,109,866	\$ 1,999,033	\$ 1,970,382	\$ 2,068,735
School Division's net pension liability (asset) - ending (a) - (b)	\$ (464,283)	\$ (319,902)	\$ (331,173)	\$ (440,497)
Plan fiduciary net position as a percentage of the total pension liability	128.21%	119.05%	120.20%	127.05%
Covered payroll	\$ 544,642	\$ 484,474	\$ 399,258	\$ 355,585
School Division's net pension liability (asset) as a percentage of covered payroll	-85.25%	-66.03%	-82.95%	-123.88%

2020	2019	2018	2017	2016	2015
\$ 38,761	\$ 37,349	\$ 36,778	\$ 38,384	\$ 36,487	\$ 36,673
96,594	98,783	96,694	92,937	90,797	90,772
-	31,763	-	(2,589)	-	-
54,979	(19,570)	19,871	47,166	38,859	(1,342)
(129,797)	(127,172)	(119,813)	(124,649)	(146,497)	(105,003)
\$ 60,537	\$ 21,153	\$ 33,530	\$ 51,249	\$ 19,646	\$ 21,100
1,495,926	1,474,773	1,441,243	1,389,994	1,370,348	1,349,248
<u>\$ 1,556,463</u>	<u>\$ 1,495,926</u>	<u>\$ 1,474,773</u>	<u>\$ 1,441,243</u>	<u>\$ 1,389,994</u>	<u>\$ 1,370,348</u>
\$ 4,531	\$ 4,526	\$ (4)	\$ 104	\$ 7,034	\$ 7,976
17,286	16,397	17,551	16,246	16,078	17,257
33,484	114,544	127,502	197,169	27,381	78,925
(129,797)	(127,172)	(119,813)	(124,649)	(146,497)	(105,003)
(1,215)	(1,223)	(1,164)	(1,221)	(1,148)	(1,143)
(39)	(72)	(111)	(172)	(12)	(17)
\$ (75,750)	\$ 7,000	\$ 23,961	\$ 87,477	\$ (97,164)	\$ (2,005)
1,790,538	1,783,538	1,759,577	1,672,100	1,769,264	1,771,269
<u>\$ 1,714,788</u>	<u>\$ 1,790,538</u>	<u>\$ 1,783,538</u>	<u>\$ 1,759,577</u>	<u>\$ 1,672,100</u>	<u>\$ 1,769,264</u>
\$ (158,325)	\$ (294,612)	\$ (308,765)	\$ (318,334)	\$ (282,106)	\$ (398,916)
110.17%	119.69%	120.94%	122.09%	120.30%	129.11%
\$ 377,323	\$ 352,715	\$ 376,028	\$ 340,987	\$ 337,453	\$ 346,316
-41.96%	-83.53%	-82.11%	-93.36%	-83.60%	-115.19%

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

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
2024	0.05500%	\$ 5,162,814	\$ 5,866,100	88.01%	84.52%
2023	0.05650%	5,710,571	5,612,537	101.75%	82.45%
2022	0.05624%	5,354,385	5,217,534	102.62%	82.61%
2021	0.05409%	4,199,059	4,762,096	88.18%	85.46%
2020	0.06100%	8,875,646	5,330,656	166.50%	71.47%
2019	0.06319%	8,316,163	5,264,774	157.96%	73.51%
2018	0.06432%	7,564,000	5,232,217	144.57%	74.81%
2017	0.06160%	8,136,000	5,244,764	155.13%	72.92%
2016	0.06874%	9,633,000	5,240,836	183.81%	70.68%
2015	0.06844%	8,615,000	5,105,532	168.74%	70.68%

Schedule of Employer Contributions
Pension Plans

Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 581,288	\$ 581,288	\$ -	\$ 4,905,393	11.85%
2024	658,013	658,013	-	4,313,473	15.25%
2023	621,852	621,852	-	4,049,652	15.36%
2022	563,609	563,609	-	3,734,633	15.09%
2021	534,551	534,551	-	3,541,938	15.09%
2020	509,472	509,472	-	3,571,857	14.26%
2019	499,822	499,822	-	3,471,307	14.40%
2018	420,150	420,150	-	3,269,880	12.85%
2017	433,392	433,392	-	3,343,997	12.96%
2016	456,213	456,213	-	3,112,616	14.66%
Component Unit School Board (nonprofessional)					
2025	\$ 2,294	\$ 2,294	\$ -	\$ 559,403	0.41%
2024	6,807	6,807	-	544,642	1.25%
2023	6,321	6,321	-	484,474	1.30%
2022	8,652	8,652	-	399,258	2.17%
2021	7,559	7,559	-	355,585	2.13%
2020	4,531	4,531	-	377,323	1.20%
2019	4,526	4,526	-	352,715	1.28%
2018	-	-	-	376,028	0.00%
2017	136	136	-	340,987	0.04%
2016	7,034	7,034	-	337,453	2.08%
Component Unit School Board (professional)					
2025	\$ 881,974	\$ 881,974	\$ -	\$ 6,206,717	14.21%
2024	927,614	927,614	-	5,866,100	15.81%
2023	891,818	891,818	-	5,612,537	15.89%
2022	835,504	835,504	-	5,217,534	16.01%
2021	765,207	765,207	-	4,762,096	16.07%
2020	810,411	810,411	-	5,330,656	15.20%
2019	810,965	810,965	-	5,264,774	15.40%
2018	831,426	831,426	-	5,232,217	15.89%
2017	752,811	752,811	-	5,244,764	14.35%
2016	736,862	736,862	-	5,240,836	14.06%

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

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

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of City's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.01680% \$	187,475 \$	4,313,473	4.35%	73.41%
2023	0.01719%	206,162	4,049,652	5.09%	69.30%
2022	0.01720%	206,743	3,734,633	5.54%	67.21%
2021	0.01720%	199,789	3,541,938	5.64%	67.45%
2020	0.01740%	289,710	3,571,857	8.11%	52.64%
2019	0.01770%	288,189	3,471,307	8.30%	52.00%
2018	0.01720%	262,000	3,269,880	8.01%	51.22%
2017	0.01813%	272,000	3,343,997	8.13%	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 School Board's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Component Unit School Board (nonprofessional)					
2024	0.00212% \$	23,658 \$	544,642	4.34%	73.41%
2023	0.00210%	24,706	484,474	5.10%	69.30%
2022	0.00180%	22,155	399,258	5.55%	67.21%
2021	0.00180%	20,491	363,529	5.64%	67.45%
2020	0.00190%	30,874	380,673	8.11%	52.64%
2019	0.00181%	29,453	354,713	8.30%	52.00%
2018	0.00198%	30,000	377,086	7.96%	51.22%
2017	0.00185%	27,000	341,847	7.90%	48.86%
Component Unit School Board (professional)					
2024	0.02385% \$	254,988 \$	5,866,100	4.35%	73.41%
2023	0.02383%	285,796	5,612,537	5.09%	69.30%
2022	0.02400%	288,863	5,217,534	5.54%	67.21%
2021	0.02310%	268,481	4,762,096	5.64%	67.45%
2020	0.02590%	432,229	5,330,656	8.11%	52.64%
2019	0.02703%	439,850	5,264,774	8.35%	52.00%
2018	0.02752%	418,000	5,232,217	7.99%	51.22%
2017	0.02843%	428,000	5,244,764	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
 Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 23,055	\$ 23,055	\$ -	\$ 4,905,383	0.47%
2024	23,293	23,293	-	4,313,473	0.54%
2023	21,868	21,868	-	4,049,652	0.54%
2022	20,167	20,167	-	3,734,633	0.54%
2021	19,126	19,126	-	3,541,938	0.54%
2020	18,574	18,574	-	3,571,857	0.52%
2019	18,051	18,051	-	3,471,307	0.52%
2018	17,003	17,003	-	3,269,880	0.52%
2017	17,389	17,389	-	3,343,997	0.52%
2016	14,941	14,941	-	3,112,616	0.48%
Component Unit School Board (nonprofessional)					
2025	\$ 2,629	\$ 2,629	\$ -	\$ 559,403	0.47%
2024	2,941	2,941	-	544,642	0.54%
2023	2,616	2,616	-	484,474	0.54%
2022	2,156	2,156	-	399,258	0.54%
2021	1,963	1,963	-	363,529	0.54%
2020	1,979	1,979	-	380,673	0.52%
2019	1,845	1,845	-	354,713	0.52%
2018	1,961	1,961	-	377,086	0.52%
2017	1,778	1,778	-	341,847	0.52%
2016	1,645	1,645	-	342,623	0.48%
Component Unit School Board (professional)					
2025	\$ 29,209	\$ 29,209	\$ -	\$ 6,214,717	0.47%
2024	31,677	31,677	-	5,866,100	0.54%
2023	30,308	30,308	-	5,612,537	0.54%
2022	28,175	28,175	-	5,217,534	0.54%
2021	25,715	25,715	-	4,762,096	0.54%
2020	27,722	27,722	-	5,330,656	0.52%
2019	27,377	27,377	-	5,264,774	0.52%
2018	27,208	27,208	-	5,232,217	0.52%
2017	27,273	27,273	-	5,244,764	0.52%
2016	25,156	25,156	-	5,240,836	0.48%

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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
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
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 School Board's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2024

	2024	2023	2022	2021	2020
Total HIC OPEB Liability					
Service cost	\$ 611	\$ 598	\$ 556	\$ 676	\$ -
Interest	1,977	3,075	2,961	2,664	-
Changes in benefit terms	-	-	-	-	39,477
Differences between expected and actual experience	(2,199)	(18,310)	(2,905)	-	-
Changes of assumptions	-	-	2,843	1,498	-
Benefit payments	(1,656)	(1,628)	(1,998)	-	-
Net change in total HIC OPEB liability	\$ (1,267)	\$ (16,265)	\$ 1,457	\$ 4,838	\$ 39,477
Total HIC OPEB Liability - beginning	29,507	45,772	44,315	39,477	-
Total HIC OPEB Liability - ending (a)	\$ 28,240	\$ 29,507	\$ 45,772	\$ 44,315	\$ 39,477
Plan fiduciary net position					
Contributions - employer	\$ 5,555	\$ 4,941	\$ 3,605	\$ 3,058	\$ -
Net investment income	1,080	466	(29)	417	-
Benefit payments	(1,656)	(1,628)	(1,998)	-	-
Administrator charges	(17)	(13)	(10)	(14)	-
Other	1	1	-	-	-
Net change in plan fiduciary net position	\$ 4,963	\$ 3,767	\$ 1,568	\$ 3,461	\$ -
Plan fiduciary net position - beginning	8,796	5,029	3,461	-	-
Plan fiduciary net position - ending (b)	\$ 13,759	\$ 8,796	\$ 5,029	\$ 3,461	\$ -
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 14,481	\$ 20,711	\$ 40,743	\$ 40,854	\$ 39,477
Plan fiduciary net position as a percentage of the total HIC OPEB liability	48.72%	29.81%	10.99%	7.81%	0.00%
Covered payroll	\$ 544,642	\$ 484,474	\$ 399,258	\$ 355,585	\$ -
City's net HIC OPEB liability as a percentage of covered payroll	3761.08%	2339.21%	979.94%	870.38%	0.00%

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 Years Ended June 30, 2021 through June 30, 2025

Date	Contributions in Relation to					Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)		
2025	\$ 5,706	\$ 5,706	\$ -	\$ 559,403		1.02%
2024	5,555	5,555	-	544,642		1.02%
2023	4,942	4,942	-	484,474		1.02%
2022	3,434	3,434	-	399,258		0.86%
2021	3,058	3,058	-	355,585		0.86%

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

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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 Improvements 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

Schedule of City 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, 2024

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.05475%	\$ 632,717	\$ 5,866,100	10.79%	21.82%
2023	0.05630%	681,907	5,612,537	12.15%	17.90%
2022	0.05598%	699,216	5,217,534	13.40%	15.08%
2021	0.05385%	691,202	4,762,096	14.51%	13.15%
2020	0.06080%	793,276	5,330,656	14.88%	9.95%
2019	0.06316%	826,826	5,264,774	15.70%	8.97%
2018	0.06462%	821,000	5,225,965	15.71%	8.08%
2017	0.06636%	842,000	5,236,883	16.08%	7.04%

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

Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
Years Ended June 30, 2016 through June 30, 2025

Date	Contributions in Relation to					Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)		
2025	\$ 75,101	\$ 75,101	\$ -	\$ 6,206,717		1.21%
2024	70,980	70,980	-	5,866,100		1.21%
2023	67,912	67,912	-	5,612,537		1.21%
2022	63,132	63,132	-	5,217,534		1.21%
2021	57,621	57,621	-	4,762,096		1.21%
2020	63,968	63,968	-	5,330,656		1.20%
2019	63,480	63,480	-	5,264,774		1.21%
2018	64,279	64,279	-	5,225,965		1.23%
2017	58,129	58,129	-	5,236,883		1.11%
2016	55,553	55,553	-	5,240,836		1.06%

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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

City of Buena Vista, Virginia

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

	2025	2024	2023
Total OPEB liability			
Service cost	\$ 30,000	\$ 32,000	\$ 53,000
Interest	45,000	42,000	26,000
Changes of assumptions	39,000	(19,000)	(274,000)
Differences between expected and actual experience	(73,000)	34,000	5,000
Benefit payments	(36,000)	(41,000)	(45,000)
Net change in total OPEB liability	\$ 5,000	\$ 48,000	\$ (235,000)
Total OPEB liability - beginning	1,161,000	1,113,000	1,348,000
Total OPEB liability - ending	<u>\$ 1,166,000</u>	<u>\$ 1,161,000</u>	<u>\$ 1,113,000</u>
 Covered-employee payroll	 \$ 2,271,000	 \$ 2,271,000	 \$ 3,404,000
 City's total OPEB liability (asset) as a percentage of covered-employee payroll	 51.34%	 51.12%	 32.70%

