County of Mecklenburg, Virginia

Annual Comprehensive Financial Report

Year Ended June 30, 2025

Creedle, Jones
& Associates, P.C.
Certified Public Accountants

County of Mecklenburg, Virginia

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
County of Mecklenburg, Virginia

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Mecklenburg, Virginia, as of June 30, 2025, and the respective changes in financial position 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 and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Mecklenburg, 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 1 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*, GASB Statement No. 102, *Certain Risk Disclosures*, and GASB Statement No, 103, *Financial Reporting Model Improvements*. 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.

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 County of Mecklenburg, 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.

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Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the County of Mecklenburg, 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 the County of Mecklenburg, 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 on pages 1-8, 90-96 and 97-115 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of the County of Mecklenburg, 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 County of Mecklenburg, 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 County of Mecklenburg, Virginia's internal control over financial reporting and compliance.

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
December 8, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of Mecklenburg, Virginia presents the following discussion and analysis as an overview of the County of Mecklenburg, Virginia's financial activities for the fiscal year ending June 30, 2025. We encourage readers to read this discussion and analysis in conjunction with the County's basic financial statements.

Financial Highlights

At the close of the fiscal year, the assets and deferred outflows of resources of the County, excluding its Component Units, exceeded its liabilities and deferred inflows of resources by $188,713,391. Of this amount, $122,177,378 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

The County's total net position increased by $40,373,106 during the current fiscal year.

As of June 30, 2025, the County's Governmental Funds reported combined ending fund balances of $127,683,426 an increase of $17,804,009 in comparison with the prior year. Approximately 19.9% of this amount is available for spending at the County's discretion (unassigned fund balance).

At the end of fiscal year 2025, the general fund unassigned fund balance was $25,463,088, or approximately 38.6% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 report information about the County as a whole using accounting methods similar to those found in the private sector. They also report the County's net position and how they have changed during the fiscal year.

Statement of Net Position: presents information on all of the County's assets and liabilities. The difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources can be used as one way to measure the County's financial health or financial condition. Over time, increases or decreases in the net position can be one indicator of whether the County's financial condition is improving or deteriorating. Other nonfinancial factors will also need to be considered, such as changes in the County's property tax base and the condition of County facilities.

Statement of Activities: presents information using the accrual basis accounting method and shows how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are shown in the Statement of Activities, regardless of when cash is received or paid.

The governmental activities of the County include general government administration, judicial administration, public safety, public works, health and welfare, education, parks, recreation and cultural, and community development.

Furthermore, the government-wide financial statements include the Mecklenburg County Public Schools in its annual financial report. Although legally separate, this component unit is important because the County is financially accountable for it. It also includes the Industrial Development Authority of Mecklenburg County, Virginia because it appoints its Board of Directors.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole.

The County has two types of funds:

Governmental Funds - Most of the County's basic services are included in Governmental Funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year end that are available for spending. The Governmental Funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided with the fund's financial statements to explain the relationship (or differences). 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, Capital Outlay Fund, Economic Development Fund, Public Assistance Fund, Microsoft Capital Project, School Capital Outlay, and ARPA Fund, all of which are considered to be major funds. Data from the other County non-major funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements presented later in this report.

Fiduciary Funds – The County is the trustee, or fiduciary, for the County's Custodial funds. Custodial funds utilize the accrual basis of accounting described in the Governmental Fund presentation. Since by definition, these assets are being held for the benefit of a third party and cannot be used to support activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information such as budgetary comparison schedules and combining financial statements.

Governmental accounting and reporting standards also require reporting certain information about the County's other postemployment benefits as required supplementary information. The County has elected to include this information within the notes to the basic financial statements.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

Summary of Net Position

As of June 30, 2025 and 2024

	Primary Government Governmental Activities	
	2025	**2024**
Assets		
Current and other assets	**$ 135,999,233**	$ 120,953,807
Capital assets (net)	**196,042,350**	180,447,715
Total Assets	**332,041,583**	301,401,522
Deferred Outflows of Resources	**5,433,499**	3,753,165
Total Assets and Deferred Outflows of Resources	**$ 337,475,082**	$ 305,154,687
Liabilities		
Current liabilities	**$ 7,314,317**	$ 10,687,566
Noncurrent liabilities	**139,586,451**	144,424,999
Total Liabilities	**146,900,768**	155,112,565
Deferred Inflows of Resources	**1,860,923**	1,701,837
Net Position		
Net investment in capital assets	**66,536,013**	45,325,785
Unrestricted	**122,177,378**	103,014,500
Total Net Position	**188,713,391**	148,340,285
Total Liabilities, Deferred Inflows of Resources, and Net Position	**$ 337,475,082**	$ 305,154,687

The Commonwealth of Virginia requires that counties, as well as their financial dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public schools, for their component units. For the purpose of this financial statement, the debt and correlating asset (or portion therefore) is recorded as an asset and long-term liability of the primary government. GASB Statement No. 14, *The Financial Reporting Entity,* requires that the primary government and its component units, which make up the total reporting entity, be accounted for separately on the face of the basic financial statements. The net position of the total financial reporting entity best represents the entity's financial position. In the case of the County's reporting entity, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $188,713,391 at June 30, 2025. The portion of the reporting entity's net position, $66,536,013, reflects investment in capital assets (e.g., land, buildings, and equipment), less the outstanding debt associated with the asset acquisition.

Statement of Activities

The following table summarizes revenues and expenses for the primary government:

Summary of Changes in Net Position

For the Fiscal Years Ended June 30, 2025 and 2024

	Primary Government Governmental Activities	
	2025	**2024**
Revenues		
Program Revenues		
Charges for services	$ 3,577,293	$ 4,403,182
Operating and capital grants	14,844,792	12,905,081
General Revenues		
General property taxes, real and personal	73,141,524	113,458,064
Other taxes	11,301,580	10,154,454
Grants and contributions not restricted to specific programs	2,026,064	2,033,889
Unrestricted revenues from use of (loss on) property	221,991	(239,814)
Investment earnings	3,979,729	4,177,207
Miscellaneous	710,792	1,975,699
Total Revenues	109,803,765	148,867,762
Expenses		
General government administration	5,158,055	4,791,770
Judicial administration	3,737,054	3,360,477
Public safety	18,213,499	17,842,374
Public works	4,434,505	5,062,413
Health and welfare	8,276,682	7,764,098
Education - community college	58,632	58,748
Education - public school system	10,650,171	11,628,610
Parks, recreation, and cultural	1,195,447	1,209,469
Community development - IDA of Mecklenburg County, Virginia	691,686	58,282,571
Community development	9,266,491	5,030,834
Capital projects	3,509,216	2,223,856
Interest on long-term debt	4,239,221	4,027,593
Total Expenses	69,430,659	121,282,813
Increase in Net Position	40,373,106	27,584,949
Beginning Net Position	148,340,285	120,755,336
Ending Net Position	$ 188,713,391	$ 148,340,285

Governmental activities, exclusive of the Component Unit School Board, increased the County's net position by $40,373,106 for fiscal year 2025. Revenues from governmental activities totaled $109,803,765. General property taxes comprise the largest source of these revenues, totaling $73,141,524 or 66.6% of all governmental activities revenue.

The total cost of all governmental activities for this fiscal year was $69,430,659. Public safety was the County's largest program with expenses totaling $18,213,499. Education, which totals $10,708,803, represents the second largest program.

For the County's governmental activities, the net expense (total cost less fees generated by the activities and program-specific governmental aid) is illustrated in the following table:

Net Cost of Governmental Activities

For the Fiscal Years Ended June 30, 2025 and 2024

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government administration	$ 5,158,055	$ (4,500,564)	$ 4,791,770	$ (4,138,675)
Judicial administration	3,737,054	(1,874,508)	3,360,477	(1,757,839)
Public safety	18,213,499	(12,030,974)	17,842,374	(9,029,133)
Public works	4,434,505	(2,971,412)	5,062,413	(4,886,221)
Health and welfare	8,276,682	(2,701,777)	7,764,098	(2,551,677)
Education	10,708,803	(10,708,803)	11,687,358	(11,687,358)
Parks, recreation, and cultural	1,195,447	(842,535)	1,209,469	(978,693)
Community development	9,958,177	(7,629,564)	63,313,405	(62,693,505)
Capital projects	3,509,216	(3,509,216)	2,223,856	(2,223,856)
Interest on long-term debt and fiscal charges	4,239,221	(4,239,221)	4,027,593	(4,027,593)
Total	$ 69,430,659	$ (51,008,574)	$ 121,282,813	$ (103,974,550)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The County's governmental funds reported combined ending fund balances of $127,683,426. The combined governmental fund balance increased $17,804,009 from the prior year.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the General Fund had an unassigned fund balance of $25,463,088. The County's liquidity can be measured by comparing unassigned fund balance to total fund expenditures. Unassigned fund balance represents 38.6% of total fund expenditures, while total fund balance represents 19.9% of that same amount.

- The General Fund contributed $31,380,248 in operating funds to finance the Schools' operations and $691,686 to the Industrial Development Authority of Mecklenburg County, Virginia.

The Capital Outlay Fund has a total fund balance of $37,983,196, all of which is assigned for ongoing and future capital projects.

BUDGETARY HIGHLIGHTS

General Fund

The following table provides a comparison of original budget, final budget, and actual revenues and expenditures in the General Fund:

Budgetary Comparison

General Fund

For the Fiscal Years Ended June 30, 2025 and 2024

	2025			2024		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues						
Taxes	$ 66,784,162	$ 66,784,162	$ 72,195,138	$ 113,784,834	$ 113,784,834	$ 113,716,079
Other	14,014,971	14,015,128	19,669,827	12,931,167	13,180,335	19,440,722
Intergovernmental	7,936,099	8,018,399	8,245,037	8,176,427	8,312,831	7,981,745
Total	88,735,232	88,817,689	100,110,002	134,892,428	135,278,000	141,138,546
Expenditures	69,284,484	69,394,549	66,035,720	126,653,709	127,625,926	120,694,138
Excess (Deficiency) of Revenues Over Expenditures	19,450,748	19,423,140	34,074,282	8,238,719	7,652,074	20,444,408
Other Financing Sources (Uses)						
Net transfers	(20,421,540)	(20,421,540)	(26,524,223)	(8,775,613)	(8,775,613)	(20,135,797)
From Surplus	970,792	998,400	-	536,894	1,123,539	-
Change in Fund Balance	$ -	$ -	$ 7,550,059	$ -	$ -	$ 308,611

Final amended budget revenues were less than the original budget by $82,457.

The final amended budget appropriations for expenditures exceeded the original appropriation by $110,065.

Actual revenues were more than final budget amounts by $11,292,313, or 12.7% due primarily to general property taxes and other local taxes, while actual expenditures were $3,358,829, or 4.8% less than final budget amounts.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

As of June 30, 2025, the County's governmental activities net capital assets, exclusive of component units, total $196,042,350, which represents a net increase of $15,594,635 or 8.6% over the previous fiscal year-end balance as summarized in the following table:

Change in Capital Assets

Governmental Activities

	Balance July 1, 2024	Net Additions, Deletions, and Transfers	Balance June 30, 2025
Land and land improvements	$ 2,633,631	$ 833,706	**$ 3,467,337**
Construction in progress	8,855,840	(8,855,840)	**-**
Infrastructure	3,102,133	333,902	**3,436,035**
Buildings and improvements	25,636,638	3,133,354	**28,769,992**
School buildings and improvements	155,247,879	25,221,413	**180,469,292**
Furniture, equipment, and vehicles	19,565,399	500,079	**20,065,478**
Total Capital Assets	215,041,520	21,166,614	**236,208,134**
Less: Accumulated depreciation	(34,768,643)	(5,463,669)	**(40,232,312)**
Total Capital Assets, Net	$ 180,272,877	$ 15,702,945	**$ 195,975,822**
Lease assets	$ 475,996	$ (3,246)	**$ 472,750**
Less: Accumulated amortization	(301,158)	(105,064)	**(406,222)**
Total Lease Assets, Net	$ 174,838	$ (108,310)	**$ 66,528**

Note: School Board fixed assets are jointly owned by the County (primary government) and the Component Unit School Board. The County reports the School Board assets associated with outstanding debt on its books until the debt is paid off. As long as the debt remains unpaid, the assets will be owned by the County as well as the debt being the responsibility of the County.

Long-Term Debt

As of June 30, 2025, the County's long-term obligations total $133,460,794.

	Balance July 1, 2024	Net Additions and Deletions	Balance June 30, 2025
Governmental Activities			
Long-term debt, plus premiums	$134,913,641	$ (5,536,473)	**$ 129,377,168**
Landfill obligation	2,136,776	47,009	**2,183,785**
Compensated absences	1,830,669	69,172	**1,899,841**
Total Governmental Activities	$138,881,086	$ (5,420,292)	**$ 133,460,794**

More detailed information on the County's long-term obligations is presented in Note 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2026 budget.

The average unemployment rate for the County of Mecklenburg, Virginia in June 2025 was 4.2%, an increase of 0.4% from June 2024. This compares unfavorably to the state's rate of 3.9% and favorably to the national rate of 4.1%.

According to the 2020 U.S. Census, the population in Mecklenburg County, Virginia was 30,319, a decrease of 7.4% since the 2010 U.S. Census data.

These rates along with other indicators were taken into account when adopting the General Fund budget for 2026, which accounts for most of the County's operational costs. The fiscal year 2026 adopted budget anticipates the general fund revenues to be $106,105,573.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Alex Gottschalk, County Administrator, or Marsha Seamans, Treasurer, County of Mecklenburg, Virginia, P. O. Box 250, Boydton, Virginia 23917, telephone 434-738-6191, or visit the County's website at www.mecklenburgva.com.

Basic Financial Statements

Exhibit 1

County of Mecklenburg, Virginia

Statement of Net Position

As of June 30, 2025

	Primary Government Governmental Activities	Component Units School Board	Component Units Industrial Development Authority
Assets			
Current Assets			
Cash and cash equivalents	$ 129,718,282	$ 1,078	$ 4,152,780
Cash - restricted	-	10,444,629	-
Receivables, net	3,481,017	-	-
Short-term lease receivable	-	-	35,216
Notes receivable, current	-	-	1,057,590
Due from other governments	2,575,125	1,070,786	-
Total Current Assets	135,774,424	11,516,493	5,245,586
Noncurrent Assets			
Note receivable, net of current	-	-	22,751,164
Capital Assets			
Nondepreciable assets	3,467,337	1,968,306	11,958,066
Depreciable assets, net	192,508,485	24,230,086	-
Lease assets, net	66,528	782,496	-
Total Capital Assets	196,042,350	26,980,888	11,958,066
Other Assets			
OPEB asset	224,809	-	-
Total Other Assets	224,809	-	-
Total Assets	332,041,583	38,497,381	39,954,816
Deferred Outflows of Resources			
OPEB	823,196	991,706	-
Pension	4,610,303	9,306,137	-
Total Deferred Outflows of Resources	5,433,499	10,297,843	-
Total Assets and Deferred Outflows of Resources	$ 337,475,082	$ 48,795,224	$ 39,954,816
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	$ 4,065,782	$ 659,635	$ -
Accrued interest payable	2,164,906	-	-
Unearned grants	1,083,629	-	-
Total Current Liabilities	7,314,317	659,635	-
Long-Term Liabilities			
Due within one year			
Leases	95,636	207,535	-
Compensated absences	189,984	36,801	-
Bonds, loans, and premiums	5,744,729	-	1,028,394
Due in more than one year			
Compensated absences	1,709,857	331,204	-
Bonds, loans, and premiums	123,632,439	-	22,725,108
Net pension liability	5,384,516	24,916,228	-
OPEB liabilities	611,972	5,804,721	-
Landfill obligation	2,183,785	-	-
Leases	33,533	215,023	-
Total Long-Term Liabilities	139,586,451	31,511,512	23,753,502
Total Liabilities	146,900,768	32,171,147	23,753,502
Deferred Inflows of Resources			
Leases	-	-	60,776
Pension	1,688,226	5,556,357	-
OPEB	172,697	1,073,279	-
Total Deferred Inflows of Resources	1,860,923	6,629,636	60,776
Net Position			
Net investment in capital assets	66,536,013	26,558,330	11,958,066
Unrestricted (Deficit)	122,177,378	(16,563,889)	4,182,472
Total Net Position	188,713,391	9,994,441	16,140,538
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 337,475,082	$ 48,795,224	$ 39,954,816

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

Exhibit 2

County of Mecklenburg, Virginia
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units: School Board	Net (Expense) Revenue and Changes in Net Position: Component Units: Industrial Development Authority
Primary Government							
Governmental Activities							
General government administration	$ 5,158,055	$ 77	$ 657,414	$ -	$ (4,500,564)		
Judicial administration	3,737,054	40,610	1,821,936	-	(1,874,508)		
Public safety	18,213,499	3,357,313	2,825,212	-	(12,030,974)		
Public works	4,434,505	156,820	1,306,273	-	(2,971,412)		
Health and welfare	8,276,682	-	5,574,905	-	(2,701,777)		
Education - other than to public school system	58,632	-	-	-	(58,632)		
Education - public school system	10,650,171	-	-	-	(10,650,171)		
Parks, recreation, and cultural	1,195,447	22,473	330,439	-	(842,535)		
Community development - IDA of Mecklenburg County, Virginia	691,686	-	-	-	(691,686)		
Community development	9,266,491	-	2,328,613	-	(6,937,878)		
Capital projects	3,509,216	-	-	-	(3,509,216)		
Interest on long-term debt and bond issuance costs	4,239,221	-	-	-	(4,239,221)		
Total Governmental Activities	69,430,659	3,577,293	14,844,792	-	(51,008,574)		
Total Primary Government	$ 69,430,659	$ 3,577,293	$ 14,844,792	$ -	(51,008,574)		
Component Units							
School Board							
Education	$ 69,412,505	$ 906,564	$ 52,469,432	$ -		$ (16,036,509)	$ -
Total School Board	69,412,505	906,564	52,469,432	-		(16,036,509)	
Industrial Development Authority							
Community development	1,604,949	-	-	-		-	(1,604,949)
Total Industrial Development Authority	1,604,949	-	-	-		-	(1,604,949)
Total Component Units	$ 71,017,454	$ 906,564	$ 52,469,432	$ -		(16,036,509)	(1,604,949)
General Revenues							
Taxes							
General property taxes, real and personal					73,141,524	-	-
Other local taxes					11,301,580	-	-
Payment from County of Mecklenburg, Virginia							
Education					-	10,650,171	-
Reimbursement for debt					-	-	817,380
Community development - IDA of Mecklenburg County, VA					-	-	691,686
Grants and contributions not restricted to specific programs					2,026,064	-	-
Unrestricted revenues from use of (loss on) sale of property					221,991	-	324,178
Investment earnings					3,979,729	635,574	18,734
Miscellaneous					710,792	717,644	40,460
Total General Revenues					91,381,680	12,003,389	1,892,438
Change in Net Position					40,373,106	(4,033,120)	287,489
Net Position - Beginning of Year					148,340,285	14,027,561	15,853,049
Net Position - End of Year					$ 188,713,391	$ 9,994,441	$ 16,140,538

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

County of Mecklenburg, Virginia

Balance Sheet

Governmental Funds

As of June 30, 2025

	General Fund	Capital Outlay Fund	Economic Development Fund	Public Assistance Fund	Microsoft Capital Project	School Capital Outlay	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Cash and investments	$24,224,754	$38,990,684	$ 9,497,998	$1,736,232	$14,568,121	$35,517,171	$ 1,083,629	$ 4,099,693	$ 129,718,282
Receivables, net	2,947,201	-	-		-	-	-	533,816	3,481,017
Due from other governments	2,243,162	-	-	331,963	-	-	-	-	2,575,125
Total Assets	$29,415,117	$38,990,684	$ 9,497,998	$2,068,195	$14,568,121	$35,517,171	$ 1,083,629	$ 4,633,509	$ 135,774,424
Liabilities									
Accounts payable and accrued liabilities	$ 819,410	$ 1,007,488	$ 149,363	$ 4,032	$ 1,395,880	$ 209,850	$ -	$ 479,759	$ 4,065,782
Unearned grants	-	-	-	-	-	-	1,083,629	-	1,083,629
Total Liabilities	819,410	1,007,488	149,363	4,032	1,395,880	209,850	1,083,629	479,759	5,149,411
Deferred Inflows of Resources									
Unavailable revenue - taxes and other	2,412,381	-	-	-	-	-	-	529,206	2,941,587
Total Deferred Inflows of Resources	2,412,381	-	-	-	-	-	-	529,206	2,941,587
Fund Balance									
Restricted	-	-	-	2,064,163	13,172,241	-	-	632,063	15,868,467
Committed	669,202	-	-	-	-	35,307,321	-	-	35,976,523
Assigned	51,036	37,983,196	9,348,635	-	-	-	-	2,992,481	50,375,348
Unassigned	25,463,088	-	-	-	-	-	-	-	25,463,088
Total Fund Balance	26,183,326	37,983,196	9,348,635	2,064,163	13,172,241	35,307,321	-	3,624,544	127,683,426
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$29,415,117	$38,990,684	$ 9,497,998	$2,068,195	$14,568,121	$35,517,171	$ 1,083,629	$ 4,633,509	$ 135,774,424

