

CITY
OF
BUENA VISTA
VIRGINIA



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2024

CITY OF BUENA VISTA, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR ENDED
JUNE 30, 2024**

Prepared by

Steve Bolster, Director of Finance

Buena Vista, Virginia

**CITY OF BUENA VISTA, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024**

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INTRODUCTORY SECTION



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

February 28, 2025

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

Commonwealth of Virginia law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

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

Robinson, Farmer, Cox Associates, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Buena Vista's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

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

Buena Vista was a focal point of the Shenandoah Valley land boom initiated in 1889 by several land development companies, one of which was the Buena Vista Company. In less than three years, Buena Vista grew from a sparsely populated rural area to a town with 19 industries that employed in excess of 1,000 workers. Buena Vista was incorporated as a city by the Virginia General Assembly in 1892 encompassing a land area of approximately 6.5 square miles. It was during the land boom era that Buena Vista established its role as an industrial city and is currently the industrial and manufacturing nucleus of the area. The City of Buena Vista is empowered to levy a property tax on both real and personal property located within its boundaries.

The City of Buena Vista has operated under the council-manager form of government since 1892. Policy-making and legislative authority are vested in a governing City Council, consisting of the mayor and six other members, all elected on a non-partisan basis. The Council appoints the manager, who in turn appoints the heads of the various departments. Council members serve four-year terms, with three members elected every two years. The mayor is elected for a two-year term.

The City of Buena Vista provides a full range of services, including police, fire, rescue squad, public works, water treatment plant, water and sewer, parks and recreation. The City of Buena Vista is also financially accountable for a legally separate school district that is reported separately within the City of Buena Vista's financial statements.

The Council is required to adopt a final budget no later than May 30 for the next fiscal year. This annual budget serves as the foundation for the City of Buena Vista's financial planning and control. The budget is prepared at the department level, and the budget can be revised only by the City Council. The City Manager is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts between the school system's departments without the approval of the City Council.

Local Economy

Buena Vista City Council is committed to creating jobs for its citizens and generating new revenue sources by both encouraging businesses to locate in the City and cultivating local entrepreneurs. The latest labor force totals reflect 3,576 with 3,494 employed for an unemployment rate of 2.3 percent. The largest sectors of the City's economy are industrial/manufacturing, historically a strong sector, and education, driven by the local school system and Southern Virginia University (SVU). One of the fastest growing private, four-year residential institutions in the country, SVU has achieved 50% growth in the last six years, with enrollment exceeding 1,170 students in the 2023-24 academic year. SVU is a tremendous growth engine in the City. The university continues to be one of the City's top employers.

In 2024, Buena Vista continued its momentum from 2023 and realized the following accomplishments. Revenues gains from the prior year included: Glen Maury Park campground rentals rose 50.52%, lodging taxes increased by 53.42%, and meals taxes were up 4.16%. In addition, real estate tax values increased by \$115,969,865. As a result, City Council equalized the tax rate from \$1.27 per \$100 of assessed value to \$0.91. The City's 'Penny Rate' increased from ~\$30,000 (at last calculation) to \$42,715. Housing construction involved 19 new houses, with 13 underway, and 39 more units planned. Forty new business licenses were issued in 2024. The City completed a water infrastructure refinancing. The \$5.4 million dollar bond through the USDA garnered a 2.75% interest rate which will generate over \$360,000 in annual savings, nearly \$2.9 million from 2025 to 2031.

Other Buena Vista achievements include a partnership with Greenspot, an award-winning company specializing in EV charging infrastructure, to gain the City's first EV charging stations. The installed stations, located in our downtown parking lot, were completed at no cost to the City. In addition, Virginia Main Street promoted Main Street Buena Vista from an 'Exploring Main Street Community' to an 'Advanced Main Street Community.' This action will provide the opportunity for increased state funding and support. Furthermore, Buena Vista made significant progress in the redevelopment efforts for one of its most historically significant properties, known as the Bontex or Georgia Bonded Fibers property, or historically as the Columbia Paper Mill. This site, which dates to ~1860, has remained vacant since 2010. The City has worked closely with the property owner over the last few years to establish a clear path forward for its revitalization. This includes a \$200,000 technical assistance grant from the Virginia Department of Environmental Quality to conduct planning and due diligence efforts for redevelopment. Lastly, The Advancement Foundation, a non-profit founded in 2007 to create effective entrepreneurial ecosystems, broke ground on a nearly \$2 million renovation project – the Virginia Innovation Accelerator. The project will convert the former Mundent-Hermetite building (37,000 square feet) in downtown Buena Vista, vacant for ~10 years, into a space for small-scale manufacturing, commercial kitchen use, business acceleration, and product development.

Planning efforts resulted in the following programs. Tree Canopy Plan: the City received a technical assistance award from the Virginia Department of Forestry to complete canopy mapping, identify potential planting areas, and develop strategies to encourage tree planting and maintenance. Transportation Small Area Plan: we completed a plan for the Route 60 area between the former Bontex property and Forge Road to anticipate future transportation network needs and identify options for pedestrian connection to the 'Food Lion' shopping center. River Walk Interpretive Signage: the City earned a technical assistance

grant from the National Park Service and began work to research, plan, and design interpretive signage for the Maury River walking trail which will help tell the history of Buena Vista. Childcare Survey: we teamed with Rockbridge County and the Southeast Rural Community Assistance Project, Inc to assess childcare needs and create a plan with recommendations to address the challenges and improve childcare in the area.

Public School System

The Buena Vista City Public School Division includes a contemporary high school, a middle school, and two elementary schools. A total enrollment of approximately 830 students enables the faculty to provide personal attention and outstanding instruction. It is the mission of Buena Vista City Public Schools to empower students to reach their fullest educational potential, discover their strengths, and develop visions for their futures. Curricula and programs encompass core academic areas based on the Standards of Learning for Virginia Public Schools. All schools provide students with opportunities to participate in art, music, and physical education programs and have modern libraries and media centers. At the high school level, students may choose from general education, career and technical education majors, or advanced academic courses that carry college level, dual-enrollment credit.

Higher Education

Southern Virginia University is a private, 4-year liberal arts college tracing its founding to 1867. SVU is a private, faith-based institution – the only East Coast college aligned with the Latter-day Saints. An increasing number of students from around the country are discovering SVU's beautiful campus, nestled at the foothills of the Blue Ridge Mountains, and its unique approach to education. Recently, SVU raised over \$1 million for its Main Hall Preservation Fund. Work to repair the Main Hall exterior is under contract for the nearly 150-year-old landmark.

Mountain Gateway Community College (MGCC) - Rockbridge Regional Center sits within the city limits. MGCC accommodates a diversity of day and night courses to support the pursuit of associate degrees, certification programs, and workforce training. In July 2025, personnel and students will transition to the MGCC Wilson Workforce Development Center in downtown Buena Vista after a \$6.8M renovation of the former Courtesy Ford dealership. MGCC is transforming the 18,750 square foot facility into a center that will train students for in-demand jobs such as: HVAC, building trades, electrical, plumbing, industrial technology, precision machining, welding, diesel mechanics, and CDLs. These employment fields are included in the State's FastForward program, which provides tuition assistance to students training for in-demand jobs.

Long-term Planning and Major Initiatives and Accomplishments

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

The past fiscal year saw the completion of many significant projects as well as the beginning or approval of other major initiatives.

The Public Works Department completed the following infrastructure improvements in Buena Vista: milled and repaved 1 mile of Route 60, a major east-west road in the region; laid down 170 tons of asphalt on city streets; and installed 655 feet of curb and gutters in residential and business areas.

The Buena Vista Police Department (BVPD) sourced the installation of a new security camera system and repainting of the 5,960 square foot building through budget savings and external grants. In addition, Police Department officials coordinated with one of our top employers, Everbrite Manufacturing, to install a new exterior sign identifying their facility. Furthermore, the BVPD earned grants to upgrade computers,

body-worn cameras, and upgrade record systems. These improvements contribute to the department maintaining their accreditation through the Virginia Law Enforcement Professional Standards Commission.

In 2022, the City received almost \$8,000,000 in American Rescue Plan funding. In 2024, the City continued to dedicate these funds to tackle needed infrastructure modernizations and facility upgrades. At City Hall, Buena Vista replaced the roof and HVAC system at \$100,000. Other roof replacement projects involved the Wastewater Treatment Plant control room (\$34,000) and the BVPD (\$36,000). The General District Courtroom was significantly remodeled, and new interior and exterior security cameras were installed, enhancing operational safety (\$95,000). Work began on upgrading the IT infrastructure, including a new server room and installing network/phone wiring throughout the building to boost public communication channels (\$77,000). Buena Vista hired a company to design and rebuild the City website to gain a more comprehensive and accessible platform to better serve our community (\$40,000). At Glen Maury Park, a 315-acre outdoor activity playground, Buena Vista completed a major electrical upgrade to the two campgrounds (\$1.2 million) and the Olympic-sized pool (\$750,000). City Council also committed \$300,000 to convert an empty downtown lot purchased by Buena Vista into a vibrant community gathering space. The new 'Town Square' will include a timber frame marketplace pavilion and stage, restrooms, and lawn which will contribute to our downtown area's reemergence as a dynamic place to live, work, and play.

Buena Vista teamed with the area's Community Foundation and Rockbridge Recovery to fund the Hope House Recovery Home. In April 2024, a ribbon cutting ceremony was held to open a 'Men's Transitional Sober Living' program which will provide a living space as clients receive recovery services. The City was awarded over \$219,000 in Opioid Abatement Authority grant funding for this project.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Buena Vista for its Annual Report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized report. The report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



Jason Tyree, City Manager



Steve Bolster, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Buena Vista
Virginia**

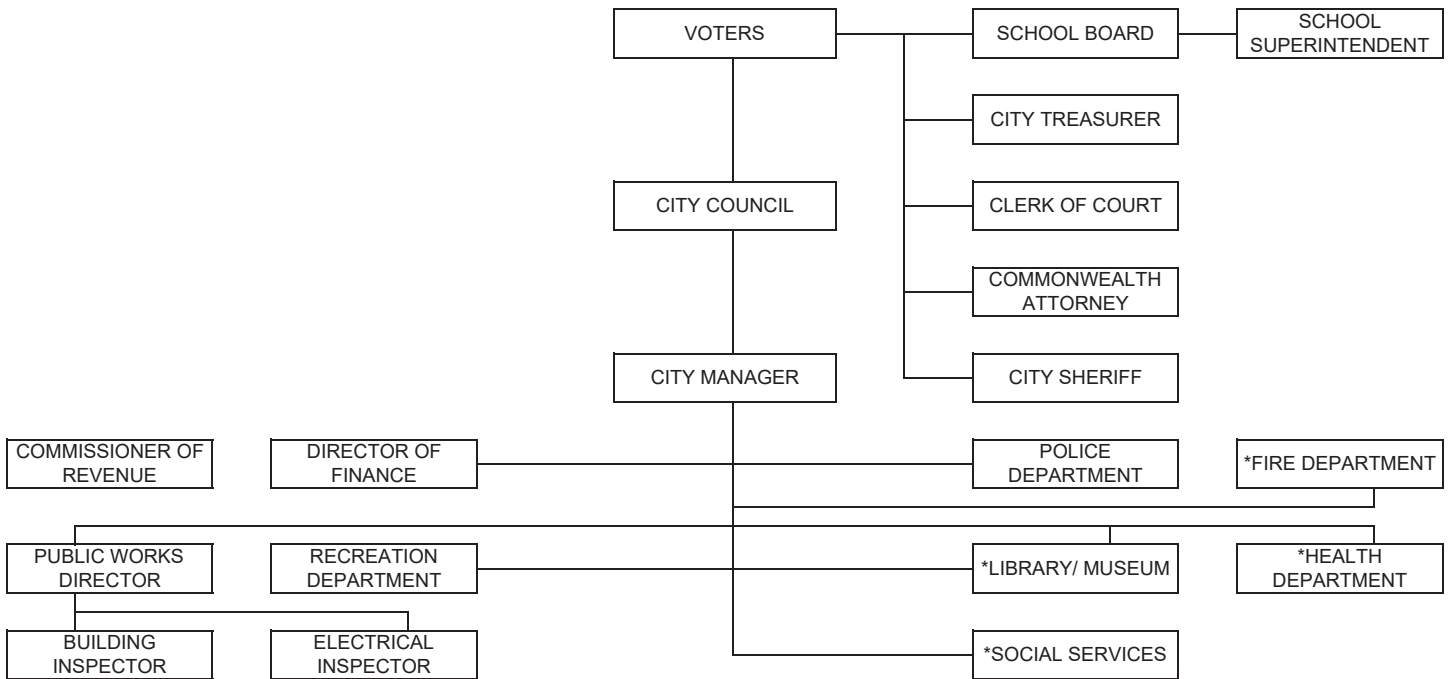
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrell

Executive Director/CEO

**CITY OF BUENA VISTA
ORGANIZATION CHART**



*=ADMINISTERED BY OTHER LOCAL GOVERNMENTAL UNITS

CITY OF BUENA VISTA, VIRGINIA
ELECTED AND APPOINTED OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2024

CITY COUNCIL

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

BUENA VISTA APPOINTED OFFICIALS

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

BUENA VISTA CITY SCHOOL BOARD

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

SCHOOL DIVISION APPOINTED OFFICIALS

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

LEGISLATIVE ELECTION

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

CONSTITUTIONAL OFFICERS

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

FINANCIAL SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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 City of Buena Vista, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of the City of Buena Vista, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Buena Vista, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Buena Vista, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
February 28, 2025

Management's Discussion and Analysis

As management of the City of Buena Vista, Virginia, we offer readers of the City of Buena Vista's financial statements this narrative overview and analysis of the financial activities of the City of Buena Vista for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal that can be found on pages 1-4 of this report.

Financial Highlights

The net position of the City of Buena Vista's Primary Government at the close of the current fiscal year was \$11,354,061 (net position). Total primary government net position increased \$805,930, up 7.64%, from the prior fiscal year largely due to the increase in restricted cash and cash equivalents (up \$2,168,714) and capital assets (buildings and improvements – up \$1,342,317).