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

2022		2021		2020		2019		2018	
\$	44,000	\$	37,000	\$	33,000	\$	38,000	\$	37,000
	26,000		30,000		38,000		38,000		37,000
	165,000		69,000		44,000		(64,000)		-
	118,000		(21,000)		(183,000)		(27,000)		-
	(29,000)		(15,000)		(23,000)		(22,000)		(35,000)
\$	324,000	\$	100,000	\$	(91,000)	\$	(37,000)	\$	39,000
	1,024,000		924,000		1,015,000		1,052,000		1,013,000
\$	<u>1,348,000</u>	\$	<u>1,024,000</u>	\$	<u>924,000</u>	\$	<u>1,015,000</u>	\$	<u>1,052,000</u>
\$	3,404,000	\$	3,260,000	\$	3,260,000	\$	2,920,000	\$	2,920,000
	39.60%		31.41%		28.34%		34.76%		36.03%

City of Buena Vista, Virginia

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

	2025	2024	2023
Total OPEB liability			
Service cost	\$ 64,000	\$ 60,000	\$ 109,000
Interest	66,000	56,000	40,000
Changes in assumptions	80,000	(19,000)	(279,000)
Differences between expected and actual experience	1,031,000	360,000	(195,000)
Benefit payments	(287,000)	(254,000)	(93,000)
Net change in total OPEB liability	\$ 954,000	\$ 203,000	\$ (418,000)
Total OPEB liability - beginning	1,794,000	1,591,000	2,009,000
Total OPEB liability - ending	\$ 2,748,000	\$ 1,794,000	\$ 1,591,000
 Covered-employee payroll	 \$ 5,477,000	 \$ 5,477,000	 \$ 4,808,000
 School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	 50.17%	 32.76%	 33.09%

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

Exhibit 29

2022		2021		2020		2019		2018	
\$	113,000	\$	66,000	\$	73,000	\$	88,000	\$	86,000
	43,000		36,000		47,000		54,000		53,000
	198,000		92,000		39,000		(116,000)		-
	286,000		754,000		(139,000)		(108,000)		-
	(532,000)		(250,000)		(106,000)		(105,000)		(118,000)
\$	108,000	\$	698,000	\$	(86,000)	\$	(187,000)	\$	21,000
	1,901,000		1,203,000		1,289,000		1,476,000		1,455,000
\$	<u>2,009,000</u>	\$	<u>1,901,000</u>	\$	<u>1,203,000</u>	\$	<u>1,289,000</u>	\$	<u>1,476,000</u>
\$	4,808,000	\$	5,524,000	\$	5,524,000	\$	5,018,000	\$	5,018,000
	41.78%		34.41%		21.78%		25.69%		29.41%

Notes to Required Supplementary Information - OPEB
Year Ended June 30, 2025

Valuation Date: 7/1/2024
Measurement Date: 7/1/2023

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	4.09% representing the Municipal GO AA 20-year yield curve rate as of the measurement date
Inflation	2.50% per year
Healthcare Trend Rate - City	7.00% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Healthcare Trend Rate - School Board	7.00% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

OTHER SUPPLEMENTARY INFORMATION

School Construction Fund-Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Revenue from the use of money and property	\$ 19,583	\$ 19,583	\$ 18,467	\$ (1,116)
Total revenues	<u>\$ 19,583</u>	<u>\$ 19,583</u>	<u>\$ 18,467</u>	<u>\$ (1,116)</u>
EXPENDITURES				
Debt service:				
Principal retirement	\$ 23,181	\$ 23,181	\$ 71,834	\$ (48,653)
Interest and other fiscal charges	19,583	19,583	27,628	(8,045)
Total expenditures	<u>\$ 42,764</u>	<u>\$ 42,764</u>	<u>\$ 99,462</u>	<u>\$ (56,698)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (23,181)</u>	<u>\$ (23,181)</u>	<u>\$ (80,995)</u>	<u>\$ (57,814)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 23,181	\$ 23,181	\$ 80,995	\$ 57,814
Total other financing sources (uses)	<u>\$ 23,181</u>	<u>\$ 23,181</u>	<u>\$ 80,995</u>	<u>\$ 57,814</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report specific revenues that are legally restricted to expenditures for particular purposes.

Park and Recreation Fund – This fund was created to account for activities related to the operation of the City's Parks and Recreation Department. Funds generated by the Department are restricted and used to support operations of the Department.

Green Hill Cemetery Fund – This fund was created to account for revenues received for the maintenance of the Green Hill Cemetery.

Senior Center Fund – This fund was created to account for revenues and expenditures of the Senior Center pursuant to an operating agreement with Rockbridge County in which the City will reimburse certain expenditures of the funds.

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for and report the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Community Development Block Grant Fund – The Community Development Block Grant Fund was created to account for Federal revenues earmarked for community development capital projects.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 32,386	\$ 66,073	\$ 98,459
Receivables (net of allowance for uncollectibles):			
Accounts receivable	21,112	-	21,112
Total assets	<u>\$ 53,498</u>	<u>\$ 66,073</u>	<u>\$ 119,571</u>
LIABILITIES			
Accounts payable	\$ 18,343	\$ -	\$ 18,343
Accrued liabilities	28,668	-	28,668
Total liabilities	<u>\$ 47,011</u>	<u>\$ -</u>	<u>\$ 47,011</u>
FUND BALANCES			
Restricted:			
Community development block grant	\$ -	\$ 66,073	\$ 66,073
Assigned:			
Green Hill Cemetery	14,627	-	14,627
Senior citizens program	18,330	-	18,330
Unassigned (deficit)	(26,470)	-	(26,470)
Total fund balances (deficit)	<u>\$ 6,487</u>	<u>\$ 66,073</u>	<u>\$ 72,560</u>
Total liabilities and fund balances	<u>\$ 53,498</u>	<u>\$ 66,073</u>	<u>\$ 119,571</u>

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

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 230,011	\$ -	\$ 230,011
Charges for services	62,275	-	62,275
Miscellaneous	44,957	-	44,957
Recovered costs	8,706	-	8,706
Total revenues	<u>\$ 345,949</u>	<u>\$ -</u>	<u>\$ 345,949</u>
EXPENDITURES			
Current:			
Health and welfare	\$ 8,362	\$ -	\$ 8,362
Parks, recreation, and cultural	1,743,771	-	1,743,771
Total expenditures	<u>\$ 1,752,133</u>	<u>\$ -</u>	<u>\$ 1,752,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,406,184)</u>	<u>\$ -</u>	<u>\$ (1,406,184)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>\$ 1,452,989</u>	<u>\$ -</u>	<u>\$ 1,452,989</u>
Net change in fund balances	\$ 46,805	\$ -	\$ 46,805
Fund balances (deficit) - beginning	(40,318)	66,073	25,755
Fund balances (deficit) - ending	<u>\$ 6,487</u>	<u>\$ 66,073</u>	<u>\$ 72,560</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2025

	Park and Recreation Fund	Green Hill Cemetery Fund	Senior Center Fund	Total
ASSETS				
Cash and cash equivalents	\$ 500	\$ 14,627	\$ 17,259	\$ 32,386
Receivables (net of allowance for uncollectibles):				
Accounts receivable	19,606	-	1,506	21,112
Total assets	<u>\$ 20,106</u>	<u>\$ 14,627</u>	<u>\$ 18,765</u>	<u>\$ 53,498</u>
LIABILITIES				
Accounts payable	\$ 17,908	\$ -	\$ 435	\$ 18,343
Accrued liabilities	28,668	-	-	28,668
Total liabilities	<u>\$ 46,576</u>	<u>\$ -</u>	<u>\$ 435</u>	<u>\$ 47,011</u>
FUND BALANCES				
Assigned:				
Green Hill Cemetery	\$ -	\$ 14,627	\$ -	\$ 14,627
Senior citizens program	-	-	18,330	18,330
Unassigned (deficit)	(26,470)	-	-	(26,470)
Total fund balances (deficit)	<u>\$ (26,470)</u>	<u>\$ 14,627</u>	<u>\$ 18,330</u>	<u>\$ 6,487</u>
Total liabilities and fund balances	<u>\$ 20,106</u>	<u>\$ 14,627</u>	<u>\$ 18,765</u>	<u>\$ 53,498</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2025

	Park and Recreation Fund	Green Hill Cemetery Fund	Senior Center Fund	Total
REVENUES				
Revenue from the use of money and property	\$ 229,169	\$ 842	\$ -	\$ 230,011
Charges for services	59,875	2,400	-	62,275
Miscellaneous	44,957	-	-	44,957
Recovered costs	-	-	8,706	8,706
Total revenues	<u>\$ 334,001</u>	<u>\$ 3,242</u>	<u>\$ 8,706</u>	<u>\$ 345,949</u>
EXPENDITURES				
Current:				
Health and welfare	\$ -	\$ -	\$ 8,362	\$ 8,362
Parks, recreation, and cultural	1,743,771	-	-	1,743,771
Total expenditures	<u>\$ 1,743,771</u>	<u>\$ -</u>	<u>\$ 8,362</u>	<u>\$ 1,752,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,409,770)</u>	<u>\$ 3,242</u>	<u>\$ 344</u>	<u>\$ (1,406,184)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 1,452,989</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452,989</u>
Net change in fund balances	\$ 43,219	\$ 3,242	\$ 344	\$ 46,805
Fund balances (deficit) - beginning	(69,689)	11,385	17,986	(40,318)
Fund balances (deficit) - ending	<u><u>\$ (26,470)</u></u>	<u><u>\$ 14,627</u></u>	<u><u>\$ 18,330</u></u>	<u><u>\$ 6,487</u></u>

City of Buena Vista, Virginia

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

	Park and Recreation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 266,875	\$ 266,875	\$ 229,169	\$ (37,706)
Charges for services	75,250	75,250	59,875	(15,375)
Miscellaneous	2,000	2,000	44,957	42,957
Recovered costs	-	-	-	-
Total revenues	<u>\$ 344,125</u>	<u>\$ 344,125</u>	<u>\$ 334,001</u>	<u>\$ (10,124)</u>
EXPENDITURES				
Current:				
Health and welfare	\$ -	\$ -	\$ -	\$ -
Parks, recreation, and cultural	751,462	1,738,312	1,743,771	(5,459)
Total expenditures	<u>\$ 751,462</u>	<u>\$ 1,738,312</u>	<u>\$ 1,743,771</u>	<u>\$ (5,459)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (407,337)</u>	<u>\$ (1,394,187)</u>	<u>\$ (1,409,770)</u>	<u>\$ (15,583)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 328,662	\$ 328,662	\$ 1,452,989	\$ 1,124,327
Total other financing sources (uses)	<u>\$ 328,662</u>	<u>\$ 328,662</u>	<u>\$ 1,452,989</u>	<u>\$ 1,124,327</u>
Net change in fund balances	\$ (78,675)	\$ (1,065,525)	\$ 43,219	\$ 1,108,744
Fund balances (deficit) - beginning	78,675	1,065,525	(69,689)	(1,135,214)
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,470)</u>	<u>\$ (26,470)</u>

Green Hill Cemetery Fund				Senior Center Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ 842	\$ 842	\$ -	\$ -	\$ -	\$ -
-	-	2,400	2,400	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	8,500	8,500	8,706	206
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,242</u>	<u>\$ 3,242</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 8,706</u>	<u>\$ 206</u>
\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,500	\$ 8,362	\$ 138
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 8,362</u>	<u>\$ 138</u>
\$ -	\$ -	\$ 3,242	\$ 3,242	\$ -	\$ -	\$ 344	\$ 344
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 3,242	\$ 3,242	\$ -	\$ -	\$ 344	\$ 344
-	-	11,385	11,385	-	-	17,986	17,986
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,627</u>	<u>\$ 14,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,330</u>	<u>\$ 18,330</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Capital Projects Fund
Year Ended June 30, 2025

	Community Development Block Grant Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	66,073	66,073
Fund balances - ending	\$ -	\$ -	\$ 66,073	\$ 66,073

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

MAJOR GOVERNMENTAL FUNDS

School Operating Fund – The School Operating Fund accounts for the operations of the City's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund.

School Facilities Fund – The School Facilities Fund is a special revenue fund that accounts for general repairs and maintenance at school facilities.

NONMAJOR GOVERNMENTAL FUNDS

School Nutrition Fund – The School Nutrition Fund is a special revenue fund that accounts for the City's school lunch program. Financing is provided from lunch sales and State and Federal reimbursements.

School Activity Funds – The School Activity Funds include all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the school involving personnel, students, or property. The activity funds are special revenues funds of the School Board.

INTERNAL SERVICE FUND

Health Insurance Fund – The Health Insurance Fund is an internal service fund that accounts for the School Board's self-insured health insurance transactions. Financing is provided by employee and School Board contributions.