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

County of Mecklenburg, Virginia

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

At June 30, 2025

Total Fund Balances for Governmental Funds		$ 127,683,426
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and land improvements	$ 1,463,290	
Infrastructure, net of accumulated depreciation	3,128,707	
School buildings, net of accumulated depreciation	167,125,671	
Buildings and improvements, net of accumulated depreciation	19,469,170	
Furniture, equipment, and vehicles, net of accumulated depreciation	4,788,984	
Lease assets, net	66,528	
Total Capital Assets		196,042,350
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Unavailable revenue - taxes and other		2,941,587
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	4,610,303	
Deferred inflows of resources related to pensions	(1,688,226)	
Deferred outflows of resources related to OPEB	823,196	
Deferred inflows of resources related to OPEB	(172,697)	
Total Deferred Outflows and Inflows of Resources		3,572,576
Liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.		
Balances of long-term liabilities affecting net position are as follows:		
Bonds and notes payable	(129,377,168)	
Accrued interest payable	(2,164,906)	
Lease liability	(129,169)	
Net pension liability	(5,384,516)	
OPEB asset	224,809	
OPEB liabilities	(611,972)	
Landfill obligation	(2,183,785)	
Compensated absences	(1,899,841)	
Total		(141,526,548)
Total Net Position of Governmental Activities		$ 188,713,391

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

County of Mecklenburg, Virginia

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2025

	General Fund	Capital Outlay Funds	Economic Development Fund	Public Assistance Fund	Microsoft Capital Project	School Capital Outlay	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues									
Property taxes	$ 72,195,138	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 72,195,138
Other local taxes	11,301,580	-	-	-	-	-	-	-	11,301,580
Permits, privilege fees, and regulatory licenses	2,193,029	-	-	-	-	-	-	-	2,193,029
Fines and forfeitures	489,260	-	-	-	-	-	-	-	489,260
Use of money and property	4,017,153	-	349,300	-	21,065	-	-	167	4,387,685
Charges for services	886,548	-	-	-	-	-	-	8,456	895,004
Recovered costs	235,877	-	-	33,507	33,098,599	-	-	-	33,367,983
Miscellaneous	546,380	-	-	-	-	-	-	164,412	710,792
Intergovernmental									
Revenue from Component Unit School Board	-	-	-	-	-	207,179	-	-	207,179
Revenue from the Commonwealth of Virginia	7,871,867	-	-	1,121,765	1,722,929	-	-	2,295,052	13,011,613
Revenue from the Federal Government	373,170	-	-	2,237,798	-	-	1,284,043	-	3,895,011
Total Revenues	100,110,002	-	349,300	3,393,070	34,842,593	207,179	1,284,043	2,468,087	142,654,274
Expenditures									
Current									
General government administration	4,918,764	-	-	-	-	-	-	-	4,918,764
Judicial administration	3,500,138	-	-	-	-	-	-	23,734	3,523,872
Public safety	17,563,327	-	-	-	-	-	-	109,730	17,673,057
Public works	4,240,029	-	-	-	-	-	-	-	4,240,029
Health and welfare	778,592	-	-	4,255,996	-	-	-	3,231,719	8,266,307
Education	58,632	-	-	-	-	-	-	-	58,632
Education - Component Unit School Board	30,121,971	-	-	-	-	1,258,277	-	-	31,380,248
Parks, recreation, and cultural	1,229,103	-	-	-	-	-	-	-	1,229,103
Community development - IDA of Meck. Cty., VA	691,686	-	-	-	-	-	-	-	691,686
Community development	2,678,191	-	980,392	-	37,669,586	-	1,284,043	-	42,612,212
Debt service	-	-	-	-	-	1,754,380	-	-	1,754,380
Capital projects	255,287	6,599,173	-	-	-	1,647,515	-	-	8,501,975
Total Expenditures	66,035,720	6,599,173	980,392	4,255,996	37,669,586	4,660,172	1,284,043	3,365,183	124,850,265
Excess (Deficiency) of Revenues Over Expenditures	34,074,282	(6,599,173)	(631,092)	(862,926)	(2,826,993)	(4,452,993)	-	(897,096)	17,804,009
Other Financing Sources (Uses)									
Transfers in	-	8,972,239	2,100,000	1,349,297	-	12,566,887	-	1,535,800	26,524,223
Transfers out	(26,524,223)	-	-	-	-	-	-	-	(26,524,223)
Total Other Financing Sources (Uses)	(26,524,223)	8,972,239	2,100,000	1,349,297	-	12,566,887	-	1,535,800	-
Net Change in Fund Balance	7,550,059	2,373,066	1,468,908	486,371	(2,826,993)	8,113,894	-	638,704	17,804,009
Fund Balance - Beginning of Year	18,633,267	35,610,130	7,879,727	1,577,792	15,999,234	27,193,427	-	2,985,840	109,879,417
Fund Balance - End of Year	$ 26,183,326	$ 37,983,196	$ 9,348,635	$ 2,064,163	$ 13,172,241	$ 35,307,321	$ -	$ 3,624,544	$ 127,683,426

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

County of Mecklenburg, Virginia

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

Net Change in Fund Balances - Total Governmental Funds		$ 17,804,009
Amounts reported for governmental activities in the Statement of Activities are different because:		
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 as depreciation expense:		
Capitalized assets	$ 4,992,759	
Dispositions of assets	(185,965)	
Transfer of assets from School Board Component Unit	16,365,573	
Depreciation	(5,469,422)	
		15,702,945
Lease asset capital outlay expenditures which were capitalized	-	
Amortization expense on intangible assets	(108,310)	
		(108,310)
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the fund statements. This amount represents the difference in the amounts deferred in the fund financial statements, but recognized in the Statement of Activities.		911,914
Bonds, long-term financial obligations and lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases the long-term liabilities and does not affect the Statement of Activities. Similarly, the repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.		
Payments for existing debt on school buildings (including bond premium adjustments)	4,599,473	
Debt paid to IDA for school bond	937,000	
Accrued interest	112,803	
Lease liabilities, net	79,120	
Net Adjustment		5,728,396
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
OPEB liability adjustments, net inflows, and outflows	151,218	
Pension adjustments, contributions, net inflows, and outflows	299,115	
		450,333
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following:		
Landfill obligation	(47,009)	
Compensated absences	(69,172)	
Net Adjustment		(116,181)
Change in Net Position of Governmental Activities		$ 40,373,106

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

County of Mecklenburg, Virginia

Statement of Fiduciary Net Position

At June 30, 2025

	County OPEB Funds	Custodial Funds
Assets		
Cash and investments	$ 3,365,121	$ 209,322
Total Assets	$ 3,365,121	$ 209,322
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Net Position		
Restricted for:		
Other postemployment benefits	3,365,121	-
Individuals, organizations, and other governments	-	209,322
Total Net Position	3,365,121	209,322
Total Liabilities and Fiduciary Net Position	$ 3,365,121	$ 209,322

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

Exhibit 6

County of Mecklenburg, Virginia

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2025

	County OPEB Funds	Custodial Funds
Additions		
Miscellaneous income	$ -	$ 7,252
Contributions from members	-	171,250
Local grant funds and other donations	-	539,210
Investment income:		
Investment earnings - interest, realized gains	272,623	280
Total additions	272,623	717,992
Deductions		
Administrative expenses	2,513	952,458
Net increase (decrease) in fiduciary net position	270,110	(234,466)
Net position - beginning	3,095,011	443,788
Net position - ending	$ 3,365,121	$ 209,322

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

1 Summary of Significant Accounting Policies

Narrative Profile

The County of Mecklenburg, Virginia (the "County") was formed from part of Lunenburg County in 1764 and was legally established in 1765. There are five incorporated towns within the County: Boydton, the county seat, Chase City, Clarksville, LaCrosse, and South Hill. The County has a population of approximately 30,319 and is governed by an appointed County Administrator and a nine-member Board of Supervisors.

The County engages in a comprehensive range of municipal services, including general government administration, judicial administration, public safety, public works, health and welfare, education, parks, recreation, and cultural, and community development.

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

1-A. *Financial Reporting Entity*

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

Individual Component Unit Disclosures

Discretely Presented Component Units

Mecklenburg County School Board

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

Industrial Development Authority of Mecklenburg County, Virginia

The Industrial Development Authority (the "Authority") of Mecklenburg County, Virginia was created in 1980. The Authority is authorized to acquire, own, lease, and dispose of local properties, which will potentially promote industry and develop trade in Virginia through locating and remaining in the area. The Authority assists new and expanding businesses in securing low interest, tax-exempt industrial development revenue bonds. Bonds are issued when financing these facilities, covering the cost of land, buildings, machinery, or equipment. A mortgage or lien on the financed property is then secured and repaid from the revenue of the project. The Authority is governed by a seven-member Board. The County of Mecklenburg, Virginia has no financial responsibility for the debt issued by the Authority.

Exclusions from the Reporting Entity

Jointly Governed Organizations

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

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

Southside Community Services Board

The County of Mecklenburg, Virginia jointly participates in the Southside Community Services Board (the "Board") with other surrounding localities. The Board provides input to state and local agencies on service needs and priorities of persons with physical and sensory disabilities.

Southside Regional Public Service Authority

The Southside Regional Public Service Authority (the "Authority") was created under the authority of the Virginia State Corporation Commission on September 21, 2004.

The Authority consists of a six-member Board made up of two members from each locality for a term of four years. The Board operates independently of the localities.

Mecklenburg-Brunswick Airport Commission

The Commission consists of a ten-member Board with the counties of Mecklenburg and Brunswick and the towns of South Hill, LaCrosse, and Brodnax participating in the governance of the airport. The Commission was formed in 1975 and serves all of its localities.

1-B. Financial Reporting Model

The County's Annual Comprehensive Financial Report includes management's discussion and analysis, the basic financial statements, required and other supplementary information, described as follows:

Management's Discussion and Analysis – The basic financial statements are accompanied by a narrative introduction as well as an analytical overview of the County's financial activities.

Government-wide Financial Statements – The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government; as such, individual funds are not displayed. The fiduciary funds of the primary government are not included in the government-wide financial statements.

The Statement of Net Position presents the financial position of the governmental activities of the County and its discretely presented component units at year end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the Statement of Activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not considered to be program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and proprietary funds are reported in separate columns.

Reconciliation of Government-wide and Fund Financial Statements – Since the governmental funds financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and total governmental activities net position as shown on the government-wide Statement of Net Position is presented. In addition, a summary reconciliation of the difference between the total net change in fund balances as reflected on the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances, and the change in net position of governmental activities as shown on the government-wide Statement of Activities is presented.

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

GASB-Required Supplementary Pension – GASB issued Statement No. 68– *Accounting and Financial Reporting for Pensions*–an *amendment of GASB No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

GASB-Required Supplementary OPEB – GASB issued Statement No. 75– *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB).

1-C. Financial Statement Presentation

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following is a brief description of the funds reported by the County in each of its fund types in the financial statements:

- ***Governmental Funds*** – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between its governmental fund assets and deferred outflows of resources and its liabilities and deferred inflows of resources as fund balance. The following are the County's major governmental funds:

    - *General Fund* – The General Fund is the primary operating fund of the County and accounts for all revenues and expenditures applicable to the general operations of the County which are not accounted for in other funds. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants.

- *Special Revenue Funds* – Special Revenue Funds account for the proceeds of specific revenue sources (other than those derived from special assessments, expendable trusts, or dedicated for major capital projects) requiring separate accounting due to legal or regulatory provisions or administrative action. Special Revenue Funds include the following:
    - Children's Services Act Funds – These funds account for activity pertaining to children eligible to receive funds under Virginia's Comprehensive Services Act.
    - Public Assistance Fund – This fund accounts for County revenues collected and disbursed for welfare recipients of the County.
    - Law Library Fund – This fund accounts for the operation and maintenance of the County's law library.
    - Sheriff's Funds – These funds are used for various projects and revenue specifically handled by the Sheriff's Department, such as inmates, jail phones, etc.
    - Drug Forfeiture Funds – These funds are specifically earmarked for handling drug forfeiture operations.
    - Opioid Fund – This fund accounts for funds used to administer the opioid funds received.
    - ARPA Fund – This fund is used to account for revenues and expenditures directly related to federal funds received for Coronavirus relief and COVID-19 in order to protect its citizens from the virus pandemic.
    - Rescue Squad Fund – This fund accounts for the operation and maintenance of the County's rescue squad.
- *Capital Projects Funds* – The Capital Projects Funds consists of the Capital Outlay Fund, Economic Development Fund, DEQ and Landfill Funds, the Microsoft Capital Project, and School Capital Outlay, which accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

- ***Proprietary Funds*** – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The County has no Proprietary Funds at this time.
- ***Fiduciary Funds (Trust and Custodial Funds)*** – Fiduciary funds account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. Custodial funds utilize the accrual basis of accounting. Since by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements. The County has no Private Purpose Trust Funds. The Custodial Funds consist of the following:

- Special Welfare Fund – This fund accounts for monies provided primarily through private donors for assistance of children in foster care, needy senior citizens, and others. This fund is also used to account for monies received from other governments and individuals (i.e., social security and child support) to be paid to special welfare recipients.
- Thyne Project Memorial – This fund accounts for the operation and maintenance of this project. The County acts as fiscal agent for the Memorial.
- County OPEB Fund – This fund accounts for the money held for postemployment benefits of the County.
- Virginia's Retreat Fund – This fund accounts for money held by the County for the Virginia's Retreat, an entity of eleven counties and one city (Mecklenburg, Lunenburg, Charlotte, Brunswick, Nottoway, Amelia, Appomattox, Buckingham, Dinwiddie, Halifax, Prince Edward, and City of Petersburg) for the purpose of regional marketing of the Civil Rights and Education Heritage Trail, Wilson-Kautz Raid Trail, Lee's Retreat Civil War Trail, and other trails and tourist related opportunities within the region.
- Virginia's Growth Alliance – This fund accounts for money held by the County for the Virginia's Growth Alliance, an entity of six counties and one city (Mecklenburg, Brunswick, Greensville, Lunenburg, Charlotte, Nottoway, and City of Emporia) for the purpose of increasing business and other opportunities within the region pursuant to Section 15.2-1300 et seq. of the Code of Virginia, which authorizes the joint exercise of powers by political subdivisions.

Component Units

Mecklenburg County School Board

The Mecklenburg County School Board has the following funds:

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

School Food Services Fund – This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and State and Federal grants.

School Textbook Fund – This fund consists of monies used to buy textbooks for the schools.

New School Fund – This fund consists of monies used for the construction of the Clarksville Elementary School.

School Activity Fund – This fund accounts for funds used to support co-curricular and extracurricular student activities.

Industrial Development Authority of Mecklenburg County, Virginia

The Industrial Development Authority of Mecklenburg County, Virginia has only one fund which is its operating fund. It accounts for all activities of the Authority.

1-D. Measurement Focus and Basis of Accounting

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

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government administration, judicial administration, public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property taxes, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (general government administration, judicial administration, public safety, public works, health and welfare, etc.).

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

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

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 County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

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 expenditures. 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. The County has no enterprise funds at this time. However, the Component Unit IDA of Mecklenburg County, Virginia is accounted for as a proprietary fund.

1-E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity

1-E-1 Cash and Cash Equivalents

The County operates a cash and investment pool which all funds utilize with the exception of the landfill capital projects fund and agency funds, each of which has separate bank accounts and investments. The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

The County allocates investment earnings of the cash and investment pool to each participating fund on a monthly basis in accordance with that fund's average equity balance in the pool for that month.

1-E-2 Investments

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, State Treasurer's Local Government Investment Pool (LGIP), and the State Non-Arbitrage Program (SNAP).

1-E-3 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 portions of the interfund loans). Any residual balances outstanding in the governmental activities are reported in the government-wide financial statement as internal balances.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance account is as follows:

General Fund - taxes receivable	$1,053,328

Real and Personal Property Tax Data

The tax calendars for real and personal property taxes are summarized below:

	Real Property	Personal Property
Levy	July 1	July 1
Due Date	December 5	December 5
Due Date	June 5	June 5

The County bills and collects its own property taxes.

A 10% penalty is levied on all taxes not collected the day following the due date. Interest at the rate of 10% per year is also added the day following the due date.

1-E-4 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

1-E-5 Capital Assets

General capital assets are those capital assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide Statement of Net Position but does not report these assets in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. Improvements to capital assets are capitalized; however, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Lives
Buildings and improvements	10 to 75 years
Furniture and other equipment	3 to 25 years

1-E-6 Leases

As lessee, the County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements and recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases. The County's estimated incremental borrowing rate is based on historical market data and credit spread based on market data points compared to the lease commencement date.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

1-E-7 Deferred Outflows/Inflows of Resources

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. This category also includes amounts related to pensions for certain actuarially determined differences projected and actual investment earnings.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. Currently, this category includes revenue received in advance, and amounts related to pensions for certain actuarially determined differences between projected and actual experience, and lease deferrals.

Deferred Inflows of Resources in the Governmental Funds Balance Sheet include unavailable revenue. Unavailable revenue consists primarily of special assessment, loans, and notes receivable. The County considers revenues available if they are collected within 60 days of the end of the fiscal year.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absence liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level when paid.

The Component Unit School Board accrues compensated absences (annual and sick leave benefits) when vested. The current portion of the compensated absences is recorded in the School Board Governmental Funds as accrued liabilities. The current and noncurrent portions are recorded in the School Board component unit government-wide financial statements.

1-E-9 Pensions

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. The Virginia Retirement System (VRS) Teacher Employee Retirement Plan is a multiple employer, cost-sharing plan. 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 Political Subdivision's Retirement Plan and Virginia Retirement System (VRS) Teacher Retirement Plan and the additions to/deductions from the Political Subdivision's Retirement Plan and VRS Teacher Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1-E-10 Group Life Insurance Program

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program 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. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's 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.

1-E-11 Health Insurance Credit Program

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision Health Insurance Credit Program 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. For purposes of measuring the net Political Subdivision Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Health Insurance Credit Program OPEB, and the Political Subdivision Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision Health Insurance Credit Program; and the additions to/deductions from the VRS Political Subdivision Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1-E-12 Teacher Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. The Teacher Employee Health Insurance Credit Program 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. The Teacher Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee Health Insurance Credit Program OPEB, and the Teacher Employee Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program; and the additions to/deductions from the VRS Teacher Employee Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1-E-13 Other Postemployment Benefit Plans

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County of Mecklenburg, Virginia's OPEB Plan for Retiree's Health Insurance and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. See Notes to the financial statement for more information regarding the Plan.

1-E-14 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as fund balance. Fund equity for all other reporting is classified as net position.

Governmental Fund Balances – Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which resources can be spent. Fund balances are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all amounts not classified as nonspendable, restricted, committed, or assigned.

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

Fund Balance Flow Assumptions – Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

1-E-15 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All other items that do not directly relate to the principal and usual activity of the fund are recorded as nonoperating revenues and expenses. These items include investment earnings and gains or losses on the disposition of capital assets. The County has no proprietary funds although the Component Unit IDA of Mecklenburg County, Virginia does account for its activities in business development in this manner.

1-E-16 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds.

1-E-17 Long-Term Obligations

The County reports long-term debt of Governmental Funds at face value in the general long-term debt account group. The face value of the debt is believed to approximate fair value. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

1-E-18 Unearned Revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

1-F. *Adoption of New GASB Statements*

The County adopted the following GASB statements during the year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the fiscal year June 30, 2025 for the County.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for the fiscal year June 30, 2025 for the County.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve 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. This Statement also addresses certain application issues. The requirements of this statement are effective for the fiscal year ending June 30, 2025 for the County.

1-G. *Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2 Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The Board of Supervisors annually adopts budgets for the various funds of the primary government and Component Unit School Board. All appropriations are legally controlled at the department level for the primary Government Funds. The School Board appropriation is determined by the Board of Supervisors and controlled in total by the primary government. Unexpended appropriations lapse at the end of each fiscal year.

Budgetary Data

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

1. Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing July 1. The operating budget and capital budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the fund, function, and departmental level. These appropriations for each fund, function, and department can be revised only by the Board of Supervisors.

5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for all major funds and component units.

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. Supplemental Appropriations are adopted if necessary during the fiscal year.

Expenditures in Excess of Appropriations

Expenditures did exceed appropriations in the School Food Services Fund at June 30, 2025.

Fund Deficits

There were no fund deficits for the governmental funds.

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 the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP) and the State Non-Arbitrage Program (SNAP).

The County does not have a formal investment policy addressing the various types of risks associated with investments.

Concentration of Credit Risk/Interest Rate Risk

The County of Mecklenburg, Virginia only invests in Certificates of Deposit at local banks. Therefore, there is no custodial risk, credit risk of debt securities, concentration of credit risk, or foreign currency risk. The only risk of interest rates is that associated with short-term rates at the local banks which are generally invested in Certificates of Deposit held less than one year.