As of the close of the current fiscal year, the City of Buena Vista's governmental funds reported combined fund balances of \$3,352,973 a decrease of \$1,044,078 in comparison with the prior year. Of the ending fund balances, \$2,169,648 is unassigned and available for spending at the government's discretion. The decrease is attributable to governmental fund expenditures exceeding revenues by \$1,103,425. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,242,749, or 12.44 percent of total General Fund expenditures (\$18,022,143).

The City of Buena Vista's primary government long-term liabilities decreased by \$1,377,690, or 10.94%. The primary cause of this change is the issuance of a \$5,424,000 Buena Vista Public Service Authority (BVPSA) water revenue bond in June 2024. The bond paid capital costs to (a) purchase all the various water systems owned by the Buena Vista Economic Development Authority, (b) refinance and restructure the outstanding amount of the BVPSA 2011 lease-revenue bond, and (c) pay costs of issuance in connection with this effort. The total long-term debt for the City stands at \$13,970,148. Of this amount, there is a charge of \$1,367,162 for Other Postemployment Benefits. This charge is an actuarial estimate of the costs of future retiree benefits. Also included in long-term indebtedness is \$328,833 for employee compensated absences. The amount of pension liability is \$1,567,409, a decrease of \$1,190,708, please see notes for further explanation on the change in pension liability.

Overview of the Financial Statements

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

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

The Statement of Net position presents information on all of the City of Buena Vista's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Buena Vista is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Buena Vista that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Buena Vista include general government, judicial administration, public works, health and welfare, education, parks recreation and cultural, community development, and interest expense. The business-type activities of the City of Buena Vista include water and sewer and the golf course operation.

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents a statistical section and compliance section.

General Fund Budgetary Highlights

The FY 2024 General Fund Budget was \$15,675,437. The City's primary budgetary goals are to provide our citizens with public safety, public works, and safety net services needed to support a thriving community, and to continue efforts to increase the fund balance. Some areas of the budget include increases to account for American Rescue Plan Act spending to modernize aging infrastructure, purchase public works equipment, renovate the General District courtroom, constructing a Town Square gathering space in downtown, and completing Glen Maury Park projects (upgrades to campground electrical system and renovating swimming pool).

City Council approved a 5% cost-of-living adjustment for employees. The Central Dispatch budget was approved for additional funding. The comprehensive services health/welfare programs remained level funded, and the Regional Jail budget was down; these are uncontrollable regional expenses. Funding for the 4-year reassessment included an upward impact on the FY 2024 budget. The real estate rate remained the same at \$1.27 per one-hundred-dollar valuation.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Buena Vista, primary government assets exceeded liabilities by \$11,354,061 at the close of fiscal year 2024 for the primary government.

The City of Buena Vista's governmental activities net investment in capital assets of \$7,473,464 reflects its investment in capital assets (e.g., land, buildings, machinery equipment), less any related debt used to acquire those assets that is still outstanding. The City of Buena Vista uses these capital assets to provide services to citizens. These assets are not available for future spending. Although the City of Buena Vista's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The net position of the primary government increased \$805,930 during FY 2024. Key components of this change are discussed on page 16 in the MD&A.

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The following is a condensed summary of the City's statement of net position for the fiscal years ending June 30, 2024, and June 30, 2023.

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Current and						
other assets	\$ 11,280,118	\$ 12,967,454	\$ 5,250,429	\$ 2,335,347	\$ 16,530,547	\$ 15,302,801
Capital Assets	11,172,458	10,356,087	4,731,027	4,879,882	15,903,485	15,235,969
Total Assets	\$ 22,452,576	\$ 23,323,541	\$ 9,981,456	\$ 7,215,229	\$ 32,434,032	\$ 30,538,770
Deferred Outflows	\$ 861,432	\$ 1,090,108	\$ 95,219	\$ 217,323	\$ 956,651	\$ 1,307,431
Long-term						
Liabilities	\$ 5,041,535	\$ 7,122,362	\$ 5,668,807	\$ 5,470,096	\$ 10,710,342	\$ 12,592,458
Other liabilities	5,796,811	5,468,515	2,633,703	209,671	8,430,514	5,678,186
Total Liabilities	\$ 10,838,346	\$ 12,590,877	\$ 8,302,510	\$ 5,679,767	\$ 19,140,856	\$ 18,270,644
Deferred inflows of resources	\$ 2,701,592	\$ 2,830,848	\$ 194,174	\$ 196,578	\$ 2,895,766	\$ 3,027,426
Net Position:						
Net investment in capital assets	\$ 8,112,635	\$ 7,074,815	\$ (639,171)	\$ (16,530)	\$ 7,473,464	\$ 7,058,285
Restricted	1,010,328	375,926	617,633	525,016	1,627,961	900,942
Unrestricted						
(deficit)	651,107	1,541,183	1,601,529	1,047,721	2,252,636	2,588,904
Total Net Position	\$ 9,774,070	\$ 8,991,924	\$ 1,579,991	\$ 1,556,207	\$ 11,354,061	\$ 10,548,131

Governmental Activities. Net position of governmental activities increased for the City of Buena Vista by \$782,146 (up 8.70%) for FY 2024, while net position of business-type activities increased by \$23,784 (up 1.53%) for the fiscal year. Key components of the change are discussed on page 16 of the MD&A.

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**CITY OF BUENA VISTA'S CHANGE IN NET POSITION
FOR YEARS ENDED JUNE 30, 2024 AND JUNE 30, 2023**

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 946,843	\$ 819,318	\$ 2,378,961	\$ 2,482,046	\$ 3,325,804	\$ 3,301,364
Operating grants	6,878,751	6,674,633			6,878,751	6,674,633
Capital grants	89,088	395,977	-	-	89,088	395,977
General Revenues:						
Property taxes	6,977,786	7,043,315	-	-	6,977,786	7,043,315
Other taxes	1,897,828	2,044,205	-	-	1,897,828	2,044,205
Grants and contributions not restricted to specific programs	879,023	895,254	-	-	879,023	895,254
Use of money and property	24,887	30,063	23,869	14,077	48,756	44,140
Miscellaneous	201,272	80,145	-	4,167	201,272	84,312
Gain on disposal of capital assets	26,768	-	-	-	26,768	-
Total Revenue	\$ 17,922,246	\$ 17,982,910	\$ 2,402,830	\$ 2,500,290	\$ 20,325,076	\$ 20,483,200
Expenses:						
General Government						
admin	\$ 1,743,589	\$ 1,594,875	\$ -	\$ -	\$ 1,743,589	\$ 1,594,875
Judicial Admin	1,415,453	1,136,483	-	-	1,415,453	1,136,483
Public Safety	3,721,518	3,485,799	-	-	3,721,518	3,485,799
Public works	2,708,776	2,841,447	-	-	2,708,776	2,841,447
Health and Welfare	2,677,613	2,508,447	-	-	2,677,613	2,508,447
Education	2,879,487	6,027,630	-	-	2,879,487	6,027,630
Parks, Recreation, Culture	974,712	875,131	-	-	974,712	875,131
Community Development	829,518	545,022	-	-	829,518	545,022
Interest on long-term debt	189,434	189,023	-	-	189,434	189,023
Water and Sewer					-	-
Water	-	-	1,360,859	1,391,229	1,360,859	1,391,229
Sewer	-	-	1,018,187	1,065,752	1,018,187	1,065,752
Total Expenses	\$ 17,140,100	\$ 19,203,857	\$ 2,379,046	\$ 2,456,981	\$ 19,519,146	\$ 21,660,838
Increase (decrease) in net position before transfers	\$ 782,146	\$ (1,220,947)	\$ 23,784	\$ 43,309	\$ 805,930	\$ (1,177,638)
Transfers	-	(645,937)	-	645,937	-	-
Total general revenues and transfers	782,146	(1,866,884)	23,784	689,246	805,930	(1,177,638)
Increase (decrease) in net position	\$ 782,146	\$ (1,866,884)	\$ 23,784	\$ 689,246	\$ 805,930	\$ (1,177,638)
Net position, beginning	8,991,924	10,858,808	1,556,207	(4,633,608)	10,548,131	6,225,200
Net position, ending	\$ 9,774,070	\$ 8,991,924	\$ 1,579,991	\$ (3,944,362)	\$ 11,354,061	\$ 5,047,562

Governmental Activities

Key factors contributing to the increase of \$782,146 or 8.70% in net position for governmental activities were:

- The City realized total revenues consistent with FY 2023. Revenues equaled \$17,922,246, down \$60,664 (-0.34%) versus last year. A primary contributor to this change is the reduction in capital grants, down \$306,889 or -77.50%, compared to last fiscal year. Property tax revenues were down slightly by \$65,529, or -0.93%.
- The City's total expenditure level saw a decrease of \$2,063,757 from FY 2023, down 10.75%. This is primarily due to moving a school asset, Parry McCluer High School, from the City's books to the Buena Vista City Public Schools account reflecting the end of the high school's debt service. This action contributed to the Education category reflecting a \$3,148,143 reduction (down 52.23%) in FY 2024 expenditures.

Business-type Activities

Primary circumstances related to the business-type activities (Water and Sewer Funds) realizing a combined increase of net position, \$19,527 – up 1.25%, include the following:

- Combined operating revenues total \$2,402,830, down \$97,460 (-3.90%) compared to last fiscal year.
- Total operating expenses equal \$2,379,046, down \$77,935 (-3.17%) compared to FY 2023.
- Joint operating income reflects \$275,829, down \$25,030 (-8.32%) compared to the previous year. The Water Fund operating income is \$231,028, while the Sewer Fund operating income is \$44,801.
- The components of nonoperating revenues/(expenses) amount to (-\$252,045). They include interest expense (-\$262,633), loss on disposal of property (-\$13,281), and interest revenue (+\$23,869).
- The Water Fund posted a decrease in net position of \$18,350 (down 2.54%). The water rate remained at \$8.58 per 1,000 gallons.
- The Sewer Fund posted a decrease in net position of \$42,134 (up 5.06%). The sewer rate remained the same at \$8.54 per 1,000 gallons.

Financial Analysis of the Government's Funds

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

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

As of the end of FY 2024, the City of Buena Vista's governmental funds reported combined ending fund balances of \$3,352,973 a decrease of \$1,044,078 in comparison with the prior year. The decrease reflects governmental fund expenditures exceeding revenues by \$1,103,425. Approximately 65% or \$2,169,648 represents the unassigned fund balance that is available for spending at the government's discretion. The remainder of fund balance is designated to indicate that it is not available for new spending because it has already been restricted or assigned toward such items as 1) debt service, 2) prepaid expenses, 3) community development block grant project, and 4) future expenditures for capital and post-closure cemetery costs.

The General Fund is the chief operating fund of the City of Buena Vista. At the end of FY 2024, the unassigned fund balance of the General Fund was \$2,242,749. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to the General Fund's total expenditures. The unassigned fund balance represents 12.04% of total General Fund expenditures.

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

- The Water fund had a decrease in net position of \$18,350 (down 2.54%). The ending net position for FY24 is \$704,719. The City's Water rates remained \$8.58 per 1000 gallons in FY24.
- The Sewer fund had an increase in net position of \$42,134. The ending net position for FY24 is \$875,272. The City's Sewer rates remained \$8.54 per 1000 gallons in FY24.

Capital project funds. The City's capital project funds are used to account for activities related to City capital projects.

- The School Construction Fund balance (\$0) remained the same in FY24.

Capital Assets and Debt Administration

Capital Assets. The City of Buena Vista's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$15,903,485 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and infrastructure. The total increase in the City of Buena Vista's buildings and improvements category for FY 2024 was \$1,342,317 (up 45.69%). This reflects last fiscal year's construction in progress getting completed.

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

CITY OF BUENA VISTA'S CAPITAL ASSETS NET OF DEPRECIATION FOR YEARS ENDED JUNE 30, 2024 AND JUNE 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,226,363	\$ 2,226,363	\$ 4,900	\$ 4,900	\$ 2,231,263	\$ 2,231,263
Construction in Progress	386,738	1,130,669	52,576	-	439,314	1,130,669
Buildings & Improvements	4,279,954	2,937,637	-	-	4,279,954	2,937,637
Infrastructure	2,579,940	2,253,378	4,386,023	4,654,854	6,965,963	6,908,232
Lease Assets	113,922	38,157	-	-	113,922	38,157
Machinery & Equipment	1,585,541	1,769,883	287,528	220,128	1,873,069	1,990,011
Total	\$ 11,172,458	\$ 10,356,087	\$ 4,731,027	\$ 4,879,882	\$ 15,903,485	\$ 15,235,969

Long – term liabilities. At the end of FY 2024, the City of Buena Vista’s primary government had a total long-term liability outstanding of \$13,970,148. This represents an increase of \$1,377,690 (up 10.94%) from the last fiscal year primarily attributed to the \$5,424,000 BVPSA water revenue bond in June 2024 (discussed earlier on page 11). Further information on the City’s long-term debt can be found in the notes to the financial statements.

**CITY OF BUENA VISTA’S LONG-TERM DEBT
FOR YEARS ENDED JUNE 30, 2024 AND JUNE 30, 2023**

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 254,982	\$ 278,163	\$ -	\$ -	\$ 254,982	\$ 278,163
Lease-Revenue Bonds	-	-	-	2,481,684	-	2,481,684
Revenue Bonds	500,579	543,772	7,646,921	2,414,728	8,147,500	2,958,500
Literary Loans	-	-	-	-	-	-
Net Lease Liabilities	70,274	39,052	-	-	70,274	39,052
Capital Leases	293,392	400,784	-	-	293,392	400,784
Loan Payable	1,940,596	2,019,501			1,940,596	2,019,501
Net OPEB Liabilities	1,218,923	1,149,945	148,239	169,798	1,367,162	1,319,743
Compensated absences	299,600	303,450	29,233	33,464	328,833	336,914
Net Pension Liability	1,404,658	2,387,695	162,751	370,422	1,567,409	2,758,117
Total	\$ 5,983,004	\$ 7,122,362	\$ 7,987,144	\$ 5,470,096	\$ 13,970,148	\$ 12,592,458

State statutes limit the amount of general bonded debt a governmental entity may issue up to 10 percent of its total assessed valuation. The current debt limit for the City of Buena Vista is approximately \$34,828,181.