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

	School Operating Fund	School Facilities Fund	School Nutrition Fund	School Activity Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,538,411	\$ 153,013	\$ 265,471	\$ 186,633	\$ 2,143,528
Investments	-	-	-	409,326	409,326
Receivables (net of allowance for uncollectibles):					
Accounts receivable	-	-	-	1,410	1,410
Due from other governmental units	522,104	-	48,328	-	570,432
Inventories	-	-	19,786	-	19,786
Prepaid items	25,451	-	-	-	25,451
Total assets	<u>\$ 2,085,966</u>	<u>\$ 153,013</u>	<u>\$ 333,585</u>	<u>\$ 597,369</u>	<u>\$ 3,169,933</u>
LIABILITIES					
Accounts payable	\$ 546,945	\$ 1,711	\$ 13,565	\$ 32,612	\$ 594,833
Accrued liabilities	841,794	-	-	-	841,794
Due to primary government	688,927	-	-	-	688,927
Unearned revenue	8,300	-	-	-	8,300
Total liabilities	<u>\$ 2,085,966</u>	<u>\$ 1,711</u>	<u>\$ 13,565</u>	<u>\$ 32,612</u>	<u>\$ 2,133,854</u>
FUND BALANCES					
Nonspendable:					
Inventories	\$ -	\$ -	\$ 19,786	\$ -	\$ 19,786
Restricted:					
School activity funds	-	-	-	564,757	564,757
Committed:					
School capital projects	-	151,302	-	-	151,302
School lunch program	-	-	300,234	-	300,234
Total fund balances	<u>\$ -</u>	<u>\$ 151,302</u>	<u>\$ 320,020</u>	<u>\$ 564,757</u>	<u>\$ 1,036,079</u>
Total liabilities and fund balances	<u>\$ 2,085,966</u>	<u>\$ 153,013</u>	<u>\$ 333,585</u>	<u>\$ 597,369</u>	<u>\$ 3,169,933</u>

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

Total fund balances per above \$ 1,036,079

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

Land	\$ 4,634	
Buildings and improvements	7,531,397	
Machinery and equipment	1,955,873	
Lease assets	46,442	
Subscription assets	169,164	
		9,707,510

The net pension asset is not an available resource and, therefore, is not reported in the funds. 464,283

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

Pension related	\$ 1,989,717	
OPEB related	1,746,370	
		3,736,087

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Health Insurance Fund	\$ 95,974	
		95,974

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

Compensated absences	\$ (1,583,553)	
Lease liabilities	(42,910)	
SBITA liabilities	(132,155)	
Accrued interest	(3,063)	
Net OPEB liabilities	(925,844)	
Total OPEB liability	(2,748,000)	
Net pension liability	(5,162,814)	
		(10,598,339)

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

Pension related	\$ (1,225,153)	
OPEB related	(328,709)	
		(1,553,862)

Net position of governmental activities \$ 2,887,732

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

	School Operating Fund	School Facilities Fund	School Nutrition Fund	School Activity Funds	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ -	\$ 33,341	\$ -	\$ 51,766	\$ 85,107
Charges for services	5,225	-	69,139	-	74,364
Miscellaneous	-	-	-	345,422	345,422
Recovered costs	18,431	-	-	-	18,431
Intergovernmental:					
Local government	1,719,566	-	-	-	1,719,566
Commonwealth	12,373,411	-	27,789	-	12,401,200
Federal	1,450,938	-	738,294	-	2,189,232
Total revenues	\$ 15,567,571	\$ 33,341	\$ 835,222	\$ 397,188	\$ 16,833,322
EXPENDITURES					
Current:					
Education	\$ 15,693,140	\$ 117,533	\$ 833,359	\$ 397,288	\$ 17,041,320
Debt service:					
Principal retirement	36,511	-	-	-	36,511
Interest and other fiscal charges	1,580	-	-	-	1,580
Total expenditures	\$ 15,731,231	\$ 117,533	\$ 833,359	\$ 397,288	\$ 17,079,411
Excess (deficiency) of revenues over (under) expenditures	\$ (163,660)	\$ (84,192)	\$ 1,863	\$ (100)	\$ (246,089)
OTHER FINANCING SOURCES (USES)					
Issuance of leases	\$ 21,210	\$ -	\$ -	\$ -	\$ 21,210
Subscription based liabilities	142,450	-	-	-	142,450
Total other financing sources and uses	\$ 163,660	\$ -	\$ -	\$ -	\$ 163,660
Net change in fund balances	\$ -	\$ (84,192)	\$ 1,863	\$ (100)	\$ (82,429)
Fund balances - beginning, as previously reported	\$ 58,996	\$ -	\$ 318,157	\$ 564,857	\$ 942,010
Restatement	(58,996)	235,494	-	-	176,498
Fund balances - beginning, as restated	\$ -	\$ 235,494	\$ 318,157	\$ 564,857	\$ 1,118,508
Fund balances - ending	\$ -	\$ 151,302	\$ 320,020	\$ 564,757	\$ 1,036,079

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 \$ (82,429)

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 outlays	\$ 939,277	
Depreciation/amortization expenses	(884,513)	54,764

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

Principal repayments	\$ 36,511	
Issuance of leases	(21,210)	
Subscriptions issued	(142,450)	
Accrued interest	(1,907)	(129,056)

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

Change in compensated absences	\$ (324,326)	
Pension expense	671,033	
OPEB expense	(33,628)	313,079

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (94,038)

Change in net position of governmental activities \$ 62,320

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

	School Operating Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 3,500	\$ 3,500	\$ 5,225	\$ 1,725
Recovered costs	22,000	22,000	18,431	(3,569)
Intergovernmental:				
Local government	2,408,493	2,408,493	1,719,566	(688,927)
Commonwealth	11,621,937	12,069,625	12,373,411	303,786
Federal	863,199	1,043,407	1,450,938	407,531
Total revenues	\$ 14,919,129	\$ 15,547,025	\$ 15,567,571	\$ 20,546
EXPENDITURES				
Current:				
Education	\$ 14,919,129	\$ 15,547,025	\$ 15,693,140	\$ (146,115)
Debt service:				
Principal retirement	-	-	36,511	(36,511)
Interest and other fiscal charges	-	-	1,580	(1,580)
Total expenditures	\$ 14,919,129	\$ 15,547,025	\$ 15,731,231	\$ (184,206)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (163,660)	\$ (163,660)
OTHER FINANCING SOURCES (USES)				
Issuance of leases	\$ -	\$ -	\$ 21,210	\$ 21,210
Subscription based liabilities	-	-	142,450	142,450
Total other financing sources and uses	\$ -	\$ -	\$ 163,660	\$ 163,660
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning, as previously reported	-	-	58,996	58,996
Restatement	-	-	(58,996)	(58,996)
Fund balances - beginning, as restated	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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

	School Facilities Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 33,341	\$ 33,341
Total revenues	\$ -	\$ -	\$ 33,341	\$ 33,341
EXPENDITURES				
Current:				
Education	\$ -	\$ -	\$ 117,533	\$ (117,533)
Total expenditures	\$ -	\$ -	\$ 117,533	\$ (117,533)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (84,192)	\$ (84,192)
Net change in fund balances	\$ -	\$ -	\$ (84,192)	\$ (84,192)
Fund balances - beginning, as previously reported	\$ -	\$ -	\$ -	\$ -
Restatement	-	-	235,494	235,494
Fund balances - beginning, as restated	\$ -	\$ -	\$ 235,494	\$ 235,494
Fund balances - ending	\$ -	\$ -	\$ 151,302	\$ 151,302

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

	School Nutrition Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ 69,139	\$ 19,139
Intergovernmental:				
Commonwealth	25,000	25,000	27,789	2,789
Federal	660,000	660,000	738,294	78,294
Total revenues	\$ 735,000	\$ 735,000	\$ 835,222	\$ 100,222
EXPENDITURES				
Current:				
Education	\$ 876,642	\$ 943,711	\$ 833,359	\$ 110,352
Total expenditures	\$ 876,642	\$ 943,711	\$ 833,359	\$ 110,352
Excess (deficiency) of revenues over (under) expenditures	\$ (141,642)	\$ (208,711)	\$ 1,863	\$ 210,574
Net change in fund balances	\$ (141,642)	\$ (208,711)	\$ 1,863	\$ 210,574
Fund balances - beginning	-	-	318,157	318,157
Fund balances - ending	\$ (141,642)	\$ (208,711)	\$ 320,020	\$ 528,731

Statement of Net Position
Internal Service Fund
Discretely Presented Component Unit - School Board
June 30, 2025

	<u>Health Insurance Fund</u>
ASSETS	
Cash and cash equivalents	\$ 237,208
Total assets	<u>\$ 237,208</u>
LIABILITIES	
Claims payable	\$ 141,234
Total liabilities	<u>\$ 141,234</u>
NET POSITION	
Unrestricted	\$ 95,974
Total net position	<u>\$ 95,974</u>
Total liabilities and net position	<u>\$ 237,208</u>

Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund
Discretely Presented Component Unit - School Board
Year Ended June 30, 2025

	Health Insurance Fund
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 2,460,357
Total operating revenues	\$ 2,460,357
OPERATING EXPENSES	
Insurance claims paid and expenses	\$ 2,554,465
Total operating expenses	\$ 2,554,465
Operating income (loss)	\$ (94,108)
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 70
Total nonoperating revenues (expenses)	\$ 70
Change in net position	\$ (94,038)
Net position - beginning	190,012
Net position - ending	\$ 95,974

Statement of Cash Flows
Internal Service Fund
Discretely Presented Component Unit - School Board
Year Ended June 30, 2025

	Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 2,460,357
Payments for premiums	(2,434,264)
Net cash provided by (used for) operating activities	\$ 26,093
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	\$ 70
Net cash provided by (used for) investing activities	\$ 70
Net increase (decrease) in cash and cash equivalents	\$ 26,163
Cash and cash equivalents - beginning	211,045
Cash and cash equivalents - ending	\$ 237,208
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ (94,108)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase (decrease) in claims payable	\$ 120,201
Total adjustments	\$ 120,201
Net cash provided by (used for) operating activities	\$ 26,093

SUPPORTING SCHEDULES

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 4,480,520	\$ 4,480,520	\$ 4,229,491	\$ (251,029)
Real and personal public service corporation taxes	300,000	300,000	263,190	(36,810)
Personal property taxes	1,850,000	1,850,000	1,913,319	63,319
Machinery and tools taxes	430,000	430,000	423,425	(6,575)
Penalties	-	-	75,459	75,459
Interest	44,300	44,300	51,853	7,553
Total general property taxes	<u>\$ 7,104,820</u>	<u>\$ 7,104,820</u>	<u>\$ 6,956,737</u>	<u>\$ (148,083)</u>
Other local taxes:				
Local sales and use taxes	\$ 687,829	\$ 687,829	\$ 637,687	\$ (50,142)
Consumers' utility taxes	315,000	315,000	244,194	(70,806)
Meals taxes	437,000	437,000	461,048	24,048
Lodging taxes	32,611	32,611	54,623	22,012
Business and professional license taxes	200,000	200,000	226,015	26,015
Motor vehicle licenses	161,000	161,000	132,115	(28,885)
Water utility taxes	181,000	181,000	98,457	(82,543)
Bank stock taxes	43,094	43,094	38,040	(5,054)
Recordation taxes	50,000	50,000	48,248	(1,752)
Total other local taxes	<u>\$ 2,107,534</u>	<u>\$ 2,107,534</u>	<u>\$ 1,940,427</u>	<u>\$ (167,107)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,000	\$ 1,000	\$ 1,676	\$ 676
Right of way fees	22,000	22,000	16,888	(5,112)
Transfer fees	230	230	197	(33)
Permits and other licenses	26,500	26,500	67,146	40,646
Total permits, privilege fees, and regulatory licenses	<u>\$ 49,730</u>	<u>\$ 49,730</u>	<u>\$ 85,907</u>	<u>\$ 36,177</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 40,000	\$ 40,000	\$ 31,087	\$ (8,913)
Parking fines	800	800	380	(420)
Total fines and forfeitures	<u>\$ 40,800</u>	<u>\$ 40,800</u>	<u>\$ 31,467</u>	<u>\$ (9,333)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 3,000	\$ 3,000	\$ 4,147	\$ 1,147
Revenue from use of property	187,033	187,033	186,224	(809)
Sale of cemetery lots	20,000	20,000	12,900	(7,100)
Total revenue from use of money and property	<u>\$ 210,033</u>	<u>\$ 210,033</u>	<u>\$ 203,271</u>	<u>\$ (6,762)</u>
Charges for services:				
Sheriff fees	\$ 500	\$ 500	\$ 514	\$ 14
Commonwealth attorney fees	1,000	1,000	2,006	1,006
Charges for curb and gutter completions	10,000	10,000	25,780	15,780
Charges for waste collection and disposal	725,000	725,000	649,107	(75,893)
Grave openings	60,000	60,000	37,100	(22,900)
Courthouse maintenance fees	6,900	6,900	5,786	(1,114)
Courthouse security fees	20,000	20,000	16,323	(3,677)
Jail administration fees	1,000	1,000	733	(267)
Other charges for services	2,000	2,000	5,020	3,020
Total charges for services	<u>\$ 826,400</u>	<u>\$ 826,400</u>	<u>\$ 742,369</u>	<u>\$ (84,031)</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Revenue from local sources: (continued)				
Miscellaneous:				
Miscellaneous	\$ 50,000	\$ 50,000	\$ 264,088	\$ 214,088
Total miscellaneous	\$ 50,000	\$ 50,000	\$ 264,088	\$ 214,088
Recovered costs:				
Social services refunds	\$ 22,450	\$ 22,450	\$ 52,049	\$ 29,599
County attorney fees	300	300	-	(300)
Other recovered costs	-	-	7,893	7,893
Total recovered costs	\$ 22,750	\$ 22,750	\$ 59,942	\$ 37,192
Total revenue from local sources	\$ 10,412,067	\$ 10,412,067	\$ 10,284,208	\$ (127,859)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 600	\$ 600	\$ 960	\$ 360
Communication tax	220,000	220,000	204,525	(15,475)
Rolling stock	12,000	12,000	6,968	(5,032)
Auto rental tax	1,200	1,200	1,956	756
Personal property tax relief funds	662,919	662,919	662,919	-
Total noncategorical aid	\$ 896,719	\$ 896,719	\$ 877,328	\$ (19,391)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 213,601	\$ 213,601	\$ 288,166	\$ 74,565
Sheriff	223,104	223,104	238,897	15,793
Commissioner of revenue	146,583	146,583	116,759	(29,824)
Treasurer	146,341	146,341	110,233	(36,108)
Registrar/electoral board	73,130	73,130	63,991	(9,139)
Police	216,284	216,284	235,426	19,142
Juror Expense	3,000	3,000	1,350	(1,650)
Clerk of the Circuit Court	196,938	196,938	203,031	6,093
Total shared expenses	\$ 1,218,981	\$ 1,218,981	\$ 1,257,853	\$ 38,872
Other categorical aid:				
Welfare administration and assistance	\$ 150,000	\$ 150,000	\$ 251,899	\$ 101,899
Comprehensive services act	1,540,000	1,540,000	1,609,827	69,827
Street and Highway Maintenance	1,717,629	1,717,629	1,763,983	46,354
VRSA police grant	-	-	4,000	4,000
School resource officer grant	313,341	313,341	306,791	(6,550)
Victim-witness grant	21,211	21,211	27,322	6,111
Fire programs	30,000	30,000	34,035	4,035
Four for life	-	-	5,103	5,103
Fireman's insurance fund	-	-	12,474	12,474
Opioid abatement authority funds	-	-	493,986	493,986
Virginia tourism funds	-	-	14,952	14,952
Archives management funds	-	-	25,575	25,575
Other state grants	38,912	38,912	4,500	(34,412)
Seized funds	-	-	332	332
Total other categorical aid	\$ 3,811,093	\$ 3,811,093	\$ 4,554,779	\$ 743,686
Total categorical aid	\$ 5,030,074	\$ 5,030,074	\$ 5,812,632	\$ 782,558
Total revenue from the Commonwealth	\$ 5,926,793	\$ 5,926,793	\$ 6,689,960	\$ 763,167