The following is a summary of cash and investments:

Asset Type	Balance June 30, 2025
Petty cash	$ 5,000
Deposit accounts	147,886,212
Total Cash and Investments	$ 147,891,212

	Governmental Activities	Fiduciary Responsibilities	Total
Primary Government			
Cash and cash equivalents	$ 129,718,282	$ -	$ 129,718,282
Cash and investments with fiscal agents	-	3,574,443	3,574,443
Total Primary Government	129,718,282	3,574,443	133,292,725
Component Unit School Board			
Cash and cash equivalents	1,078	-	1,078
Restricted cash	10,444,629	-	10,444,629
Total Component Unit School Board	10,445,707	-	10,445,707
Component Unit IDA of Mecklenburg County, Virginia			
Cash and cash equivalents	4,152,780	-	4,152,780
Grand Total	$ 144,316,769	$ 3,574,443	$ 147,891,212

4 Receivables

Receivables at June 30, 2025 consist of the following:

	Primary Government		
	Governmental Activities		
	General Fund	Other Governmental Funds	Total Primary Government
Property taxes	$ 3,798,217	$ -	$ 3,798,217
Other	202,312	533,816	736,128
Total	4,000,529	533,816	4,534,345
Allowance for uncollectibles	(1,053,328)	-	(1,053,328)
Net Receivables	$ 2,947,201	$ 533,816	$ 3,481,017

Notes receivable are as follows:

	Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025	Due Within One Year
Component Unit IDA of Mecklenburg County, Virginia					
VA Lakeside Ind. Park Office, LLC note receivable dated April 2024, for the purpose of purchasing property near Clarksville, VA held jointly by the IDA of Mecklenburg County, VA; IDA of the Town of Chase City, VA; and the EDA of the Town of Clarksville, VA. Note is receivable over 3 years at 7.5% interest.	$ 247,034	$ -	$ 81,280	$ 165,754	$ 87,590
Mecklenburg County, VA note receivable dated August 2022; for the purpose of the design and construction of the new Clarksville Elementary School. See the long term debt section for the Mecklenburg IDA related notes payable with Truist Bank.	24,580,000	-	937,000	23,643,000	970,000
Total Component Unit IDA of Mecklenburg County, Virginia	$ 24,827,034	$ -	$ 1,018,280	$ 23,808,754	$ 1,057,590

Remaining principal and interest on notes receivable are as follows:

Year(s) Ended June 30,	Notes Receivable Principal	Interest	Total
Mecklenburg IDA Component Unit			
2026	$ 1,057,590	$ 794,517	$ 1,852,107
2027	1,081,164	754,326	1,835,490
2028	1,038,000	717,019	1,755,019
2029	1,073,000	681,237	1,754,237
2030	1,110,000	644,236	1,754,236
2031-2035	6,153,000	2,619,741	8,772,741
2036-2040	7,291,000	1,482,040	8,773,040
2041-2044	5,005,000	258,335	5,263,335
Total	$ 23,808,754	$ 7,951,451	$ 31,760,205

5 Interfund Transfers

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

	Transfer to	Transfer from
Primary Government		
General Fund		
To Public Assistance Fund for operations	$ 1,349,297	$ -
To Capital Outlay Fund for capital projects (Public Safety Bldg.)	8,972,239	
To School Capital Outlay Fund for school projects	12,566,887	-
To Economic Development Fund for operations	2,100,000	-
To/From Other Governmental Funds		
To Rescue Squad Fund	850,000	-
To Children's Services Act Fund for operations	685,800	-
Total General Fund	26,524,223	-
Public Assistance Fund		
From General Fund for operations	-	1,349,297
Economic Development Fund		
From General Fund for operations	-	2,100,000
Capital Outlay Fund		
To/From General Fund for capital projects	-	8,972,239
School Capital Outlay		
From General Fund for school projects	-	12,566,887
Other Governmental Funds		
Rescue Squad Fund from General Fund for operations	-	850,000
Children's Services Act Funds	-	685,800
Total Transfers Within Primary Government	$ 26,524,223	$ 26,524,223

There are no interfund obligations (Due to/Due from's).

6 Transfer to Component Units/Transfer from Primary Government

Details of the primary government transfers to component units as of June 30, 2025 are as follows:

	Transfer to	Transfer from
School Board		
Primary Government		
To School Fund for local appropriation	$ 29,896,915	$ 1,352,602
To School Textbook Fund for local appropriation	225,056	-
School Board Component Unit		
From General Fund for local appropriation	1,352,602	30,121,971
Total Transfers between School Board and Primary Government	$ 31,474,573	$ 31,474,573

	Transfer to	Transfer from
IDA of Mecklenburg County, Virginia		
Primary Government		
To IDA of Mecklenburg County, Virginia for economic stimulus	$ 691,686	$ -
IDA Component Unit from Primary Government		
From Primary Government for economic stimulus	-	691,686
Total Transfers between IDA and Primary Government	$ 691,686	$ 691,686
Total Transfers	$ 58,690,482	$ 58,690,482

7 Due from Other Governmental Units

Details of the County's receivables from other governmental units, as of June 30, 2025, are as follows:

	Governmental Funds	Component Unit School Board
Commonwealth of Virginia		
Local and State sales taxes	$ 1,820,276	$ 906,151
Compensation Board - constitutional officers	311,518	-
Communications tax	31,103	-
Wireless grant	14,841	-
Mobile Home Titling Tax	40,054	-
Department of Social Services	211,783	-
Other state funds	25,370	-
Federal Government		
School food funds	-	23,856
Title I	-	134,546
Department of Social Services	120,180	-
Other federal funds	-	6,233
Total	$ 2,575,125	$ 1,070,786

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8 Capital Assets

The following is a summary of changes in capital assets:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental Activities				
Capital Assets Not Being Depreciated				
Land and land improvements	$ 629,584	$ 833,706	$ -	$ 1,463,290
Land and land improvements - new schools	2,004,047	-	-	2,004,047
Construction in process - new schools	8,855,840	-	8,855,840	-
Total Capital Assets Not Being Depreciated	11,489,471	833,706	8,855,840	3,467,337
Other Capital Assets				
Buildings and improvements	25,636,638	3,325,072	191,718	28,769,992
Infrastructure	3,102,133	333,902	-	3,436,035
School buildings and improvements	155,247,879	25,221,413	-	180,469,292
Furniture, equipment, and vehicles	19,565,399	500,079	-	20,065,478
Total Other Capital Assets	203,552,049	29,380,466	191,718	232,740,797
Less: Accumulated depreciation for				
Buildings and improvements	8,782,543	524,031	5,753	9,300,821
Infrastructure - water and sewer	229,775	77,553	-	307,328
School buildings and improvements	11,370,877	3,976,792	-	15,347,669
Furniture, equipment, and vehicles	14,385,448	891,046	-	15,276,494
Total Accumulated Depreciation	34,768,643	5,469,422	5,753	40,232,312
Other Capital Assets, Net	168,783,406	23,911,044	185,965	192,508,485
Net Capital Assets	$ 180,272,877	$ 24,744,750	$ 9,041,805	$ 195,975,822

Depreciation expense was allocated as follows:

General government administration	$ 227,095
Judicial administration	329,474
Public safety	605,926
Public works	207,695
Education - public school system	3,976,792
Health and welfare	122,440
Total Depreciation Expense	$ 5,469,422

Governmental Activities

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Lease assets				
Machinery and equipment	$ 475,996	$ -	$ 3,246	$ 472,750
Less: accumulated amortization for				
Machinery and equipment	301,158	130,066	25,002	406,222
Lease Assets, Net	$ 174,838	$ (130,066)	$ (21,756)	$ 66,528

	Amortization Expense
General governmental administration	$ 5,425
Judicial administration	7,952
Health and welfare	10,702
Public safety	105,987
Total	$ 130,066

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Component Unit School Board				
Capital Assets Not Being Depreciated				
Land and land improvements	$ 1,968,306	$ -	$ -	$ 1,968,306
Total Capital Assets Not Being Depreciated	1,968,306	-	-	1,968,306
Other Capital Assets				
Buildings and improvements	30,974,096	176,710	-	31,150,806
Furniture, equipment, and vehicles	38,285,226	6,870,128	-	45,155,354
Total Other Capital Assets	69,259,322	7,046,838	-	76,306,160
Less: Accumulated depreciation for				
Buildings and improvements	18,651,165	972,518	-	19,623,683
Furniture, equipment, and vehicles	30,236,995	2,215,396	-	32,452,391
Total Accumulated Depreciation	48,888,160	3,187,914	-	52,076,074
Other Capital Assets, Net	20,371,162	3,858,924	-	24,230,086
Net Capital Assets	$ 22,339,468	$ 3,858,924	$ -	$ 26,198,392

Depreciation expense was allocated as follows:

Education	$ 3,187,914
Total	$ 3,187,914

School Board Component Unit

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Lease assets				
Vehicles	$ 1,035,913	$ -	$ -	$ 1,035,913
Computers and equipment	950,075	-	181,802	768,273
Subtotal	1,985,988	-	181,802	1,804,186
Less: accumulated amortization for				
Vehicles	414,366	207,182	-	621,548
Computers and equipment	329,275	252,669	181,802	400,142
Subtotal	743,641	459,851	181,802	1,021,690
Lease Assets, Net	$ 1,242,347	$ (459,851)	$ -	$ 782,496

	Amortization Expense
Education	$ 459,851
Total	$ 459,851

Component Unit IDA of Mecklenburg County, Virginia

Capital Assets Not Being Depreciated				
Buildings and land held for resale	$ 11,958,066	$ -	$ -	$ 11,958,066
Net Capital Assets	$ 11,958,066	$ -	$ -	$ 11,958,066

9 Compensated Absences

Each County employee earns sick leave at the rate of one day per month. Vacation pay begins with one day per month and increases with length of service. No benefits or pay are received for unused sick leave upon termination unless the employee has been with the County over five years and the employee receives only up to 30 days of unused sick leave. Accumulated vacation up to a maximum of 54 days with 25+ years of service is paid upon termination. The County has outstanding accrued compensated absences totaling $1,899,841 in the Governmental Activities. The Component Unit School Board has $368,005 of compensated absences.

Mecklenburg County Public Schools

Payment of Annual Leave upon Separation
Upon separation, an employee shall receive payment for annual leave up to the maximum accrual rate. Payment shall be calculated using the employee's base hourly rate of pay at the time of separation. In case of the death of an employee, the unused annual leave credit shall be paid to the employee's estate.

Sick Leave Accrual
Upon favorable termination, an employee who has been employed with the County for a minimum of (5) five years, and who has accumulated up to 240 hours of sick leave will be reimbursed for the accumulated leave. Any accumulated leave over 240 hours shall be un-reimbursable and forfeited by the employee.

10 Long-Term Debt

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

Year(s) Ended June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Premium on Bonds
Primary Government			
2026	$ 5,541,334	$ 4,329,812	$ 203,395
2027	5,765,067	4,094,559	203,395
2028	5,623,000	3,857,951	194,473
2029	5,858,000	3,619,708	194,473
2030	6,110,000	3,370,789	194,473
2031-2035	34,113,000	13,305,774	972,360
2036-2040	37,441,000	7,170,900	842,922
2041-2045	18,150,000	2,498,771	325,171
2046-2049	7,450,000	388,566	195,105
Total	126,051,401	42,636,830	3,325,767
Landfill obligation	2,183,785	-	-
Compensated absences	1,899,841	-	-
Total	$ 130,135,027	$ 42,636,830	$ 3,325,767

Year Ending June 30,	Principal	Interest
Component Unit School Board		
Compensated absences	$ 368,005	$ -
Total	$ 368,005	$ -

Year Ending June 30,	Principal	Interest
Component Unit IDA of Mecklenburg County, Virginia		
2026	$ 1,028,394	$ 791,364
2027	1,055,108	753,422
2028	1,038,000	717,019
2029	1,073,000	681,237
2030	1,110,000	644,236
2031-2035	6,153,000	2,619,741
2036-2040	7,291,000	1,482,040
2041-2044	5,005,000	258,335
Total	$ 23,753,502	$ 7,947,394

Changes in Long-Term Debt

The following is a summary of changes in long-term obligations of the County:

	Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025	Due Within One Year
Primary Government					
Governmental Activities					
U.S. Bank, Virginia Public School Authority (VPSA) General Obligation School Bond, Series 2006, proceeds used to construct new South Hill Elementary School; semiannual payments varying between approximately $280,361 and $372,067 with interest rates between 4.60% and 5.10% through January 2027.	$ 1,099,480	$ -	$ 361,079	**$ 738,401**	$ 366,334
U.S. Bank, Virginia Public School Authority (VPSA) School Financing Bonds Series 2017 proceeds used to design and construct the new High School; semiannual payments varying between approximately $2.5 and $2.6 million with interest rates between 2.05% and 5.05% through July 2048.	43,110,000	-	1,115,000	**41,995,000**	1,170,000
U.S. Bank, Virginia Public School Authority (VPSA) School Financing Bonds Series 2018 proceeds used to design and construct the new High School; semiannual payments varying between approximately $2.7 and $2.8 million with interest rates between 3.550% and 5.05% through July 2039.	31,510,000	-	1,485,000	**30,025,000**	1,560,000
Component Unit - Industrial Development Authority, Mecklenburg County, Dated August 2022 to repay the IDA for construction of the Clarksville Elementary School. See IDA disclosure for detail.	24,580,000	-	937,000	**23,643,000**	970,000

	Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025	Due Within One Year
U.S. Bank, Virginia Public School Authority (VPSA) School Financing Bonds Series 2020 proceeds used to design and construct the new High School; semiannual payments varying between approximately $1.315 and $2.285 million with an interest rate of 2.90% through July 2040.	31,085,000	-	1,435,000	**29,650,000**	1,475,000
Total	131,384,480	-	5,333,079	**126,051,401**	5,541,334
Landfill obligation	2,136,776	47,009	-	**2,183,785**	-
Compensated absences	1,830,669	69,172	-	**1,899,841**	189,984
	135,351,925	116,181	5,333,079	**130,135,027**	5,731,318
Add					
Unamortized Premium on Bond Series 2006 Bond	26,765	-	8,921	**17,844**	8,922
Unamortized Premium on Bond Series 2017 Bond	1,560,820	-	65,034	**1,495,786**	65,034
Unamortized Premium on Bond Series 2018 Bond	1,941,576	-	129,439	**1,812,137**	129,439
Total Unamortized Premiums on Bonds	3,529,161	-	203,394	**3,325,767**	203,395
Total Long-Term Indebtedness - Primary Government	$ 138,881,086	$ 116,181	$ 5,536,473	**$ 133,460,794**	$ 5,934,713
Component Unit School Board					
Compensated absences	$ 353,148	$ 14,857	$ -	**$ 368,005**	$ 36,801
Total Component Unit School Board	$ 353,148	$ 14,857	$ -	**$ 368,005**	$ 36,801
Component Unit IDA of Mecklenburg County, Virginia					
Truist Bank, Revenue Bond, dated August 2022; proceeds used to design and construct new Clarksville Elementary School, principal payments due annually with semi-annual interest payments due at a rate of 3.39%; payments due August and February every year for 20 years until August 2042.	$ 24,580,000	$ -	$ 937,000	**$ 23,643,000**	$ 970,000
Note payable dated April 2024; to the IDA of the Town of Chase City, VA for its share of the sale of jointly held property; original principal balance of $86,667 with a stated interest rate of 7.5%; interest payable 3 years	82,345	-	27,094	**55,251**	29,197
Note payable dated April 2024; to the EDA of the Town of Clarksville, for its share of the sale of jointly held property, original principal balance of $86,667 with a stated interest rate of 7.5%; interest payable 3 years	82,345	-	27,094	**55,251**	29,197
Total Component Unit IDA of Mecklenburg County, Virginia	$ 24,744,690	$ -	$ 991,188	**$ 23,753,502**	$ 1,028,394

11 Leases

County's Component Unit - IDA as Lessor

The County's Component Unit - IDA has entered into an agreement as lessor for land and building properties. The lease agreements are summarized as follows:

Property Description	Date	Payment Terms	Payment Amount	Interest Rate	Balance June 30, 2025
Building, Chase City, Virginia	1/1/2021	1 year, renewable	$6,000 per month	4.00%	**$ 35,216**
					$ 35,216

Lease-Related Revenue	Year Ending June 30, 2025
Lease revenue	$ 126,413
Interest revenue	5,181
Total	$ 131,594

Remaining amounts to be received with these leases are as follows:

Fiscal Year	Receivable Principal	Interest Income	Total
2026	$ 35,216	$ 784	$ 36,000
	$ 35,216	$ 784	$ 36,000

County as Lessee

Lease agreements resulting in lease liabilities for the County are summarized as follows:

Governmental Activities

Description	Date	Payment Terms	Payment Amount	Interest Rate	Balance June 30, 2025
Motorola, watch guard video equipment - Sheriff	1/1/2021	48 months	$80,371 per year	1.99%	$ 78,789
DocuSystems	4/12/2023	60 months	$982 per month	4.00%	30,646
Copy machines, various departments	Various	36 to 48 months	Varies	2.00%	19,734
					$ 129,169

	Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025	Due Within One Year
Lease liabilities	$ 208,289	$ -	$ 79,120	$ 129,169	$ 95,636

Remaining principal and interest on leases are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 95,636	$ 2,951	$ 98,587
2027	17,408	808	18,216
2028	14,000	239	14,239
2029	2,125	20	2,145
	$ 129,169	$ 4,018	$ 133,187

Lease agreements resulting in lease liabilities for the School Board are summarized as follows:

Component Unit School Board

Description	Date	Payment Terms	Payment Amount	Interest Rate	Balance June 30, 2025
Laurel Capital Corporation for buses	7/30/2022	60 months	$222,872 per year	3.55%	$ 422,558
					$ 422,558

	Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025	Due Within One Year
Lease liabilities	$ 622,865	$ -	$ 200,307	$ 422,558	$ 207,535

Remaining principal and interest payments on leases are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 207,535	$ 15,247	$ 222,782
2027	215,023	7,759	222,782
	$ 422,558	$ 23,006	$ 445,564

12 Net Investment in Capital Assets

The "net investment in capital assets" amount reported on the government-wide Statement of Net Position as of June 30, 2025 is determined as follows:

	Governmental Activities	Component Unit School Board	Component Unit IDA
Net Investment in Capital Assets			
Capital Assets			
Cost of capital assets	$ 236,208,134	$ 78,274,466	$ 11,958,066
Less: Accumulated depreciation/amortization	(40,232,312)	(52,076,074)	-
Book value	195,975,822	26,198,392	11,958,066
Lease Assets			
Cost of lease assets	$ 472,750	$ 1,804,186	$ -
Less: Accumulated depreciation/amortization	(406,222)	(1,021,690)	-
Book value	66,528	782,496	-
Less: Capital related debt	(126,051,401)	-	-
Less: Lease liabilities	(129,169)	(422,558)	-
Less: Unamortized debt issuance premium	(3,325,767)	-	-
Net Investment in Capital Assets	$ 66,536,013	$ 26,558,330	$ 11,958,066

13 Deferred Inflows of Resources

Deferred inflows of resources from unavailable revenue – taxes and other are comprised of the following:

Primary Government	
General Fund	
Delinquent taxes not collected within 60 days	$ 2,323,837
Prepaid property taxes - property taxes paid in advance	79,741
Other deferred credits	8,803
Other Governmental Funds	
Opioid Funds	529,206
Total Deferred Inflows of Resources - Primary Government	$ 2,941,587
Component Unit IDA	
Lease revenues	$ 60,776
Total Deferred Inflows of Resources - Component Unit IDA	$ 60,776

14 Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County 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 County pays an annual premium to the pool for substantially all of its insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss, including employee dishonesty and employee health and accident insurance. The Component Unit School Board carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Surety bond coverage is as follows:

Title	Surety	Amount
Clerk of the Circuit Court	Commonwealth of Virginia Faithful Performance of Duty Bond Plan	$2,210,000
Commissioner of Revenue	Commonwealth of Virginia Faithful Performance of Duty Bond Plan	3,000
Treasurer	Commonwealth of Virginia Faithful Performance of Duty Bond Plan	400,000
Sheriff	Commonwealth of Virginia Faithful Performance of Duty Bond Plan	30,000
School Board Employees	Utica Insurance Company	2,500
All County Employees	VACo Insurance Programs	250,000
Department of Social Services	VACo Insurance Programs	250,000

15 Commitments and Contingencies

Federal programs in which the County and all discretely presented component units participate were audited 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). Pursuant to the requirements of the Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

16 Litigation

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

17 Legal Compliance

The Virginia Public Finance Act contains state law for issuance of long-term and short-term debt. The Act states, in part, that no municipality may issue bonds or other interest-bearing obligations, including existing indebtedness, which will at any time exceed 10% of the assessed valuation on real estate as shown by the last preceding assessment for taxes. Short-term revenue anticipation bonds/notes, general obligation bonds approved in a referendum, revenue bonds, and contract obligations for publically owned or regional projects should not be included in the debt limitation.

Computation of Legal Debt Margin

Total Assessed Value of Taxed Real Estate	$ 7,969,714,600
Debt Limit per Constitution of Virginia - 10% Assessed Value	$ 796,971,460
Amount of Debt Applicable to Debt Limit	
Gross debt	126,051,401
Legal Debt Margin - June 30, 2025	$ 670,920,059

18 Landfill Closure and Post-Closure Costs

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The County will recognize the remaining estimated cost of closure and post-closure care of $2,183,785 as the remaining estimated capacity of the landfill is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2025. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County has cash of $436,308 held for these purposes. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

19 Appropriation to School from General Fund

Following is a summary of adjustments made to the local school appropriation when converting from fund financial statements to government-wide financial statements:

School Board Appropriation in the Fund Financial Statements	
From the General Fund to School Fund	$29,896,915
From the General Fund to School Textbook Fund	225,056
From the School Fund to School Capital Outlay Fund	1,258,277
Net School Board Appropriation for the Fund Financial Statements	31,380,248
Adjustments for	
Payment of principal and interest on school debt for buildings	(8,134,117)
Trane payment and end of year excess transfer	(207,179)
Construction on new Clarksville Elementary renovation	(16,365,573)
Depreciation on school buildings and other fixed assets	3,976,792
Adjusted School Board Appropriation in the Government-Wide Financial Statements	$10,650,171

20 Tax Abatement Disclosures

The County and its component unit, IDA, negotiates property tax abatement agreements on an individual basis. The County has no tax abatement agreements with any entity as of June 30, 2025. The previous tax abatement in effect as of June 30, 2024 and earlier years was terminated as of June 30, 2024. The tax abatement agreement was replaced with a compromise that established a new property tax for data centers.