Economic Factors and Next Year’s Budgets and Rates

- The City population was 6,641 as of the 2020 U.S. Census. This reflects a decrease of 9 (down 0.1%). Minimal population changes have occurred over the past 60 years. There was no expectation that a notable shift would occur during FY 2025.
- For the fiscal year ending June 30, 2024, the unemployment rate for the Commonwealth of Virginia and the City were 3.0% and 2.1% respectively. During the progress of this management discussion and analysis report, the December 2024 unemployment rates reflect 3.0% for the State and 2.3% for the City.
- The City continues to provide adequate employee compensation and training, recognizing our workforce is a vital resource in meeting the needs of our citizens. An attractive compensation package helps to retain and attract a quality team of employees.
- The City continues to focus on improving fund balances to mitigate potential emergency needs and have sufficient funds available to operate before tax proceeds are received.
- The City continues to focus on the maintenance of buildings, equipment, or infrastructure for new projects or programs, in particular those at Public Works and the Wastewater Treatment Plant.
- The American Rescue Plan Act funding will be utilized to meet the above effort. Please see notes to the financial statements for additional information on this funding.

- The City continues to evaluate the adequacy of current user charges for enterprise activities and will adjust rates as necessary to ensure these activities are self-sustaining.
- The City completed a property reassessment effective July 1, 2024. As a result of the overall 33% increase in valuations, the real estate tax rate was equalized downward from \$1.27 to \$0.91 per \$100 of assessed valuation.
- The City's personal property tax rate remained \$5.85 per \$100 of assessed valuation.
- The City's water rate remained \$8.58 per 1000 gallons used and the sewer rate remained \$8.54 per 1000 gallons used.

All of these factors were considered in preparing the City of Buena Vista's budget for FY 2025.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2024

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents	\$ 4,511,236	\$ 1,903,230	\$ 6,414,466	\$ 1,797,910	\$ -
Investments	-	-	-	387,572	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	2,363,017	-	2,363,017	-	-
Accounts receivable	390,170	438,844	829,014	100,569	-
Leases receivable	433,281	-	433,281	-	-
Due from other governmental units	1,679,142	-	1,679,142	927,123	-
Due from component unit	812,969	-	812,969	-	-
Internal balances	1,046	(1,046)	-	-	-
Inventories	35,428	-	35,428	-	-
Accrued interest receivable	1,376	-	1,376	-	-
Prepaid items	236,009	15,045	251,054	47,842	-
Restricted assets:					
Cash and cash equivalents	816,444	2,894,356	3,710,800	-	-
Net pension asset	-	-	-	319,902	-
Capital assets (net of accumulated depreciation):					
Land	2,226,363	4,900	2,231,263	4,634	1,107,200
Buildings and improvements	4,279,954	-	4,279,954	7,754,632	-
Machinery and equipment	1,585,541	287,528	1,873,069	1,786,815	-
Infrastructure	2,579,940	4,386,023	6,965,963	-	776,195
Construction in progress	386,738	52,576	439,314	-	-
Lease equipment	113,922	-	113,922	50,626	-
Subscription assets	-	-	-	56,039	-
Total assets	<u>\$ 22,452,576</u>	<u>\$ 9,981,456</u>	<u>\$ 32,434,032</u>	<u>\$ 13,233,664</u>	<u>\$ 1,883,395</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 645,116	\$ 69,238	\$ 714,354	\$ 1,861,007	\$ -
OPEB related items	216,316	25,981	242,297	1,044,215	-
Total deferred outflows of resources	<u>\$ 861,432</u>	<u>\$ 95,219</u>	<u>\$ 956,651</u>	<u>\$ 2,905,222</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ 892,018	\$ 154,102	\$ 1,046,120	\$ 268,581	\$ -
Accrued liabilities	159,191	16,233	175,424	829,568	-
Accrued interest payable	21,582	59,906	81,488	1,156	-
Due to other governmental units	74,070	-	74,070	-	-
Due to primary government	-	-	-	812,969	-
Deposits held in escrow	18,304	85,125	103,429	-	-
Unearned revenue	3,690,177	-	3,690,177	217,876	-
Long-term liabilities:					
Due within one year	941,469	2,318,337	3,259,806	261,874	-
Due in more than one year	5,041,535	5,668,807	10,710,342	8,629,264	-
Total liabilities	<u>\$ 10,838,346</u>	<u>\$ 8,302,510</u>	<u>\$ 19,140,856</u>	<u>\$ 11,021,288</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	\$ 914,465	\$ 171,757	\$ 1,086,222	\$ 1,075,338	\$ -
OPEB related items	183,764	22,417	206,181	459,650	-
Deferred revenue - property taxes	1,184,343	-	1,184,343	-	-
Lease related	419,020	-	419,020	-	-
Total deferred inflows of resources	<u>\$ 2,701,592</u>	<u>\$ 194,174</u>	<u>\$ 2,895,766</u>	<u>\$ 1,534,988</u>	<u>\$ -</u>
NET POSITION					
Net investment in capital assets	\$ 8,112,635	\$ (639,171)	\$ 7,473,464	\$ 9,604,830	\$ 1,883,395
Restricted:					
Employee pensions	-	-	-	319,902	-
Opioid abatement	127,811	-	127,811	-	-
Community development block grant	66,073	-	66,073	-	-
Repayment of loans payable	816,444	617,633	1,434,077	-	-
Unrestricted (deficit)	651,107	1,601,529	2,252,636	(6,342,122)	-
Total net position	<u>\$ 9,774,070</u>	<u>\$ 1,579,991</u>	<u>\$ 11,354,061</u>	<u>\$ 3,582,610</u>	<u>\$ 1,883,395</u>

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

City of Buena Vista, Virginia

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,743,589	\$ 4,383	\$ 329,417	\$ -
Judicial administration	1,415,453	2,490	938,105	-
Public safety	3,721,518	50,926	1,303,590	89,088
Public works	2,708,776	801,359	1,952,195	-
Health and welfare	2,677,613	-	1,915,139	-
Education	2,879,487	-	-	-
Parks, recreation, and cultural	974,712	87,685	142,905	-
Community development	829,518	-	297,400	-
Interest on long-term debt	189,434	-	-	-
Total governmental activities	<u>\$ 17,140,100</u>	<u>\$ 946,843</u>	<u>\$ 6,878,751</u>	<u>\$ 89,088</u>
Business-type activities:				
Water	\$ 1,360,859	\$ 1,318,640	\$ -	\$ -
Sewer	1,018,187	1,060,321	-	-
Total business-type activities	<u>\$ 2,379,046</u>	<u>\$ 2,378,961</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u><u>\$ 19,519,146</u></u>	<u><u>\$ 3,325,804</u></u>	<u><u>\$ 6,878,751</u></u>	<u><u>\$ 89,088</u></u>
COMPONENT UNITS:				
School Board	\$ 15,306,921	\$ 406,553	\$ 12,652,783	\$ -
EDA	21,561	-	-	-
Total component units	<u>\$ 15,328,482</u>	<u>\$ 406,553</u>	<u>\$ 12,652,783</u>	<u>\$ -</u>

General revenues and transfers:

- General property taxes
- Other local taxes:
 - Local sales and use taxes
 - Consumers' utility taxes
 - Meals taxes
 - Business and professional license taxes
 - Motor vehicle license taxes
 - Other local taxes
- Unrestricted revenues from use of money
- Miscellaneous
- Grants and contributions not restricted to specific programs
- Gain on disposal of capital assets
- Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	School Board	EDA
\$ (1,409,789)	\$ -	\$ (1,409,789)	\$ -	\$ -
(474,858)	-	(474,858)	-	-
(2,277,914)	-	(2,277,914)	-	-
44,778	-	44,778	-	-
(762,474)	-	(762,474)	-	-
(2,879,487)	-	(2,879,487)	-	-
(744,122)	-	(744,122)	-	-
(532,118)	-	(532,118)	-	-
(189,434)	-	(189,434)	-	-
<u>\$ (9,225,418)</u>	<u>\$ -</u>	<u>\$ (9,225,418)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (42,219)	\$ (42,219)	\$ -	\$ -
-	42,134	42,134	-	-
<u>\$ -</u>	<u>\$ (85)</u>	<u>\$ (85)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (9,225,418)</u>	<u>\$ (85)</u>	<u>\$ (9,225,503)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	(2,247,585)	\$ -
-	-	-	-	(21,561)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,247,585)</u>	<u>(21,561)</u>
\$ 6,977,786	\$ -	\$ 6,977,786	\$ -	\$ -
663,494	-	663,494	-	-
287,126	-	287,126	-	-
428,432	-	428,432	-	-
212,279	-	212,279	-	-
141,474	-	141,474	-	-
165,023	-	165,023	-	-
24,887	23,869	48,756	31,671	-
201,272	-	201,272	436,734	-
879,023	-	879,023	2,777,513	-
26,768	-	26,768	-	-
<u>\$ 10,007,564</u>	<u>\$ 23,869</u>	<u>\$ 10,031,433</u>	<u>\$ 3,245,918</u>	<u>\$ -</u>
\$ 782,146	\$ 23,784	\$ 805,930	\$ 998,333	\$ (21,561)
8,991,924	1,556,207	10,548,131	2,584,277	1,904,956
<u>\$ 9,774,070</u>	<u>\$ 1,579,991</u>	<u>\$ 11,354,061</u>	<u>\$ 3,582,610</u>	<u>\$ 1,883,395</u>

FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
June 30, 2024

	General	Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 4,415,701	\$ 95,535	\$ 4,511,236
Receivables (net of allowance for uncollectibles):			
Taxes receivable	2,363,017	-	2,363,017
Accounts receivable	385,040	5,130	390,170
Leases receivable	433,281	-	433,281
Accrued interest receivable	1,376	-	1,376
Due from other funds	2,410	-	2,410
Due from component unit	812,969	-	812,969
Due from other governmental units	1,679,142	-	1,679,142
Inventories	35,428	-	35,428
Prepaid items	232,597	3,412	236,009
Restricted assets:			
Cash and cash equivalents	816,444	-	816,444
Total assets	<u>\$ 11,177,405</u>	<u>\$ 104,077</u>	<u>\$ 11,281,482</u>
LIABILITIES			
Accounts payable	\$ 834,009	\$ 58,009	\$ 892,018
Accrued liabilities	140,242	18,949	159,191
Due to other funds	-	1,364	1,364
Due to other governmental units	74,070	-	74,070
Unearned revenue	3,690,177	-	3,690,177
Deposits held in escrow	18,304	-	18,304
Total liabilities	<u>\$ 4,756,802</u>	<u>\$ 78,322</u>	<u>\$ 4,835,124</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 2,546,554	\$ -	\$ 2,546,554
Unavailable revenue - opioid settlement	127,811	-	127,811
Lease related items	419,020	-	419,020
Total Deferred Inflows of Resources	<u>\$ 3,093,385</u>	<u>\$ -</u>	<u>\$ 3,093,385</u>
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid items	\$ 232,597	\$ 3,412	\$ 236,009
Inventory	35,428	-	35,428
Restricted:			
Repayment of loans payable	816,444	-	816,444
Community development block grant	-	66,073	66,073
Assigned:			
Senior Center	-	17,986	17,986
Green Hill Cemetery	-	11,385	11,385
Unassigned	2,242,749	(73,101)	2,169,648
Total fund balances	<u>\$ 3,327,218</u>	<u>\$ 25,755</u>	<u>\$ 3,352,973</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,177,405</u>	<u>\$ 104,077</u>	<u>\$ 11,281,482</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2024

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	3,352,973	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land	\$	2,226,363	
Buildings and improvements		4,279,954	
Machinery and equipment		1,585,541	
Infrastructure		2,579,940	
Construction in progress		386,738	
Lease equipment		<u>113,922</u>	
			11,172,458
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.			
Deferred revenue - property taxes	\$	1,362,211	
Deferred revenue - opioid settlement		<u>127,811</u>	
			1,490,022
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds			
Pension related items	\$	645,116	
OPEB related items		<u>216,316</u>	
			861,432
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds payable	\$	(755,561)	
Accrued interest payable		(21,582)	
Notes payable		(293,392)	
Loans payable		(1,940,596)	
Lease liabilities		(70,274)	
Compensated absences		(299,600)	
Net pension liability		(1,404,658)	
Net OPEB liability		<u>(1,218,923)</u>	
			(6,004,586)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(914,465)	
OPEB related items		<u>(183,764)</u>	
			<u>(1,098,229)</u>
Net position of governmental activities	\$		<u><u>9,774,070</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	General	School Construction Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 6,887,838	\$ -	\$ -	\$ 6,887,838
Other local taxes	1,897,828	-	-	1,897,828
Permits, privilege fees, and regulatory licenses	96,048	-	-	96,048
Fines and forfeitures	33,072	-	-	33,072
Revenue from the use of money and property	199,825	18,522	211,710	430,057
Charges for services	762,888	-	54,835	817,723
Miscellaneous	139,934	-	32,404	172,338
Recovered costs	35,206	-	11,054	46,260
Intergovernmental:				
Local government	-	56,699	-	56,699
Commonwealth	6,521,564	-	-	6,521,564
Federal	1,268,599	-	-	1,268,599
Total revenues	<u>\$ 17,842,802</u>	<u>\$ 75,221</u>	<u>\$ 310,003</u>	<u>\$ 18,228,026</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,816,166	\$ -	\$ -	\$ 1,816,166
Judicial administration	1,567,960	-	-	1,567,960
Public safety	3,841,332	-	-	3,841,332
Public works	3,548,066	-	-	3,548,066
Health and welfare	2,698,057	-	6,907	2,704,964
Education	2,813,921	-	-	2,813,921
Parks, recreation, and cultural	150,691	-	1,183,375	1,334,066
Community development	1,232,132	-	-	1,232,132
Debt service:				
Principal retirement	191,914	69,415	19,467	280,796
Interest and other fiscal charges	161,904	30,049	95	192,048
Total expenditures	<u>\$ 18,022,143</u>	<u>\$ 99,464</u>	<u>\$ 1,209,844</u>	<u>\$ 19,331,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (179,341)</u>	<u>\$ (24,243)</u>	<u>\$ (899,841)</u>	<u>\$ (1,103,425)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 24,243	\$ 841,041	\$ 865,284
Transfers out	(865,284)	-	-	(865,284)
Issuance of leases	59,347	-	-	59,347
Total other financing sources (uses)	<u>\$ (805,937)</u>	<u>\$ 24,243</u>	<u>\$ 841,041</u>	<u>\$ 59,347</u>
Net change in fund balances	\$ (985,278)	\$ -	\$ (58,800)	\$ (1,044,078)
Fund balances - beginning	4,312,496	-	84,555	4,397,051
Fund balances - ending	<u>\$ 3,327,218</u>	<u>\$ -</u>	<u>\$ 25,755</u>	<u>\$ 3,352,973</u>