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Intergovernmental: (continued)				
Revenue from the federal government:				
Categorical aid:				
Welfare administration and assistance	\$ 150,000	\$ 150,000	\$ 204,044	\$ 54,044
Ground transportation safety grant	-	-	29,512	29,512
Seized funds	-	-	9,873	9,873
Violence Against Women grant	-	-	50,000	50,000
Victim-witness grant	44,543	44,543	43,296	(1,247)
Byrne justice assistance grant	-	-	132,963	132,963
Community development block grant	-	-	70,744	70,744
Coronavirus state and local fiscal recovery funds	-	-	3,567,715	3,567,715
Total categorical aid	\$ 194,543	\$ 194,543	\$ 4,108,147	\$ 3,913,604
Total revenue from the federal government	\$ 194,543	\$ 194,543	\$ 4,108,147	\$ 3,913,604
Total General Fund	\$ 16,533,403	\$ 16,533,403	\$ 21,082,315	\$ 4,548,912
Special Revenue Funds:				
Park and Recreation Fund:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 266,875	\$ 266,875	\$ 229,169	\$ (37,706)
Total revenue from use of money and property	\$ 266,875	\$ 266,875	\$ 229,169	\$ (37,706)
Charges for services:				
Recreation fees	\$ 75,250	\$ 75,250	\$ 59,875	\$ (15,375)
Total charges for services	\$ 75,250	\$ 75,250	\$ 59,875	\$ (15,375)
Miscellaneous:				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 44,957	\$ 42,957
Total miscellaneous	\$ 2,000	\$ 2,000	\$ 44,957	\$ 42,957
Total revenue from local sources	\$ 344,125	\$ 344,125	\$ 334,001	\$ (10,124)
Total Park and Recreation Fund	\$ 344,125	\$ 344,125	\$ 334,001	\$ (10,124)
Senior Center Fund:				
Revenue from local sources:				
Recovered costs:				
Payments from other localities	\$ 8,500	\$ 8,500	\$ 8,706	\$ 206
Total recovered costs	\$ 8,500	\$ 8,500	\$ 8,706	\$ 206
Total revenue from local sources	\$ 8,500	\$ 8,500	\$ 8,706	\$ 206
Total Senior Center Fund	\$ 8,500	\$ 8,500	\$ 8,706	\$ 206
Green Hill Cemetery Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 842	\$ 842
Total revenue from use of money and property	\$ -	\$ -	\$ 842	\$ 842
Charges for services:				
Cemetery perpetual care receipts	\$ -	\$ -	\$ 2,400	\$ 2,400
Total charges for services	\$ -	\$ -	\$ 2,400	\$ 2,400
Total revenue from local sources	\$ -	\$ -	\$ 3,242	\$ 3,242
Total Green Hill Cemetery Fund	\$ -	\$ -	\$ 3,242	\$ 3,242

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Funds:				
School Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 19,583	\$ 19,583	\$ 18,467	\$ (1,116)
Total revenue from use of money and property	\$ 19,583	\$ 19,583	\$ 18,467	\$ (1,116)
Total School Construction Fund	\$ 19,583	\$ 19,583	\$ 18,467	\$ (1,116)
Total Primary Government	\$ 16,905,611	\$ 16,905,611	\$ 21,446,731	\$ 4,541,120
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Charges for services:				
Charges for education	\$ 3,500	\$ 3,500	\$ 5,225	\$ 1,725
Total charges for services	\$ 3,500	\$ 3,500	\$ 5,225	\$ 1,725
Recovered costs:				
Other recovered costs	\$ 22,000	\$ 22,000	\$ 18,431	\$ (3,569)
Total recovered costs	\$ 22,000	\$ 22,000	\$ 18,431	\$ (3,569)
Total revenue from local sources	\$ 25,500	\$ 25,500	\$ 23,656	\$ (1,844)
Intergovernmental:				
Revenue from local governments:				
Contribution from City of Buena Vista, Virginia	\$ 2,408,493	\$ 2,408,493	\$ 1,719,566	\$ (688,927)
Total revenue from local governments	\$ 2,408,493	\$ 2,408,493	\$ 1,719,566	\$ (688,927)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,184,156	1,184,156	\$ 1,239,536	\$ 55,380
Basic school aid	4,507,224	4,507,224	4,742,125	234,901
At-risk	1,468,948	1,468,948	1,537,286	68,338
SOQ position bonus	-	186,007	116,252	(69,755)
Project graduation	3,743	3,743	3,743	-
Alternative education	52,451	52,451	52,275	(176)
Gifted and talented	41,444	41,444	43,360	1,916
Special education	748,583	748,583	783,188	34,605
Remedial summer school	40,151	40,151	34,101	(6,050)
Vocational education	844,422	844,422	883,458	39,036
Technology funds	180,000	180,000	-	(180,000)
Lottery	278,171	278,171	302,360	24,189
School security grant	100,000	451,559	293,653	(157,906)
Fringe benefits	1,062,651	1,062,651	1,111,775	49,124
Medicare benefits	20,000	20,000	2,310	(17,690)
Reduced class size (K-3)	235,614	235,614	249,726	14,112
Free textbooks	103,701	103,701	108,495	4,794
Hometown teacher program	-	-	7,500	7,500
All in implementation	-	-	209,576	209,576
Mentor teacher program	494	494	2,415	1,921
Early reading intervention	31,405	31,405	41,874	10,469
Special education - homebound	2,631	2,631	1,263	(1,368)
Vocational education - equipment	-	-	3,573	3,573
Salary supplement	213,079	213,079	223,099	10,020
English as a second language	4,913	4,913	11,230	6,317
Virginia preschool initiative	269,635	179,757	81,708	(98,049)
Standards of learning algebra readiness	21,411	21,411	24,866	3,455
Other state funds	207,110	207,110	262,664	55,554
Total categorical aid	\$ 11,621,937	\$ 12,069,625	\$ 12,373,411	\$ 303,786
Total revenue from the Commonwealth	\$ 11,621,937	\$ 12,069,625	\$ 12,373,411	\$ 303,786

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (continued)				
School Operating Fund: (continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 295,000	295,000	\$ 281,433	\$ (13,567)
Title VI-B, special education	272,000	274,569	199,337	(75,232)
Title VI-B, pre-school	11,962	11,962	7,932	(4,030)
Title IV-B, 21st Century	173,396	173,396	156,626	(16,770)
Title IV, Stronger Connections	-	-	117,575	117,575
State and local fiscal recovery fund	-	-	64,776	64,776
Education stabilization funds	-	177,639	375,357	197,718
Vocational Education	22,752	22,752	23,746	994
Title II, Improving teacher quality	31,468	31,468	55,927	24,459
Rural and low income grant	26,231	26,231	21,742	(4,489)
Title III	1,085	1,085	614	(471)
Title IV, Innovative education	24,000	24,000	145,873	121,873
Going Green grant	5,305	5,305	-	(5,305)
Total categorical aid	\$ 863,199	\$ 1,043,407	\$ 1,450,938	\$ 407,531
Total revenue from the federal government	\$ 863,199	\$ 1,043,407	\$ 1,450,938	\$ 407,531
Total School Operating Fund	\$ 14,919,129	\$ 15,547,025	\$ 15,567,571	\$ 20,546
Special Revenue Funds:				
School Facilities Fund:				
Revenue from local sources:				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ -	\$ 92	\$ 92
Revenue from use of property	-	-	33,249	33,249
Total revenue from use of money and property	\$ -	\$ -	\$ 33,341	\$ 33,341
Total revenue from local sources	\$ -	\$ -	\$ 33,341	\$ 33,341
Total School Facilities Fund	\$ -	\$ -	\$ 33,341	\$ 33,341
School Nutrition Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria Sales	\$ 50,000	\$ 50,000	\$ 69,139	\$ 19,139
Total charges for services	\$ 50,000	\$ 50,000	\$ 69,139	\$ 19,139
Total revenue from local sources	\$ 50,000	\$ 50,000	\$ 69,139	\$ 19,139
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 25,000	\$ 25,000	\$ 27,789	\$ 2,789
Total revenue from the commonwealth	\$ 25,000	\$ 25,000	\$ 27,789	\$ 2,789
Revenue from the federal government:				
Categorical aid:				
USDA Commodities	\$ -	\$ -	\$ 64,223	\$ 64,223
School food program grant	660,000	660,000	674,071	14,071
Total categorical aid	\$ 660,000	\$ 660,000	\$ 738,294	\$ 78,294
Total revenue from the federal government	\$ 660,000	\$ 660,000	\$ 738,294	\$ 78,294
Total School Nutrition Fund	\$ 735,000	\$ 735,000	\$ 835,222	\$ 100,222

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (continued)				
School Activity Funds:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 51,766	\$ 51,766
Total revenue from use of money and property	\$ -	\$ -	\$ 51,766	\$ 51,766
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 345,422	\$ 345,422
Total miscellaneous revenue	\$ -	\$ -	\$ 345,422	\$ 345,422
Total revenue from local sources	\$ -	\$ -	\$ 397,188	\$ 397,188
Total School Activity Funds	\$ -	\$ -	\$ 397,188	\$ 397,188
 Total Discretely Presented Component Unit - School Board	 \$ 15,654,129	 \$ 16,282,025	 \$ 16,833,322	 \$ 551,297

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

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
City Council	\$ 39,555	\$ 39,555	\$ 75,332	\$ (35,777)
General and financial administration:				
City Manager	\$ 306,304	\$ 306,304	\$ 299,468	\$ 6,836
City Attorney/Legal Services	70,000	70,000	64,830	5,170
Human Resources	82,282	82,282	98,405	(16,123)
Finance	205,394	205,394	283,669	(78,275)
Independent Auditor	85,821	85,821	82,105	3,716
Commissioner of Revenue	235,478	235,478	227,549	7,929
City Treasurer	319,533	319,533	329,336	(9,803)
Reassessment	36,000	36,000	33,062	2,938
Information Technology	157,700	242,493	211,590	30,903
Other general and financial administration	74,250	74,250	57,659	16,591
Total general and financial administration	\$ 1,572,762	\$ 1,657,555	\$ 1,687,673	\$ (30,118)
Board of elections:				
Electoral board and officials	\$ 234,748	\$ 234,748	\$ 216,669	\$ 18,079
Total board of elections	\$ 234,748	\$ 234,748	\$ 216,669	\$ 18,079
Total general government administration	\$ 1,847,065	\$ 1,931,858	\$ 1,979,674	\$ (47,816)
Judicial administration:				
Courts:				
Circuit court	\$ 6,234	\$ 6,234	\$ 3,782	\$ 2,452
General district court	9,270	9,270	6,384	2,886
Juvenile/Domestic relations court	40,620	40,620	12,859	27,761
Clerk of the circuit court	287,224	312,799	294,086	18,713
Sheriff	534,385	534,385	580,164	(45,779)
Total courts	\$ 877,733	\$ 903,308	\$ 897,275	\$ 6,033
Commonwealth's attorney:				
Commonwealth's attorney	\$ 296,188	\$ 296,188	\$ 386,278	\$ (90,090)
Total commonwealth's attorney	\$ 296,188	\$ 296,188	\$ 386,278	\$ (90,090)
Total judicial administration	\$ 1,173,921	\$ 1,199,496	\$ 1,283,553	\$ (84,057)
Public safety:				
Law enforcement and traffic control:				
Criminal Justice Service Department	\$ 73,413	\$ 73,413	\$ 76,229	\$ (2,816)
Police Department	2,328,913	2,597,641	2,612,540	(14,899)
Total law enforcement and traffic control	\$ 2,402,326	\$ 2,671,054	\$ 2,688,769	\$ (17,715)
Fire and rescue services:				
Fire department	\$ 163,500	\$ 163,500	\$ 230,341	\$ (66,841)
Rescue squad	160,903	160,903	164,560	(3,657)
Central dispatch	459,913	459,913	441,113	18,800
Total fire and rescue services	\$ 784,316	\$ 784,316	\$ 836,014	\$ (51,698)
Correction and detention:				
Probation Office	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
Magistrate	340	340	140	200
Regional Jail	868,851	868,851	693,862	174,989
Total correction and detention	\$ 872,191	\$ 872,191	\$ 694,002	\$ 178,189

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

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Public safety: (continued)				
Other protection:				
Medical Examiner	\$ 150	\$ 150	\$ 40	\$ 110
Total other protection	\$ 150	\$ 150	\$ 40	\$ 110
Total public safety	\$ 4,058,983	\$ 4,327,711	\$ 4,218,825	\$ 108,886
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Administrative and Engineering	\$ 287,275	\$ 287,275	\$ 264,342	\$ 22,933
Street Maintenance Department	1,148,015	1,364,102	1,254,374	109,728
Street Lights	73,000	73,000	71,987	1,013
Total maintenance of highways, streets, bridges and sidewalks	\$ 1,508,290	\$ 1,724,377	\$ 1,590,703	\$ 133,674
Sanitation and waste removal:				
Refuse Department	\$ 517,381	\$ 517,381	\$ 460,684	\$ 56,697
Refuse Disposal	300,000	300,000	326,813	(26,813)
Total sanitation and waste removal	\$ 817,381	\$ 817,381	\$ 787,497	\$ 29,884
Maintenance of general buildings and grounds:				
Maintenance Buildings and Grounds	\$ 485,711	\$ 545,711	\$ 650,140	\$ (104,429)
Green Hill Cemetery Maintenance	41,418	41,418	42,426	(1,008)
Total maintenance of general buildings and grounds	\$ 527,129	\$ 587,129	\$ 692,566	\$ (105,437)
Total public works	\$ 2,852,800	\$ 3,128,887	\$ 3,070,766	\$ 58,121
Health and welfare:				
Health:				
Health Services	\$ 45,019	\$ 45,019	\$ 28,974	\$ 16,045
Total health	\$ 45,019	\$ 45,019	\$ 28,974	\$ 16,045
Mental health and intellectual disability:				
Mental Health	\$ 71,542	\$ 71,542	\$ 71,542	\$ -
Total mental health and intellectual disability	\$ 71,542	\$ 71,542	\$ 71,542	\$ -
Welfare:				
Property Tax Relief	\$ 80,000	\$ 80,000	\$ 77,349	\$ 2,651
Social Services	2,350,000	2,853,863	2,712,265	141,598
Valley Program for Aging	43,912	43,912	43,912	-
Total Action Against Poverty	2,700	2,700	2,700	-
Total welfare	\$ 2,476,612	\$ 2,980,475	\$ 2,836,226	\$ 144,249
Total health and welfare	\$ 2,593,173	\$ 3,097,036	\$ 2,936,742	\$ 160,294