21 Pension Plan

Plan Description

All full-time, salaried permanent (professional) employees of the Political Subdivision are automatically covered by a VRS Retirement Plan upon employment. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This plan is 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.

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. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS

PLAN 1

About Plan 1

Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.

Eligible Members

Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.

Hybrid Opt-In Election

VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.

PLAN 2

About Plan 2

Same as Plan 1.

Eligible Members

Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. *Teachers:* Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013.

Hybrid Opt-In Election

Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.

HYBRID RETIREMENT PLAN

About the Hybrid Retirement Plan

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.

- The defined benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.
- The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
- In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Eligible Members

Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- Political subdivision employees*
- School division employees
- Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 - April 30, 2014; the plan's effective date for opt-in members was July 1, 2014

**Non-Eligible Members*

Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions	***Retirement Contributions***	***Retirement Contributions***
Members contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	Same as Plan 1.	A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit	***Service Credit***	***Service Credit***
Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Same as Plan 1.	**Defined Benefit Component:** Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **Defined Contributions Component:** Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
Vesting	***Vesting***	***Vesting***
Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	Same as Plan 1.	**Defined Benefit Component:** Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **Defined Contributions Component:** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. •After two years, a member is 50% vested and may withdraw 50% of employer contributions. •After three years, a member is 75% vested and may withdraw 75% of employer contributions. •After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law until age 73.
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	***Calculating the Benefit*** See definition under Plan 1.	***Calculating the Benefit*** **Defined Benefit Component:** See definition under Plan 1. **Defined Contribution Component:** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	***Average Final Compensation*** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	***Average Final Compensation*** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier **VRS:** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.	***Service Retirement Multiplier*** **VRS:** Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.	***Service Retirement Multiplier*** **Defined Benefit Component:** **VRS:** The retirement multiplier for the defined benefit component 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.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	**Sheriffs and regional jail superintendents:** Same as Plan 1.	**Sheriffs and regional jail superintendents:** Not applicable.
Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	**Political subdivision hazardous duty employees:** Same as Plan 1.	**Political subdivision hazardous duty employees:** Not applicable. **Defined Contribution Component** Not applicable.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age	***Normal Retirement Age***	***Normal Retirement Age***
VRS: Age 65. **Political subdivisions hazardous duty employees:** Age 60.	**VRS:** Normal Social Security retirement age. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Defined Benefit Component:** **VRS:** Same as Plan 2. **Political subdivisions hazardous duty employees:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility	***Earliest Unreduced Retirement Eligibility***	***Earliest Unreduced Retirement Eligibility***
VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. **Political subdivisions hazardous duty employees:** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**VRS:** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equal 90. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Defined Benefit Component:** **VRS:** Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90. **Political subdivisions hazardous duty employees:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility	***Earliest Reduced Retirement Eligibility***	***Earliest Reduced Retirement Eligibility***
VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. **Political subdivisions hazardous duty employees:** Age 50 with at least five years of service credit.	**VRS:** Age 60 with at least five years (60 months) of service credit. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Defined Benefit Component:** **VRS:** Age 60 with at least five years (60 months) of service credit. **Political subdivisions hazardous duty employees:** Not applicable **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement	***Cost-of-Living Adjustment (COLA) in Retirement***	***Cost-of-Living Adjustment (COLA) in Retirement***
The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. *Eligibility:* For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. *Eligibility:* *Same as Plan 1*	**Defined Benefit Component:** Same as Plan 2 **Defined Contribution Component:** Not applicable *Eligibility:* *Same as Plan 1*

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: •The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. •The member retires on disability. •The member retires directly from short-term or long-term disability. •The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. •The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.	*Exceptions to COLA Effective Dates:* Same as Plan 1	*Exceptions to COLA Effective Dates:* Same as Plan 1
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased, or granted.	***Disability Coverage*** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.	***Disability Coverage*** Employees of political subdivisions and school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts towards vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	***Purchase of Prior Service*** Same as Plan 1	***Purchase of Prior Service*** **Defined Benefit Component:** Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. **Defined Contribution Component:** Not applicable

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 - County	School Board - General Employees
	Number	Number
Inactive members or their beneficiaries currently receiving benefits	156	75
Inactive members:		
Vested inactive members	36	21
Non-vested inactive members	47	64
LTD	0	0
Inactive members active elsewhere in VRS	74	14
Active members	225	63
Total covered employees	538	237

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 and school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

If the employer used the certified rate: The County of Mecklenburg, Virginia's contractually required contribution rate for the year ended June 30, 2025 was 12.12% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County of Mecklenburg, Virginia were $1,722,931 and $1,451,480 for the years ended June 30, 2025 and June 30, 2024, respectively.

For the County of Mecklenburg, Virginia school board – general employees, employee contributions were $142,796 and $170,807 for the years ended June 30, 2025 and June 30, 2024, respectively.

Each school division's contractually required contribution rate for the year ended June 30, 2025 was 14.21% 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, 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. Contribution to the pension plan from the County of Mecklenburg, Virginia school division were $4,166,971 and $4,638,023 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 $570,563 for the primary

government - county, $13,816 for the component unit school board – general employees, and $122,862 for the county's school division - teachers 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 $41,590 for the primary government - county, $12,560 for the component unit school board – general employees, and $111,697 for the county's school division - teachers for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $612,153 for the primary government - county, $26,376 for the component unit school board – general employees, and $234,559 for the county's school division - teachers for the year ended June 30, 2025.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For County of Mecklenburg, Virginia, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

Net Pension Liability – Teacher Employee Retirement Plan

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

	Teacher Employee Retirement Plan
Total Pension Liability	$60,622,260
Plan Fiduciary Net Position	51,235,326
Employer's Net Pension Liability (Asset)	$ 9,386,934
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.

Actuarial Assumptions – General Employees and School Division – Teachers

The total pension liability for General Employees in the Political Subdivision's and VRS Teacher Retirement Plans 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.

	General Employees	Teachers
Inflation	2.50%	2.50%
Salary increases, including inflation	3.50% - 5.35%	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation	6.75%, net of pension plan investment expenses, including inflation

Political Subdivisions

Mortality rates:

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

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

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

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

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

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

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 PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Division – Teacher

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

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 PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

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

Mortality rates:

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

Pre-Retirement:

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

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:

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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%**

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

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

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 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. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be 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. For the year ended June 30, 2024, the employer contribution rate used is 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

Primary Government - County

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$62,363,391	$57,638,697	$ 4,724,694
Changes for the Year			
Service cost	1,464,317	-	1,464,317
Interest	4,201,535	-	4,201,535
Benefit changes	-	-	-
Assumption changes	-	-	-
Differences between expected and actual experience	2,583,113	-	2,583,113
Contributions - employer	-	1,371,450	(1,371,450)
Contributions - employee	-	686,143	(686,143)
Net investment income	-	5,567,122	(5,567,122)
Benefit payments, including refunds	(3,165,483)	(3,165,483)	-
Administrative expenses	-	(36,731)	36,731
Other changes	-	1,159	(1,159)
Net Changes	5,083,482	4,423,660	659,822
Balances at June 30, 2024	$67,446,873	$62,062,357	$ 5,384,516

Component Unit School Board - General Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 6,534,459	$ 6,240,803	$ 293,656
Changes for the Year			
Service cost	161,406	-	161,406
Interest	435,249	-	435,249
Benefit changes	-	-	-
Assumption changes	-	-	-
Differences between expected and actual experience	203,265	-	203,265
Contributions - employer	-	145,953	(145,953)
Contributions - employee	-	78,675	(78,675)
Net investment income	-	595,577	(595,577)
Benefit payments, including refunds	(495,461)	(495,461)	-
Administrative expenses	-	(4,148)	4,148
Other changes	-	117	(117)
Net Changes	304,459	320,713	(16,254)
Balances at June 30, 2024	$ 6,838,918	$ 6,561,516	$ 277,402

Sensitivity of the County of Mecklenburg, Virginia and County of Mecklenburg, Virginia School Division's – Teacher Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County of Mecklenburg, Virginia and the County of Mecklenburg, Virginia school division's – teachers proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the County of Mecklenburg, Virginia's and County of Mecklenburg, Virginia school division's – teachers 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Primary Government - County Political subdivision's			
Net Pension Liability (Asset)	$ 14,005,560	$ 5,384,516	$ (1,740,014)
Component Unit School Board - General Employees Political subdivision's			
Net Pension Liability (Asset)	$ 932,997	$ 277,402	$ (238,152)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability	$ 45,774,109	$ 24,638,826	$ 7,329,701

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

For the year ended June 30, 2025, the County of Mecklenburg, Virginia recognized pension expense of $1,343,786.

For the year ended June 30, 2025, the County of Mecklenburg, Virginia school board – general employees recognized pension expense of $92,529.

At June 30, 2025, the County of Mecklenburg, Virginia school division – teachers reported a liability of $24,638,826 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 County of Mecklenburg, Virginia school division's proportion of the Net Pension Liability was based on the County of Mecklenburg, Virginia 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 .26248% as compared to .27239% at June 30, 2023.

For the year ended June 30, 2025, the County of Mecklenburg, Virginia school division recognized pension expense of $2,086,915. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government - County		
Differences between expected and actual experience	$ 2,887,372	$ 89,527
Change in assumptions		-
Net difference between projected and actual earnings on pension plan investments	-	1,598,699
Employer contributions subsequent to the measurement date	1,722,931	-
Total - Primary Government	$ 4,610,303	$ 1,688,226
Component Unit School Board - General Employees		
Differences between expected and actual experience	$ 84,397	$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	178,335
Employer contributions subsequent to the measurement date	142,796	-
Total	$ 227,193	$ 178,335
Component Unit School Board - Teachers		
Differences between expected and actual experience	$ 4,274,489	$ 507,331
Net difference between projected and actual earnings on pension plan investments	-	3,391,549
Change in assumptions	447,228	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	190,256	1,479,142
Employer contributions subsequent to the measurement date	4,166,971	-
Total	$ 9,078,944	$ 5,378,022
Total Component Unit School Board	$ 9,306,137	$ 5,556,357

$1,722,931 for the County, $142,796 for school general employees, and $4,166,971 for teachers reported as deferred outflows of resources related to pensions resulting from the County of Mecklenburg, Virginia and the County of Mecklenburg, Virginia school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30,	Primary Government County	Component Unit School Board General Employees	Teachers
2026	$ 171,173	$ (75,152)	$ (2,027,242)
2027	1,450,061	51,262	1,820,744
2028	(79,066)	(33,328)	173,247
2029	(343,022)	(36,720)	(432,798)
2030	-	-	-
Thereafter	-	-	-

Pension Plan Fiduciary Net Position

Detailed information about the VRS Political Subdivision's and Teacher Retirement Plans' 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 varetire.org/media/shared/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.

Aggregate Pension Information

	Primary Government					Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net Pension Liability	Net Pension (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability	Net Pension (Asset)	Pension Expense
VRS Pension Plans										
Primary Government	$ 4,610,303	$ 1,688,226	$ 5,384,516	$ -	$ 1,343,786	$ -	$ -	$ -	$ -	$ -
School Board - General Employees	-	-	-	-	-	227,193	178,335	277,402	-	92,529
School Board - Teachers	-	-	-	-	-	9,078,944	5,378,022	24,638,826	-	2,086,915
Totals	$ 4,610,303	$ 1,688,226	$ 5,384,516	$ -	$ 1,343,786	$ 9,306,137	$ 5,556,357	$ 24,916,228	$ -	$ 2,179,444

22 Other Post-Employment Benefits - Group Life Insurance Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is 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 Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City Schools Board Basic group life insurance 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 benefits payable under the Group Life Insurance Program have several components. • *Natural Death Benefit:* The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • *Accidental Death Benefit:* The accidental death benefit is double the natural death benefit. • *Other Benefit Provisions:* In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: Accidental dismemberment benefit Safety belt benefit Repatriation benefit Felonious assault benefit Accelerated death benefit option
Reduction in Benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program 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.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,532 as of June 30, 2025.

Contributions

The contribution requirements for the Group Life Insurance Program 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 Group Life Insurance Program 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. Contribution to the Group Life Insurance Program from the entity were $66,872 and $76,029 for the years ended June 30, 2025 and June 30, 2024, respectively.

For the school board – general employees, contributions to the Group Life Insurance Program were $9,358 and $9,856 for the years ended June 30, 2025 and June 30, 2024, respectively.

For the school board – teacher, contributions to the Group Life Insurance Program were $138,129 and $150,864 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 Group Life Insurance Program OPEB

At June 30, 2025, the participating employer reported a liability of $611,972 for the political subdivision, $79,342 for the school board – general employees, and $1,214,235 for the school board – teacher 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 Group Life Insurance Program 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 .05484% for the political subdivision, .00711% for the school board – general employees, and .10881% for the school board – teacher as compared to .05094% for the political subdivision, .00786% for the school board – general employees, and .11516% for the school board – teacher at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expenses of $36,919 for the political subdivision, $5,199 for the school board – general employees, and $4,398 for school board – teacher. 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Differences between expected and actual experience	$ 96,522	$ 14,948
Net difference between projected and actual earnings on GLI OPEB program investments	-	51,583
Change in assumptions	3,488	30,328
Changes in proportionate share	70,674	449
Employer contributions subsequent to the measurement date	66,872	-
Total	$ 237,556	$ 97,308
School Board		
Differences between expected and actual experience	$ 12,514	$ 1,938
Net difference between projected and actual earnings on GLI OPEB program investments	-	6,688
Change in assumptions	452	3,932
Changes in proportionate share	14,759	11,202
Employer contributions subsequent to the measurement date	9,358	-
Total	$ 37,083	$ 23,760

	Deferred Outflows of Resources	Deferred Inflows of Resources
Teacher		
Differences between expected and actual experience	$ 191,513	$ 29,660
Net difference between projected and actual earnings on GLI OPEB program investments	-	102,347
Change in assumptions	6,921	60,175
Changes in proportionate share	23,105	124,258
Employer contributions subsequent to the measurement date	138,129	-
Total	$ 359,668	$ 316,440

$66,872 for the political subdivision, $9,358 for school board – general employees, and $138,129 for school board – teacher 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:

Year Ended June 30,	Primary Government	School Board	Teacher
2026	$ (5,274)	$ (520)	$ (73,991)
2027	27,739	2,345	(3,809)
2028	16,132	2,196	(15,826)
2029	18,213	68	(8,639)
2030	16,566	(124)	7,364
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.

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

Mortality rates – Teachers

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

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

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

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year 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 PUB2010 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

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 PUB2010 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

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 PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program'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 Group Life Insurance Program are as follows (amounts expressed in thousands):

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

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

Discount Rate

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

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
State Agency's Proportionate Share of the Group Life Insurance Plan			
Net OPEB Liability - Primary Government	$ 951,695	$ 611,972	$ 337,520
Net OPEB Liability - School Division	$ 123,387	$ 79,342	$ 43,759
Net OPEB Liability - Teacher	$ 1,888,293	$ 1,214,235	$ 669,685

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program'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 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.

23 Other Post-Employment Benefits - Health Insurance Credit Program

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This plan is 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 health insurance credit 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 Health Insurance Credit Program OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees: • *At Retirement*: 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. • *Disability Retirement*: 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.
Health Insurance Credit Program Notes: • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • No health insurance credit for premiums paid and qualified under LODA, however, the employee may receive the credit for the 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 health insurance credit as a retiree.

Employees Covered by Benefit Terms

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Number
Component Unit School Board General Employees	
Inactive members or their beneficiaries currently receiving benefits	17
Vested inactive members	3
Active elsewhere in VRS	12
Active members	63
Total covered employees	95

Contributions

The contribution requirement for active employees is governed by §51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County of Mecklenburg, Virginia's component unit school board-general employees contractually required employer contribution rate for the year ended June 30, 2025 was 1.12% 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 County of Mecklenburg, Virginia to the Component Unit School Board-General Employees' Health Insurance Credit Program were $22,244 and $20,395 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

The County of Mecklenburg, Virginia's net Health Insurance Credit OPEB liability was measured as of June 30, 2024. The total Health Insurance Credit 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%
Locality - Hazardous Duty Employees	3.50% - 4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

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 PUB2010 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

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 PUB2010 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

Long-Term Expected Rate of Return

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

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

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 ending June 30, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability:

Component Unit School Board
General Employees

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balances at June 30, 2023	$ 104,993	$ 39,597	$ 65,396
Changes for the Year			
Service cost	1,305	-	1,305
Interest	6,946	-	6,946
Benefit changes	-	-	-
Assumption changes	-	-	-
Differences between expected and actual experience	(1,122)	-	(1,122)
Contributions - employer	-	20,395	(20,395)
Net investment income	-	4,641	(4,641)
Benefit payments	(6,781)	(6,781)	-
Administrative expenses	-	(71)	71
Other changes	-	-	-
Net Changes	348	18,184	(17,836)
Balances at June 30, 2024	$ 105,341	$ 57,781	$ 47,560

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

The following presents the Political Subdivision Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the Political subdivision'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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board General Employees			
Net HIC OPEB Liability	$ 57,523	$ 47,560	$ 38,989

Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Program OPEB

For the year ended June 30, 2025, the County of Mecklenburg, Virginia recognized Health Insurance Credit Program OPEB expense of $(14,881) for the component unit school board-general employees. At June 30, 2025, the County of Mecklenburg, Virginia reported deferred outflows of resources and deferred inflows of resources related to the County of Mecklenburg, Virginia's Health Insurance Credit Program from the following sources:

Component Unit School Board General Employees

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 57,880
Net difference between projected and actual earnings on HIC OPEB program investments	-	902
Change in assumptions	4,609	-
Changes in proportionate share	-	-
Employer contributions subsequent to the measurement date	22,244	-
Total	$ 26,853	$ 58,782

$22,244 for the component unit school board-general employees reported as deferred outflows of resources related to the HIC OPEB resulting from the County of Mecklenburg, Virginia'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 periods as follows:

Year Ended June 30,	
Component Unit School Board General Employees	
2026	$ (23,699)
2027	(27,138)
2028	(2,995)
2029	(341)
2030	-
Thereafter	-

Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision Health Insurance Credit Program 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 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.

24 Other Post-Employment Benefits - Teacher Employee Health Insurance Credit Program

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. This plan is 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 health insurance credit 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 Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
Eligible Employees The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Benefit Amounts
The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:
• *At Retirement:* 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.
• *Disability Retirement:* 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.

Health Insurance Credit Program Notes: • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement 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 Health Insurance Credit Program. 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 County of Mecklenburg, Virginia school division to the VRS Teacher Employee Health Insurance Credit Program were $354,823 and $337,666 for the years ended June 30, 2025 and June 30, 2024, respectively.

Teacher Employee Health Insurance Credit Program OPEB Liabilities, Teacher Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Teacher Employee Health Insurance Credit Program OPEB

At June 30, 2025, the County of Mecklenburg, Virginia school division reported a liability of $3,010,116 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Program 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 County of Mecklenburg, Virginia school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program 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 County of Mecklenburg, Virginia school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was .26047% as compared to .27119% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of $181,430. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee Health Insurance Credit Program 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 County of Mecklenburg, Virginia school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 142,612
Net difference between projected and actual earnings on Teacher HIC OPEB program investments	-	10,707
Change in assumptions	51,856	-
Changes in proportionate share and differences between actual and expected contributions	69,471	259,961
Employer contributions subsequent to the measurement date	354,823	-
Total	$ 476,150	$ 413,280

$354,823 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30,	
2026	$ (62,384)
2027	(47,990)
2028	(63,338)
2029	(55,503)
2030	(41,435)
Thereafter	(21,303)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Program 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 plan investment expenses, including inflation

Mortality rates – Teachers

Pre-Retirement:

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

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

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

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

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

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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program'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 Health Insurance Credit Program is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	$1,478,105
Plan Fiduciary Net Position	322,457
Teacher Employee net HIC OPEB Liability (Asset)	$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 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 return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.*

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

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 ending June 30, 2024, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Program 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 County of Mecklenburg, Virginia School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the County of Mecklenburg, Virginia school division's proportionate share of the VRS Teacher Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the County of Mecklenburg, Virginia 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 3,423,253	$ 3,010,116	$ 2,659,945

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit Program'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 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.

25 Other Postemployment Benefits

Plan Description

In addition to pension benefits offered by Virginia Retirement System, the County and School Board provides postemployment healthcare benefits. These benefits are governed by the County and School Board and can be amended by the County and School Board. The County and School Board provide healthcare insurance to retirees and their dependents. Very strict criteria have to be met to qualify for the benefits and the retirees come off the plan once they start receiving Medicare benefits at age 65.

County OPEB

Eligibility

Participants in the Mecklenburg County OPEB plan must meet the eligibility requirements based on service earned with the County to be eligible to receive benefits upon retirement. Participants who do not retire directly from active service are not eligible for the benefit. Participants must have attained age 50 with at least 30 years of service with the County to be eligible for health benefits.

Health benefits include medical only. The plan does provide for separate dental or vision coverage, but retirees pay the entire cost of coverage so there is no GASB liability for dental or vision coverage.

Relationship between Valuation Date, Measurement Date, and Reporting Date

The valuation date is January 1, 2025. This is the date as of which the actuarial valuation is performed. The Measurement date is June 30, 2025. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2025. This is the plan's and/or employer's fiscal year ending date.

