



Independent Auditor's Report on Comments and Suggestions

Honorable Members of the Board of Supervisors
County of Bedford, Virginia

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bedford, Virginia (the "County") as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered its 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 opinion on the financial statements and to comply with any other applicable standards, such as *Government Auditing Standards* and the regulations set forth in the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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.

If material weaknesses or significant deficiencies were identified during our procedures, they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included in the ***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*** which should be read in conjunction with this report.

Additionally, during our audit, we may have become aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are also included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detailed review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We have also included information on

accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. It is our hope that our suggestions will be taken in the constructive light in which they are offered.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Board of Supervisors, management, others within the County, and state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 12, 2025

County of Bedford, Virginia
Current Year Comment and Suggestion
June 30, 2025

Commonwealth of Virginia Disclosure Statements

During our review of the Commonwealth of Virginia disclosure statements, we noted two members from the Board of Zoning Appeals did not file their statements by the February 1, 2025 deadline. We recommend steps be taken to ensure that these statements are filed in a timely manner.

County of Bedford, Virginia
Status of Prior Year Comments and Suggestions
June 30, 2025

Proprietary Fund – Solid Waste

As of June 30, 2024, the solid waste fund had an operating loss of \$3,210,765 and a decrease in net position of \$595,690. For fiscal years 2023, 2022, and 2021, this fund had operating losses of \$3,477,046, \$3,093,135, and \$2,030,885, respectively. The solid waste fund is a proprietary fund which is used to account for and report those activities that are designed to be self-supporting from fees charged to consumers of the funds' goods and services. With the increasing costs of the solid waste's operating expenses, we recommend management reevaluate the tipping fees charged to consumers so that the solid waste fund can become self-supporting and rely less on transfers from other funds for operations.

Current Status: As of June 30, 2025, the solid waste fund had an operating loss of \$4,429,100 and a decrease in net position of \$1,899,215. Comment is still applicable.

Disaster Recovery and Contingency Planning

Disaster Recovery Plan

The County does not have a complete written information systems disaster recovery plan in place to ensure proper and timely recovery in case of a disaster. The plan, at a minimum, should include key contacts, location of backup tapes, a brief description of backup practices and policies, and key information that would assist in restoring the information systems to full use. We recommend the plan be completed and appropriately tested to assist in ensuring its viability. Scenarios should include, but not be limited to, non-availability of key staff and assumed unavailability of certain key resources. Copies of the plan should be kept in multiple offsite locations, including the backup tape location, to assist in timely recovery. A formal written contingency plan exists for the County to ensure the continued operation of data processing in the event of a localized disaster or hardware failure, but the plan needs to be updated.

Current Status: Comment no longer applicable. The County created and implemented a formal disaster recovery plan in fiscal year 2025.