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

General Fund: (continued)

Education:

Other instructional costs:

Contribution to City School Board	\$ 2,408,493	\$ 2,408,493	\$ 1,719,566	\$ 688,927
Contribution to Community Colleges	36,752	36,752	36,752	-
Total education	<u>\$ 2,445,245</u>	<u>\$ 2,445,245</u>	<u>\$ 1,756,318</u>	<u>\$ 688,927</u>

General Fund: (Continued)

Parks, recreation, and cultural:

Library:

Rockbridge/ Buena Vista Regional Library	\$ 193,810	\$ 193,810	\$ 195,368	\$ (1,558)
Total library	<u>\$ 193,810</u>	<u>\$ 193,810</u>	<u>\$ 195,368</u>	<u>\$ (1,558)</u>
Total parks, recreation, and cultural	<u>\$ 193,810</u>	<u>\$ 193,810</u>	<u>\$ 195,368</u>	<u>\$ (1,558)</u>

Community development:

Planning and community development:

Community development administration	\$ 230,199	\$ 242,609	\$ 238,744	\$ 3,865
Central Shenandoah Planning District Commission	21,221	21,221	21,221	-
Maury Recovery Court	-	-	13,690	(13,690)
Main Street Buena Vista	30,000	30,000	30,000	-
VA Municipal League	4,642	4,642	5,186	(544)
Blue Ridge Legal Services	1,248	1,248	1,248	-
Arts Council	4,500	4,500	9,000	(4,500)
Visitor's Center	59,118	74,071	74,070	1
Project Horizon	2,500	2,500	2,500	-
Paxton House	10,000	10,000	10,000	-
Community Foundation	-	491,139	491,139	-
SPCA	28,096	28,096	28,096	-
Rockbridge Area transportation system	10,639	10,639	21,738	(11,099)
Small business development center	5,000	5,000	5,000	-
VEPGA	-	-	327	(327)
Food Bank	-	-	1,200	(1,200)
Talking book center	2,100	2,100	2,100	-
Employee programs	26,000	26,000	25,517	483
Business Development	246,077	541,277	448,153	93,124
Total planning and community development	<u>\$ 681,340</u>	<u>\$ 1,495,042</u>	<u>\$ 1,428,929</u>	<u>\$ 66,113</u>

Environmental management:

Soil and Water Conservation	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Total environmental management	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>

Total community development	<u>\$ 683,340</u>	<u>\$ 1,497,042</u>	<u>\$ 1,430,929</u>	<u>\$ 66,113</u>
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Capital outlay:

Lease expenditures	\$ -	\$ -	\$ 532,390	\$ (532,390)
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Debt service:

Principal retirement	\$ 145,148	\$ 145,148	\$ 687,769	\$ (542,621)
Interest and other fiscal charges	85,816	85,816	159,238	(73,422)
Total debt service	<u>\$ 230,964</u>	<u>\$ 230,964</u>	<u>\$ 847,007</u>	<u>\$ (616,043)</u>

Total General Fund	<u>\$ 16,079,301</u>	<u>\$ 18,052,049</u>	<u>\$ 18,251,572</u>	<u>\$ (199,523)</u>
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Special Revenue Fund:**Park & Recreation Fund:**

Parks, recreation, and cultural:

Parks and recreation:

Administration	\$ 241,024	\$ 241,024	\$ 260,474	\$ (19,450)
Recreation	170,559	221,675	226,636	(4,961)
Parks and Ground Maintenance	265,790	414,802	417,130	(2,328)
Activities	16,300	53,022	53,022	-
Swimming Pool	57,789	807,789	786,509	21,280
Total Parks and Recreation	<u>\$ 751,462</u>	<u>\$ 1,738,312</u>	<u>\$ 1,743,771</u>	<u>\$ (5,459)</u>

Total Park and Recreation Fund	<u>\$ 751,462</u>	<u>\$ 1,738,312</u>	<u>\$ 1,743,771</u>	<u>\$ (5,459)</u>
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Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2025 (Continued)

Special Revenue Funds: (continued)**Senior Center Fund:**

Health and Welfare:

Senior center	\$ 8,500	\$ 8,500	\$ 8,362	\$ 138
Total health and welfare	<u>8,500</u>	<u>8,500</u>	<u>8,362</u>	<u>138</u>
Total Senior Center Fund	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 8,362</u>	<u>\$ 138</u>

Capital Projects Funds:**School Construction Fund:**

Debt service:

Principal retirement	\$ 23,181	\$ 23,181	\$ 71,834	\$ (48,653)
Interest and other fiscal charges	<u>19,583</u>	<u>19,583</u>	<u>27,628</u>	<u>(8,045)</u>
Total debt service	<u>\$ 42,764</u>	<u>\$ 42,764</u>	<u>\$ 99,462</u>	<u>\$ (56,698)</u>
Total School Construction Fund	<u>\$ 42,764</u>	<u>\$ 42,764</u>	<u>\$ 99,462</u>	<u>\$ (56,698)</u>
Total Primary Government	<u>\$ 16,882,027</u>	<u>\$ 19,841,625</u>	<u>\$ 20,103,167</u>	<u>\$ (261,542)</u>

Discretely Presented Component Unit - School Board**School Operating Fund:**

Education:

Instruction	\$ 10,713,491	\$ 10,774,223	\$ 10,818,412	\$ (44,189)
Administration and Health Services	<u>1,161,707</u>	<u>1,372,025</u>	<u>1,529,719</u>	<u>(157,694)</u>
Transportation	<u>675,252</u>	<u>675,252</u>	<u>654,799</u>	<u>20,453</u>
Operation and Maintenance	<u>1,740,450</u>	<u>2,081,496</u>	<u>2,213,498</u>	<u>(132,002)</u>
Technology	<u>628,229</u>	<u>644,029</u>	<u>476,712</u>	<u>167,317</u>
Total Education	<u>\$ 14,919,129</u>	<u>\$ 15,547,025</u>	<u>\$ 15,693,140</u>	<u>\$ (146,115)</u>

Debt service:

Principal retirement	\$ -	\$ -	\$ 36,511	\$ (36,511)
Interest and other fiscal charges	<u>-</u>	<u>-</u>	<u>1,580</u>	<u>(1,580)</u>
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,091</u>	<u>\$ (38,091)</u>
Total School Operating Fund	<u>\$ 14,919,129</u>	<u>\$ 15,547,025</u>	<u>\$ 15,731,231</u>	<u>\$ (184,206)</u>

Special Revenue Funds:**School Facilities Fund:**

Education:

Operation and Maintenance	\$ -	\$ -	\$ 117,533	\$ (117,533)
Total School Facilities Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,533</u>	<u>\$ (117,533)</u>

School Nutrition Fund:

Education:

School food services:

School Nutrition	\$ 876,642	\$ 943,711	\$ 833,359	\$ 110,352
Total education	<u>\$ 876,642</u>	<u>\$ 943,711</u>	<u>\$ 833,359</u>	<u>\$ 110,352</u>
Total School Nutrition Fund	<u>\$ 876,642</u>	<u>\$ 943,711</u>	<u>\$ 833,359</u>	<u>\$ 110,352</u>

School Activity Funds:

Education:

Other instructional services	\$ -	\$ -	\$ 397,288	\$ (397,288)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,288</u>	<u>\$ (397,288)</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,288</u>	<u>\$ (397,288)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 15,795,771</u>	<u>\$ 16,490,736</u>	<u>\$ 17,079,411</u>	<u>\$ (588,675)</u>

STATISTICAL SECTION

City of Buena Vista, Virginia

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 8,551,947	\$ 9,164,709	\$ 9,418,051	\$ 9,710,411
Restricted	205,881	207,337	208,672	310,654
Unrestricted	1,191,643	941,248	(143,522)	(1,106,904)
Total governmental activities net position	<u>\$ 9,949,471</u>	<u>\$ 10,313,294</u>	<u>\$ 9,483,201</u>	<u>\$ 8,914,161</u>
Business-type activities				
Net investment in capital assets	\$ (125,963)	\$ (271,422)	\$ (421,031)	\$ (618,159)
Restricted	815,382	782,330	589,348	649,457
Unrestricted	(1,226,666)	(1,760,050)	(2,240,550)	(2,985,941)
Total business-type activities net position	<u>\$ (537,247)</u>	<u>\$ (1,249,142)</u>	<u>\$ (2,072,233)</u>	<u>\$ (2,954,643)</u>
Primary government				
Net investment in capital assets	\$ 8,425,984	\$ 8,893,287	\$ 8,997,020	\$ 9,092,252
Restricted	1,021,263	989,667	798,020	960,111
Unrestricted	(35,023)	(818,802)	(2,384,072)	(4,092,845)
Total primary government net position	<u>\$ 9,412,224</u>	<u>\$ 9,064,152</u>	<u>\$ 7,410,968</u>	<u>\$ 5,959,518</u>

Table 1

Fiscal Year											
2020		2021		2022		2023		2024		2025	
\$	9,672,482	\$	9,808,390	\$	10,902,760	\$	7,074,815	\$	8,112,635	\$	9,418,022
	182,606		184,533		185,231		375,926		1,010,328		310,273
	(2,025,561)		(1,320,741)		(229,183)		1,541,182		651,107		2,817,836
\$	<u>7,829,527</u>	\$	<u>8,672,182</u>	\$	<u>10,858,808</u>	\$	<u>8,991,923</u>	\$	<u>9,774,070</u>	\$	<u>12,546,131</u>
\$	(1,263,416)	\$	(1,429,553)	\$	(2,702,479)	\$	(16,530)	\$	(639,171)	\$	(876,404)
	638,209		633,852		1,029,776		525,016		617,633		199,048
	(3,262,826)		(3,737,252)		(2,960,905)		1,047,721		1,601,529		2,837,753
\$	<u>(3,888,033)</u>	\$	<u>(4,532,953)</u>	\$	<u>(4,633,608)</u>	\$	<u>1,556,207</u>	\$	<u>1,579,991</u>	\$	<u>2,160,397</u>
\$	8,409,066	\$	8,378,837	\$	8,200,281	\$	7,058,285	\$	7,473,464	\$	8,541,618
	820,815		818,385		1,215,007		900,942		1,627,961		509,321
	(5,288,387)		(5,057,993)		(3,190,088)		2,588,903		2,252,636		5,655,589
\$	<u>3,941,494</u>	\$	<u>4,139,229</u>	\$	<u>6,225,200</u>	\$	<u>10,548,130</u>	\$	<u>11,354,061</u>	\$	<u>14,706,528</u>

City of Buena Vista, Virginia

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government administration	\$ 1,433,595	\$ 1,451,815	\$ 1,436,939	\$ 1,464,836
Judicial administration	784,356	860,720	880,505	1,027,787
Public safety	2,265,851	2,631,032	2,864,208	3,060,196
Public works	1,960,690	2,064,999	2,316,348	2,413,388
Health and welfare	1,487,186	2,094,471	2,534,961	3,382,721
Education	2,461,405	3,053,399	2,917,688	2,669,456
Parks, recreation and cultural	541,016	616,884	606,652	617,980
Community development	437,882	483,507	464,611	475,645
Interest on long-term debt	195,175	180,959	183,087	207,889
Total governmental activities expenses	\$ 11,567,156	\$ 13,437,786	\$ 14,204,999	\$ 15,319,898
Business-type activities:				
Water and sewer	\$ 2,309,955	\$ 2,298,746	\$ 2,269,976	\$ 2,474,759
Sewer	-	-	-	-
Golf course	1,072,226	1,061,779	1,035,255	1,004,867
Total business-type activities expenses	\$ 3,382,181	\$ 3,360,525	\$ 3,305,231	\$ 3,479,626
Total primary government expenses	\$ 14,949,337	\$ 16,798,311	\$ 17,510,230	\$ 18,799,524
Program Revenues				
Governmental activities:				
Charges for services:				
General government administration	\$ 6,111	\$ 2,583	\$ 3,507	\$ 2,241
Judicial administration	1,657	1,669	881	1,058
Public safety	72,387	73,081	81,260	52,353
Public works	714,462	744,410	677,866	674,044
Parks, recreation and cultural	86,880	94,478	91,188	88,017
Operating grants and contributions	3,330,959	4,526,619	4,545,783	4,948,486
Capital grants and contributions	-	-	-	200,804
Total governmental activities program revenues	\$ 4,212,456	\$ 5,442,840	\$ 5,400,485	\$ 5,967,003
Business-type activities:				
Charges for services:				
Water and sewer	\$ 2,065,614	\$ 2,044,753	\$ 2,042,514	\$ 2,024,132
Sewer	-	-	-	-
Golf course	352,310	331,401	301,263	301,310
Operating grants and contributions	-	-	-	-
Capital grants and contributions	100	-	-	-
Total business-type activities program revenues	\$ 2,418,024	\$ 2,376,154	\$ 2,343,777	\$ 2,325,442
Total primary government program revenues	\$ 6,630,480	\$ 7,818,994	\$ 7,744,262	\$ 8,292,445
Net (expense) / revenue				
Governmental activities	\$ (7,354,700)	\$ (7,994,946)	\$ (8,804,514)	\$ (9,352,895)
Business-type activities	(964,157)	(984,371)	(961,454)	(1,154,184)
Total primary government net expense	\$ (8,318,857)	\$ (8,979,317)	\$ (9,765,968)	\$ (10,507,079)