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

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds \$ (1,044,078)

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

Capital outlays	\$ 1,669,778	
Depreciation/amortization expense	<u>(853,407)</u>	816,371

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

Property taxes	\$ 89,948	
Opioid settlement	<u>55,702</u>	145,650

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

Principal repayments	\$ 280,796	
Issuance of financed purchase	<u>(59,347)</u>	221,449

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

Change in compensated absences	\$ 3,850	
Change in accrued interest	2,614	
Pension expense	661,223	
OPEB expense	<u>(24,933)</u>	642,754

Change in net position of governmental activities	\$ <u>782,146</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Funds
June 30, 2024

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,345,479	\$ 557,751	\$ 1,903,230
Accounts receivable, net of allowance for uncollectibles	281,389	157,455	438,844
Prepaid expenses	4,415	10,630	15,045
Total current assets	<u>\$ 1,631,283</u>	<u>\$ 725,836</u>	<u>\$ 2,357,119</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 2,894,356	\$ -	\$ 2,894,356
Total restricted assets	<u>\$ 2,894,356</u>	<u>\$ -</u>	<u>\$ 2,894,356</u>
Capital assets:			
Land	\$ 4,900	\$ -	\$ 4,900
Equipment	579,262	345,858	925,120
Infrastructure	14,813,685	1,821,525	16,635,210
Construction in progress	-	52,576	52,576
Accumulated depreciation	(11,218,515)	(1,668,264)	(12,886,779)
Total capital assets	<u>\$ 4,179,332</u>	<u>\$ 551,695</u>	<u>\$ 4,731,027</u>
Total noncurrent assets	<u>\$ 7,073,688</u>	<u>\$ 551,695</u>	<u>\$ 7,625,383</u>
Total assets	<u>\$ 8,704,971</u>	<u>\$ 1,277,531</u>	<u>\$ 9,982,502</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 23,044	\$ 46,194	\$ 69,238
OPEB related items	8,730	17,251	25,981
Total deferred outflows of resources	<u>\$ 31,774</u>	<u>\$ 63,445</u>	<u>\$ 95,219</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 63,589	\$ 90,513	\$ 154,102
Accrued liabilities	5,686	10,547	16,233
Due to other funds	344	702	1,046
Accrued interest payable	59,906	-	59,906
Customer deposits	85,125	-	85,125
Bonds payable - current portion	2,296,412	-	2,296,412
Compensated absences - current portion	8,509	13,416	21,925
Total current liabilities	<u>\$ 2,519,571</u>	<u>\$ 115,178</u>	<u>\$ 2,634,749</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 5,350,509	\$ -	\$ 5,350,509
Net OPEB liability	49,993	98,246	148,239
Compensated absences - net of current portion	2,836	4,472	7,308
Net pension liability	54,113	108,638	162,751
Total noncurrent liabilities	<u>\$ 5,457,451</u>	<u>\$ 211,356</u>	<u>\$ 5,668,807</u>
Total liabilities	<u>\$ 7,977,022</u>	<u>\$ 326,534</u>	<u>\$ 8,303,556</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 47,436	\$ 124,321	\$ 171,757
OPEB related items	7,568	14,849	22,417
Total deferred inflows of resources	<u>\$ 55,004</u>	<u>\$ 139,170</u>	<u>\$ 194,174</u>
NET POSITION			
Net investment in capital assets	\$ (1,190,866)	\$ 551,695	\$ (639,171)
Restricted for debt service and bond covenants	617,633	-	617,633
Unrestricted	1,277,952	323,577	1,601,529
Total net position	<u>\$ 704,719</u>	<u>\$ 875,272</u>	<u>\$ 1,579,991</u>

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

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

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 1,185,266	\$ -	\$ 1,185,266
Sewer revenues	-	1,033,771	1,033,771
Penalties	59,961	-	59,961
Meter service charges	46,673	-	46,673
Reconnection fees and other charges	26,740	26,550	53,290
Total operating revenues	<u>\$ 1,318,640</u>	<u>\$ 1,060,321</u>	<u>\$ 2,378,961</u>
OPERATING EXPENSES			
Personal services	\$ 73,045	\$ 326,205	\$ 399,250
Fringe benefits	101,975	146,264	248,239
Contractual services	58,786	21,564	80,350
Other charges	539,246	448,247	987,493
Depreciation	314,560	73,240	387,800
Total operating expenses	<u>\$ 1,087,612</u>	<u>\$ 1,015,520</u>	<u>\$ 2,103,132</u>
Operating income (loss)	<u>\$ 231,028</u>	<u>\$ 44,801</u>	<u>\$ 275,829</u>
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	\$ 23,869	\$ -	\$ 23,869
Interest expense	(262,633)	-	(262,633)
Loss on disposal of property	(10,614)	(2,667)	(13,281)
Total nonoperating revenues (expenses)	<u>\$ (249,378)</u>	<u>\$ (2,667)</u>	<u>\$ (252,045)</u>
Change in net position	<u>\$ (18,350)</u>	<u>\$ 42,134</u>	<u>\$ 23,784</u>
Net position - beginning	<u>723,069</u>	<u>833,138</u>	<u>1,556,207</u>
Net position - ending	<u><u>\$ 704,719</u></u>	<u><u>\$ 875,272</u></u>	<u><u>\$ 1,579,991</u></u>

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

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Enterprise Funds		
	Water Fund	Sewer Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,304,860	\$ 1,070,108	\$ 2,374,968
Payments to suppliers	(562,473)	(399,159)	(961,632)
Payments to employees	(270,210)	(474,807)	(745,017)
Net cash provided by (used for) operating activities	\$ 472,177	\$ 196,142	\$ 668,319
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	\$ (72,788)	\$ (181,216)	\$ (254,004)
Proceeds from the sale of assets	1,778	-	1,778
Principal payments on bonds	(2,673,491)	-	(2,673,491)
Proceeds from indebtedness	5,424,000	-	5,424,000
Interest expense	(270,130)	-	(270,130)
Net cash provided by (used for) capital and related financing activities	\$ 2,409,369	\$ (181,216)	\$ 2,228,153
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	\$ 23,869	\$ -	\$ 23,869
Net cash provided by (used in) investing activities	\$ 23,869	\$ -	\$ 23,869
Net increase (decrease) in cash and cash equivalents	\$ 2,905,415	\$ 14,926	\$ 2,920,341
Cash and cash equivalents - beginning, including restricted	1,334,420	542,825	1,877,245
Cash and cash equivalents - ending, including restricted	\$ 4,239,835	\$ 557,751	\$ 4,797,586
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 231,028	\$ 44,801	\$ 275,829
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 314,560	\$ 73,240	\$ 387,800
(Increase) decrease in accounts receivable	(10,749)	9,085	(1,664)
(Increase) decrease in prepaid items	2,971	2,906	5,877
(Increase) decrease in deferred outflows of resources	27,962	94,142	122,104
Increase (decrease) in compensated absences	(1,684)	(2,547)	(4,231)
Increase (decrease) in net OPEB liabilities	(15,412)	(6,147)	(21,559)
Increase (decrease) in accounts payable	32,588	67,746	100,334
Increase (decrease) in customer deposits	(3,375)	-	(3,375)
Increase (decrease) in due to other funds	344	702	1,046
Increase (decrease) in accrued liabilities	5,686	10,547	16,233
Increase (decrease) in deferred inflows of resources	(33,261)	30,857	(2,404)
Increase (decrease) in net pension liability	(78,481)	(129,190)	(207,671)
Total adjustments	\$ 241,149	\$ 151,341	\$ 392,490
Net cash provided by (used for) operating activities	\$ 472,177	\$ 196,142	\$ 668,319

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2024

	Private-Purpose Trust Blues Education Foundation	Custodial Fund Special Welfare Fund
ASSETS		
Cash and cash equivalents	\$ 7,440	\$ 2,513
Total assets	<u>\$ 7,440</u>	<u>\$ 2,513</u>
LIABILITIES		
Accounts payable	\$ -	\$ 787
Total liabilities	<u>\$ -</u>	<u>\$ 787</u>
NET POSITION		
Restricted for social services clients	\$ -	\$ 1,726
Restricted for grant awards	<u>7,440</u>	<u>-</u>
Total net position	<u>\$ 7,440</u>	<u>\$ 1,726</u>

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

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

	Private-Purpose Trust Blues Education Foundation	Custodial Fund Special Welfare Fund
ADDITIONS		
Contributions and events:		
Donations	\$ 3,380	\$ -
Private contributions	-	19,656
Total contributions	\$ 3,380	\$ 19,656
Investment earnings:		
Interest	\$ 3	\$ -
Total additions	\$ 3,383	\$ 19,656
DEDUCTIONS		
Recipient payments	\$ -	\$ 18,887
Administrative expenses	1,083	-
Total deductions	\$ 1,083	\$ 18,887
Net increase (decrease) in fiduciary net position	\$ 2,300	\$ 769
Net position - beginning	5,140	957
Net position - ending	\$ 7,440	\$ 1,726

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

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Financial Reporting Entity

The City of Buena Vista, Virginia (government) is a municipal corporation governed by an elected seven-member City Council. The accompanying financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended Component Units – The City has no blended component units for the year ended June 30, 2024.

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

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

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

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

Other Organizations:

Included in the City's Financial Report: None

Excluded from the City's Financial Report:

Rockbridge Area Community Services Board:

The Rockbridge Area Community Services Board is considered an intergovernmental (joint) venture and therefore its operations are not included in the City's financial statements. The Cities of Lexington and Buena Vista and the County of Rockbridge provide the financial support for the Board and appoint its governing Board in which is vested the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Summary financial information is included in Note 4 of these financial statements. Complete financial statements can be obtained from the Rockbridge Area Community Services Board.

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

A. Financial Reporting Entity (continued)

Other Organizations: (continued)

Maury Service Authority:

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

Rockbridge County Regional Jail Commission:

The Rockbridge County Regional Jail Commission is a regional board organized to manage and confine prisoners from the localities of Lexington, Buena Vista, and Rockbridge County. The City of Buena Vista, City of Lexington, and the County of Rockbridge each appoint one member to the Commission. The Commission is considered an intergovernmental (joint) venture and therefore its operations are not included in the City's financial statements. Summary financial information is included in Note 4 of these financial statements. Complete financial statements of the Rockbridge County Regional Jail Commission are available at the Rockbridge County Jail, 258 Greenhouse Road, Lexington, VA 24450.

Rockbridge Regional Public Safety Communications Center:

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

B. Government-wide and fund financial statements

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

The statement of net position is designed to display financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide statement of net position and will report depreciation expenses – the cost of “using up” capital assets – in the statement of activities. The net position of a government will be broken down into three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

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

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

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

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

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

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

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

The government reports the following major proprietary funds:

The *Water Fund* operates the water distribution system.

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

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

1. Cash and Cash Equivalents

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

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

2. Receivables and payables

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

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

3. Property Taxes

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

4. Allowance for Uncollectible Accounts

The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$587,086 at June 30, 2024 and is comprised of property tax and water and sewer receivables of \$423,149, and \$163,937, respectively.

5. Use of Estimates

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

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

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

6. Capital assets

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

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

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

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

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

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

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

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

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

7. *Compensated Absences*

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The City accrues salary-related payments associated with the payment of compensated absences. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. *Long-term obligations*

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

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

9. *Fund balance*

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

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

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

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

9. Fund Balance (continued)

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

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

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

10. Net Position

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

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

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

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

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

11. Inventory and Prepaid Items

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

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

12. Restricted Assets

The general fund and the water fund maintain restricted cash for debt service that are limited by applicable bond covenants. At June 30, 2024 the general and water funds had restricted cash for debt service of \$816,444, and \$617,633, respectively. Additionally, the Water fund holds restricted cash consisting of unspent bond proceeds totaling \$2,276,723.

13. Deferred Outflows/Inflows of Resources

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

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

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

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

14. Pensions

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

15. Other Postemployment Benefits (OPEB)

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

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

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

17. Leases and Subscription-Based IT Arrangements

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

Lessee

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

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

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

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

Lessor

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

Subscriptions

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

Key Estimates and Judgements

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

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

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A. Budgetary information

1. Prior to April 30, the City Manager submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an appropriations ordinance.
4. The Appropriations Ordinance places legal restrictions on expenditures at the department level. The appropriation for each department can be revised only by the City Council. The City Manager is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts between the school system's departments without the approval of the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Capital Projects and Proprietary Funds.
6. Budgets for all funds are legally adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. All appropriations lapse at year-end.
8. All budgetary data presented in the accompanying financial statements includes both the original and the amended budget for the year ended June 30, 2024. Several supplemental appropriations were necessary during the year.
9. The following funds have legally adopted budgets: General, Park and Recreation, Senior Center, School Construction, Flood Protection, Water and Sewer, School Operating and School Cafeteria Funds. The legal level of control, the level on which expenditures may not legally exceed appropriations, is the departmental level.
10. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is not part of the City's accounting system.

B. Excess of expenditures over appropriations

For the year ended June 30, 2024, the following funds incurred expenditures exceeding appropriations:

Fund	Excess Expenditures over Appropriations
General	\$ 2,909,134
Park and Recreation	505,704
School Cafeteria	74,737
School Construction	56,700
School Activity Funds	422,834
Total All Funds	\$ <u>3,969,109</u>

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

C. Deficit fund balance

At June 30, 2024, the park and recreation fund had deficit fund balance of \$69,689.