Significant Changes

Mecklenburg County Social Services employees and retirees are included in the County's January 1, 2025 Total OPEB Liability for the first time. Social Services retirees have the same OPEB eligibility requirements and benefits as County retirees.

Participant Data as of January 1, 2025

	County
Number of participants	
Active	222
Retirees	8
Spouses of retirees	5
Beneficiaries	-
Total Participants	235

Actuarial Methods and Assumptions Used for Funding Policy

The following actuarial methods and assumptions used in the January 1, 2025 funding valuation. Please see the valuation report dated September 5, 2025 for further details.

Valuation Timing	Actuarial valuations for funding purposes are performed biennially as of January 1. The most recent valuation was performed as of January 1, 2025.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	
Level percent or level dollar	Level percentage of payroll
Closed, open, or layered periods	Closed
Amortization period at January 1, 2025	16 years
Amortization growth rate	3.00%
Asset Valuation Method	Market value
Inflation	2.50%
Salary Increases	Please see 01/01/2025 OPEB valuation report
Discount Rate	6.50%
Healthcare Trend Rates	Please see 01/01/2025 OPEB valuation report

Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2025.

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	20.00%	2.35%	2.20%
US Large Cap Equity	S&P 500 TR USD	21.00%	5.39%	3.78%
US Small Cap Equity	Russell 2000 TR USD	10.00%	6.80%	4.22%
Foreign Developed Equity	MSCI EAFE NR USD	13.00%	6.61%	4.79%
Emerging Markets Equity	MSCI EM NR USD	5.00%	8.78%	5.73%
Private Real Estate Property - Core	NCREIF Property	15.00%	5.99%	4.57%
Private Equity	Cambridge Associates US Private Equity	10.00%	10.43%	6.22%
Hedge Fund of Funds-Strategic	HFRI FOF Strategic	6.00%	2.49%	1.95%
Assumed Inflation - Mean			2.28%	2.28%
Assumed Inflation - Standard Deviation			1.47%	1.47%
Portfolio Real Mean Return			5.67%	4.74%
Portfolio Nominal Mean Return			7.95%	7.13%
Portfolio Standard Deviation				13.32%
Long-Term Expected Rate of Return				**6.50%**

Changes in Net OPEB Liability

County - OPEB

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balances as of June 30, 2024	$ 2,460,151	$ 3,095,011	$ (634,860)
Changes for the Year			
Service cost	33,690	-	33,690
Interest on total OPEB liability	155,890	-	155,890
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	677,981	-	677,981
Effect of assumptions changes or inputs	6,743	-	6,743
Benefit payments	(194,143)	(194,143)	-
Employer contributions	-	194,143	(194,143)
Member contributions	-	-	-
Net investment income	-	273,519	(273,519)
Administrative expenses	-	(3,409)	3,409
Net Changes	680,161	270,110	410,051
Balances as of June 30, 2025	$ 3,140,312	$ 3,365,121	$ (224,809)

Sensitivity Analysis

The following presents the County's Net OPEB Liability calculated using the discount rate of 6.50%, as well as what the County's Net OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

Using Discount Rates	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Total OPEB Liability	$ 3,442,003	$ 3,140,312	$ 2,874,065
Fiduciary Net Position	3,365,121	3,365,121	3,365,121
Net OPEB Liability/(Asset)	$ 76,882	$ (224,809)	$ (491,056)

The following presents the County's Net OPEB Liability calculated using the current healthcare cost trend rates, as well as what the County's Net OPEB Liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

Using Current Healthcare Cost Trend Rates	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 2,844,502	$ 3,140,312	$ 3,481,791
Fiduciary Net Position	3,365,121	3,365,121	3,365,121
Net OPEB Liability/(Asset)	$ (520,619)	$ (224,809)	$ 116,670

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB Retiree Health Insurance from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 541,323	$ 46,340
Changes of assumptions	44,317	-
Net difference between projected and actual earnings on OPEB plan investments	-	29,049
Change in proportionate share	-	-
Employer contributions subsequent to the measurement date	-	-
Total	$ 585,640	$ 75,389

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2026	$ 191,020
2027	136,818
2028	120,821
2029	61,592
2030	-
Thereafter*	-

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

OPEB Liability

The Total OPEB Liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period must be reflected as prescribed by GASB 74 and 75.

Discount Rate

Discount Rate	6.50%
Long-Term Expected Rate of Return, Net of Investment Expense	6.50%
Municipal Bond Rate	N/A

The 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 discount rate for calculating the Total OPEB Liability is equal to the long-term expected rate of return.

Other Key Actuarial Assumptions

The demographic assumptions used to determine the Total OPEB Liability as of June 30, 2025 were based on the results of an actuarial experience study for the Virginia Retirement System covering the period from July 1, 2016 to June 30, 2020. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 20, 2021.

Valuation Date	January 1, 2023	January 1, 2025
Measurement Date	June 30, 2024	June 30, 2025
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.50%	2.50%
Healthcare Trend Rate	Please see 01/01/2023 OPEB valuation report	Please see 01/01/2025 OPEB valuation report
Salary Increases Including Inflation	Please see 01/01/2023 OPEB valuation report	Please see 01/01/2025 OPEB valuation report

Please see Milliman's January 1, 2025 OPEB valuation report dated September 5, 2025 for more details.

School Board OPEB

Eligibility

School Board OPEB plan participants generally include active employees, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits. These participants must meet the eligibility requirements to receive benefits upon retirement.

	School Board
Number of participants	
Active	575
Retirees	12
Spouses	1
Total Participants	588

Methods and Assumptions

Summary of Methods	
Valuation/Census Data Date	July 1, 2024
Measurement Date	July 1 2024 and July 1, 2025
Actuarial Cost Method	Entry Age, level percentage of pay
Actuarial Assets	None
Amortization of Deferred Resource Flows	Average of expected remaining service on a closed basis for differences between expected and actual experience and assumption changes.

Economic Assumptions	
Discount Rate	4.10%
20-Year Municipal Bond Yield	4.10%
Inflation Rate	2.50%
Salary Increases	Service graded table
Medical Trend Rate	6.50% as of July 1, 2024 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Dental Trend Rate	N/A

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Other Assumptions	
Mortality	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale
Disability	None
Withdrawal	Depending on gender, years of service, age, hire date and position (teacher or support staff)
Retirement	Depending on gender, years of service, age, hire date and position (teacher or support staff)
Expenses	Assumed paid outside of Plan
Percent Married	Current Retirees: Actual retiree/spouse elections used Future Retirees: Males 100%, Females 100%
Age Difference	Actual spouse birthdate for current retirees (if provided). For all others, males assumed to be 3 years older than females.
Retiree Plan Participation	**Future Retirees Electing Coverage:** Pre-65 subsidy available: N/A Pre-65 subsidy not available: 35%
Percent of Married Retirees Electing Spouse Coverage	**Percent Future Retirees Electing Pre-65 Spouse Coverage:** Spouse subsidy available: N/A Spouse subsidy not available: 15%
Benefits Not Included	None

Changes in Net OPEB Liability

School Board - OPEB

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - Beginning of Measurement Year	$ 1,556,039	$ -	$ 1,556,039
Changes for the Year			
Service cost	84,359	-	84,359
Interest costs	60,359	-	60,359
Assumption changes	5,420	-	5,420
Plan changes	-	-	-
Difference between expected and actual experience	(147,747)	-	(147,747)
Benefit payments	(104,962)	-	(104,962)
Other changes	-	-	-
Net Changes	(102,571)	-	(102,571)
Balances - End of Measurement Year	$ 1,453,468	$ -	$ 1,453,468

Sensitivity Analysis

The following presents the School Board's Net OPEB Liability calculated using the selected discount rate of 3.10%, as well as what the School Board's Net OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.10%) or 1 percentage point higher (4.10%) than the current rate.

Using Discount Rates	1% Decrease 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB Liability	$ 1,543,946	$ 1,453,468	$ 1,366,617
Fiduciary Net Position	-	-	-
Net OPEB Liability	$ 1,543,946	$ 1,453,468	$ 1,366,617

The following presents the School Board's Net OPEB Liability calculated using the current healthcare cost trend rates, as well as what the School Board's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates.

Using Current Healthcare Cost Trend Rates (6.25% decreasing to 5.00% then 4.00%)	1% Decrease	Selected Healthcare Trend Rate	1% Increase
Total OPEB Liability	$ 1,317,441	$ 1,453,468	$ 1,610,222
Fiduciary Net Position	-	-	-
Net OPEB Liability	$ 1,317,441	$ 1,453,468	$ 1,610,222

Deferred Outflows/Inflows of Resources

Deferred outflows of resources and deferred inflows of resources relating to OPEB for the year ending June 30, 2025 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 188,354
Changes in assumptions	4,065	72,663
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to the measurement date	87,887	-
Total	$ 91,952	$ 261,017

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30,	
2026	$ (150,061)
2027	(71,310)
2028	(35,581)
2029	-
2030	-
Thereafter	-

26 Aggregate OPEB Information

	Primary Government					Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	Net OPEB (Asset)	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	Net OPEB (Asset)	OPEB Expense
VRS OPEB Plans										
Group Life Insurance										
Primary Government	$ 237,556	$ 97,308	$ 611,972	$ -	$ 36,919	$ -	$ -	$ -	$ -	$ -
School Board - General Employees	-	-	-	-	-	37,083	23,760	79,342	-	5,199
School Board - Teachers	-	-	-	-	-	359,668	316,440	1,214,235	-	4,398
Health Insurance Credit										
Primary Government	-	-	-	-	-	-	-	-	-	-
School Board - General Employees	-	-	-	-	-	26,853	58,782	47,560	-	(14,881)
School Board - Teachers	-	-	-	-	-	476,150	413,280	3,010,116	-	181,430
Retiree Health Insurance										
Primary Government	585,640	75,389	-	(224,809)	72,879	-	-	-	-	-
School Board	-	-	-	-	-	91,952	261,017	1,453,468	-	(5,349)
Totals	$ 823,196	$ 172,697	$ 611,972	$ (224,809)	$ 109,798	$ 991,706	$ 1,073,279	$ 5,804,721	$ -	$ 170,797

27 Fund Balances – Governmental Funds

As of June 30, 2025, fund balances are composed of the following:

	Committed	Amount
General Fund	911 program	$ 669,202
School Capital Outlay	School capital fund	35,307,321
	Total Committed Funds	$ 35,976,523

	Assigned for	
General Fund	Library funds	$ 51,036
Sheriff's Funds	Project Life Saver	1,633
	SRO picnic fund	45,506
	Sheriff's abandoned property	2,078
	Subtotal - Sheriff's Funds	49,217
DEQ and Landfill Funds	Landfill reserve	416,308
Opioid Fund	Opioid funds	257,429
Economic Development Fund	Economic development	9,348,635
Capital Outlay Fund	Capital projects	20,117,183
	Public Safety Building	17,866,013
		37,983,196
Rescue Squad Fund	Rescue Squad activities	2,257,961
Law Library Fund	Law library	11,566
	Total Assigned Funds	$ 50,375,348

	Restricted for	
Public Assistance Fund	Public assistance	$ 2,064,163
DEQ and Landfill Funds	School fuel tanks	20,000
Microsoft Capital Project Fund	Microsoft project	13,172,241
Children's Services Act Fund	Children's services act fund	481,101
Forfeiture Funds	Commonwealth's Attorney	25,658
	Sheriff's drug forfeitures	14,620
	State unwarranted	64,218
	Federal forfeiture funds	24,064
	MCSO seizure money funds	2,402
	Subtotal - Forfeiture Funds	130,962
	Total Restricted Funds	$ 15,868,467

28 Upcoming Pronouncements

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

29 Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2025 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2025. Management has performed their analysis through December 8, 2025.

Required Supplementary Information

County of Mecklenburg, Virginia

Budgetary Comparison Schedule

Year Ended June 30, 2025

General Fund

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Revenues					
General Property Taxes					
Real property taxes	$ 27,037,642	$ 27,037,642	$ -	$ 29,202,614	$ 2,164,972
Mobile home taxes	66,064	66,064	-	62,597	(3,467)
Personal property taxes	36,401,618	36,401,618	-	16,482,848	(19,918,770)
Public service corporations	1,691,866	1,691,866	-	1,634,728	(57,138)
Data center taxes	-	-	-	22,684,441	22,684,441
Machinery and tools taxes	365,426	365,426	-	433,007	67,581
Merchants' capital	582,296	582,296	-	624,563	42,267
Delinquent taxes	239,250	239,250	-	371,280	132,030
Interest on taxes	150,000	150,000	-	252,839	102,839
Penalties on taxes	250,000	250,000	-	446,221	196,221
Total General Property Taxes	66,784,162	66,784,162	-	72,195,138	5,410,976
Other Local Taxes					
Local sales and use taxes	6,500,000	6,500,000	-	8,667,559	2,167,559
Utility taxes	435,000	435,000	-	534,897	99,897
Consumption tax	385,000	385,000	-	630,744	245,744
Business licenses	2,000	2,000	-	225	(1,775)
Transient occupancy tax	275,000	275,000	-	350,579	75,579
Motor vehicle licenses	629,500	629,500	-	680,768	51,268
Tax on recordation and wills	404,000	404,000	-	436,808	32,808
Total Other Local Taxes	8,630,500	8,630,500	-	11,301,580	2,671,080
Permits, Privilege Fees, and Regulatory Licenses					
Animal licenses	10,875	10,875	-	20,675	9,800
Other permits and licenses	150,000	150,000	-	133,548	(16,452)
Building permits	1,250,000	1,250,000	-	2,038,806	788,806
Total Permits, Privilege Fees, and Regulatory Licenses	1,410,875	1,410,875	-	2,193,029	782,154
Fines and Forfeitures	450,100	450,100	-	489,260	39,160
Revenue from Use of Money and Property					
Interest income	2,170,040	2,170,040	-	3,958,497	1,788,457
Rental income	55,000	55,000	-	58,656	3,656
Total Revenue from Use of Money and Property	2,225,040	2,225,040	-	4,017,153	1,792,113
Charges for Services					
Sheriff's revenues	6,130	6,130	-	5,005	(1,125)
Ambulance and rescue services	520,000	520,000	-	670,019	150,019
Courthouse maintenance fees and clerk	25,000	25,000	-	28,115	3,115
Library charges and revenue	27,476	27,476	-	22,473	(5,003)
Commonwealth Attorney's fees	5,000	5,000	-	4,039	(961)
Sanitation, waste removal, and landfill charges	123,000	123,000	-	156,820	33,820
Other miscellaneous charges	950	950	-	77	(873)
Total Charges for Services	707,556	707,556	-	886,548	178,992

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Miscellaneous					
Delinquent tax administrative fees	180,000	180,000	-	321,863	141,863
Insurance adjustments	50,000	50,000	-	73,328	23,328
Other miscellaneous	101,935	102,092	157	151,189	49,097
Total Miscellaneous	331,935	332,092	157	546,380	214,288
Recovered Costs	258,965	258,965	-	235,877	(23,088)
Intergovernmental					
Revenue from the Commonwealth of Virginia					
Non-Categorical Aid					
Rolling stock taxes - motor vehicle carriers tax	16,000	16,000	-	18,320	2,320
Auto rental tax	7,000	7,000	-	10,588	3,588
Moped ATV tax	4,000	4,000	-	5,577	1,577
Personal Property Tax Relief Act	1,454,006	1,454,006	-	1,454,006	-
Receipt from state - Occoneechee Park	5,000	5,000	-	5,635	635
Game of Skill tax	50,000	50,000	-	-	(50,000)
Communications tax from State	305,000	305,000	-	345,665	40,665
Mobile home titling tax	80,000	80,000	-	186,273	106,273
Total Non-Categorical Aid	1,921,006	1,921,006	-	2,026,064	105,058
Categorical Aid					
Shared Expenses					
Commonwealth's Attorney	641,420	641,420	-	636,737	(4,683)
Sheriff and Sheriff's auto	2,191,043	2,191,043	-	2,178,195	(12,848)
Commissioner of the Revenue	170,902	170,902	-	172,848	1,946
Treasurer	195,167	195,167	-	193,567	(1,600)
Electoral Board and General Registrar	96,698	96,698	-	84,429	(12,269)
Clerk of the Court	499,491	499,491	-	557,654	58,163
Library grant	219,037	219,037	-	240,961	21,924
Circuit court - records grant	-	82,300	82,300	36,337	(45,963)
Virginia's Growth Alliance - GOVA funds	163,112	163,112	-	217,290	54,178
Virginia's Growth Alliance - TICF funds	341,255	341,255	-	206,328	(134,927)
Tobacco Commission Grant	-	-	-	7,500	7,500
Virginia Brownfield Assistance Fund	-	-	-	48,648	48,648
Next Generation Grant	40,000	40,000	-	96,740	56,740
School Security Grant	30,000	30,000	-	12,831	(17,169)
School Resource Officer (SRO)	125,219	125,219	-	111,759	(13,460)
Deputies Lake Patrol	34,000	34,000	-	28,418	(5,582)
Piedmont Court Services	488,278	488,278	-	488,364	86
Victim Witness Grant	21,630	21,630	-	77,739	56,109
Virginia Domestic Violence (VDVVF)	45,000	45,000	-	45,000	-
VJCCCA	31,360	31,360	-	31,360	-
Fire Program Grant	95,965	95,965	-	109,233	13,268
Emergency 911 Grant	5,000	5,000	-	7,521	2,521
911 Training Grant	4,000	4,000	-	-	(4,000)
Wireless 911	150,000	150,000	-	151,700	1,700
Four for Life Grant	34,194	34,194	-	-	(34,194)
Plastic Pesticide Grant	2,500	2,500	-	2,500	-
Sheriff CSB Mental Transports	60,000	60,000	-	54,253	(5,747)
Animal Friendly Plates Grant	538	538	-	556	18
Grant - Colonial Center for Performing Arts	4,500	4,500	-	-	(4,500)
Litter Grant	25,211	25,211	-	22,230	(2,981)
Jury Witness Reimbursement	56,800	56,800	-	25,105	(31,695)
Total Categorical Aid	5,772,320	5,854,620	82,300	5,845,803	(8,817)
Total Revenue from the Commonwealth of Virginia	7,693,326	7,775,626	82,300	7,871,867	96,241

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Revenue from the Federal Government					
Emergency Services Grant	7,500	7,500	-	7,500	-
Sheriff LE Block Grant - federal	2,487	2,487	-	-	(2,487)
Victim Witness Grant	45,243	45,243	-	-	(45,243)
Sheriff's ARPA funds	-	-	-	41,000	41,000
Community Development planning grants	-	-	-	29,178	29,178
Tourism ARPA grants	-	-	-	89,478	89,478
Payment in lieu of taxes	187,543	187,543	-	206,014	18,471
Total Revenue from the Federal Government	242,773	242,773	-	373,170	130,397
Total Intergovernmental Revenue	7,936,099	8,018,399	82,300	8,245,037	226,638
Total Revenues	88,735,232	88,817,689	82,457	100,110,002	11,292,313
Expenditures					
Current					
General Government Administration					
Board of Supervisors	286,050	295,418	9,368	294,818	(600)
County Administrator	876,308	756,616	(119,692)	737,545	(19,071)
Commissioner of Revenue	935,707	935,707	-	919,818	(15,889)
Treasurer	851,119	863,388	12,269	859,266	(4,122)
County Attorney and other legal	210,000	210,000	-	208,891	(1,109)
Data processing	544,149	593,440	49,291	591,462	(1,978)
Multipurpose	1,265,401	1,175,401	(90,000)	202,718	(972,683)
Equalization Board	5,000	5,000	-	2,938	(2,062)
Shared office expenses	345,000	443,408	98,408	442,517	(891)
Retirees hospitalization	112,500	137,217	24,717	137,217	-
Workman's compensation/unemployment	327,544	327,544	-	184,562	(142,982)
Electoral Board	108,153	102,570	(5,583)	101,919	(651)
Registrar	247,518	253,101	5,583	235,093	(18,008)
Total General Government Administration	6,114,449	6,098,810	(15,639)	4,918,764	(1,180,046)
Judicial Administration					
Circuit Court	89,888	89,888	-	82,636	(7,252)
General District Court	3,700	3,700	-	3,384	(316)
Magistrate	2,000	2,000	-	717	(1,283)
Juvenile and Domestic Relations Court	306,000	378,414	72,414	375,512	(2,902)
Pretrial Court	162,250	162,250	-	155,609	(6,641)
VJCCCA	39,109	41,179	2,070	39,379	(1,800)
Victim Witness Program	90,745	97,645	6,900	95,547	(2,098)
Piedmont Court Services - Corrections Act	437,067	445,223	8,156	441,647	(3,576)
Clerk of the Circuit Court	974,915	1,057,215	82,300	1,050,792	(6,423)
Commonwealth's Attorney	1,307,097	1,305,027	(2,070)	1,254,915	(50,112)
Total Judicial Administration	3,412,771	3,582,541	169,770	3,500,138	(82,403)