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 1,610,849	\$ 1,795,707	\$ 1,727,240	\$ 1,594,876	\$ 1,743,589	\$ 2,000,003
980,103	1,019,950	1,017,867	1,136,483	1,415,453	1,189,213
3,132,569	3,316,903	3,239,319	3,485,799	3,721,518	4,381,216
2,416,545	2,672,139	2,480,331	2,841,447	2,708,776	2,563,675
3,074,478	2,466,902	2,103,375	2,508,447	2,677,613	2,898,203
2,907,138	2,275,851	2,878,417	6,027,630	2,879,487	1,817,779
568,944	518,058	704,206	875,131	974,712	1,115,929
992,368	628,416	538,074	545,022	829,518	1,241,300
144,151	139,701	122,113	189,023	189,434	172,440
<u>\$ 15,827,145</u>	<u>\$ 14,833,627</u>	<u>\$ 14,810,942</u>	<u>\$ 19,203,858</u>	<u>\$ 17,140,100</u>	<u>\$ 17,379,758</u>
\$ 1,592,637	\$ 1,433,945	\$ 1,424,593	\$ 1,391,229	\$ 1,360,859	\$ 1,093,152
891,033	1,048,050	1,112,872	1,065,752	1,018,187	959,153
1,053,312	1,064,944	941,810	-	-	-
<u>\$ 3,536,982</u>	<u>\$ 3,546,939</u>	<u>\$ 3,479,275</u>	<u>\$ 2,456,981</u>	<u>\$ 2,379,046</u>	<u>\$ 2,052,305</u>
<u>\$ 19,364,127</u>	<u>\$ 18,380,566</u>	<u>\$ 18,290,217</u>	<u>\$ 21,660,839</u>	<u>\$ 19,519,146</u>	<u>\$ 19,432,063</u>
\$ 3,495	\$ 1,977	\$ 153,098	\$ 4,512	\$ 4,383	\$ 5,020
1,970	1,528	1,863	2,504	2,490	2,006
38,379	29,283	49,606	58,085	50,926	49,037
745,969	754,550	769,251	688,925	801,359	766,580
59,909	86,421	98,220	65,292	87,685	99,375
5,266,448	5,220,710	6,651,835	6,674,633	6,878,751	8,539,164
1,040	-	-	395,977	89,088	1,381,615
<u>\$ 6,117,210</u>	<u>\$ 6,094,469</u>	<u>\$ 7,723,873</u>	<u>\$ 7,889,928</u>	<u>\$ 7,914,682</u>	<u>\$ 10,842,797</u>
\$ 1,107,618	\$ 1,253,242	\$ 1,314,329	\$ 1,434,959	\$ 1,318,640	\$ 1,459,869
939,537	1,053,032	1,110,125	1,047,087	1,060,321	1,058,040
251,533	445,836	220,730	-	-	-
-	31,212	7,424	-	-	-
-	-	-	-	-	-
<u>\$ 2,298,688</u>	<u>\$ 2,783,322</u>	<u>\$ 2,652,608</u>	<u>\$ 2,482,046</u>	<u>\$ 2,378,961</u>	<u>\$ 2,517,909</u>
<u>\$ 8,415,898</u>	<u>\$ 8,877,791</u>	<u>\$ 10,376,481</u>	<u>\$ 10,371,974</u>	<u>\$ 10,293,643</u>	<u>\$ 13,360,706</u>
\$ (9,709,935)	\$ (8,739,158)	\$ (7,087,069)	\$ (11,313,930)	\$ (9,225,418)	\$ (6,536,961)
(1,238,294)	(763,617)	(826,667)	25,065	(85)	465,604
<u>\$ (10,948,229)</u>	<u>\$ (9,502,775)</u>	<u>\$ (7,913,736)</u>	<u>\$ (11,288,865)</u>	<u>\$ (9,225,503)</u>	<u>\$ (6,071,357)</u>

City of Buena Vista, Virginia

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting) (continued)

	Fiscal Year			
	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 5,974,703	\$ 5,905,508	\$ 6,027,804	\$ 6,045,670
Local sales and use taxes	378,543	377,061	388,643	387,031
Consumer utility taxes	263,677	263,392	267,128	260,778
Meals taxes	340,008	319,870	314,150	354,913
Business and professional licenses taxes	174,412	184,093	176,301	189,708
Motor vehicle licenses taxes	166,467	168,992	161,220	160,662
Other local taxes	196,196	201,057	211,825	193,408
Unrestricted grants and contributions	982,759	973,816	959,916	949,351
Unrestricted revenues from use of money and property	182,946	183,630	174,807	210,411
Miscellaneous	235,226	160,503	228,992	364,791
Transfers	(241,196)	(270,794)	(253,937)	(254,018)
Total governmental activities	\$ 8,653,741	\$ 8,467,128	\$ 8,656,849	\$ 8,862,705
Business-type activities:				
Unrestricted revenues from use of money and property	\$ 40	\$ 902	\$ 7,335	\$ 15,970
Miscellaneous	16	780	8,663	1,786
Transfers	241,196	270,794	253,937	254,018
Special item - disposal of operations	-	-	-	-
Total business-type activities	\$ 241,252	\$ 272,476	\$ 269,935	\$ 271,774
Total primary government	\$ 8,894,993	\$ 8,739,604	\$ 8,926,784	\$ 9,134,479
Change in Net Position				
Governmental activities	\$ 1,299,041	\$ (337,386)	\$ (696,046)	\$ (847,230)
Business-type activities	(722,905)	(688,978)	(884,249)	(966,520)
Total primary government	\$ 576,136	\$ (1,026,364)	\$ (1,580,295)	\$ (1,813,750)

Note: In FY20, the City elected to split the water and sewer fund. Combined information is located on the water line for previous years.

Table 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 6,043,063	\$ 6,592,574	\$ 6,871,692	\$ 7,043,315	\$ 6,977,786	\$ 6,932,907
435,404	481,248	518,437	667,795	663,494	637,687
268,597	261,312	263,567	312,299	287,126	244,194
360,599	391,982	387,636	424,269	428,432	461,048
202,935	188,928	186,455	200,699	212,279	226,015
154,522	148,416	142,274	137,057	141,474	132,115
193,811	236,032	234,465	302,086	165,023	239,368
936,840	911,217	896,113	895,254	879,023	877,328
205,052	274,265	260,138	30,063	24,887	23,456
234,821	214,309	238,755	80,145	201,272	301,229
(294,129)	(118,470)	(725,837)	(645,937)	-	(179,778)
\$ 8,741,515	\$ 9,581,813	\$ 9,273,695	\$ 9,447,045	\$ 10,007,564	\$ 9,895,569
\$ 9,785	\$ 48	\$ 159	\$ 14,077	\$ 23,869	\$ -
990	179	16	4,167	-	-
294,129	118,470	725,837	645,937	-	179,778
-	-	-	5,500,569	-	-
\$ 304,904	\$ 118,697	\$ 726,012	\$ 6,164,750	\$ 23,869	\$ 179,778
\$ 9,046,419	\$ 9,700,510	\$ 9,999,707	\$ 15,611,795	\$ 10,031,433	\$ 10,075,347
\$ (968,420)	\$ 842,655	\$ 2,186,626	\$ (1,866,885)	\$ 782,146	\$ 3,358,608
(933,390)	(644,920)	(100,655)	6,189,815	23,784	645,382
\$ (1,901,810)	\$ 197,735	\$ 2,085,971	\$ 4,322,930	\$ 805,930	\$ 4,003,990

City of Buena Vista, Virginia

Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Meals Tax
2025	\$ 6,932,907	\$ 637,687	\$ 244,194	\$ 461,048
2024	6,977,786	663,494	287,126	428,432
2023	7,043,315	667,795	312,299	424,269
2022	6,871,692	518,437	263,567	387,636
2021	6,592,574	481,248	261,312	391,982
2020	6,043,063	435,404	268,597	360,599
2019	6,045,670	387,031	260,778	354,913
2018	6,027,804	388,643	267,128	314,150
2017	5,905,508	377,061	263,392	319,870
2016	5,974,703	378,543	263,677	340,008

Table 3

Business License Tax	Motor Vehicle License Tax	Other Local Tax	Total
\$ 226,015	\$ 132,115	\$ 239,368	\$ 8,873,334
212,279	141,474	165,023	8,875,614
200,699	137,057	302,086	9,087,520
186,455	142,274	234,465	8,604,526
188,928	148,416	236,032	8,300,492
202,935	154,522	193,811	7,658,931
189,708	160,662	193,408	7,592,170
176,301	161,220	211,825	7,547,071
184,093	168,992	201,057	7,419,973
174,412	166,467	196,196	7,494,006

City of Buena Vista, Virginia

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

	Fiscal Year			
	2016	2017	2018	2019
General fund				
Nonspendable	\$ 132,433	\$ 98,341	\$ 93,516	\$ 89,159
Restricted	111,408	112,412	113,427	230,835
Unassigned	3,044,256	2,790,572	2,434,483	1,471,951
Total general fund	<u>\$ 3,288,097</u>	<u>\$ 3,001,325</u>	<u>\$ 2,641,426</u>	<u>\$ 1,791,945</u>
All other governmental funds				
Nonspendable				
Prepaid items	\$ 818	\$ 818	\$ 818	\$ 2,291
Restricted:				
Community development block grant	94,473	94,925	95,245	79,819
Assigned:				
Senior Center	7,382	5,715	6,818	7,603
Green Hill Cemetery	33,002	26,564	19,035	14,650
Parks and recreation	-	-	-	14,930
Unassigned, reported in:				
Special revenue funds	(62,692)	(71,600)	(16,358)	-
Capital projects funds	(14,375)	(13,827)	(14,374)	-
Total all other governmental funds	<u>\$ 58,608</u>	<u>\$ 42,595</u>	<u>\$ 91,184</u>	<u>\$ 119,293</u>

Table 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 92,006	\$ 77,139	\$ 143,469	\$ 229,362	\$ 268,025	\$ 101,475
116,987	118,914	119,539	237,744	816,444	124,205
975,465	1,944,849	2,457,487	3,845,390	2,242,749	4,502,883
<u>\$ 1,184,458</u>	<u>\$ 2,140,902</u>	<u>\$ 2,720,495</u>	<u>\$ 4,312,496</u>	<u>\$ 3,327,218</u>	<u>\$ 4,728,563</u>
\$ 2,343	\$ -	\$ -	\$ 11,000	\$ 3,412	\$ -
65,619	65,619	65,692	66,073	66,073	66,073
8,415	9,099	14,984	13,839	17,986	18,330
8,951	4,975	3,690	8,065	11,385	14,627
9,591	3,075	(12,937)	-	-	-
-	-	-	(14,422)	(73,101)	(26,470)
-	2,169,648	-	-	-	-
<u>\$ 94,919</u>	<u>\$ 2,252,416</u>	<u>\$ 71,429</u>	<u>\$ 84,555</u>	<u>\$ 25,755</u>	<u>\$ 72,560</u>

City of Buena Vista, Virginia

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

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
General property taxes	\$ 5,741,167	\$ 5,803,302	\$ 6,005,861	\$ 6,037,950
Other local taxes	1,519,303	1,514,465	1,519,267	1,546,500
Permits, privilege fees and regulatory licenses	40,924	66,319	37,805	24,621
Fines and forfeitures	57,242	57,544	66,589	40,254
Revenue from use of money and property	182,946	183,630	174,807	210,411
Charges for services	783,331	792,358	750,308	752,838
Miscellaneous	235,226	160,503	228,992	364,791
Recovered costs	10,776	30,787	33,502	59,931
Intergovernmental:				
Local government	193,474	193,474	193,474	169,088
Commonwealth	4,053,919	5,102,195	4,931,116	5,454,072
Federal	66,325	204,766	381,109	475,481
Total revenues	\$ 12,884,633	\$ 14,109,343	\$ 14,322,830	\$ 15,135,937
Expenditures				
General government administration	\$ 1,171,159	\$ 1,198,390	\$ 1,126,123	\$ 1,219,895
Judicial administration	789,640	844,801	854,800	1,012,532
Public safety	2,205,651	2,647,082	2,858,765	3,062,164
Public works	2,193,090	2,843,347	2,427,429	2,571,675
Health and welfare	1,487,742	2,115,142	2,609,039	3,426,113
Education	2,220,877	2,812,881	2,648,982	2,457,090
Parks, recreation and cultural	531,499	615,116	643,457	619,851
Community development	444,948	491,121	480,471	597,487
Capital outlay	294,357	55	65	80
Debt service				
Principal	928,069	511,865	574,197	698,741
Interest and other fiscal charges	217,100	185,917	156,875	218,429
Total expenditures	\$ 12,484,132	\$ 14,265,717	\$ 14,380,203	\$ 15,884,057
Excess (deficiency) of revenues over (under) expenditures	\$ 400,501	\$ (156,374)	\$ (57,373)	\$ (748,120)
Other financing sources (uses)				
Transfers in	\$ 587,788	\$ 609,992	\$ 672,207	\$ 620,092
Transfers out	(828,984)	(880,786)	(926,144)	(874,110)
Refunding bonds issued	-	-	-	-
Issuance of long-term debt	294,292	232,742	-	139,475
Proceeds from financed purchase	-	-	-	-
Capital assets from discontinued operations	-	-	-	-
Debt transferred from discontinued operations	-	-	-	-
Pension and OPEB items from discontinued operations	-	-	-	-
Total other financing sources (uses)	\$ 53,096	\$ (38,052)	\$ (253,937)	\$ (114,543)
Net change in fund balances	\$ 453,597	\$ (194,426)	\$ (311,310)	\$ (862,663)
Debt service as a percentage of noncapital expenditures	9.39%	9.39%	5.22%	5.98%