NOTE 3—DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

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

Custodial Credit Risk (Investments)

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

City's Rated Debt Investments' Values		
Rated Debt Investments		Fair Quality Ratings
		AAAm
Local Government Investment Pool	\$	17,292
Total	\$	17,292

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 3—DEPOSITS AND INVESTMENTS (CONTINUED):

External Investment Pool

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

Interest Rate Risk

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

	Fair Value	Maturity Less than 1 year
Local Government Investment Pool	\$ 17,292	\$ 17,292

NOTE 4—JOINT VENTURES:

As described in Note 1-A, the following boards are construed as operating as joint ventures between the Cities of Lexington and Buena Vista and the County of Rockbridge. Summary financial information for the Boards at June 30, 2024 is provided below:

	Maury Service Authority (1)	Rockbridge Area Community Services Board	Rockbridge Regional Public Safety Communications Center
Total assets and deferred outflows of resources	\$ 36,612,245	\$ 15,002,219	\$ 3,706,509
Total liabilities and deferred inflows of resources	9,719,894	4,877,253	3,276,404
Total net position	\$ 26,892,351	\$ 10,124,966	\$ 430,105
For the year ended June 30, 2024			
Operating revenue	\$ 5,410,406	\$ 4,823,746	\$ 2,862,850
Operating expenses	(5,801,779)	(8,257,182)	(2,590,711)
Nonoperating income (expense)	183,116	6,003,540	-
Change in net position	\$ (208,257)	\$ 2,570,104	\$ 272,139
Net position at beginning of year	27,100,608	7,554,862	157,966
Net position at end of year	\$ 26,892,351	\$ 10,124,966	\$ 430,105

(1) Maury Service Authority June 30, 2024 summary financial data was not available at the time of report issuance. June 30, 2023 data is presented above.

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED**NOTE 5—DUE FROM OTHER GOVERNMENTS:**

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

	Primary Government	Discretely Presented Component Unit School Board
<u>Federal Government:</u>		
Categorical aid - Welfare	\$ 11,945	\$ -
Categorical aid - ARPA Police Grant	8,622	-
Categorical aid - CDBG Revitalization Grant	31,518	
Categorical aid - Victim Witness Grant	11,469	-
Categorical aid - Violence Against Women Grant	12,500	-
Categorical aid - IDEA Part B Section 611 Special Education	-	58,086
Categorical aid - Title I	-	83,484
Categorical aid - Title II Part A	-	9,043
Categorical aid - Twenty-First Century	-	83,735
Categorical aid - Stronger Connections	-	49,678
Categorical aid - Title IV Part A	-	6,023
Categorical aid - Perkins Vocational Education	-	23,818
Categorical aid - IDEA Part B Section 619 Special Education Preschool	-	9,330
Categorical aid - Title VI Rural and Local	-	4,490
Categorical aid - School Food Program Grant	-	26,588
Noncategorical aid - Education Stabilization Funds		188,791
<u>Commonwealth of Virginia:</u>		
State Sales Tax	101,572	203,076
Personal Property Tax Relief Funds	374,445	-
Categorical aid - Welfare	16,636	-
Categorical aid - School Resource Officer Grant	57,953	-
Categorical aid - Criminal Victim Witness Program	5,461	-
Communications Tax	32,328	-
Comprehensive Service Act Funds - Rockbridge County	472,287	-
VDOT Construction Grant	443,652	
VPSA Technology Grant	-	168,123
Other State Funds	98,754	12,858
Totals	\$ <u>1,679,142</u>	\$ <u>927,123</u>

NOTE 6—DUE TO OTHER GOVERNMENTS:

During fiscal year 2013 the City entered into an agreement with the County of Rockbridge, Virginia and the City of Lexington, Virginia in order to fund certain renovation improvements to the Rockbridge County Regional Jail. The agreement stipulates that each locality shall be responsible for a portion of the debt issued to finance the project. The City of Lexington serves as fiscal agent for the project and as such, will pay the annual debt service. The participating localities will reimburse the City of Lexington for the debt service. As of June 30, 2024, the portion of the debt allocable to the City of Buena Vista, Virginia amounted to \$74,070.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 7—INTERFUND OBLIGATIONS:

<u>Fund</u>	<u>Due to Primary Government/ Component Unit</u>	<u>Due from Primary Government/ Component Unit</u>
Primary Government:		
General Fund	\$ -	\$ 812,969
Component Unit-School Board:		
School Fund	812,969	-
Total reporting entity	<u>\$ 812,969</u>	<u>\$ 812,969</u>

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

NOTE 8—INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2024, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental activities:		
General Fund	\$ -	\$ 865,284
Park Activities Fund	841,041	-
School Construction Fund	24,243	-
Total governmental activities	<u>\$ 865,284</u>	<u>\$ 865,284</u>
Total primary government	<u>\$ 865,284</u>	<u>\$ 865,284</u>
Total interfund transfers	<u>\$ 865,284</u>	<u>\$ 865,284</u>

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

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

Transfers to/from other funds:

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

 to supplement Park and Recreation Fund operations and fund capital improvements \$ 841,041

Transfer to School Construction Fund from the General Fund:

 to fund debt service payments for long-term obligations 24,243

Total transfers \$ 865,284

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 9—LONG-TERM OBLIGATIONS:

Primary Government-Governmental Activities Obligations

The following is a summary of long-term obligation transactions for the City's governmental activities for the year ended June 30, 2024.

	Balance June 30, 2023	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2024
Direct Borrowings and Direct Placements:				
General obligation bonds	\$ 278,163	\$ -	\$ 23,181	\$ 254,982
Revenue bond	543,772	-	43,193	500,579
Loans payable	2,019,501	-	78,905	1,940,596
Total Direct Borrowings and Direct Placements	\$ 2,841,436	\$ -	\$ 145,279	\$ 2,696,157
Notes payable	\$ 400,784	\$ -	\$ 107,392	\$ 293,392
Lease liabilities	39,052	59,347	28,125	70,274
Other Long-Term Obligations:				
Net OPEB liabilities	1,149,945	203,757	134,779	1,218,923
Compensated absences	303,450	223,738	227,588	299,600
Net pension liability	2,387,695	1,883,406	2,866,443	1,404,658
Total Other Long-Term Obligations	\$ 4,280,926	\$ 2,370,248	\$ 3,364,327	\$ 3,286,847
Total governmental activities obligations	\$ 7,122,362	\$ 2,370,248	\$ 3,509,606	\$ 5,983,004

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

The City's outstanding general obligation bonds and loans payable from direct borrowings and direct placements related to governmental activities of \$2,696,157 contain a provision that in the event of default the entire unpaid principal and interest become immediately due and payable. The City has pledged to secure the payment and performance of the City's obligations under the bonds with the City's right, title, and interest to all revenue collected by the City.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Governmental Activities Obligations (continued)

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

Year Ending June 30,	Direct Borrowings and Direct Placements					
	General Obligation Bonds		Revenue Bond		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 23,181	\$ 19,583	\$ 500,579	\$ 164,276	\$ 65,742	\$ 80,112
2026	23,181	19,583	-	-	88,072	76,296
2027	23,181	19,583	-	-	92,069	72,300
2028	23,181	19,583	-	-	96,255	68,113
2029	23,181	19,583	-	-	100,640	63,728
2030	23,181	19,583	-	-	83,809	58,953
2031	23,181	19,583	-	-	79,079	56,114
2032	23,181	19,583	-	-	82,295	52,898
2033	23,181	19,583	-	-	85,645	49,548
2034	23,181	19,583	-	-	96,662	46,058
2035	23,172	9,791	-	-	92,770	42,423
2036	-	-	-	-	96,558	38,636
2037	-	-	-	-	100,504	34,690
2038	-	-	-	-	104,615	30,579
2039	-	-	-	-	108,898	26,295
2040	-	-	-	-	113,361	21,832
2041	-	-	-	-	118,012	17,182
2042	-	-	-	-	122,858	12,335
2043	-	-	-	-	98,675	7,285
2044	-	-	-	-	114,077	2,021
Totals	\$ 254,982	\$ 205,621	\$ 500,579	\$ 164,276	\$ 1,940,596	\$ 857,398

Year Ending June 30,	Notes Payable		Lease Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 109,994	\$ 9,721	\$ 17,273	\$ 1,780
2026	109,682	6,361	16,037	1,410
2027	73,716	2,970	12,328	993
2028	-	-	12,123	611
2029	-	-	12,513	218
Totals	\$ 293,392	\$ 19,052	\$ 70,274	\$ 5,012

CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Governmental Activities Obligations (continued)

Details of long-term obligations:

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates	Amount of Installments	Final Maturity Date	Balance	Amount Due Within One Year
Governmental activities:							
General obligation bonds:							
VPSA GO Series 2012C							
School Bond	9/26/2012	\$ 509,973	1.90% SA	\$23,181	A 12/1/2034	\$ 254,982	\$ 23,181
Revenue Bonds:							
Series 2011A Revenue Bond (1)	7/14/2011	\$ 4,765,000	6.50% A	\$225,000-\$613,500	A 7/14/2044	\$ 500,579	\$ 500,579
Loans payable							
City National Bank Loan #2543	3/5/2009	\$ 1,800,000	5.00% A	\$93,735	A 4/5/2044	\$ 1,354,674	\$ 33,969
City National Bank Loan #2519	3/5/2009	\$ 700,000	5.00% A	\$42,459	A 4/5/2044	455,033	9,821
Bank of Botetourt	10/1/2014	\$ 300,000	4.88% M	\$2,431	M 10/1/2029	130,889	21,952
Total loans payable						\$ 1,940,596	\$ 65,742
Notes payable							
Dell Computers	1/7/2020	\$ 31,815	4.73% A	\$7,158	A 2/7/2025	\$ 3,607	\$ 3,607
Refuse Truck	1/21/2022	\$ 161,800	2.27% M	\$34,262	M 1/21/2027	85,886	32,650
Body Cameras	11/22/2021	\$ 130,336	0.00% A	\$25,084	A 11/1/2025	50,168	25,084
School Buses (2)	5/27/2022	\$ 252,588	5.23% A	\$56,699	A 9/15/2026	153,731	48,653
Total notes payable						\$ 293,392	\$ 109,994
Lease liabilities							
Copier - City Hall	4/29/2021	\$ 10,171	1.81% M	\$183 (P&I)	M 4/28/2026	\$ 3,956	\$ 2,142
Copier - Police Department	9/3/2021	\$ 11,446	1.72% M	\$196 (P&I)	M 9/2/2026	5,182	2,279
Copier - Treasurer	12/28/2020	\$ 4,636	1.64% M	\$89 (P&I)	M 12/27/2025	1,581	1,050
Postage Machine	7/11/2019	\$ 8,973	1.48% M	\$235 (P&I)	M 7/11/2024	703	703
2024 GMC Sierra #5691	6/17/2024	\$ 31,072	3.20% M	\$556 (P&I)	M 6/16/2029	30,813	5,811
2024 GMC Sierra #7876	6/17/2024	\$ 28,275	3.20% M	\$507 (P&I)	M 6/16/2029	28,039	5,288
Total lease liabilities						\$ 70,274	\$ 17,273
Other long-term obligations:							
Net pension liability (payable from general fund)						1,404,658	-
Net OPEB liability (payable from general fund)						1,218,923	-
Compensated absences (payable from general fund)						299,600	224,700
Total other obligations						\$ 3,286,847	\$ 351,967
Total long-term obligations from governmental activities						\$ 5,983,004	\$ 941,469

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

(1) The Series 2011A revenue bond was paid in full on July 1, 2023. Reference Note 24 for additional details.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Business-type Activities Obligations

The following is a summary of changes in long-term obligation transactions for the City's enterprise funds for the year ended June 30, 2024:

	Balance June 30, 2023	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2024
Direct Borrowings and Direct Placements:				
Revenue bonds	\$ 2,414,728	\$ 5,424,000	\$ 191,807	\$ 7,646,921
Lease-revenue bonds	<u>2,481,684</u>	<u>-</u>	<u>2,481,684</u>	<u>-</u>
Total Direct Borrowings and Direct Placements	\$ <u>4,896,412</u>	\$ <u>5,424,000</u>	\$ <u>2,673,491</u>	\$ <u>7,646,921</u>
Other Long-Term Obligations				
Net OPEB liabilities	\$ 169,798	\$ 31,958	\$ 53,517	\$ 148,239
Compensated absences	33,464	22,266	26,497	29,233
Net pension liability	<u>370,422</u>	<u>208,485</u>	<u>416,156</u>	<u>162,751</u>
Total Other Long-Term Obligations	\$ <u>573,684</u>	\$ <u>262,709</u>	\$ <u>496,170</u>	\$ <u>340,223</u>
Total business-type obligations	\$ <u><u>5,470,096</u></u>	\$ <u><u>5,686,709</u></u>	\$ <u><u>3,169,661</u></u>	\$ <u><u>7,987,144</u></u>

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

The City's outstanding revenue bonds from direct borrowings and direct placements related to business-type activities of \$7,646,921 contain a provision that in the event of default the entire unpaid principal and interest become immediately due and payable. The City has pledged to secure the payment and performance of the City's obligations under the bonds with the City's right, title, and interest to revenue collected by the City.

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CITY OF BUENA VISTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Business-type Activities Obligations (continued)

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

Year Ending June 30,	Direct Borrowings and Direct Placements	
	Principal	Interest
2025	\$ 2,296,412	\$ 884,475
2026	75,632	152,836
2027	77,835	150,633
2028	80,102	148,366
2029	82,437	146,031
2030-2034	449,635	692,705
2035-2039	519,056	623,284
2040-2044	599,199	543,141
2045-2049	691,715	450,625
2050-2054	798,513	343,827
2055-2059	921,798	220,542
2060-2064	1,054,587	78,221
Total	<u>\$ 7,646,921</u>	<u>\$ 4,434,686</u>

Details of long-term obligations:

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Business-type activities:							
Revenue bond:							
Series 2011A Revenue Bond (1)	7/14/2011	\$ 4,765,000	6.50% A	\$225,000-\$613,500 A	7/14/2044	\$ 2,222,921	\$ 2,222,921
Rural Development Revenue Bond	5/31/2024	\$ 5,424,000	2.875% A	\$6,044-\$18,971 M	6/1/2064	<u>5,424,000</u>	<u>73,491</u>
Total revenue bonds						<u>\$ 7,646,921</u>	<u>\$ 2,296,412</u>
Other long-term obligations:							
Net pension liability (payable from water and sewer funds)						\$ 162,751	\$ -
Net OPEB liability (payable from water and sewer funds)						148,239	-
Compensated absences (payable from water and sewer funds)						<u>29,233</u>	<u>21,925</u>
Total other obligations						<u>\$ 340,223</u>	<u>\$ 21,925</u>
Total long-term obligations from business-type activities						<u>\$ 7,987,144</u>	<u>\$ 2,318,337</u>

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

(1) The Series 2011A revenue bond was paid in full on July 1, 2023. Reference Note 24 for additional details.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 9—LONG-TERM OBLIGATIONS: (CONTINUED)

Discretely Presented Component Unit—School Board:

The following is a summary of long-term obligation transactions for the Discretely Presented Component Unit—School Board for the year ended June 30, 2024.