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Public Safety					
Sheriff's department	7,544,727	7,444,089	(100,638)	7,087,280	(356,809)
Jail	3,914,151	3,467,359	(446,792)	3,088,308	(379,051)
Fire departments	1,009,021	1,041,194	32,173	1,032,166	(9,028)
Rescue squads	679,195	744,478	65,283	704,739	(39,739)
911 department	2,311,059	2,337,653	26,594	2,267,462	(70,191)
Emergency services	2,919,039	2,886,866	(32,173)	2,566,368	(320,498)
Inspections	528,799	528,799	-	522,015	(6,784)
Animal control	285,291	290,339	5,048	286,079	(4,260)
Medical Examiner	3,200	4,910	1,710	4,910	-
American Red Cross	4,000	4,000	-	4,000	-
Total Public Safety	19,198,482	18,749,687	(448,795)	17,563,327	(1,186,360)
Public Works					
Refuse disposal	2,827,175	2,991,024	163,849	2,988,793	(2,231)
Roanoke River Service Authority	60,000	60,000	-	60,000	-
Maintenance of buildings and grounds	1,029,147	1,210,439	181,292	1,191,236	(19,203)
Total Public Works	3,916,322	4,261,463	345,141	4,240,029	(21,434)
Health and Welfare					
Health department	224,000	224,000	-	224,000	-
Mental health	332,614	332,614	-	332,614	-
Comprehensive services	96,314	98,748	2,434	97,973	(775)
Lake Country Area Agency on Aging	14,000	14,000	-	14,000	-
Welfare and social services	110,073	110,073	-	110,005	(68)
Total Health and Welfare	777,001	779,435	2,434	778,592	(843)
Education					
Community college	58,632	58,632	-	58,632	-
Appropriation to public school system	30,121,971	30,121,971	-	30,121,971	-
Total Education	30,180,603	30,180,603	-	30,180,603	-
Parks, Recreation, and Cultural					
Library	971,496	1,004,210	32,714	995,325	(8,885)
Parks and recreation	73,200	73,200	-	62,800	(10,400)
Cultural contributions	250,978	250,978	-	170,978	(80,000)
Total Parks, Recreation, and Cultural	1,295,674	1,328,388	32,714	1,229,103	(99,285)

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Community Development					
Miscellaneous community development	265,260	265,260	-	288,679	23,419
Town of Boydton	255,300	255,300	-	255,300	-
Revenue Sharing to other localities to IDA	705,401	705,401	-	691,686	(13,715)
Airports	122,000	122,000	-	122,000	-
Tourism	130,500	130,500	-	125,841	(4,659)
Grant payments to other entities	504,367	504,367	-	460,754	(43,613)
Economic development	811,623	811,623	-	759,746	(51,877)
Zoning	299,536	323,822	24,286	321,053	(2,769)
Soil and Water Conservation District	261,510	261,510	-	227,949	(33,561)
Cooperative extension program	123,601	123,755	154	116,869	(6,886)
Total Community Development	3,479,098	3,503,538	24,440	3,369,877	(133,661)
Debt service - Lease liabilities paid	-	-	-	-	-
Capital Projects					
Capital outlay	910,084	910,084	-	255,287	(654,797)
Total Expenditures	69,284,484	69,394,549	110,065	66,035,720	(3,358,829)
Excess (Deficiency) of Revenues Over Expenditures	19,450,748	19,423,140	(27,608)	34,074,282	14,651,142
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers (out)	(20,421,540)	(20,421,540)	-	(26,524,223)	(6,102,683)
Total Other Financing Sources (Uses)	(20,421,540)	(20,421,540)	-	(26,524,223)	(6,102,683)
Net Change in Fund Balance	(970,792)	(998,400)	(27,608)	7,550,059	8,548,459
From Surplus	970,792	998,400	27,608	-	(998,400)
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	7,550,059	$ 7,550,059
Fund Balance - Beginning of Year				18,633,267	
Fund Balance - End of Year				$ 26,183,326	

Public Assistance Fund

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Revenues					
Recovered costs	$ 10,171	$ 10,171	$ -	$ 33,507	$ 23,336
Intergovernmental Revenues					
Revenue from the Commonwealth of Virginia - DSS	1,287,371	1,287,371	-	1,121,765	(165,606)
Revenue from the Federal Government - DSS	1,956,485	1,956,485	-	2,237,798	281,313
Total Intergovernmental Revenues	3,243,856	3,243,856	-	3,359,563	115,707
Total Revenues	3,254,027	3,254,027	-	3,393,070	139,043
Expenditures					
Current					
Health and welfare	4,762,517	4,762,517	-	4,255,996	(506,521)
Total Expenditures	4,762,517	4,762,517	-	4,255,996	(506,521)
Excess (Deficiency) of Revenues Over Expenditures	(1,508,490)	(1,508,490)	-	(862,926)	645,564
Other Financing Sources (Uses)					
Transfers in	1,508,490	1,508,490	-	1,349,297	(159,193)
Lease liabilities issued	-	-	-	-	-
Total Other Financing Sources (Uses)	1,508,490	1,508,490	-	1,349,297	(159,193)
Net Change in Fund Balance	-	-	-	486,371	486,371
From Surplus	-	-	-	-	-
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	486,371	$ 486,371
Fund Balance - Beginning of Year				1,577,792	
Fund Balance - End of Year				$ 2,064,163	

ARPA Fund

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Revenues					
Intergovernmental Revenues					
Revenue from the Federal Government	$ -	$ -	$ -	$ 1,284,043	$ 1,284,043
Total Intergovernmental Revenues	-	-	-	1,284,043	1,284,043
Total Revenues	-	-	-	1,284,043	1,284,043
Expenditures					
Current					
Community development	2,377,141	2,377,141	-	1,284,043	(1,093,098)
Total Expenditures	2,377,141	2,377,141	-	1,284,043	(1,093,098)
Excess (Deficiency) of Revenues Over Expenditures	(2,377,141)	(2,377,141)	-	-	2,377,141
Other Financing Sources (Uses)					
Transfers in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	(2,377,141)	(2,377,141)	-	-	2,377,141
From Surplus	2,377,141	2,377,141	-	-	(2,377,141)
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	-	$ -
Fund Balance - Beginning of Year				-	
Fund Balance - End of Year				$ -	

County of Mecklenburg, Virginia

Schedule of Changes in the Political Subdivision's Net Pension Liability
and Related Ratios

For the Plan Years Ended June 30 (in thousands)

	Primary Government									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 1,464,317	$ 1,292,196	$ 1,055,179	$ 1,020,106	$ 1,056,282	$ 907,552	$ 937,718	$ 924,738	$ 911,199	$ 910,898
Interest	4,201,535	3,869,324	3,833,162	3,529,327	3,295,604	3,134,491	2,996,570	2,917,227	2,904,017	2,793,733
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	2,583,113	2,840,279	(1,768,147)	(262,861)	1,388,868	739,382	196,694	(406,065)	(1,634,116)	(302,779)
Assumption changes	-	-	-	1,522,234	-	1,451,726	-	(344,713)	-	-
Benefit payments	(3,165,483)	(3,339,060)	(2,303,882)	(2,421,598)	(2,134,761)	(2,240,904)	(2,080,462)	(1,834,965)	(2,149,802)	(1,502,945)
Net change in total pension liability	5,083,482	4,662,739	816,312	3,387,208	3,605,993	3,992,247	2,050,520	1,256,222	31,298	1,898,907
Total pension liability - beginning	62,363,391	57,700,652	56,884,340	53,497,132	49,891,139	45,898,892	43,848,372	42,592,150	42,560,852	40,661,945
Total pension liability - ending (a)	$67,446,873	$62,363,391	$ 57,700,652	$56,884,340	$ 53,497,132	$49,891,139	$45,898,892	$43,848,372	$42,592,150	$42,560,852
Plan fiduciary net position										
Contributions - employer	$ 1,371,450	$ 1,153,841	$ 1,108,650	$ 1,034,736	$ 860,331	$ 780,573	$ 781,980	$ 759,803	$ 1,062,180	$ 1,019,265
Contributions - employee	686,143	568,094	512,864	477,940	477,138	464,450	418,507	412,162	430,437	386,744
Net investment income	5,567,122	3,560,382	(63,776)	12,294,198	862,922	2,857,242	3,025,578	4,522,743	638,328	1,644,329
Benefit payments	(3,165,483)	(3,339,060)	(2,303,882)	(2,421,598)	(2,134,761)	(2,240,904)	(2,080,462)	(1,834,965)	(2,149,802)	(1,502,945)
Administrator charges	(36,731)	(35,684)	(35,006)	(30,635)	(29,325)	(28,580)	(26,328)	(26,214)	(23,330)	(22,291)
Other	1,159	1,427	1,310	1,160	(1,018)	(1,801)	(2,687)	(4,023)	(273)	(350)
Net change in plan fiduciary net position	4,423,660	1,909,000	(779,840)	11,355,801	35,287	1,830,980	2,116,588	3,829,506	(42,460)	1,524,752
Plan fiduciary net position - beginning	57,638,697	55,729,697	56,509,537	45,153,736	45,118,449	43,287,469	41,170,881	37,341,375	37,383,835	35,859,083
Plan fiduciary net position - ending (b)	$62,062,357	$57,638,697	$ 55,729,697	$56,509,537	$ 45,153,736	$45,118,449	$43,287,469	$41,170,881	$37,341,375	$37,383,835
Political subdivision's net pension liability - ending (a - b)	$ 5,384,516	$ 4,724,694	$ 1,970,955	$ 374,803	$ 8,343,396	$ 4,772,690	$ 2,611,423	$ 2,677,491	$ 5,250,775	$ 5,177,017
Plan fiduciary net position as a percentage of the total pension liability	92.02%	92.42%	96.58%	99.34%	84.40%	90.43%	94.31%	93.89%	87.67%	87.84%
Covered payroll	$14,076,403	$11,996,597	$ 10,734,430	9,926,428	9,866,145	$ 8,892,470	$ 8,546,164	$ 8,063,815	$ 8,040,153	$ 7,766,871
Political subdivision's net pension liability as a percentage of covered payroll	38.25%	39.38%	18.36%	3.78%	84.57%	53.67%	30.56%	33.20%	65.31%	66.66%

County of Mecklenburg, Virginia

Schedule of Changes in the Political Subdivision's Net Pension Liability
and Related Ratios

For the Plan Years Ended June 30 (in thousands)

School Board
General Employees

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 161,406	$ 161,901	$ 109,194	$ 110,097	$ 112,162	$ 86,898	$ 89,304	$ 78,043	$ 77,859	$ 78,891
Interest	435,249	432,112	430,849	412,906	402,342	401,768	396,509	392,142	395,956	388,886
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	203,265	(67,696)	(115,763)	(150,798)	122,886	66,421	51,611	31,540	(64,524)	104,213
Assumption changes	-	-	-	253,363	-	138,410	-	19,065	-	-
Benefit payments	(495,461)	(463,226)	(453,347)	(484,532)	(477,212)	(467,647)	(456,938)	(459,880)	(467,652)	(474,332)
Net change in total pension liability	304,459	63,091	(29,067)	141,036	160,178	225,850	80,486	60,910	(58,361)	97,658
Total pension liability - beginning	6,534,459	6,471,368	6,500,435	6,359,399	6,199,221	5,973,371	5,892,885	5,831,975	5,890,336	5,792,678
Total pension liability - ending (a)	$6,838,918	$6,534,459	$ 6,471,368	$6,500,435	$6,359,399	$6,199,221	$5,973,371	$5,892,885	$5,831,975	$5,890,336
Plan fiduciary net position										
Contributions - employer	$ 145,953	$ 152,820	$ 130,363	$ 105,671	$ 115,507	$ 95,435	$ 98,571	$ 96,332	$ 83,627	$ 86,114
Contributions - employee	78,675	80,896	71,533	57,961	64,711	52,831	50,633	49,396	37,264	38,876
Net investment income	595,577	386,107	(3,178)	1,398,972	102,645	349,473	388,191	600,499	84,931	241,239
Benefit payments	(495,461)	(463,226)	(453,347)	(484,532)	(477,212)	(467,647)	(456,938)	(459,880)	(467,652)	(474,332)
Administrative charges	(4,148)	(3,962)	(4,007)	(3,693)	(3,684)	(3,721)	(3,543)	(3,700)	(3,487)	(3,598)
Other	117	155	143	130	(119)	(218)	(338)	(525)	(38)	(52)
Net change in plan fiduciary net position	320,713	152,790	(258,493)	1,074,509	(198,152)	26,153	76,576	282,122	(265,355)	(111,753)
Plan fiduciary net position - beginning	6,240,803	6,088,013	6,346,506	5,271,997	5,470,149	5,443,996	5,367,420	5,085,298	5,350,653	5,462,406
Plan fiduciary net position - ending (b)	$6,561,516	$6,240,803	$ 6,088,013	$6,346,506	$5,271,997	$5,470,149	$5,443,996	$5,367,420	$5,085,298	$5,350,653
Political subdivision's net pension liability - ending (a - b)	$ 277,402	$ 293,656	$ 383,355	$ 153,929	$1,087,402	$ 729,072	$ 529,375	$ 525,465	$ 746,677	$ 539,683
Plan fiduciary net position as a percentage of the total pension liability	95.94%	95.51%	94.08%	97.63%	82.90%	88.24%	91.14%	91.08%	87.20%	90.84%
Covered payroll	$1,820,966	$1,850,295	$ 1,631,746	$1,302,195	$1,447,679	$1,174,617	$1,107,505	$1,017,532	$ 817,527	$ 774,168
Political subdivision's net pension liability as a percentage of covered payroll	15.23%	15.87%	23.49%	11.82%	75.11%	62.07%	47.80%	51.64%	91.33%	69.71%

County of Mecklenburg, Virginia

Schedule of Employer's Share of Net Pension Liability
VRS Teacher Employee Retirement Plan

For the Measurement Dates of June 30, 2015 through 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	**0.26248%**	0.27239%	0.27880%	0.27611%	0.28704%	0.27559%	0.28410%	0.28099%	0.29082%	0.28578%
Employer's Proportionate Share of the Net Pension Liability (Asset)	**$24,638,826**	$27,531,015	$26,543,429	$21,434,688	$41,771,858	$36,269,210	$33,411,000	$34,556,000	$40,756,000	$35,970,000
Employer's Covered Payroll	**$27,906,278**	$27,040,131	$25,893,933	$24,350,476	$25,081,396	$23,045,732	$22,925,194	$21,816,255	$22,174,540	$21,241,342
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	**88.291%**	101.815%	102.508%	88.026%	166.545%	157.379%	145.739%	158.396%	183.796%	169.340%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**84.52%**	82.45%	82.61%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%

For Reference Only

The Plan Fiduciary Net Position as a Percentage of the Total Pension Liability for the VRS Teacher Retirement Plan for each year is presented on pages 118 and 119 of the VRS 2024 Annual Report.

County of Mecklenburg, Virginia

Schedule of Employer Contributions

VRS Political Subdivisions Retirement Plan and Teacher Retirement Plan

For the Years Ended June 30, 2016 through 2025

Date	Contractually Required Contribution (1)*	Contribution 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	**$ 2,335,084**	**$ 2,335,084**	**$ -**	**$ 14,215,601**	**16.43%**
2024	1,451,480	1,451,480	-	14,076,403	10.31%
2023	1,212,856	1,212,856	-	11,996,597	10.11%
2022	1,148,584	1,148,584	-	10,734,430	10.70%
2021	1,062,128	1,062,128	-	9,926,428	10.70%
2020	883,020	883,020	-	9,866,145	8.95%
2019	795,876	795,876	-	8,892,470	8.95%
2018	770,290	770,290	-	8,546,164	9.28%
2017	748,322	748,322	-	8,063,815	9.28%
2016	1,067,732	1,067,732	-	8,040,153	13.28%
Component Unit School Board - General Employees					
2025	**$ 169,172**	**$ 169,172**	**$ -**	**$ 1,986,041**	**8.52%**
2024	170,807	170,807	-	1,820,966	9.38%
2023	173,558	173,558	-	1,850,295	9.38%
2022	147,183	147,183	-	1,631,746	9.02%
2021	117,458	117,458	-	1,302,195	9.02%
2020	126,672	126,672	-	1,447,679	8.75%
2019	102,779	102,779	-	1,174,617	8.75%
2018	98,215	98,215	-	1,107,505	9.48%
2017	96,462	96,462	-	1,017,532	9.48%
2016	89,356	89,356	-	817,527	10.93%
Component Unit School Board - Teachers					
2025	**$ 4,401,530**	**$ 4,401,530**	**$ -**	**$ 29,324,216**	**15.01%**
2024	4,638,023	4,638,023	-	27,906,278	16.62%
2023	4,494,070	4,494,070	-	27,040,131	16.62%
2022	4,303,572	4,303,572	-	25,893,933	16.62%
2021	4,047,049	4,047,049	-	24,350,476	16.62%
2020	3,932,763	3,932,763	-	25,081,396	15.68%
2019	3,613,571	3,613,571	-	23,045,732	15.68%
2018	3,531,002	3,531,002	-	22,925,194	14.66%
2017	3,198,263	3,198,263	-	21,816,255	14.66%
2016	3,117,740	3,117,740	-	22,174,540	14.06%

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

For Reference Only:

Column 1 – Employer contribution rate multiplied by the employer's covered payroll

Column 2 – Employer contributions as reference in covered Payroll and Contributions report on VRS website.

Column 4 – Employer's covered payroll amount for the fiscal year

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 PUB2010 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 year age and service 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 PUB2010 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	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

School Division:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County of Mecklenburg, Virginia

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Plan
For the Measurement Dates of June 30, 2017 through 2024

Primary Government	2024	2023	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	**0.05484%**	0.05094%	0.04935%	0.04812%	0.04797%	0.04536%	0.45180%	0.04504%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	**$ 611,972**	$ 610,930	$ 594,222	$ 560,248	$ 500,541	$ 738,128	$ 686,000	$ 678,000
Employer's Covered Payroll	**$ 14,079,476**	$ 11,999,985	$ 10,734,430	$ 9,935,497	$ 9,872,470	$ 8,892,470	$ 8,590,341	$ 8,308,169
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	**4.35%**	5.09%	5.54%	5.64%	5.07%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	**73.41%**	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2024 is the eighth year of presentation, only eight years of data is available. However, additional years will be included as they become available.

Reference Only:

The Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability for the VRS Group Life Insurance Program for each year is presented on pages 130 and 131 of the VRS 2024 Annual Report.

County of Mecklenburg, Virginia

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Plan
For the Measurement Dates of June 30, 2017 through 2024

School Board	2024	2023	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	**0.00711%**	0.00786%	0.00750%	0.00631%	0.00703%	0.00599%	0.00582%	0.00581%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	**$ 79,342**	$ 94,266	$ 90,307	$ 73,466	$ 117,319	$ 97,473	$ 88,000	$ 87,000
Employer's Covered Payroll	**$ 1,825,139**	$ 1,850,295	$ 1,631,746	$ 1,302,195	$ 1,447,679	$ 1,174,617	$ 1,107,505	$ 1,070,854
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	**4.35%**	5.09%	5.53%	5.64%	8.10%	8.30%	7.95%	8.12%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	**73.41%**	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2024 is the eighth year of presentation, only eight years of data is available. However, additional years will be included as they become available.

Reference Only:

The Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability for the VRS Group Life Insurance Program for each year is presented on pages 130 and 131 of the VRS 2024 Annual Report.

County of Mecklenburg, Virginia

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Plan
For the Measurement Dates of June 30, 2017 through 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Teacher								
Employer's Proportion of the Net GLI OPEB Liability (Asset)	**0.10881%**	0.11516%	0.11942%	0.11795%	0.11768%	0.12075%	0.12038%	0.12038%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	**$ 1,214,235**	$ 1,381,129	$ 1,437,932	$ 1,373,258	$ 2,034,812	$ 1,914,967	$ 1,834,000	$ 1,811,000
Employer's Covered Payroll	**$27,937,762**	$27,127,272	$25,977,724	$24,352,721	$25,094,675	$23,068,829	$22,959,807	$22,203,694
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	**4.35%**	5.09%	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	**73.41%**	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2024 is the eighth year of presentation, only eight years of data is available. However, additional years will be included as they become available.

Reference Only:

The Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability for the VRS Group Life Insurance Program for each year is presented on pages 130 and 131 of the VRS 2024 Annual Report.