Table 5

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 6,115,416	\$ 6,404,088	\$ 6,605,823	\$ 6,935,334	\$ 6,887,838	\$ 6,956,737	
1,615,868	1,707,918	1,732,834	2,044,205	1,897,828	1,940,427	
78,875	31,993	42,498	33,889	96,048	85,907	
30,308	19,758	33,944	38,102	33,072	31,467	
205,052	274,265	260,138	368,947	430,057	451,749	
740,539	822,008	851,772	747,327	817,723	804,644	
234,821	214,309	294,439	96,176	172,338	309,045	
30,764	46,735	106,599	41,185	46,260	68,648	
294,189	150,060	252,792	-	56,699	-	
5,408,275	4,886,959	5,092,249	5,411,375	6,521,564	6,689,960	
501,864	1,094,908	2,202,907	2,554,489	1,268,599	4,108,147	
\$ 15,255,971	\$ 15,653,001	\$ 17,475,995	\$ 18,271,029	\$ 18,228,026	\$ 21,446,731	
\$ 1,330,504	\$ 1,566,173	\$ 1,602,255	\$ 1,475,994	\$ 1,816,166	\$ 1,979,674	
930,891	950,652	1,043,350	1,211,550	1,567,960	1,283,553	
2,950,132	3,158,038	3,544,076	3,788,714	3,841,332	4,218,825	
2,229,030	2,549,548	3,175,948	3,027,207	3,548,066	3,070,766	
3,088,727	2,497,825	2,188,163	2,534,119	2,704,964	2,945,104	
2,694,787	2,161,966	2,828,318	1,446,896	2,813,921	1,756,318	
544,464	498,155	764,408	2,350,408	1,334,066	1,939,139	
985,609	577,617	565,873	632,395	1,232,132	1,430,929	
65	-	-	-	-	532,390	
694,383	610,647	633,374	366,343	280,796	759,603	
176,926	142,620	128,272	168,491	192,048	186,866	
\$ 15,625,518	\$ 14,713,241	\$ 16,474,037	\$ 17,002,117	\$ 19,331,451	\$ 20,103,167	
\$ (369,547)	\$ 939,760	\$ 1,001,958	\$ 1,268,912	\$ (1,103,425)	\$ 1,343,564	
\$ 491,043	\$ 404,836	\$ 619,683	\$ 2,058,033	\$ 865,284	\$ 1,533,984	
(785,172)	(523,306)	(1,345,520)	(2,703,970)	(865,284)	(1,713,762)	
-	-	292,136	-	-	-	
31,815	123,000	-	-	59,347	460,862	
-	-	-	252,588	-	-	
-	-	-	(10,344)	-	-	
-	-	-	585,127	-	-	
-	-	-	154,781	-	-	
\$ (262,314)	\$ 4,530	\$ (433,701)	\$ 336,215	\$ 59,347	\$ 281,084	
\$ (631,861)	\$ 944,290	\$ 568,257	\$ 1,605,127	\$ (1,044,078)	\$ 1,624,648	
5.60%	5.24%	5.02%	3.60%	2.68%	5.22%	

City of Buena Vista, Virginia

General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Business License Tax	Motor Vehicle License Tax	Bank Stock Tax
2025	\$ 6,956,737	\$ 637,687	\$ 244,194	\$ 226,015	\$ 132,115	\$ 38,040
2024	6,887,838	663,494	287,126	212,279	141,474	36,785
2023	6,935,334	667,795	312,299	200,699	137,057	43,094
2022	6,605,823	518,437	263,567	186,455	142,274	39,100
2021	6,404,088	481,248	261,312	188,928	148,416	35,005
2020	6,115,416	435,404	268,597	202,935	154,522	35,588
2019	6,037,950	387,031	260,778	189,708	160,662	32,698
2018	6,005,861	388,643	267,128	176,301	161,220	56,012
2017	5,803,302	377,061	263,392	184,093	168,992	48,715
2016	5,741,167	378,543	263,677	174,412	166,467	44,278

Table 6

Recordation and Wills Tax	Meals Tax	Other Local Tax	Total
\$ 48,248	\$ 461,048	\$ 153,080	\$ 8,897,164
54,701	428,432	73,537	8,785,666
46,798	424,269	212,194	8,979,539
66,338	387,636	129,027	8,338,657
79,047	391,982	121,980	8,112,006
38,784	360,599	119,439	7,731,284
40,337	354,913	120,373	7,584,450
32,543	314,150	123,270	7,525,128
26,039	319,870	126,303	7,317,767
25,412	340,008	126,506	7,260,470

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property (3)	Public Service (2)	Total Taxable Assessed Value	Estimated Actual Taxable Value	State Sales Assessment Ratio (4)	Total Direct Rate
2025	\$ 464,251,675	\$ 58,213,257	\$ 20,643,684	\$ 543,108,616	\$ 872,043,378	62.28%	\$ 11.92
2024	348,281,810	53,665,739	19,117,528	421,065,077	605,761,872	69.51%	12.64
2023	341,888,250	53,746,522	21,056,911	416,691,683	509,652,254	81.76%	12.64
2022	341,132,250	54,058,886	23,665,886	418,857,022	497,395,822	84.21%	12.64
2021	340,543,100	47,679,280	21,643,851	409,866,231	433,858,612	94.47%	12.64
2020	328,436,550	43,179,143	21,972,178	393,587,871	395,406,742	99.54%	12.52
2019	327,800,980	43,730,511	22,218,021	393,749,512	381,244,686	103.28%	12.52
2018	327,498,090	42,979,676	23,322,541	393,800,307	334,040,467	117.89%	12.52
2017	327,313,460	40,865,214	23,005,034	391,183,708	341,704,846	114.48%	12.52
2016	364,742,820	41,387,341	21,978,142	428,108,303	372,203,359	115.02%	12.30

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

(3) Personal property is assessed at 100% of fair market value as of January 1, 1995.

(4) Source: Virginia Department of Taxation (Public Service Corporations).

Property Tax Rates (1)
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Years	Direct Rates				Total Direct Rate
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	
2025	\$ 0.91	\$ 5.85	\$ 0.91	\$ 4.25	\$ 11.92
2024	1.27	5.85	1.27	4.25	12.64
2023	1.27	5.85	1.27	4.25	12.64
2022	1.27	5.85	1.27	4.25	12.64
2021	1.27	5.85	1.27	4.25	12.64
2020	1.21	5.85	1.21	4.25	12.52
2019	1.21	5.85	1.21	4.25	12.52
2018	1.21	5.85	1.21	4.25	12.52
2017	1.21	5.85	1.21	4.25	12.52
2016	1.10	5.85	1.10	4.25	12.30

Amounts shown above are the City's total direct rates.

(1) Per \$100 of assessed value, there are no restrictions on the City's ability to raise tax rates.

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2025		Fiscal Year 2016	
		2025 Assessed Valuation	% of Total Assessed Valuation	2016 Assessed Valuation	% of Total Assessed Valuation
Virginia Electric and Power	Utilities	\$ 13,736,352	2.92%	\$ 13,562,919	3.17%
Columbia Gas of Virginia, Inc.	Utilities	12,653,686	2.69%	3,982,889	0.93%
Modine	Manufacturing	7,062,100	1.50%	8,220,750	1.92%
Mountain Valley Rentals B LLC (1)	Real Estate	4,997,100	1.06%	N/A	N/A
GPH Buena Vista LLC	Nursing Home	3,625,000	0.77%	3,625,000	0.85%
Beans Bottom	Real Estate	3,524,700	0.75%	2,160,800	0.50%
Buena Vista Management LLC (1)	Retail Merchants	3,115,500	0.66%	N/A	N/A
Treemont Village Preservation	Apartments	3,088,100	0.66%	3,026,200	0.71%
Everbrite	Manufacturing	2,839,800	0.60%	3,371,420	0.79%
Knopp Company	Apartments	2,822,300	0.60%	2,818,300	0.66%
		<u>\$ 57,464,638</u>	<u>12.22%</u>	<u>\$ 40,768,278</u>	<u>9.56%</u>

Source: Commissioner of Revenue

(1) Business not in operation in fiscal year 2016

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year (1)		Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$	7,750,785	\$ 7,293,119	94.10%	\$ -	\$ 7,293,119	94.10%
2024		7,703,664	7,075,556	91.85%	183,225	7,258,781	94.23%
2023		7,656,103	7,026,943	91.78%	279,076	7,306,019	95.43%
2022		7,662,991	7,032,738	91.78%	391,449	7,424,187	96.88%
2021		7,332,049	6,884,680	93.90%	331,625	7,216,305	98.42%
2020		6,662,964	6,260,700	93.96%	319,767	6,580,467	98.76%
2019		6,656,869	6,230,502	93.60%	424,114	6,654,616	99.97%
2018		6,582,676	6,159,283	93.57%	419,353	6,578,636	99.94%
2017		6,500,078	6,044,153	92.99%	454,269	6,498,422	99.97%
2016		6,521,393	6,102,140	93.57%	418,314	6,520,454	99.99%

Source: Commissioner of Revenue, County Treasurer's office

(1) Includes PPTRA reimbursement from Commonwealth of Virginia

City of Buena Vista, Virginia

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities					
	General Obligation Bonds	Literary Fund Loans	Revenue Bonds	Lease Liabilities	Loans Payable	Notes Payable
2025	\$ 231,801	\$ -	\$ -	\$ 484,407	\$ 1,861,476	\$ 183,398
2024	254,982	-	500,579	70,274	1,940,593	293,392
2023	278,163	-	543,772	39,052	2,019,501	400,784
2022	301,344	-	-	82,408	2,102,702	323,446
2021	324,525	375,000	-	-	2,181,759	187,446
2020	347,706	750,000	-	-	2,259,221	199,450
2019	370,887	1,125,000	-	-	2,326,683	396,375
2018	394,068	1,500,000	-	-	2,406,810	357,192
2017	417,249	1,875,000	-	-	2,462,382	477,636
2016	440,430	2,250,000	-	-	2,531,282	289,678

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics - Table 15

Table 11

Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
Revenue Bonds	Other Obligations			
\$ 5,340,764	\$ -	\$ 8,101,846	2.88%	\$ 1,231
7,646,921	-	10,706,741	4.87%	1,614
4,896,412	-	8,177,684	3.81%	1,254
13,968,542	1,201,840	17,980,282	12.96%	2,775
14,248,941	1,201,840	18,519,511	13.35%	2,858
14,516,470	1,201,840	19,274,687	13.94%	2,986
14,771,250	1,201,840	20,192,035	17.69%	3,179
14,918,406	1,201,840	20,778,316	20.02%	3,284
15,088,052	1,201,840	21,522,159	21.07%	3,310
15,315,298	1,201,840	22,028,528	18.06%	3,332

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

Fiscal Year	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2025	\$ 231,801	\$ -	\$ 231,801	0.04%	\$ 35
2024	254,982	-	254,982	0.06%	38
2023	278,163	-	278,163	0.07%	43
2022	301,344	-	301,344	0.07%	45
2021	699,525	-	699,525	0.17%	108
2020	1,097,706	-	1,097,706	0.28%	170
2019	1,495,887	-	1,495,887	0.38%	236
2018	1,894,068	-	1,894,068	0.48%	299
2017	2,292,249	-	2,292,249	0.59%	353
2016	2,690,430	-	2,690,430	0.63%	395

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 15

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7

(3) Includes all long-term general obligation bonded debt, literary fund loans, and excludes revenue bonds, loans payable, and compensated absences. The School Board does not have taxing authority, therefore the literary loan funds are included as they are to be repaid from general government resources.

City of Buena Vista, VirginiaLegal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2016	2017	2018	2019
Debt limit (1)	\$ 36,474,282	\$ 32,731,346	\$ 32,749,809	\$ 32,780,098
Total net debt applicable to limit (2)	<u>22,028,528</u>	<u>21,522,159</u>	<u>20,778,316</u>	<u>20,192,035</u>
Legal debt margin	<u>\$ 14,445,754</u>	<u>\$ 11,209,187</u>	<u>\$ 11,971,493</u>	<u>\$ 12,588,063</u>
Total net debt applicable to the limit as a percentage of debt limit	60.39%	65.75%	63.45%	61.60%

(1) The debt limit is calculated on Table 7

(2) The total net debt applicable to limit is calculated on Table 11

Table 13

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 32,843,655	\$ 34,054,310	\$ 34,113,225	\$ 34,188,825	\$ 34,828,181	\$ 46,425,168
19,274,287	18,519,511	17,980,282	8,177,684	10,706,741	8,101,846
\$ <u>13,569,368</u>	\$ <u>15,534,799</u>	\$ <u>16,132,943</u>	\$ <u>26,011,141</u>	\$ <u>24,121,440</u>	\$ <u>38,323,322</u>
58.68%	54.38%	52.71%	23.92%	30.74%	17.45%

City of Buena Vista, Virginia

Pledged-Revenue Coverage
Last Ten Fiscal Years

Water Revenue Bonds (1)								
Fiscal Year	Water		Less:		Net		Coverage	
	Charges and Other		Operating Expenses		Available Revenue	Debt Service		
						Principal	Interest	
2025	\$	1,459,869	\$	900,560	\$ 559,309	\$ 2,306,157	\$ 162,310	22.66%
2024 (5)		1,318,640		1,087,612	231,028	2,673,491	262,633	7.87%
2023 (3)		1,435,771		1,119,602	316,169	252,003	271,627	60.38%
2022 (3)		1,314,329		1,140,781	173,548	240,882	287,604	32.84%
2021 (2)		1,253,254		1,138,561	114,693	229,849	299,050	21.69%
2020 (2)		1,107,618		1,286,170	(178,552)	218,940	309,953	-33.76%
2019 (2)		2,024,132		2,160,283	(136,151)	130,614	315,976	-30.49%
2018 (2)		2,050,364		1,886,186	164,178	148,509	322,088	34.89%
2017		2,045,288		1,919,514	125,774	195,081	329,004	24.00%
2016		2,065,614		1,926,450	139,164	188,768	337,798	26.43%

- (1) Increase in principal and interest paid is due to the refinancing of several issues with the 2011A issue.
- (2) The amount reported as principal and interest for the Golf Course Revenue Bonds reflects the amount of debt service owed rather than the amount actually paid.
- (3) During 2022, the City reached a settlement with ACA and the revenue bonds were redeemed and a portion of the collateral was relinquished. Reference Notes 9 and 24 for further details.
- (4) As a result of the disposal of golf course operations in fiscal year 2023, the golf course revenue bonds were transferred to the general fund. There will be no further revenues from this activity.
- (5) Increase in principal and interest paid is due to the refinancing of 2011A series bonds and 2004 Rural Development Revenue Bond. The 2004 Rural Development Revenue Bond was paid off in fiscal year 2024, and the 2011A series bonds were paid off in fiscal year 2025.