	Balance June 30, 2023	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2024
Lease liabilities	\$ 43,813	\$ 35,590	\$ 31,487	\$ 47,916
Subscription liabilities	-	62,830	62,830	-
Other Long-Term Obligations:				
Net OPEB liabilities	\$ 2,641,977	\$ 845,970	\$ 680,827	\$ 2,807,120
Compensated absences	373,648	92,030	140,147	325,531
Net pension liability	5,354,385	3,081,898	2,725,712	5,710,571
Total Other Long-Term Obligations	\$ 8,370,010	\$ 4,019,898	\$ 3,546,686	\$ 8,843,222
Total Long-Term Obligations	\$ 8,413,823	\$ 4,118,318	\$ 3,641,003	\$ 8,891,138

Details of Long-term Indebtedness:

Year Ending June 30,	Lease Liabilities	
	Principal	Interest
2025	\$ 17,726	\$ 1,135
2026	18,142	720
2027	10,795	293
2028	1,253	8
Totals	\$ 47,916	\$ 2,156

Type/ Project	Issue Date/ Term	Amount of Original Issue	Interest Rates	Amount of Installments	Final Maturity Date	Balance	Amount Due Within One Year
Discretely Presented Component Unit - School Board							
Other obligations:							
Lease liabilities							
Copier - PMHS	2/9/2022	\$ 11,395	2.54% A	\$2,022 (P&I)	A 2/8/2027	\$ 5,766	\$ 1,873
Copier - PMHS	10/16/2020	\$ 37,465	1.64% A	\$7,723 (P&I)	A 10/15/2025	15,168	7,522
Copier - EHES	11/22/2022	15,318	3.16%	\$316 (P&I)	M 11/21/2027	11,966	3,459
Copier - PMMS	7/25/2023	20,272	2.72% A	\$5,255 (P&I)	A 7/24/2027	15,016	4,872
Total lease liabilities						\$ 47,916	\$ 17,726
Net pension liability (payable from school fund)						5,710,571	-
Net OPEB liability (payable from school fund)						2,807,120	-
Compensated absences (payable from school fund)						325,531	244,148
Total other obligations						\$ 8,891,138	\$ 261,874
Total long-term obligations from discretely presented component unit - school board						\$ 8,891,138	\$ 261,874

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED**NOTE 10—LEASES RECEIVABLE:**

The following is a summary of leases receivable transactions of the City for the year ended June 30, 2024:

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance	Lease Revenue	Interest Revenue
Carilion Clinic Dabney S.	\$ 273,309	\$ -	\$ 28,618	\$ 244,691	\$ 31,964	\$ 4,553
Lancaster Advanced Drainage Systems	295,246	-	141,414	153,832	141,206	913
	37,129	-	2,371	34,758	2,839	1,128
	<u>\$ 605,684</u>	<u>\$ -</u>	<u>\$ 172,403</u>	<u>\$ 433,281</u>	<u>\$ 176,009</u>	<u>\$ 6,594</u>

Lease Description	Lease Term Remaining	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Carilion Clinic Dabney S. Lancaster	111 months	Monthly	1.75%	\$ 244,691	\$ 29,791
Community College Advanced Drainage Systems	37 months	Monthly	0.40%	153,832	141,975
	169 months	Annually	3.00%	34,758	2,444
				<u>\$ 433,281</u>	<u>\$ 174,210</u>

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

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

Benefit Structures

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

- Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

NOTE 11—PENSION PLANS: (CONTINUED)

Benefit Structures (Continued)

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

NOTE 11—PENSION PLANS: (CONTINUED)***Employees Covered by Benefit Terms***

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	84	27
Inactive members:		
Vested inactive members	17	3
Non-vested inactive members	22	24
Inactive members active elsewhere in VRS	34	9
Total inactive members	73	36
Active members	83	20
Total covered employees	240	83

Contributions

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

The City's contractually required employer contribution rate for the year ended June 30, 2024 was 16.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$658,013 and \$621,852 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 2.02% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$6,807 and \$6,321 for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTE 11—PENSION PLANS: (CONTINUED)***Net Pension Liability/Asset***

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

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the City's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

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

NOTE 11—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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NOTE 11—PENSION PLANS: (CONTINUED)***Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits***

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

NOTE 11—PENSION PLANS: (CONTINUED)**Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits**

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

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

Long-Term Expected Rate of Return

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

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

NOTE 11—PENSION PLANS: (CONTINUED)

Long-Term Expected Rate of Return (continued)

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the City and Component Unit School Board (nonprofessional) was also provided an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2024, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 11—PENSION PLANS: (CONTINUED)

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 23,057,696	\$ 20,299,579	\$ 2,758,117
Changes for the year:			
Service cost	\$ 452,017	\$ -	\$ 452,017
Interest	1,542,760	-	1,542,760
Differences between expected and actual experience	(1,088,741)	-	(1,088,741)
Contributions - employer	-	623,289	(623,289)
Contributions - employee	-	186,119	(186,119)
Net investment income	-	1,299,890	(1,299,890)
Benefit payments, including refunds of employee contributions	(1,308,006)	(1,308,006)	-
Administrative expenses	-	(13,076)	13,076
Other changes	-	522	(522)
Net changes	\$ (401,970)	\$ 788,738	\$ (1,190,708)
Balances at June 30, 2023	\$ 22,655,726	\$ 21,088,317	\$ 1,567,409

Changes in Net Pension (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
Balances at June 30, 2022	\$ 1,639,209	\$ 1,970,382	\$ (331,173)
Changes for the year:			
Service cost	\$ 45,733	\$ -	\$ 45,733
Interest	109,603	-	109,603
Differences between expected and actual experience	6,981	-	6,981
Contributions - employer	-	6,376	(6,376)
Contributions - employee	-	21,834	(21,834)
Net investment income	-	124,074	(124,074)
Benefit payments, including refunds of employee contributions	(122,395)	(122,395)	-
Administrative expenses	-	(1,288)	1,288
Other changes	-	50	(50)
Net changes	\$ 39,922	\$ 28,651	\$ 11,271
Balances at June 30, 2023	\$ 1,679,131	\$ 1,999,033	\$ (319,902)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 11—PENSION PLANS: (CONTINUED)

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
City of Buena Vista, Virginia			
Net Pension Liability (Asset)	\$ 4,472,260	\$ 1,567,409	\$ (898,631)
Component Unit School Board (nonprofessional)			
Net Pension (Asset)	\$ (152,384)	\$ (319,902)	\$ (464,796)

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

For the year ended June 30, 2024, the City and Component Unit School Board (nonprofessional) recognized pension expense of \$(85,282) and \$(16,272) respectively. At June 30, 2024, the City and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,797	\$ 701,289	\$ 2,672	\$ -
Net difference between projected and actual earnings on pension plan investments	-	335,389	-	34,301
Impact of change in proportional allocation	49,544	49,544	-	-
Employer contributions subsequent to the measurement date	658,013	-	6,807	-
Total	\$ 714,354	\$ 1,086,222	\$ 9,479	\$ 34,301

NOTE 11—PENSION PLANS: (CONTINUED)

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

\$658,013 and \$6,807 reported as deferred outflows of resources related to pensions resulting from the City's and Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability and an increase of the Net Pension Asset in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30,</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
2025	\$ (617,962)	\$ (20,949)
2026	(714,317)	(40,361)
2027	291,781	28,539
2028	10,617	1,142
2029	-	-
Thereafter	-	-

Pension Plan Data

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

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NOTE 11—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$927,614 and \$891,818 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

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

At June 30, 2024, the school division reported a liability of \$5,710,571 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.05650% as compared to 0.05624% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$355,033. 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.

NOTE 11—PENSION PLANS: (CONTINUED)**Component Unit School Board (Professional) (continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

At June 30, 2024, the school division 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
Differences between expected and actual experience	\$ 490,543	\$ 222,851
Change of assumptions	258,880	-
Net difference between projected and actual earnings on pension plan investments	-	371,302
Changes in proportion and differences between employer contributions and proportionate share of contributions	174,491	446,884
Employer contributions subsequent to the measurement date	<u>927,614</u>	<u>-</u>
Total	<u>\$ 1,851,528</u>	<u>\$ 1,041,037</u>

\$927,614 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30,</u>	
2025	\$ (288,464)
2026	(456,927)
2027	512,632
2028	115,636
2029	-

NOTE 11—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 11—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

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

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

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

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

NOTE 11—PENSION PLANS: (CONTINUED)**Component Unit School Board (Professional) (continued)*****Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 10,122,805	\$ 5,710,571	\$ 2,083,351

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board***Aggregate Pension Information***

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expense
VRS Pension Plan	\$ 714,354	\$ 1,086,222	\$ 1,567,409	\$ (85,282)
	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
School Board Nonprofessional	\$ 9,479	\$ 34,301	\$ (319,902)	\$ (16,272)
School Board Professional	1,851,528	1,041,037	5,710,571	355,033
Totals	\$ 1,861,007	\$ 1,075,338	\$ 5,390,669	\$ 338,761

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

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

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

The current-year OPEB expense for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The City's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The City's LODA premium for the year ended June 30, 2024 was \$27,576.

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

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental

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

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. City contributions to the GLI Plan were \$23,293 and \$21,868 for the years ended June 30, 2024 and June 30, 2023, respectively. School Board contributions to the Group Life Insurance Plan for professional employees were \$31,677 and \$30,308 for the years ended June 30, 2024 and June 30, 2023 respectively. School Board contributions to the Group Life Insurance Plan for nonprofessional employees were \$2,941 and \$2,616, for the years ended June 30, 2024 and June 30, 2023 respectively.

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

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

At June 30, 2024, the City reported a liability of \$206,162 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.01719% as compared to 0.01720% at June 30, 2022.

At June 30, 2024, the School Board reported liability of \$24,706 for nonprofessional employees and \$285,796 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2023, the participating employer's proportion for nonprofessional employees was 0.00210% as compared to 0.00180% at June 30, 2022. At June 30, 2023, the participating employer's proportion for School Board professional employees was 0.02383% as compared to 0.02400% at June 30, 2022.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (continued)

For the year ended June 30, 2024, the City recognized GLI OPEB expense of \$7,949, while the School Board recognized GLI OPEB expense of \$1,240 and \$495 for nonprofessional and professional employees, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,591	\$ 6,258
Net difference between projected and actual earnings on GLI OPEB plan investments	-	8,285
Change of assumptions	4,407	14,284
Changes in proportionate share	2,006	4,354
Employer contributions subsequent to the measurement date	23,293	-
Total	<u>\$ 50,297</u>	<u>\$ 33,181</u>

	Component Unit School Board			
	Nonprofessional Employees		Professional Employees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,468	\$ 750	\$ 28,544	\$ 8,675
Net difference between projected and actual earnings on GLI OPEB plan investments	-	993	-	11,485
Change of assumptions	528	1,712	6,109	19,801
Changes in proportionate share	3,359	1,242	8,748	31,467
Employer contributions subsequent to the measurement date	2,941	-	31,677	-
Total	<u>\$ 9,296</u>	<u>\$ 4,697</u>	<u>\$ 75,078</u>	<u>\$ 71,428</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (continued)

\$23,293, \$2,941 and \$31,677 for the City and School Board nonprofessional and professional employees respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Primary Government	Component Unit School Board					
	Nonprofessional Employees			Professional Employees		
	Year Ended June 30		Year Ended June 30		Year Ended June 30	
2025	\$ (2,310)	2025	\$ (48)	2025	\$ (11,990)	
2026	(9,311)	2026	(606)	2026	(20,036)	
2027	2,868	2027	886	2027	(896)	
2028	501	2028	721	2028	2,406	
2029	2,075	2029	705	2029	2,489	
Thereafter	-	Thereafter	-	Thereafter	-	

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)***Actuarial Assumptions (continued)******Mortality Rates – Teachers***

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)***Actuarial Assumptions (continued)*****Mortality Rates – Non-Largest Ten Locality Employers – General Employees**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)***Actuarial Assumptions (continued)*****Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees****Pre-Retirement:**

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change to the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

NOTE 13—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)***Long-Term Expected Rate of Return (continued)***

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
City's proportionate share of the Group Life Insurance Plan Net OPEB Liability	\$ 305,593	\$ 206,162	\$ 125,769
School Board's proportionate share of the Group Life Insurance Plan Net OPEB Liability - nonprofessional employees	\$ 36,622	\$ 24,706	\$ 15,072
School Board's proportionate share of the Group Life Insurance Plan Net OPEB Liability - professional employees	\$ 423,640	\$ 285,796	\$ 174,349

Group Life Insurance Program Fiduciary Net Position

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

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>14</u>
Active members	20
Total covered employees	<u><u>34</u></u>

Contributions

The contribution requirements for active employees is governed §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The City’s contractually required employer contribution rate for the year ended June 30, 2024 was 1.02% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the City to the HIC Plan were \$5,555 and \$4,942 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB Plan): (CONTINUED)**Mortality Rates – Non-Largest Ten Locality Employers – General Employees**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB Plan): (CONTINUED)***Long-Term Expected Rate of Return***

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

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

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 45,772	\$ 5,029	\$ 40,743
Changes for the year:			
Service cost	\$ 598	\$ -	\$ 598
Interest	3,075	-	3,075
Differences between expected and actual experience	(18,310)	-	(18,310)
Contributions - employer	-	4,941	(4,941)
Net investment income	-	466	(466)
Benefit payments	(1,628)	(1,628)	-
Administrative expenses	-	(13)	13
Other changes	-	1	(1)
Net changes	\$ (16,265)	\$ 3,767	\$ (20,032)
Balances at June 30, 2023	\$ 29,507	\$ 8,796	\$ 20,711

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
City's Net HIC OPEB Liability	\$ 23,709	\$ 20,711	\$ 18,156

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

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

For the year ended June 30, 2024, the City recognized HIC Plan OPEB expense of \$(1,080). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the City's HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 15,112
Net difference between projected and actual earnings on HIC OPEB plan investments	53	-
Change in assumptions	1,816	-
Employer contributions subsequent to the measurement date	5,555	-
Total	<u>\$ 7,424</u>	<u>\$ 15,112</u>