County of Mecklenburg, Virginia

Schedule of County Contributions
Group Life Insurance OPEB Plan

For the Years Ended June 30, 2016 through 2025

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Primary Government - County					
2025	**$ 66,872**	**$ 66,872**	**$ -**	**$14,228,027**	**0.47%**
2024	76,029	76,029	-	14,079,476	0.54%
2023	64,800	64,800	-	11,999,985	0.54%
2022	57,966	57,966	-	10,734,430	0.54%
2021	53,652	53,652	-	9,935,497	0.54%
2020	51,337	51,337	-	9,872,470	0.52%
2019	46,241	46,241	-	8,892,470	0.52%
2018	44,670	44,670	-	8,590,341	0.52%
2017	43,202	43,202	-	8,308,169	0.52%
2016	42,570	42,570	-	8,032,035	0.53%
School Board - General Employees					
2025	**$ 9,358**	**$ 9,358**	**$ -**	**$ 1,991,104**	**0.47%**
2024	9,856	9,856	-	1,825,139	0.54%
2023	9,992	9,992	-	1,850,295	0.54%
2022	8,811	8,811	-	1,631,746	0.54%
2021	7,032	7,032	-	1,302,195	0.54%
2020	7,528	7,528	-	1,447,679	0.52%
2019	6,108	6,108	-	1,174,617	0.52%
2018	5,759	5,759	-	1,107,505	0.52%
2017	5,568	5,568	-	1,070,854	0.52%
2016	4,144	4,144	-	781,849	0.53%
School Board - Teachers					
2025	**$ 138,129**	**$ 138,129**	**$ -**	**$29,389,193**	**0.47%**
2024	150,864	150,864	-	27,937,762	0.54%
2023	146,487	146,487	-	27,127,272	0.54%
2022	140,280	140,280	-	25,977,724	0.54%
2021	131,505	131,505	-	24,352,721	0.54%
2020	130,492	130,492	-	25,094,675	0.52%
2019	119,958	119,958	-	23,068,829	0.52%
2018	119,391	119,391	-	22,959,807	0.52%
2017	115,459	115,459	-	22,203,694	0.52%
2016	117,723	117,723	-	22,211,917	0.53%

For Reference Only:

Column 1 – Employer contribution rate multiplied by the employer's covered payroll
Column 2 – Employer contributions as referenced in covered Payroll and Contributions report on VRS website
Column 4 – Employer's covered payroll amount for the fiscal year

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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Non-Largest Ten Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers – Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Mecklenburg, Virginia

Schedule of Changes in the Political Subdivision's Net HIC OPEB Liability
and Related Ratios
(expressed in thousands)
For the Measurement Dates of June 30, 2017 through 2024

Component Unit School Board General Employees	2024	2023	2022	2021	2020	2019	2018	2017
Total HIC OPEB liability								
Service cost	$ 1,305	$ 1,362	$ 1,255	$ 2,208	$ -	$ -	$ -	$ -
Interest	6,946	13,783	11,903	10,645	-	-	-	-
Changes in benefit terms	-	-	-	-	157,704	-	-	-
Changes of assumptions	-	-	25,888	7,600	-	-	-	-
Difference between expected and actual experience	(1,122)	(109,835)	(5,083)	-	-	-	-	-
Benefit payments	(6,781)	(6,296)	(6,141)	-	-	-	-	-
Net change in total HIC OPEB liability	348	(100,986)	27,822	20,453	157,704	-	-	-
Total HIC OPEB liability - beginning	104,993	205,979	178,157	157,704	-	-	-	-
Total HIC OPEB liability - ending (a)	$ 105,341	$ 104,993	$ 205,979	$ 178,157	$ 157,704	$ -	$ -	$ -
Plan fiduciary net position								
Contributions - employer	$ 20,395	$ 20,723	$ 15,501	$ 12,370	$ -	$ -	$ -	$ -
Net investment income	4,641	2,086	(220)	1,732	-	-	-	-
Benefit payments	(6,781)	(6,296)	(6,141)	-	-	-	-	-
Administrative expense	(71)	(61)	(43)	(55)	-	-	-	-
Other		1	-	-	-	-	-	-
Net change in plan fiduciary net position	18,184	16,453	9,097	14,047	-	-	-	-
Plan fiduciary net position - beginning	39,597	23,144	14,047	-	-	-	-	-
Plan fiduciary net position - ending (b)	$ 57,781	$ 39,597	$ 23,144	$ 14,047	$ -	$ -	$ -	$ -
Political subdivision's net HIC OPEB liability - ending (a) - (b)	$ 47,560	$ 65,396	$ 182,835	$ 164,110	$ 157,704	$ -	$ -	$ -
Plan fiduciary net position as a percentage of the total HIC OPEB liability	54.85%	37.71%	11.24%	7.88%	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 1,820,966	$ 1,850,295	$ 1,631,746	$ 1,302,195	$ -	$ -	$ -	$ -
Political subdivision's net HIC OPEB liability as a percentage of covered payroll	2.6118%	3.5344%	11.2049%	12.6026%	0.0000%	0.0000%	0.0000%	0.0000%

County of Mecklenburg, Virginia

Schedule of Employer's Share of Net OPEB Liability
Health Insurance Credit Program (HIC) Teacher
For the Measurement Dates of June 30, 2017 through 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net HIC OPEB Liability (Asset)	**0.26047%**	0.27119%	0.27783%	0.27528%	0.28610%	0.27476%	0.28361%	0.28055%
Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)	**$ 3,010,116**	$ 3,285,243	$ 3,470,226	$ 3,533,409	$ 3,732,222	$ 3,596,876	$ 3,601,000	$ 3,559,000
Employer's Covered Payroll	**$ 27,906,278**	$ 27,040,131	$ 25,893,933	$ 24,345,664	$ 25,081,396	$ 23,045,732	$ 22,936,773	$ 22,141,002
Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of its Covered Payroll	**10.79%**	12.15%	13.40%	14.51%	14.88%	15.61%	15.70%	16.07%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	**21.82%**	17.90%	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

Schedule is intended to show information for 10 years. Since 2024 is the eighth year of presentation, only eight years of data is available. However, additional years will be included as they become available.

Reference Only:

The Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability for the Health Insurance Credit (HIC) for each year is presented on pages 142 and 143 of the VRS 2024 Annual Report.

County of Mecklenburg, Virginia

Schedule of County Contributions

Health Insurance Credit

For the Years Ended June 30, 2016 through 2025

Fiscal Year Ending June 30	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
School Board - General Employees					
2025	**$ 22,244**	**$ 22,244**	**$ -**	**$ 1,986,041**	**1.12%**
2024	20,395	20,395	-	1,820,966	1.12%
2023	20,723	20,723	-	1,850,295	1.12%
2022	15,502	15,502	-	1,631,746	0.95%
2021	12,371	12,371	-	1,302,195	0.95%
2020	n/a	n/a	n/a	n/a	n/a
2019	n/a	n/a	n/a	n/a	n/a
2018	n/a	n/a	n/a	n/a	n/a
2017	n/a	n/a	n/a	n/a	n/a
2016	n/a	n/a	n/a	n/a	n/a
School Board - Teachers					
2025	**$ 354,823**	**$ 354,823**	**$ -**	**$29,324,216**	**1.21%**
2024	337,666	337,666	-	27,906,278	1.21%
2023	327,186	327,186	-	27,040,131	1.21%
2022	313,317	313,317	-	25,893,933	1.21%
2021	294,583	294,583	-	24,345,664	1.21%
2020	300,977	300,977	-	25,081,396	1.20%
2019	276,549	276,549	-	23,045,732	1.20%
2018	282,122	282,122	-	22,936,773	1.23%
2017	272,335	272,335	-	22,141,002	1.23%
2016	261,720	261,720	-	22,179,638	1.18%

For Reference Only:

Column 1 – Employer contribution rate multiplied by the employer's covered payroll
Column 2 – Employer contributions as referenced in covered Payroll and Contributions report on VRS website
Column 4 – Employer's covered payroll amount for the fiscal year

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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers – Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
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

Teacher

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County of Mecklenburg, Virginia

Schedule of Changes in the Political Subdivision's Net OPEB Retiree Health Insurance
Liability and Related Ratios

	Primary Government							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 33,690	$ 28,479	$ 38,881	$ 35,117	$ 33,801	$ 38,570	$ 38,632	$ 35,557
Interest on OPEB liability	155,890	154,996	145,634	143,817	158,486	156,539	179,985	168,581
Changes of benefit terms	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	677,981	-	37,347	-	(303,800)	-	129,489	-
Effect of assumption changes or inputs	6,743	-	94,179	-	24,636	(16,719)	(222,862)	-
Benefit payments	(194,143)	(156,341)	(166,718)	(143,129)	(137,188)	(149,953)	(166,821)	(180,521)
Net change in total OPEB liability	680,161	27,134	149,323	35,805	(224,065)	28,437	(41,577)	23,617
Total OPEB liability - beginning	2,460,151	2,433,017	2,283,694	2,247,889	2,471,954	2,443,517	2,485,094	2,461,477
Total OPEB liability - ending (a)	$ 3,140,312	$ 2,460,151	$ 2,433,017	$ 2,283,694	$ 2,247,889	$ 2,471,954	$ 2,443,517	$ 2,485,094
Fiduciary net position								
Employer contributions	$ 194,143	$ 156,341	$ 166,718	$ 143,129	$ 137,188	$ 254,753	$ 271,921	$ 285,621
Net investment income	273,519	268,110	200,630	(267,852)	671,858	63,277	86,472	155,371
Benefit payments	(194,143)	(156,341)	(166,718)	(143,129)	(137,188)	(149,953)	(166,821)	(180,521)
Administrative expense	(3,409)	(3,279)	(3,229)	(3,619)	(3,014)	(2,779)	(2,525)	(2,291)
Net change in plan fiduciary net position	270,110	264,831	197,401	(271,471)	668,844	165,298	189,047	258,180
Plan fiduciary net position - beginning	3,095,011	2,830,180	2,632,779	2,904,250	2,235,406	2,070,108	1,881,061	1,622,881
Plan fiduciary net position - ending (b)	$ 3,365,121	$ 3,095,011	$ 2,830,180	$ 2,632,779	$ 2,904,250	$ 2,235,406	$ 2,070,108	$ 1,881,061
Political subdivision's net OPEB liability/(asset) - ending (a) - (b)	$ (224,809)	$ (634,860)	$ (397,163)	$ (349,085)	$ (656,361)	$ 236,548	$ 373,409	$ 604,033
Plan fiduciary net position as a % of the total OPEB liability	107.16%	125.81%	116.32%	115.29%	129.20%	90.43%	84.72%	75.69%
Covered payroll	13,419,888	$ 9,694,753	$ 9,694,753	$ 8,212,621	$ 8,212,621	$ 7,047,742	$ 7,047,422	$ 6,248,858
Political subdivision's net OPEB liability as a % of covered payroll	-1.68%	-6.55%	-4.10%	-4.25%	-7.99%	3.36%	5.30%	9.67%

County of Mecklenburg, Virginia

Schedule of County Contributions - OPEB Retiree Health Insurance - County

For the Years Ended June 30, 2016 through 2025

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution[1]	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2025	**$ 22,056**	**$ 194,143**	**$ (172,087)**	**$13,419,888**	**1.45%**
2024	12,407	156,341	(143,934)	9,694,753	1.61%
2023	10,002	166,718	(156,716)	9,694,753	1.72%
2022	1,376	143,129	(141,753)	8,212,621	1.74%
2021	(538)	137,188	(137,726)	8,212,621	1.67%
2020	79,478	254,753	(175,275)	7,047,742	3.61%
2019	75,136	271,921	(196,785)	7,047,422	3.86%
2018	104,800	285,621	(180,821)	6,248,858	4.57%
2017	99,500	338,710	(239,210)	6,248,858	5.42%
2016	105,100	299,200	(194,100)	5,698,600	5.25%

[1]Employer contributions include trust contributions and explicit subsidy payments directly to retirees from the County's own resources. They also include estimated implicit subsidy payments for retirees from the County's own resources.

County of Mecklenburg, Virginia

Schedule of Changes in the School Board's Net OPEB Retiree Health Insurance
Liability and Related Ratios

	School Board							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 84,359	$ 90,695	$ 87,628	$ 130,216	$ 125,813	$ 133,949	$ 130,048	$ 146,236
Interest on OPEB liability	60,359	58,522	40,536	40,121	71,386	67,852	81,285	78,026
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual changes	(147,747)	-	(63,289)	-	(313,384)	-	(319,524)	-
Effect of assumption changes or inputs	5,420	-	(115,363)	-	(159,134)	-	(241,483)	-
Benefit payments	(104,962)	(84,274)	(118,886)	(102,078)	(91,722)	(93,672)	(118,772)	(105,819)
Net change in total OPEB liability	(102,571)	64,943	(169,374)	68,259	(367,041)	108,129	(468,446)	118,443
Total OPEB liability - beginning	1,556,039	1,491,096	1,660,470	1,592,211	1,959,252	1,851,123	2,319,569	2,201,126
Total OPEB liability - ending (a)	$ 1,453,468	$ 1,556,039	$ 1,491,096	$ 1,660,470	$ 1,592,211	$ 1,959,252	$ 1,851,123	$ 2,319,569
Fiduciary net position								
Employer contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net investment income	-	-	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Political subdivision's net OPEB liability - ending (a) - (b)	$ 1,453,468	$ 1,556,039	$ 1,491,096	$ 1,660,470	$ 1,592,211	$ 1,959,252	$ 1,851,123	$ 2,319,569
Plan fiduciary net position as a % of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 31,119,031	$ 31,041,457	$ 29,991,746	$ 26,228,377	$ 25,341,427	$ 25,075,903	$ 24,345,537	$ 23,486,845
Political subdivision's net OPEB liability as a % of covered payroll	4.67%	5.01%	4.97%	6.33%	6.28%	7.81%	7.60%	9.88%

County of Mecklenburg, Virginia

Schedule of County Contributions - OPEB Retiree Health Insurance - School Board

For the Years Ended June 30, 2016 through 2025

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution[1]	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2025	**$ 87,887**	**$ 87,887**	**$ -**	**$31,119,031**	**0.28%**
2024	104,962	104,962	-	31,041,457	0.34%
2023	84,274	84,274	-	29,991,746	0.28%
2022	118,886	118,886	-	26,228,377	0.45%
2021	102,078	102,078	-	25,341,427	0.40%
2020	91,722	91,722	-	25,075,903	0.37%
2019	93,672	93,672	-	24,345,537	0.38%
2018	118,772	118,772	-	23,486,845	0.51%
2017	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A

[1]Employer contributions include trust contributions and explicit subsidy payments directly to retirees from the County's own resources. They also include estimated implicit subsidy payments for retirees from the County's own resources.

NOTE: The information prior to fiscal year 2018 is not available.

Other Supplementary Information

County of Mecklenburg, Virginia

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

Year Ended June 30, 2025

Capital Outlay Funds

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Revenues					
Miscellaneous revenue - reimbursements	$ -	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-	-
Expenditures					
Current					
General government administration	175,000	175,000	-	141,106	(33,894)
Judicial administration	850,000	850,000	-	-	(850,000)
Capital project - schools	700,000	700,000	-	831,829	131,829
Public works	14,505,363	14,826,035	320,672	5,626,238	(9,199,797)
Total Expenditures	16,230,363	16,551,035	320,672	6,599,173	(9,951,862)
Excess (Deficiency) of Revenues Over Expenditures	(16,230,363)	(16,551,035)	320,672	(6,599,173)	9,951,862
Other Financing Sources (Uses)					
Transfers in	5,560,363	5,560,363	-	8,972,239	3,411,876
Transfers (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	5,560,363	5,560,363	-	8,972,239	3,411,876
Net Change in Fund Balance	(10,670,000)	(10,990,672)	320,672	2,373,066	13,363,738
From Surplus	10,670,000	10,990,672	(320,672)	-	(10,990,672)
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	2,373,066	$ 2,373,066
Fund Balance - Beginning of Year				35,610,130	
Fund Balance - End of Year				$ 37,983,196	

Economic Development Fund

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Revenues					
Intergovernmental					
Revenue from Use of Money and Property					
Sale of property	$ -	$ -	$ -	$ 349,300	$ 349,300
Intergovernmental Revenues	-	-	-	349,300	349,300
Total Revenues	-	-	-	349,300	349,300
Expenditures					
Current					
Economic development	2,100,000	2,100,000	-	980,392	(1,119,608)
Total Expenditures	2,100,000	2,100,000	-	980,392	(1,119,608)
Excess (Deficiency) of Revenues Over Expenditures	(2,100,000)	(2,100,000)	-	(631,092)	1,468,908
Other Financing Sources (Uses)					
Transfers in	2,100,000	2,100,000	-	2,100,000	-
Transfers (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	2,100,000	2,100,000	-	2,100,000	-
Net Change in Fund Balance	-	-	-	1,468,908	1,468,908
(To) From Surplus	-	-	-	-	-
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	1,468,908	$ 1,468,908
Fund Balance - Beginning of Year				7,879,727	
Fund Balance - End of Year				$ 9,348,635	

Microsoft Capital Project

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Revenues					
Revenue from the use of money - interest income	$ 20,000	$ 20,000	$ -	$ 21,065	$ 1,065
Recovered costs	61,649,883	61,649,883	-	33,098,599	(28,551,284)
Revenue from Commonwealth of Virginia - VDOT	2,597,785	2,597,785	-	1,722,929	(874,856)
Total Revenues	64,267,668	64,267,668	-	34,842,593	(29,425,075)
Expenditures					
Current					
Community development	64,267,668	64,267,668	-	37,669,586	(26,598,082)
Total Expenditures	64,267,668	64,267,668	-	37,669,586	(26,598,082)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	(2,826,993)	(2,826,993)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	-	-	-	(2,826,993)	(2,826,993)
From Surplus	-	-	-	-	-
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	(2,826,993)	$ (2,826,993)
Fund Balance - Beginning of Year				15,999,234	
Fund Balance - End of Year				$ 13,172,241	

School Capital Outlay

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
Revenues					
Revenue from Commonwealth of Virginia - SCAP	$ 6,500,000	$ -	$ (6,500,000)	$ -	$ -
Miscellaneous revenues	-	-	-	-	-
Revenue from component unit school board	-	-	-	207,179	207,179
Total Revenues	6,500,000	-	(6,500,000)	207,179	207,179
Expenditures					
Current					
Debt service - IDA	1,754,380	1,754,380	-	1,754,380	-
Transfer to Component Unit School Board	-	-	-	1,258,277	1,258,277
Education - capital outlay	15,312,507	8,812,507	(6,500,000)	1,647,515	(7,164,992)
Total Expenditures	17,066,887	10,566,887	(6,500,000)	4,660,172	(5,906,715)
Excess (Deficiency) of Revenues Over Expenditures	(10,566,887)	(10,566,887)	-	(4,452,993)	6,113,894
Other Financing Sources (Uses)					
Transfers in	10,566,887	10,566,887	-	12,566,887	2,000,000
Total Other Financing Sources (Uses)	10,566,887	10,566,887	-	12,566,887	2,000,000
Net Change in Fund Balance	-	-	-	8,113,894	8,113,894
From Surplus	-	-	-	-	-
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	8,113,894	$ 8,113,894
Fund Balance - Beginning of Year				27,193,427	
Fund Balance - End of Year				$ 35,307,321	

County of Mecklenburg, Virginia

Combining Balance Sheet

Other Governmental Funds

At June 30, 2025

	Law Library Fund	Children's Services Act	Sheriff's Funds	Drug Forfeiture Funds	Rescue Squad Fund	DEQ and Landfill Funds	Opioid Fund	Total Other Governmental Funds
Assets								
Cash and investments	$ 11,566	$ 960,860	$ 44,907	$ 130,962	$ 2,257,661	$ 436,308	$ 257,429	$ 4,099,693
Accounts receivable			4,310	-	300	-	529,206	533,816
Total Assets	$ 11,566	$ 960,860	$ 49,217	$ 130,962	$ 2,257,961	$ 436,308	$ 786,635	$ 4,633,509
Liabilities								
Accounts payable	$ -	$ 479,759	$ -	$ -	$ -	$ -	$ -	$ 479,759
Total Liabilities	-	479,759	-	-	-	-	-	479,759
Deferred Inflows of Resources								
Unavailable revenue - taxes and other	-	-	-	-	-	-	529,206	529,206
Total Deferred Inflows of Resources	-	-	-	-	-	-	529,206	529,206
Fund Balance								
Restricted	-	481,101	-	130,962	-	20,000	-	632,063
Assigned	11,566	-	49,217	-	2,257,961	416,308	257,429	2,992,481
Total Fund Balance	11,566	481,101	49,217	130,962	2,257,961	436,308	257,429	3,624,544
Total Liabilities and Fund Balance	$ 11,566	$ 960,860	$ 49,217	$ 130,962	$ 2,257,961	$ 436,308	$ 786,635	$ 4,633,509

Schedule 3

County of Mecklenburg, Virginia

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Other Governmental Funds

At June 30, 2025

	Law Library Fund	Children's Services Act	Sheriff's Funds	Drug Forfeiture Funds	Rescue Squad Fund	DEQ and Landfill Funds	Opioid Fund	Total Other Governmental Funds
Revenues								
Use of money and property	$ -	$ -	$ -	$ 167	$ -	$ -	$ -	$ 167
Charges for services	8,456	-	-	-		-	-	8,456
Miscellaneous	-	10,273	51,859	-	102,280	-	-	164,412
Intergovernmental								
From the Commonwealth of VA	-	2,216,638	-	12,735	-	-	65,679	2,295,052
Total Revenues	8,456	2,226,911	51,859	12,902	102,280	-	65,679	2,468,087
Expenditures								
Current								
Judicial administration	14,833	-	-	8,901	-	-	-	23,734
Public safety	-	-	55,153	22,594	31,983	-	-	109,730
Health and welfare	-	3,231,719	-	-	-	-	-	3,231,719
Total Expenditures	14,833	3,231,719	55,153	31,495	31,983	-	-	3,365,183
Excess (Deficiency) of Revenues Over Expenditures	(6,377)	(1,004,808)	(3,294)	(18,593)	70,297	-	65,679	(897,096)
Other Financing Sources (Uses)								
Transfers in	-	685,800	-	-	850,000	-	-	1,535,800
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	685,800	-	-	850,000	-	-	1,535,800
Net Change in Fund Balances	(6,377)	(319,008)	(3,294)	(18,593)	920,297	-	65,679	638,704
Fund Balance - Beginning of Year	17,943	800,109	52,511	149,555	1,337,664	436,308	191,750	2,985,840
Fund Balance - End of Year	$ 11,566	$ 481,101	$ 49,217	$ 130,962	$ 2,257,961	$ 436,308	$ 257,429	$ 3,624,544

County of Mecklenburg, Virginia

Combining Statement of Fiduciary Net Position

Custodial Funds

At June 30, 2025

	Special Welfare	Virginia's Growth Alliance	Virginia's Retreat Fund	Thyne Project Memorial	Totals
Assets					
Cash	$ 51,874	$ -	$ 132,367	$ 25,081	$ 209,322
Account and loans receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	$ 51,874	$ -	$ 132,367	$ 25,081	$ 209,322
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Net Position					
Restricted for:					
Individuals, organizations, and other governments	51,874	-	132,367	25,081	209,322
Total Net Position	51,874	-	132,367	25,081	209,322
Total Liabilities and Fiduciary Net Position	$ 51,874	$ -	$ 132,367	$ 25,081	$ 209,322