Table 14

Golf Course Revenue Bonds (1)(4)						
Golf Course Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
			Principal	Interest		
\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
-	-	-	-	-	0.00%	
3,355	-	3,355	41,355	36,536	4.31%	
220,746	451,168	(230,422)	39,517	38,561	-295.12%	
446,003	572,331	(126,328)	327,679	408,355	-17.16%	
252,523	558,823	(306,300)	310,841	425,023	-41.62%	
303,096	509,167	(206,071)	276,542	439,832	-32.62%	
302,076	538,666	(236,590)	271,137	454,197	-32.62%	
331,646	523,001	(191,355)	267,165	538,778	-23.74%	
352,326	554,531	(202,205)	256,246	517,695	-26.13%	

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemploy- ment Rate
2025	6,581	\$ 281,370,655	\$ 42,755	36.2	886	3.40%
2024	6,632	220,016,600	33,175	36.2	856	2.10%
2023	6,523	214,769,775	32,925	35.3	817	3.20%
2022	6,628	212,639,496	32,082	35.9	817	3.30%
2021	6,479	138,773,701	21,419	35.5	864	4.20%
2020	6,454	138,238,226	21,419	35.5	876	6.40%
2019	6,351	114,121,119	17,969	36.4	894	3.10%
2018	6,327	103,794,435	16,405	35.1	923	4.10%
2017	6,502	102,126,914	15,707	38.1	997	5.20%
2016	6,817	119,024,820	17,460	38.1	966	5.20%

Source: Weldon Cooper Center, Annual school report - prepared by the city, United States Census Bureau,
United States Department of Labor Bureau of Labor Statistics

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2025			Fiscal Year 2016		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Modine	286	1	9.07%	162	3	5.18%
Peoplink Staffing Solutions	N/A	2	N/A	N/A	N/A	N/A
Southern Virginia University	225	3	7.13%	173	2	5.54%
Buena Vista City Public Schools	183	4	5.80%	198	1	6.34%
Everbrite LLC	115	5	3.65%	112	6	3.58%
City of Buena Vista	114	6	3.61%	77	8	2.46%
Sayre Enterprises, Inc.	88	7	2.79%	112	5	3.58%
Advanced Drainage Systems	86	8	2.73%	37	10	1.18%
Pro Careers	N/A	9	N/A	N/A	N/A	N/A
Food Lion	72	10	2.28%	N/A	N/A	N/A
Totals	<u>1,169</u>		<u>37.06%</u>	<u>1,276</u>		<u>30.47%</u>

Source: BLS, VEC, Businesses

Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	12	12	12	12	12	12	12	12	13	13
City Management	2	2	2	2	2	2	2	2	2	2
Human Resources	0	0	0	0	0	0	0	0	1	1
Finance	3	3	3	3	3	3	3	3	3	3
Commissioner of Revenue	3	3	3	3	3	3	3	3	3	3
Treasurer	4	4	4	4	4	4	4	4	4	4
Elections	2	2	2	2	2	2	2	2	2	2
Judicial Administration	8	8	9	9	9	9	9	9	10	10
Circuit Court Clerk	3	3	3	3	3	3	3	3	3	3
Sheriff Office	2	2	3	3	3	3	3	3	3	3
Commonwealth's Attorney	2	2	2	2	2	2	2	2	3	3
Criminal Justice Service	1	1	1	1	1	1	1	1	1	1
Public Safety	19	19	19	19	19	19	19	20	24	22
Police Department	17	17	18	18	18	18	18	18	22	21
Building Inspections	1	1	1	1	1	1	1	1	1	0
Animal control	1	1	0	0	0	0	0	1	1	1
Public Works	32	32	33	33	33	31	31	31	31	27
Admin & Engineering	2	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	1.25
Street Maintenance	9	9	9	9	9	9	9	9	9	8
Refuse	8	8	8	8	8	8	8	8	8	6.5
Maintenance B&G	4	4	4	4	4	4	4	4	4	3.5
Green Hill Cemetery	0	0.25	0.25	0.25	0.25	0.25	0.25	0	0.25	0.25
Water Administration	0	0.25	0.25	0.25	0.25	0.25	0.25	0	0.25	0.25
Water Maintenance	2	2	2	2	2	1	1	1	1	1
Water Production	1	1	1	1	1	1	1	1	1	1
Sewer Administration	0	0.25	0.25	0.25	0.25	0.25	0.25	0	0.25	0.25
Sewer Maintenance	2	1	2	2	2	1	1	1	1	1
Waste Water Treatment Plant	4	4	4	4	4	4	4	4	4	4
Culture and Recreation	4	4	4	5	5	4	4	4	6	6
Administration	2	2	2	2	2	2	2	2	3	3
Parks & Campground Maint.	2	2	2	3	3	2	2	2	3	3
Community Development	2	2	2	2	2	2	2	2	3	3
Planning	1	1	1	1	1	1	1	1	1	1
Economic Development	1	1	1	1	1	1	1	1	2	2
Totals	79	79	81	82	82	79	79	80	89	83

Source: Human Resources Department

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Sheriffs department:										
Civil papers	3,477	3,311	3,240	3,343	2,323	2,221	2,199	2,242	2,298	2,117
Building inspections:										
Permits issued	71	61	55	77	119	95	95	93	126	128
Landfill:										
Recycling (tons/year)	343	343	343	-	-	-	-	-	-	-
Community development										
Planning:										
Zoning permits issued	36	50	61	52	63	44	44	104	87	88
Component Unit - School Board										
Education:										
School age population	965	930	948	940	1,040	948	948	864	828	868
Number of teachers	79	75	77	70	72	65	65	76	71	71
Local expenditures per pupil	\$ 9,709	\$ 9,709	\$ 3,343	\$ 1,879	\$ 2,021	\$ 2,463	\$ 2,463	\$ 3,216	\$ 2,909	\$ 2,774

Source: Individual City departments

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Administration buildings	18	18	18	18	18	18	18	18	16	16
Vehicles	1	1	1	1	1	1	1	1	1	2
Public safety										
Police department:										
Patrol units	21	21	21	21	21	21	21	21	18	22
Building inspections:										
Vehicles	1	1	1	1	1	1	1	1	1	0
Animal control:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Public works										
General maintenance:										
Trucks/vehicles	28	28	28	28	28	28	28	28	42	42
Culture and recreation										
Parks and recreation:										
Community centers	1	1	1	1	1	1	1	1	0	0
Vehicles	6	6	6	6	6	6	6	6	5	5
Parks acreage	615	615	615	615	615	615	615	615	315	315
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community development										
Planning:										
Vehicles	1	1	1	1	1	1	1	1	1	0
Component Unit - School Board										
Education:										
Schools	4	4	4	4	4	4	4	4	4	4
School buses	12	12	12	12	12	12	12	12	11	12

Source: Individual City departments

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 CITY COUNCIL
CITY OF BUENA VISTA, VIRGINIA
BUENA VISTA, 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 units, each major fund and the aggregate remaining fund information of City of Buena Vista, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Buena Vista, Virginia's basic financial statements, and have issued our report thereon dated December 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Buena Vista, 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 City of Buena Vista, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Buena Vista, Virginia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Buena Vista, 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 determination of financial statement amounts. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

City of Buena Vista, Virginia's Response to Findings

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

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 Assoc.

Staunton, Virginia
December 29, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**TO THE CITY COUNCIL
CITY OF BUENA VISTA, VIRGINIA
BUENA VISTA, VIRGINIA**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Buena Vista, 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 City of Buena Vista, Virginia's major federal programs for the year ended June 30, 2025. City of Buena Vista, 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, City of Buena Vista, 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, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City of Buena Vista, 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 City of Buena Vista, 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 City of Buena Vista, 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 City of Buena Vista, 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 City of Buena Vista, 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 City of Buena Vista, 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 City of Buena Vista, 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 City of Buena Vista, 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.

Report on Internal Control over Compliance (Continued)

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 Assoc.

Staunton, Virginia
December 29, 2025

City of Buena Vista, Virginia

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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Not available	\$ 6,850
Temporary Assistance for Needy Families	93.558	Not available	1,199
Foster Care - Title IV-E	93.658	Not available	63,038
Adoption Assistance	93.659	Not available	118,803
Social Services Block Grant	93.667	Not available	14,154
Total Dept. Health & Human Services-pass through			\$ 204,044
Total Department of Health and Human Services			\$ 204,044
Department of Treasury			
Pass Through Payments:			
Direct Payments:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	\$ 3,547,850
Pass Through Payments:			
Virginia Department of Education			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SFLRP1026	64,776
Virginia Department of Elections			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	19,865
Total AL 21.027			\$ 3,632,491
Total Department of Treasury			\$ 3,632,491
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture:			
Food Distribution	10.555	Not available	\$ 63,441
202424N11994 1;			
202525N10994 1;			
202525N11994 1	10.555		396,999
National School Lunch Program			\$ 460,440
Total AL 10.555			
202424N11994 1;			
202525N10994 1;			
202525N11994 1	10.553		\$ 194,073
School Breakfast Program			
Summer Food Service Program for Children	10.559	202424N11994 1	\$ 73,676
Food Distribution	10.559	Not available	782
Total AL 10.559			\$ 74,458
Total Child Nutrition Cluster			\$ 728,971
Virginia Department of Education:			
Child and Adult Care Food Program	10.558	202423N11994 1; 202525N10994 1; 202525N11994 1	\$ 9,323
Total Department of Agriculture - pass-through payments			\$ 738,294
Total Department of Agriculture			\$ 738,294
Department of Housing and Urban Development			
Pass Through Payments:			
Virginia Department of Housing and Community Development			
Community Development Block Grants/State's Program			
and Non-Entitlement Grants in Hawaii	14.228	Not available	\$ 70,744
Total Department of Housing and Urban Development			\$ 70,744
Department of Justice:			
Direct payments:			
Asset forfeiture proceeds	16.000	Not applicable	\$ 9,873
Pass Through Payments:			
Department of Criminal Justice Service:			
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$ 43,296
Violence Against Women Formula Grants	16.588	15JOVW23GG00605STOP	50,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA23GG03038MUMU; 2020MUBX0035	132,963
Total Department of Justice - pass-through			\$ 226,259
Total Department of Justice			\$ 236,132

City of Buena Vista, Virginia

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

Federal Grantor/State Pass - Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	Not available	\$ 8,702
Alcohol Open Container Requirements	20.607	Not available	20,810
Total Department of Transportation			<u>\$ 29,512</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	S010A220046; S010A230046; S010A240046	\$ 281,433
Career and Technical Education - Basic Grants to States	84.048	V048A230046; V048A240046	23,746
Special Education Cluster:			
Title VI-B: Special Education - Grants to States	84.027	H027A220107; H027A230107; H027A240107	\$ 199,337
Title VI-B: Special Education - Preschool Grants	84.173	H173A230112; H173A240112	7,932
Total Special Education Cluster			<u>\$ 207,269</u>
Twenty-first Century Community Learning Centers	84.287	S287C220047; S287C230047; S287C240047	\$ 156,626
Student Support and Academic Enrichment Program	84.424	S424A220048; S424A230048;	263,448
Rural Education	84.358	S424A240048 S358B230046	21,742
English Language Acquisition State Grants	84.365	Not available	614
Supporting Effective Instruction State Grants	84.367	S367A220044; S367A230044	55,927
COVID-19 Education Stabilization Fund - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	375,357
Total Department of Education			<u>\$ 1,386,162</u>
Total Expenditures of Federal Awards			<u><u>\$ 6,297,379</u></u>

Notes to Schedule of Expenditures of Federal Awards:

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Buena Vista, Virginia under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Buena Vista, Virginia, it is not intended to and does not present the financial position, change in net position, or cash flows of the City of Buena Vista, Virginia.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

City of Buena Vista, Virginia has elected not to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through identifying numbers are presented where available.

City of Buena Vista, Virginia

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

Notes to Schedule of Expenditures of Federal Awards: (continued)

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the City had \$19,786 of food commodities in inventory. The value of food commodities expended during the year ended June 30, 2025 amounted to \$64,223.

NOTE D - SUBRECIPIENTS

No awards were passed through to subrecipients.

NOTE E - LOANS

The City issued a revenue bond totaling \$5,424,000, approved by the USDA Rural Utilities Service, to refinance previously issued bonds. The outstanding loan balance at the end of the period is \$5,340,764.

NOTE F - RELATIONSHIP TO FINANCIAL STATEMENTS

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

Governmental funds

\$ 4,108,147

Total primary government

\$ 4,108,147

Discretely presented component unit - School Board:

School operating fund

\$ 1,450,938

School nutrition fund

738,294

Total discretely presented component unit - School Board

\$ 2,189,232

Total federal expenditures per the Schedule of Expenditures of
Federal awards

\$ 6,297,379

CITY OF BUENA VISTA, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I-Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes x no

- Significant deficiency(ies) identified? yes x no

Noncompliance material to financial statements noted? yes x no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? yes x no

- Significant deficiency(ies) identified? yes x 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 section 2 CFR section 200.516(a)? yes x no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes x no

Section II-Financial Statement Findings

None

Section III-Compliance Findings - Commonwealth of Virginia

2025-001: Procurement - City

Criteria: Code of Virginia Section 2.2-4303 requires that construction contracts exceeding the statutory threshold be awarded through competitive sealed bidding or competitive negotiation unless a valid exception applies. Pursuant to Section 2.2-4303(E), sole-source procurement may be used only when there is a written determination, made in advance, that only one source is practicably available, with the basis for the determination documented and included in the procurement file, and public notice of the award issued.

Condition: The City awarded a construction contract for refurbishment of a public swimming pool, with a contract value in excess of \$460,000, without using a competitive procurement method required by Code of Virginia Section 2.2-4303 and without complying with the sole-source procurement requirements of Code of Virginia Section 2.2-4303(E).

Cause: Procurement procedures and oversight controls were not sufficient to ensure compliance with Virginia Public Procurement Act requirements prior to execution of the contract.

Effect: The City did not comply with the Virginia Public Procurement Act. Noncompliance increases the risks that contracts are not awarded in a fair and open manner, and that the City does not obtain the most advantageous pricing or terms.

Recommendation: We recommend that the City strengthen procurement controls to ensure that contracts exceeding statutory thresholds are awarded in accordance with the Virginia Public Procurement Act, including requiring advance written approval and documentation for sole-source procurements and ensuring appropriate public notice is issued.

Views of Responsible Officials: We concur with this finding. Management will implement additional staff training and enhanced review procedures to ensure compliance with Virginia procurement laws for future transactions.

CITY OF BUENA VISTA, VIRGINIA
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Section IV-Federal Award Findings and Questioned Costs

None

Section V-Status of Prior Year Audit Findings

2024-001: Material Weakness

Condition: The City's general fund actual expenditures were \$2,909,134 in excess of appropriations. This overage represented 19% of the original budgeted general fund expenditures.

Corrective Action Taken: Management sufficiently monitored expenditure projections during the current fiscal year. Additionally, budget amendments were properly adopted in accordance with Section 15.2-2507 of the Code of Virginia.

Current Status: This finding has been resolved.