\$5,555 reported as deferred outflows of resources related to the HIC OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting period as follows:

Year Ended June 30,

2025	\$ (4,317)
2026	(4,689)
2027	(4,233)
2028	(4)
2029	-
Thereafter	-

HIC Plan Data

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

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Credit Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$70,980 and \$67,912 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2024, the school division reported a liability of \$681,907 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was 0.05630 % as compared to 0.05598% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$31,224. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 30,014
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	342	-
Change of assumptions	15,874	687
Change in proportionate share and differences between actual and expected contributions	23,221	79,712
Employer contributions subsequent to the measurement date	70,980	-
Total	\$ 110,417	\$ 110,413

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

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

\$70,980 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>		
2025	\$	(23,190)
2026		(19,339)
2027		(14,358)
2028		(12,845)
2029		(1,010)
Thereafter		(234)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

**NOTE 15—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)*****Actuarial Assumptions (continued)*****Mortality Rates – Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

Total Teacher Employee HIC OPEB Liability	\$	1,475,471
Plan Fiduciary Net Position		264,054
Teacher Employee net HIC OPEB Liability	\$	<u>1,211,417</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		17.90%

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

Long-Term Expected Rate of Return

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

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

**The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Long-Term Expected Rate of Return (continued)

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

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 771,313	\$ 681,907	\$ 606,143

Teacher Employee HIC OPEB Fiduciary Net Position

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

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

Plan Description

In addition to the pension benefits described in Note 11, the City administers a single-employer defined benefit healthcare plan, the City of Buena Vista OPEB Plan. The plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

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

Benefits Provided

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

Plan Membership

At July 1, 2023 (the measurement date), the following employees were covered by the benefit terms:

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

Contributions

The City and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or the School board for the respective plans. The amount paid by the City for OPEB as the benefits came due during the year ended June 30, 2024 was \$41,000. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$254,000.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

Total OPEB Liability

The City's and School Board's total OPEB liabilities were measured as of July 1, 2023. The total OPEB liabilities were determined by actuarial valuations as of that date.

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuations for the County and for the School Board were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Salary Increases	2.50% per year for general salary inflations
Discount Rate	The discount rate has been set to equal 3.86% and represents the Municipal GO AA 20-year yield curve rate as of July 1, 2023
Investment Rate of Return	N/A

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 11-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year's valuation is 3.86% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2023	\$ 1,113,000	\$ 1,591,000
Changes for the year:		
Service cost	32,000	60,000
Interest	42,000	56,000
Difference between expected and actual experience	34,000	360,000
Changes of assumptions	(19,000)	(19,000)
Contributions - employer	(41,000)	(254,000)
Net changes	48,000	203,000
Balances at June 30, 2024	\$ 1,161,000	\$ 1,794,000

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

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

The following amounts present the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (0.92%) or one percentage point higher (2.92%) than the current discount rate:

	Rate		
	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Primary Government			
\$	1,278,000	\$ 1,161,000	\$ 1,056,000
Component Unit School Board			
\$	1,914,000	\$ 1,794,000	\$ 1,682,000

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

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

	Rate		
	1% Decrease (5.50% increasing to 4.00%)	Healthcare Cost Trend (6.50% increasing to 5.00%)	1% Increase (7.50% increasing to 6.00%)
Primary Government			
\$	1,045,000	\$ 1,161,000	\$ 1,294,000
Component Unit School Board			
\$	1,652,000	\$ 1,794,000	\$ 1,956,000

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

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

For the year ended June 30, 2024, the Primary Government recognized OPEB expense in the amount of \$50,000. The School Board recognized OPEB expense in the amount of \$335,000. At June 30, 2024, the Primary Government and School Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,000	\$ 11,000
Changes of assumptions	76,000	162,000
Employer contributions subsequent to the measurement date	41,000	-
Total	<u>\$ 192,000</u>	<u>\$ 173,000</u>

	Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 501,000	\$ 99,000
Changes in assumptions	87,000	159,000
Employer contributions subsequent to the measurement date	254,000	-
Total	<u>\$ 842,000</u>	<u>\$ 258,000</u>

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

Primary Government		Component Unit School Board	
Year Ended June 30,		Year Ended June 30,	
2025	\$ -	2025	\$ 141,000
2026	(13,000)	2026	23,000
2027	(16,000)	2027	45,000
2028	2,000	2028	55,000
2029	2,000	2029	55,000
Thereafter	3,000	Thereafter	11,000

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

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

The following is a summary of the City's OPEB plans as of June 30, 2024:

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program (Note 13)	\$ 50,297	\$ 33,181	\$ 206,162	\$ 7,949
City Stand-Alone Plan (Note 16)	192,000	173,000	1,161,000	50,000
Totals	<u>\$ 242,297</u>	<u>\$ 206,181</u>	<u>\$ 1,367,162</u>	<u>\$ 57,949</u>

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program (Note 13):				
School Board Nonprofessional	9,296	4,697	24,706	1,240
School Board Professional	75,078	71,428	285,796	495
Health Insurance Credit Program (Note 14)	7,424	15,112	20,711	(1,080)
Teacher Health Insurance Credit Program (Note 15)	110,417	110,413	681,907	31,224
School Stand-Alone Plan (Note 16)	842,000	258,000	1,794,000	335,000
Totals	<u>\$ 1,044,215</u>	<u>\$ 459,650</u>	<u>\$ 2,807,120</u>	<u>\$ 366,879</u>

NOTE 18—DEFERRED, UNAVAILABLE, AND UNEARNED REVENUE:

Deferred and unavailable revenue represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred and unavailable revenue in the government-wide financial statements and fund financial statements totaling \$1,186,683, and \$2,458,946, respectively is comprised of the following:

	Government-wide Financial Statements	Fund Financial Statements
Primary Government deferred/unavailable property tax revenue:		
Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ -	\$ 1,362,211
Unavailable revenue representing uncollected property tax billings for the second half of calendar year 2024. The uncollected tax billings are not available for the funding of	907,546	907,546
Deferred prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	<u>276,797</u>	<u>276,797</u>
Total primary government deferred/unavailable revenue	<u>\$ 1,184,343</u>	<u>\$ 2,546,554</u>

Unearned revenue reported in the primary government is comprised of lease revenue of \$142,327 and \$3,547,850 in American Rescue Plan unspent as of June 30, 2024.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 19—CONTINGENT LIABILITIES:

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

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

The City of Buena Vista, along with the City of Lexington and County of Rockbridge, have entered into an agreement with the Rockbridge Regional Public Safety Communications Center, for the purpose of providing contributions for the payment of debt associated with its radio upgrade project through June 30, 2030. Each locality will contribute a percentage of the total cost of the upgrade based upon its annual assessed value of real estate. The County of Rockbridge is serving as fiscal agent for the radio upgrade project. The amount owed by the Rockbridge Regional Public Safety Communications Center on the capital lease obligation at June 30, 2024 was \$3,115,037 and an annual payment of \$757,744 will be paid by the Center through June 2030.

NOTE 20—HEALTH INSURANCE FUND:

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

Significant losses, over \$80,000, are covered by commercial insurance. Stop loss insurance coverage began in October 2015. During fiscal year 2024, there were no settlement amounts exceeding coverage.

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

Jefferson Health has established a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. At June 30, 2024 the plan liability was \$21,033. The net position of the Plan maintained by the School Board can be found on Exhibit 42. The following represents the change in approximate aggregate liabilities for the fund:

	<u>Health Insurance</u>
July 1, 2022 Liability	\$ 338,529
Claims and Changes in Estimates	2,066,443
Claim Payments	<u>2,290,657</u>
June 30, 2023 Liability	114,315
Claims and Changes in Estimates	1,929,109
Claim Payments	<u>2,022,391</u>
June 30, 2024 Liability	<u>\$ 21,033</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 21—CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2024 was as follows:

Primary Government

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 2,226,363	\$ -	\$ -	\$ 2,226,363
Construction in progress	1,130,669	1,230,797	(1,974,728)	386,738
Total capital assets not being depreciated	\$ 3,357,032	\$ 1,230,797	\$ (1,974,728)	\$ 2,613,101
Capital assets being depreciated:				
Buildings and improvements	\$ 5,872,125	\$ 1,538,708	\$ -	\$ 7,410,833
Infrastructure	29,299,327	436,020	-	29,735,347
Machinery and Equipment	4,816,532	334,968	(345,623)	4,805,877
Total capital assets being depreciated	\$ 39,987,984	\$ 2,309,696	\$ (345,623)	\$ 41,952,057
Accumulated depreciation:				
Buildings and improvements	\$ (2,934,488)	\$ (196,391)	\$ -	\$ (3,130,879)
Infrastructure	(27,045,949)	(109,458)	-	(27,155,407)
Machinery and Equipment	(3,046,649)	(519,310)	345,623	(3,220,336)
Total accumulated depreciation	\$ (33,027,086)	\$ (825,159)	\$ 345,623	\$ (33,506,622)
Capital assets being depreciated, net	\$ 6,960,898	\$ 1,484,537	\$ -	\$ 8,445,435
Governmental activities capital assets, net	\$ 10,317,930	\$ 2,715,334	\$ (1,974,728)	\$ 11,058,536
Lease assets:				
Equipment	\$ 120,277	\$ 104,013	\$ (85,052)	\$ 224,290
Accumulated amortization				
Equipment	\$ (82,120)	\$ (28,248)	\$ 85,052	\$ (110,368)
Net right-to-use lease assets	\$ 38,157	\$ 75,765	\$ -	\$ 113,922
Net capital assets	\$ 10,356,087	\$ 2,791,099	\$ (1,974,728)	\$ 11,172,458

	Balance July 1, 2023	Increases	Decreases/ Transfers/ Reclassifications	Balance June 30, 2024
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 4,900	\$ -	\$ -	\$ 4,900
Construction in progress	-	52,576	-	52,576
Total capital assets not being depreciated	\$ 4,900	\$ 52,576	\$ -	\$ 57,476
Capital assets being depreciated:				
Infrastructure	\$ 16,704,891	\$ 49,950	\$ (119,631)	\$ 16,635,210
Machinery and equipment	832,635	151,478	(58,993)	925,120
Total capital assets being depreciated	\$ 17,537,526	\$ 201,428	\$ (178,624)	\$ 17,560,330
Accumulated depreciation:				
Infrastructure	\$ (12,050,037)	\$ (304,254)	\$ 105,104	\$ (12,249,187)
Machinery and equipment	(612,507)	(83,546)	58,461	(637,592)
Total accumulated depreciation	\$ (12,662,544)	\$ (387,800)	\$ 163,565	\$ (12,886,779)
Capital assets being depreciated, net	\$ 4,874,982	\$ (186,372)	\$ (15,059)	\$ 4,673,551
Business-type activities capital assets, net	\$ 4,879,882	\$ (133,796)	\$ (15,059)	\$ 4,731,027

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 21—CAPITAL ASSETS: (CONTINUED)

Primary Government (continued)

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

Governmental activities:		
General government administration	\$	187,623
Judicial administration		4,756
Public safety		209,659
Public works		288,491
Health and welfare		7,855
Education		65,566
Parks, recreation and cultural		89,457
Total depreciation/amortization expense - governmental activities	\$	<u>853,407</u>
Business-type activities:		
Water	\$	314,560
Sewer		73,240
Total depreciation expense - business-type activities	\$	<u>387,800</u>

Discretely Presented Component Unit School Board

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental activities				
Capital assets not being depreciated:				
Land and land improvements	\$ 4,634	\$ -	\$ -	\$ 4,634
Total capital assets not being depreciated	\$ 4,634	\$ -	\$ -	\$ 4,634
Capital assets being depreciated:				
Buildings and improvements	\$ 15,850,601	\$ 204,955	\$ (50,534)	\$ 16,005,022
Machinery and equipment	2,969,798	731,558	(178,055)	3,523,301
Total capital assets being depreciated	\$ 18,820,399	\$ 936,513	\$ (228,589)	\$ 19,528,323
Accumulated depreciation:				
Buildings and improvements	\$ (7,990,965)	\$ (309,959)	\$ 50,534	\$ (8,250,390)
Machinery and equipment	(1,502,348)	(408,498)	174,360	(1,736,486)
Total accumulated depreciation	\$ (9,493,313)	\$ (718,457)	\$ 224,894	\$ (9,986,876)
Capital assets being depreciated, net	\$ 9,327,086	\$ 218,056	\$ (3,695)	\$ 9,541,447
Governmental activities capital assets, net	\$ 9,331,720	\$ 218,056	\$ (3,695)	\$ 9,546,081
Lease assets:				
Equipment	\$ 89,809	\$ 37,812	\$ (28,984)	\$ 98,637
Accumulated amortization	(59,341)	(17,654)	28,984	(48,011)
Net lease assets	\$ 30,468	\$ 20,158	\$ -	\$ 50,626
Intangible assets:				
Subscription assets	\$ -	\$ 62,830	\$ -	\$ 62,830
Accumulated amortization	-	(6,791)	-	(6,791)
Net subscription assets	\$ -	\$ 56,039	\$ -	\$ 56,039
Net capital assets	\$ 9,362,188	\$ 294,253	\$ (3,695)	\$ 9,652,746

Depreciation/amortization expense for the Component Unit School Board was \$742,902 for the year ended June 30, 2024 and was charged to the education function.

The City retains 100% of the value of School Board assets financed with general City debt on the City's books until the related debt associated with each asset is fully defeased.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 21—CAPITAL ASSETS: (CONTINUED)

Discretely Presented Component Unit Economic Development Authority of Buena Vista

	Balance July 1, 2023	Increases	Decreases/ Transfers/ Reclassifications	Balance June 30, 2024
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 1,107,200	\$ -	\$ -	\$ 1,107,200
Total capital assets not being depreciated	\$ 1,107,200	\$ -	\$ -	\$ 1,107,200
Capital assets being depreciated:				
Infrastructure	\$ 862,439	\$ -	\$ -	\$ 862,439
Total capital assets being depreciated	\$ 862,439	\$ -	\$ -	\$ 862,439
Accumulated depreciation:				
Infrastructure	\$ (64,683)	\$ (21,561)	\$ -	\$ (86,244)
Total accumulated depreciation	\$ (64,683)	\$ (21,561)	\$ -	\$ (86,244)
Capital assets being depreciated, net	\$ 797,756	\$ (21,561)	\$ -	\$ 776,195
Governmental activities capital assets, net	\$ 1,904,956	\$ (21,561)	\$ -	\$ 1,883,395

NOTE 22—RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other local governments in Virginia to form the Virginia Municipal Group Self Insurance Association, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The City pays an annual premium to the association for its workers compensation, auto property, liability, flood, and crime coverage.