Schedule 5

County of Mecklenburg, Virginia

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2025

	Special Welfare	Virginia's Growth Alliance	Virginia's Retreat Fund	Thyne Project Memorial	Custodial Funds Totals
Additions					
Miscellaneous income	$ -	$ 5,252	$ 2,000	$ -	**$ 7,252**
Contributions from members	-	124,000	47,250	-	**171,250**
Local grant funds and other donations	127,670	411,540	-	-	**539,210**
Investment earnings - interest income	116	83	52	29	**280**
Total additions	127,786	540,875	49,302	29	**717,992**
Deductions					
Program and administrative expenses	139,893	773,468	39,097	-	**952,458**
Total deductions	139,893	773,468	39,097	-	**952,458**
Net increase (decrease) in fiduciary net position	(12,107)	(232,593)	10,205	29	**(234,466)**
Net position - beginning	63,981	232,593	122,162	25,052	**443,788**
Net position - ending	$ 51,874	$ -	$ 132,367	$ 25,081	**$ 209,322**

County of Mecklenburg, Virginia

Component Unit School Board

Combining Balance Sheet

At June 30, 2025

	School Operating Fund	School Food Services Fund	School Textbook Fund	New School Fund	School Activity Fund	Total Component Unit School Board
Assets						
Cash and investments	$ 1,078	$ -	$ 950,931	$ 7,690,807	$ 538,409	$ 9,181,225
Cash - restricted	-	1,264,482	-	-	-	1,264,482
Accounts receivable	-	-	-	-	-	-
Due from other governments	1,046,930	23,856	-	-	-	1,070,786
Total Assets	$ 1,048,008	$ 1,288,338	$ 950,931	$ 7,690,807	$ 538,409	$ 11,516,493
Liabilities						
Accounts payable	$ 652,197	$ 7,438	$ -	$ -	$ -	$ 659,635
Total Liabilities	652,197	7,438	-	-	-	659,635
Fund Balance						
Restricted	-	1,280,900	-	7,690,807	-	8,971,707
Assigned	395,811	-	950,931	-	538,409	1,885,151
Total Fund Balance	395,811	1,280,900	950,931	7,690,807	538,409	10,856,858
Total Liabilities and Fund Balance	$ 1,048,008	$ 1,288,338	$ 950,931	$ 7,690,807	$ 538,409	$ 11,516,493

County of Mecklenburg, Virginia

Component Unit School Board

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

At June 30, 2025

Total Fund Balances for Governmental Funds		$ 10,856,858
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	$ 1,968,306	
Buildings and improvements, net	11,527,123	
Furniture, equipment, and vehicles, net	12,702,963	
Lease assets, net	782,496	
Total Capital Assets		26,980,888
Deferred outflows and inflows of resources related to pensions and OPEBs are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows related to pension	9,306,137	
Deferred outflows related to OPEB	991,706	
Deferred inflows related to pension	(6,629,636)	
Total		3,668,207
Liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Balances of long-term liabilities affecting net position are as follows:		
Compensated absences	(368,005)	
Lease liabilities	(422,558)	
Net pension liability	(24,916,228)	
Net OPEB liabilities	(5,804,721)	
Total		(31,511,512)
Total Net Position of Governmental Activities		$ 9,994,441

County of Mecklenburg, Virginia

Component Unit School Board

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

Year Ended June 30, 2025

	School Operating Fund	School Food Services Fund	School Textbook Fund	New School Fund	School Activity Fund	Total Component Unit School Board
Revenues						
Use of money and property	$ -	$ 1,583	$ 982	$ 633,009	$ -	$ 635,574
Charges for services	700,945	205,619	-	-	-	906,564
Miscellaneous	33,897	-	-	-	683,747	717,644
Payments from Primary Government - Mecklenburg County	31,155,192	-	225,056	-	-	31,380,248
Intergovernmental						
From the Commonwealth of Virginia	34,198,831	69,706	358,027	6,500,000	-	41,126,564
From the Federal Government	8,766,132	2,576,736	-	-	-	11,342,868
Total Revenues	74,854,997	2,853,644	584,065	7,133,009	683,747	86,109,462
Expenditures						
Education						
Instruction	50,162,378	-	309,871	-	546,184	51,018,433
Technology	2,550,786	-	-	-	-	2,550,786
Administration, attendance, and health	2,831,488	-	-	-	-	2,831,488
Transportation	5,373,527	-	-	-	-	5,373,527
Operation and maintenance	6,743,325	-	-	-	-	6,743,325
Operation and maintenance - Mecklenburg County	94,325	-	-	-	-	94,325
School food service	-	2,951,688	-	-	-	2,951,688
Capital projects	-	-	-	16,365,573	-	16,365,573
Debt service	8,134,117	-	-	-	-	8,134,117
Total Expenditures	75,889,946	2,951,688	309,871	16,365,573	546,184	96,063,262
Excess (Deficiency) of Revenues Over (Under) Expenses Before Other Financing Sources (Uses)	(1,034,949)	(98,044)	274,194	(9,232,564)	137,563	(9,953,800)
Other Financing Sources (Uses)						
Issuance of long-term debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	(1,034,949)	(98,044)	274,194	(9,232,564)	137,563	(9,953,800)
Fund Balances - Beginning of Year	1,430,760	1,378,944	676,737	16,923,371	400,846	20,810,658
Fund Balances - End of Year	$ 395,811	$ 1,280,900	$ 950,931	$ 7,690,807	$ 538,409	$ 10,856,858

County of Mecklenburg, Virginia

Component Unit School Board

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

Net Change in Fund Balances		$ (9,953,800)
Amounts reported for governmental activities in the Statement of Activities are different because:		
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 as depreciation expense:		
Capitalized assets	$ 7,046,838	
Dispositions of assets	-	
Depreciation	(3,187,914)	
		3,858,924
Under the modified accrual basis of accounting used in the Governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following:		
Compensated absences	(14,857)	
Net VRS pension account adjustments	1,894,514	
Net OPEB account adjustments	441,643	
Long-term financing obligation payments	-	
Lease amortization and lease liabilities, net	(259,544)	
Net Adjustment		2,061,756
Change in Net Position of Governmental Activities		$ (4,033,120)

County of Mecklenburg, Virginia

Budgetary Comparison Schedule

Year Ended June 30, 2025

Component Unit School Board

School Operating Fund

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
School Operating Fund					
Revenues					
Charges for services	$ 565,662	$ 565,662	$ -	$ 700,945	$ 135,283
Miscellaneous	206,000	206,000	-	33,897	(172,103)
Payment from Primary Govt.	29,896,915	29,896,915	-	31,155,192	1,258,277
Intergovernmental			-		-
From the Commonwealth of Virginia	33,594,502	36,202,396	2,607,894	34,198,831	(2,003,565)
From the Federal Government	7,432,379	9,907,605	2,475,226	8,766,132	(1,141,473)
Total Revenues	71,695,458	76,778,578	5,083,120	74,854,997	(1,923,581)
Expenditures					
Current					
Education					
Instruction	48,699,745	50,908,959	2,209,214	50,162,378	(746,581)
Technology	2,616,007	2,616,007	-	2,550,786	(65,221)
Administration, attendance, and health	2,757,277	2,757,277	-	2,831,488	74,211
Transportation	5,190,981	5,456,993	266,012	5,373,527	(83,466)
Operation and maintenance - Payment to County	-	-	-	94,325	94,325
Operation and maintenance	4,296,800	6,904,694	2,607,894	6,743,325	(161,369)
Debt service	8,134,648	8,134,648	-	8,134,117	(531)
Total Expenditures	71,695,458	76,778,578	5,083,120	75,889,946	(888,632)
Excess (Deficiency) of Revenues Over (Under) Expenses Before Other Financing Sources (Uses)	-	-	-	(1,034,949)	(1,034,949)
Other Financing Sources (Uses)					
Lease liabilities assumed	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	$ -	(1,034,949)	$ (1,034,949)
Fund Balance - Beginning of Year				1,430,760	
Fund Balance - End of Year				$ 395,811	

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
School Food Services Fund					
Revenues					
Use of money and property	$ -	$ -	$ -	$ 1,583	$ 1,583
Charges for services	220,000	220,000	-	205,619	(14,381)
Intergovernmental					-
From the Commonwealth of Virginia	60,901	65,092	4,191	69,706	4,614
From the Federal Government	2,320,000	2,573,945	253,945	2,576,736	2,791
Total Revenues	2,600,901	2,859,037	258,136	2,853,644	(5,393)
Expenditures					
Current					
Education					
School Food Service	2,600,901	2,949,936	349,035	2,951,688	1,752
Total Expenditures	2,600,901	2,949,936	349,035	2,951,688	1,752
Net Change in Fund Balance	-	(90,899)	(90,899)	(98,044)	(7,145)
From Surplus	-	90,899	90,899	-	(90,899)
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	(98,044)	$ (98,044)
Fund Balance - End of Year				1,378,944	
Fund Balance - End of Year				$ 1,280,900	
School Textbook Fund					
Revenues					
Use of money and property	$ -	$ -	$ -	$ 982	$ 982
Payment from Primary Govt.	225,056	225,056	-	225,056	-
Intergovernmental					-
From the Commonwealth of Virginia	353,049	353,049	-	358,027	4,978
Total Revenues	578,105	578,105	-	584,065	5,960
Expenditures					
Current					
Education					
School textbook	578,105	578,105	-	309,871	(268,234)
Total Expenditures	578,105	578,105	-	309,871	(268,234)
Net Change in Fund Balance	-	-	-	274,194	274,194
From Surplus	-	-	-	-	-
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	274,194	$ 274,194
Fund Balance - Beginning of Year				676,737	
Fund Balance - End of Year				$ 950,931	

	Original Budget	Final Budget	Variance With Original Budget Positive (Negative)	Actual	Variance With Final Budget Positive (Negative)
New School Projects					
Revenues					
Use of money and property	$ -	$ -	$ -	$ 633,009	$ 633,009
Intergovernmental - Commonwealth of Virginia - SCAP	-	6,500,000	6,500,000	6,500,000	-
Total Revenues	-	6,500,000	6,500,000	7,133,009	633,009
Expenditures					
Current					
Education					
Debt service	-	-	-	-	-
Capital outlay	16,000,000	22,500,000	6,500,000	16,365,573	(6,134,427)
Total Expenditures	16,000,000	22,500,000	6,500,000	16,365,573	(6,134,427)
Excess (Deficiency) of Revenues Over (Under) Expenses Before Other Financing Sources (Uses)	(16,000,000)	(16,000,000)	-	(9,232,564)	6,767,436
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	(16,000,000)	(16,000,000)	-	(9,232,564)	6,767,436
From Surplus	16,000,000	16,000,000	-	-	(16,000,000)
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	(9,232,564)	$ (9,232,564)
Fund Balance - Beginning of Year				16,923,371	
Fund Balance - End of Year				$ 7,690,807	
School Activity Fund					
Revenues					
Miscellaneous	$ -	$ -	$ -	$ 683,747	$ 683,747
Total Revenues	-	-	-	683,747	683,747
Expenditures					
Current					
Education					
Instruction	-	-	-	546,184	546,184
Total Expenditures	-	-	-	546,184	546,184
Net Change in Fund Balance	-	-	-	137,563	137,563
From Surplus	-	-	-	-	-
Net Change in Fund Balance After Surplus	$ -	$ -	$ -	137,563	$ 137,563
Fund Balance - Beginning of Year				400,846	
Fund Balance - End of Year				$ 538,409	

County of Mecklenburg, Virginia

Component Unit - Industrial Development Authority of Mecklenburg County, Virginia

Statement of Net Position

June 30, 2025

Current Assets	
Cash	$ 4,152,780
Short-term lease receivable	35,216
Notes receivable, short-term portion	1,057,590
Total Current Assets	5,245,586
Noncurrent Assets	
Note receivable, net of short-term portion	22,751,164
Capital Assets	
Land and buildings held for resale (net)	11,958,066
Total Assets	$ 39,954,816
Liabilities	
Current Liabilities	
Bonds, loans, other	$ 1,028,394
Long-Term Liabilities	
Bonds, loans, other, net	22,725,108
Total Liabilities	23,753,502
Deferred inflows - leases	60,776
Net Position	
Net investment in capital assets	11,958,066
Unrestricted	4,182,472
Total Net Position	16,140,538
Total Liabilities and Net Position	$ 39,954,816

County of Mecklenburg, Virginia

Component Unit - Industrial Development Authority of Mecklenburg County, Virginia

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2025

Operating Revenues	
Contributions from Mecklenburg County, Virginia	$ 691,686
Mecklenburg County - reimbursement on bond	817,380
Lease revenue	324,178
Miscellaneous	40,460
Total Operating Revenues	1,873,704
Operating Expenses	
Insurance	8,400
Legal and professional fees	12,328
Utility companies	9,744
Repairs and maintenance	43,459
Payments to other localities for their share of property taxes	691,686
Miscellaneous	11,438
Total Operating Expenses	777,055
Operating Income	1,096,649
Non-Operating Revenues (Expenses)	
Interest income	18,734
Interest expense	(827,894)
Net Non-Operating Revenues (Expenses)	(809,160)
Change in Net Position	287,489
Total Net Position - Beginning of Year	15,853,049
Total Net Position - End of Year	$ 16,140,538

County of Mecklenburg, Virginia

Component Unit - Industrial Development Authority of Mecklenburg County, Virginia

Statement of Cash Flows

Year Ended June 30, 2025

Cash Flows from Operating Activities	
Contributions from Mecklenburg County, Virginia	$ 691,686
From Mecklenburg County - reimbursement on bond	817,380
Lease revenue	258,501
Miscellaneous	40,460
Payments to businesses and vendors	(777,055)
Net Cash Provided by Operating Activities	1,030,972
Cash Flows from Capital Related and Financing Activities	
Payment of long term debt	(991,188)
Payment received on notes receivable	81,280
Due from Mecklenburg County	937,000
Interest expense	(827,894)
Net Cash Used in Capital and Related Financing Activities	(800,802)
Cash Flows from Investing Activities	
Interest income	18,734
Net Cash Provided by Investing Activities	18,734
Net Increase in Cash and Cash Equivalents	248,904
Cash and Cash Equivalents - Beginning of Year	3,903,876
Cash and Cash Equivalents - End of Year	$ 4,152,780
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	$ 1,096,649
Adjustments to reconcile operating income to net cash provided by operating activities	
Changes in assets and liabilities	
Decrease in lease receivable	(135,806)
Increase (decrease) in deferred inflows - leases	70,129
Net Cash Provided by Operating Activities	$ 1,030,972

COMPLIANCE SECTION

Creedle Jones & Associates

A Professional Corporation

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INDEPENDENT AUDITOR'S 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 Board of Supervisors
County of Mecklenburg, 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 *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Mecklenburg, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County of Mecklenburg, Virginia's basic financial statements and have issued our report thereon dated December 8, 2025.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
December 8, 2025

Creedle Jones & Associates

A Professional Corporation

Robin B. Jones, CPA, CFP
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American Institute of Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Supervisors
County of Mecklenburg, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, County of Mecklenburg, 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; 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); *and Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accountants of the Commonwealth of Virginia. Our responsibilities under those standards, the Uniform Guidance, and specifications are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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.

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
December 8, 2025

Creedle Jones & Associates

A Professional Corporation

Robin B. Jones, CPA, CFP
Kimberly W. Jackson, CPA

Sherwood H. Creedle, Founder

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REPORT ON COMPLIANCE WITH COMMONWEALTH OF VIRGINIA'S LAWS, REGULATIONS, CONTRACTS, AND GRANTS

To the Board of Supervisors
County of Mecklenburg, Virginia

We have audited the financial statements of the County of Mecklenburg, Virginia, as of and for the year ended June 30, 2025, and have issued our report thereon dated December 8, 2025.

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 *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with Commonwealth of Virginia's laws, regulations, contracts, and grants applicable to the County of Mecklenburg, Virginia, is the responsibility of the County of Mecklenburg, Virginia's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the County of Mecklenburg, Virginia's compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts, and grants. However, the objective of our audit of the basic financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The following is a summary of the Commonwealth of Virginia's laws, regulations, contracts, and grants for which we performed tests of compliance:

Code of Virginia

- Budget and Appropriation Laws
- Cash and Investments
- Conflicts of Interest
- Retirement Systems
- Debt Provisions
- Procurement
- Unclaimed Property
- Personal Property Tax Relief Act

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State Agency Requirements

- Social Services
- Education
- Comprehensive Services Act Funds
- Economic Development Opportunity Fund

The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the County of Mecklenburg, Virginia had not complied, in all material respects, with those provisions.

This report is intended solely for the information of the Board of Supervisors, County of Mecklenburg, Virginia's management, Auditor of Public Accounts of the Commonwealth of Virginia, and applicable state agencies, and is not intended to be, and should not be, used by anyone other than these specified parties.

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
December 8, 2025

County of Mecklenburg, Virginia

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U. S. Department of the Interior			
Direct Payments			
Payments in Lieu of Taxes Program	15.226	N/A	$ 206,014
U. S. Department of Homeland Security			
Pass-Through Payments			
Department of Emergency Management			
Hazard Mitigation Grant Program	97.042	127	7,500
Subtotal - U. S. Department of Justice			7,500
U. S. Department of Agriculture			
Pass-Through Payments			
Department of Social Services			
SNAP Cluster			
State Administrative Matching Grants for SNAP	10.561	765	660,733
Child Nutrition Cluster			
State Department of Agriculture and Consumer Services			
National School Lunch Program (NSLP) - Food Commodities - Schools	10.555	301	211,121
Department of Education			
School Breakfast Program	10.553	197	1,802,662
National School Lunch Program (NSLP)	10.555	197	765,681
Child Nutrition Cluster Total			2,779,464
Department of Education			
Child and Adult Care Food Program	10.558	197	8,393
Subtotal - U. S. Department of Agriculture			3,448,590
U. S. Department of Health and Human Services			
Pass-Through Payments			
Department of Social Services			
CCDF Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	765	55,874
CCDF Cluster Total			55,874
Medicaid Cluster			
Grants to States for Medicaid	93.778	765	549,179
Temporary Assistance for Needy Families	93.558	765	285,240
MaryLee Allen Promoting Safe and Stable Families Program	93.556	765	10,750
Title IV-E Prevention Program (new)	93.472	765	13,794
Guardianship Assistance	93.090	765	498
Refugee and Entrant Assistance State/Replacement Designee Admin. Programs	93.566	765	361
Low-Income Home Energy Assistance (LIHEAP)	93.568	765	56,129
Stephanie Tubbs Jones Child Welfare Services Program	93.645	765	1,133
Foster Care - Title IV-E	93.658	765	199,729
Adoption Assistance	93.659	765	142,444
Social Services Block Grant	93.667	765	251,784
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	765	2,145
Children's Health Insurance Program	93.767	765	6,709
Subtotal - U. S. Department of Health and Human Services			1,575,769

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U. S. Department of Defense			
Pass-Through Payments			
Department of Education			
Payments to States in Lieu of Real Estate Taxes	12.112	197	7,335
U. S. Department of Education			
Pass-Through Payments			
Virginia Polytechnic Institute and State University			
English Language Acquisition State Grants	84.365	208	3,039
Department of Education			
Special Education Cluster (IDEA)			
Special Education - Grants to States (IDEA, Part B)	84.027	197	553,372
Special Education - Preschool Grants (IDEA Preschool)	84.173	197	6,800
Special Education Cluster (IDEA) Total			560,172
Title I Grants to Local Educational Agencies	84.010A	197	597,178
Rural Education	84.358	197	142,364
Career & Technical Education - Basic Grants to States	84.048A	197	99,017
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality)	84.367A	197	44,635
Student Support and Academic Enrichment Program	84.424	197	391,328
Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	84.425D	197	6,750,729
Subtotal - U. S. Department of Education			8,588,462
U. S. Department of the Treasury			
Pass-Through Payments			
Department of Education			
Coronavirus State and Local Fiscal Recovery Funds	21.027	197	170,335
Department of Health			
Coronavirus State and Local Fiscal Recovery Funds	21.027	601	1,296
Department of Criminal Justice Services			
Coronavirus State and Local Fiscal Recovery Funds	21.027	140	41,000
Department of Accounts			
Coronavirus State and Local Fiscal Recovery Funds	21.027	162	1,373,521
Subtotal - U. S. Department of Treasury			1,586,152
U. S. Department of Housing and Urban Development			
Pass-Through Payments			
Department of Housing and Community Development			
Community Development Block Grants/State's Programs - Planning Grant	14.228	165	29,178
Subtotal - U. S. Department of Housing and Urban Development			29,178
Grand Totals			$ 15,449,000

See accompanying notes to schedule of expenditures of federal awards.

County of Mecklenburg, Virginia

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of County of Mecklenburg, 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 County of Mecklenburg, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Mecklenburg, Virginia.

2. 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 principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

County of Mecklenburg, Virginia has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. Nonmonetary Assistance

In addition to amounts reported on the Schedule of Expenditures of Federal Awards, the County consumed nonmonetary assistance in the form of food commodities. Commodities with a fair value of $211,121 at the time received were consumed during the year ended June 30, 2025. These commodities were included in the determination of federal awards expended during the year ended June 30, 2025.

5. Subrecipients

No awards passed through to subrecipients.

County of Mecklenburg, Virginia

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425D	Elementary and Secondary School Emergency Relief Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.010A	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters reported