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

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

NOTE 23—ARBITRAGE REBATE COMPLIANCE:

As of June 30, 2024, and for the year then ended, the City was not liable for any amounts due under current rules governing arbitrage earnings.

NOTE 24—SUBSEQUENT EVENT:

On July 1, 2024, the City paid in full the remaining outstanding balance of the Series 2011A Revenue Bond, in the amount of \$2,723,500, utilizing proceeds from the Series 2024 Rural Development Revenue Bond.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 CONTINUED

NOTE 25—UPCOMING PRONOUNCEMENTS:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after January 23, 2025.

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

General Fund

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 6,986,089	\$ 6,986,089	\$ 6,887,838	\$ (98,251)
Other local taxes	1,887,716	1,887,716	1,897,828	10,112
Permits, privilege fees, and regulatory licenses	47,775	47,775	96,048	48,273
Fines and forfeitures	71,720	71,720	33,072	(38,648)
Revenue from the use of money and property	206,970	206,970	199,825	(7,145)
Charges for services	822,033	822,033	762,888	(59,145)
Miscellaneous	60,000	60,000	139,934	79,934
Recovered costs	-	-	35,206	35,206
Intergovernmental:				
Commonwealth	5,347,681	5,347,681	6,521,564	1,173,883
Federal	245,453	245,453	1,268,599	1,023,146
Total revenues	<u>\$ 15,675,437</u>	<u>\$ 15,675,437</u>	<u>\$ 17,842,802</u>	<u>\$ 2,167,365</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,833,611	\$ 1,833,611	\$ 1,816,166	\$ 17,445
Judicial administration	1,135,775	1,135,775	1,567,960	(432,185)
Public safety	3,543,092	3,543,092	3,841,332	(298,240)
Public works	2,766,427	2,766,427	3,548,066	(781,639)
Health and welfare	2,552,690	2,552,690	2,698,057	(145,367)
Education	2,330,211	2,330,211	2,813,921	(483,710)
Parks, recreation, and cultural	139,228	147,327	150,691	(3,364)
Community development	572,006	572,006	1,232,132	(660,126)
Debt service:				
Principal retirement	139,873	139,873	191,914	(52,041)
Interest and other fiscal charges	91,997	91,997	161,904	(69,907)
Total expenditures	<u>\$ 15,104,910</u>	<u>\$ 15,113,009</u>	<u>\$ 18,022,143</u>	<u>\$ (2,909,134)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 570,527</u>	<u>\$ 562,428</u>	<u>\$ (179,341)</u>	<u>\$ (741,769)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (377,838)	\$ (377,838)	\$ (865,284)	\$ (487,446)
Issuance of leases	-	-	59,347	59,347
Total other financing sources (uses)	<u>\$ (377,838)</u>	<u>\$ (377,838)</u>	<u>\$ (805,937)</u>	<u>\$ (428,099)</u>
Net change in fund balances	\$ 192,689	\$ 184,590	\$ (985,278)	\$ (1,169,868)
Fund balances - beginning	(192,689)	(184,590)	4,312,496	4,497,086
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,327,218</u>	<u>\$ 3,327,218</u>

City of Buena Vista, Virginia

Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

Pension Plans

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

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 452,017	\$ 397,221	\$ 423,628	\$ 424,055
Interest	1,542,760	1,495,027	1,423,871	1,394,209
Changes of assumptions	-	-	890,709	-
Differences between expected and actual experience	(1,088,741)	22,787	(725,814)	(91,708)
Benefit payments	(1,308,006)	(1,217,337)	(1,493,556)	(1,080,679)
Net change in total pension liability	\$ (401,970)	\$ 697,698	\$ 518,838	\$ 645,877
Total pension liability - beginning	23,057,696	22,359,998	21,841,160	21,195,283
Total pension liability - ending (a)	<u>\$ 22,655,726</u>	<u>\$ 23,057,696</u>	<u>\$ 22,359,998</u>	<u>\$ 21,841,160</u>
Plan fiduciary net position				
Contributions - employer	\$ 623,289	\$ 563,609	\$ 534,551	\$ 509,480
Contributions - employee	186,119	172,205	164,372	167,622
Net investment income	1,299,890	(17,730)	4,583,858	325,913
Benefit payments	(1,308,006)	(1,217,337)	(1,493,556)	(1,080,679)
Administrator charges	(13,076)	(12,961)	(11,860)	(11,174)
Other	522	477	427	(384)
Net change in plan fiduciary net position	\$ 788,738	\$ (511,737)	\$ 3,777,792	\$ (89,222)
Plan fiduciary net position - beginning	20,299,579	20,811,316	17,033,524	17,122,746
Plan fiduciary net position - ending (b)	<u>\$ 21,088,317</u>	<u>\$ 20,299,579</u>	<u>\$ 20,811,316</u>	<u>\$ 17,033,524</u>
City's net pension liability - ending (a) - (b)	\$ 1,567,409	\$ 2,758,117	\$ 1,548,682	\$ 4,807,636
Plan fiduciary net position as a percentage of the total pension liability	93.08%	88.04%	93.07%	77.99%
Covered payroll	\$ 4,049,652	\$ 3,734,633	\$ 3,541,938	\$ 3,571,857
City's net pension liability as a percentage of covered payroll	38.70%	73.85%	43.72%	134.60%

	2019		2018		2017		2016		2015		2014
\$	405,680	\$	416,975	\$	421,410	\$	370,108	\$	376,655	\$	357,099
	1,333,809		1,289,662		1,218,525		1,193,493		1,122,225		1,081,457
	581,508		-		(86,427)		-		-		-
	354,955		56,071		550,201		(234,737)		449,987		-
	(1,070,157)		(1,193,913)		(981,021)		(961,506)		(900,002)		(812,332)
\$	1,605,795	\$	568,795	\$	1,122,688	\$	367,358	\$	1,048,865	\$	626,224
	19,589,488		19,020,693		17,898,005		17,530,647		16,481,782		15,855,558
\$	<u>21,195,283</u>	\$	<u>19,589,488</u>	\$	<u>19,020,693</u>	\$	<u>17,898,005</u>	\$	<u>17,530,647</u>	\$	<u>16,481,782</u>
\$	499,822	\$	420,150	\$	433,392	\$	456,213	\$	422,230	\$	421,903
	174,786		156,960		167,101		152,926		142,031		147,251
	1,083,991		1,155,010		1,753,735		248,114		649,744		1,976,108
	(1,070,157)		(1,193,913)		(981,021)		(961,506)		(900,002)		(812,332)
	(10,858)		(10,265)		(10,284)		(9,194)		(9,098)		(10,762)
	(683)		(1,021)		(1,556)		(107)		(136)		104
\$	676,901	\$	526,921	\$	1,361,367	\$	(113,554)	\$	304,769	\$	1,722,272
	16,445,845		15,918,924		14,557,557		14,671,111		14,366,342		12,644,070
\$	<u>17,122,746</u>	\$	<u>16,445,845</u>	\$	<u>15,918,924</u>	\$	<u>14,557,557</u>	\$	<u>14,671,111</u>	\$	<u>14,366,342</u>
\$	4,072,537	\$	3,143,643	\$	3,101,769	\$	3,340,448	\$	2,859,536	\$	2,115,440
	80.79%		83.95%		83.69%		81.34%		83.69%		87.16%
\$	3,471,307	\$	3,269,880	\$	3,343,997	\$	3,112,616	\$	2,867,942	\$	2,947,103
	117.32%		96.14%		92.76%		107.32%		99.71%		71.78%

City of Buena Vista, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Component Unit School Board (nonprofessional)
 For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 45,733	\$ 34,828	\$ 33,397	\$ 38,761
Interest	109,603	108,097	100,827	96,594
Changes of assumptions	-	-	60,639	-
Differences between expected and actual experience	6,981	(8,698)	2,371	54,979
Benefit payments	(122,395)	(123,256)	(125,459)	(129,797)
Net change in total pension liability	\$ 39,922	\$ 10,971	\$ 71,775	\$ 60,537
Total pension liability - beginning	1,639,209	1,628,238	1,556,463	1,495,926
Total pension liability - ending (a)	<u>\$ 1,679,131</u>	<u>\$ 1,639,209</u>	<u>\$ 1,628,238</u>	<u>\$ 1,556,463</u>
Plan fiduciary net position				
Contributions - employer	\$ 6,376	\$ 8,653	\$ 7,560	\$ 4,531
Contributions - employee	21,834	18,170	16,229	17,286
Net investment income	124,074	(655)	456,779	33,484
Benefit payments	(122,395)	(123,256)	(125,459)	(129,797)
Administrator charges	(1,288)	(1,311)	(1,204)	(1,215)
Other	50	46	42	(39)
Net change in plan fiduciary net position	\$ 28,651	\$ (98,353)	\$ 353,947	\$ (75,750)
Plan fiduciary net position - beginning	1,970,382	2,068,735	1,714,788	1,790,538
Plan fiduciary net position - ending (b)	<u>\$ 1,999,033</u>	<u>\$ 1,970,382</u>	<u>\$ 2,068,735</u>	<u>\$ 1,714,788</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (319,902)	\$ (331,173)	\$ (440,497)	\$ (158,325)
Plan fiduciary net position as a percentage of the total pension liability	119.05%	120.20%	127.05%	110.17%
Covered payroll	\$ 484,474	\$ 399,258	\$ 355,585	\$ 377,323
School Division's net pension liability (asset) as a percentage of covered payroll	-66.03%	-82.95%	-123.88%	-41.96%

2019	2018	2017	2016	2015	2014
\$ 37,349	\$ 36,778	\$ 38,384	\$ 36,487	\$ 36,673	\$ 35,849
98,783	96,694	92,937	90,797	90,772	89,028
31,763	-	(2,589)	-	-	-
(19,570)	19,871	47,166	38,859	(1,342)	-
(127,172)	(119,813)	(124,649)	(146,497)	(105,003)	(94,923)
\$ 21,153	\$ 33,530	\$ 51,249	\$ 19,646	\$ 21,100	\$ 29,954
1,474,773	1,441,243	1,389,994	1,370,348	1,349,248	1,319,294
\$ 1,495,926	\$ 1,474,773	\$ 1,441,243	\$ 1,389,994	\$ 1,370,348	\$ 1,349,248
\$ 4,526	\$ (4)	\$ 104	\$ 7,034	\$ 7,976	\$ 16,821
16,397	17,551	16,246	16,078	17,257	16,427
114,544	127,502	197,169	27,381	78,925	246,211
(127,172)	(119,813)	(124,649)	(146,497)	(105,003)	(94,923)
(1,223)	(1,164)	(1,221)	(1,148)	(1,143)	(1,367)
(72)	(111)	(172)	(12)	(17)	13
\$ 7,000	\$ 23,961	\$ 87,477	\$ (97,164)	\$ (2,005)	\$ 183,182
1,783,538	1,759,577	1,672,100	1,769,264	1,771,269	1,588,087
\$ 1,790,538	\$ 1,783,538	\$ 1,759,577	\$ 1,672,100	\$ 1,769,264	\$ 1,771,269
\$ (294,612)	\$ (308,765)	\$ (318,334)	\$ (282,106)	\$ (398,916)	\$ (422,021)
119.69%	120.94%	122.09%	120.30%	129.11%	131.28%
\$ 352,715	\$ 376,028	\$ 340,987	\$ 337,453	\$ 346,316	\$ 328,542
-83.53%	-82.11%	-93.36%	-83.60%	-115.19%	-128.45%

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

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.05650%	\$ 5,710,571	\$ 5,612,537	101.75%	82.45%
2022	0.05624%	5,354,385	5,217,534	102.62%	82.61%
2021	0.05409%	4,199,059	4,762,096	88.18%	85.46%
2020	0.06100%	8,875,646	5,330,656	166.50%	71.47%
2019	0.06319%	8,316,163	5,264,774	157.96%	73.51%
2018	0.06432%	7,564,000	5,232,217	144.57%	74.81%
2017	0.06160%	8,136,000	5,244,764	155.13%	72.92%
2016	0.06874%	9,633,000	5,240,836	183.81%	70.68%
2015	0.06844%	8,615,000	5,105,532	168.74%	70.68%
2014	0.06896%	8,334,000	5,082,174	163.98%	70.88%

Schedule of Employer Contributions
Pension Plans

Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 658,013	\$ 658,013	\$ -	\$ 4,313,473	15.25%
2023	621,852	621,852	-	4,049,652	15.36%
2022	563,609	563,609	-	3,734,633	15.09%
2021	534,551	534,551	-	3,541,938	15.09%
2020	509,472	509,472	-	3,571,857	14.26%
2019	499,822	499,822	-	3,471,307	14.40%
2018	420,150	420,150	-	3,269,880	12.85%
2017	433,392	433,392	-	3,343,997	12.96%
2016	456,213	456,213	-	3,112,616	14.66%
2015	423,595	423,595	-	2,867,942	14.77%
Component Unit School Board (nonprofessional)					
2024	\$ 6,807	\$ 6,807	\$ -	\$ 544,642	1.25%
2023	6,321	6,321	-	484,474	1.30%
2022	8,652	8,652	-	399,258	2.17%
2021	7,559	7,559	-	355,585	2.13%
2020	4,531	4,531	-	377,323	1.20%
2019	4,526	4,526	-	352,715	1.28%
2018	-	-	-	376,028	0.00%
2017	136	136	-	340,987	0.04%
2016	7,034	7,034	-	337,453	2.08%
2015	8,035	8,035	-	346,316	2.32%
Component Unit School Board (professional)					
2024	\$ 927,614	\$ 927,614	\$ -	\$ 5,866,100	15.81%
2023	891,818	891,818	-	5,612,537	15.89%
2022	835,504	835,504	-	5,217,534	16.01%
2021	765,207	765,207	-	4,762,096	16.07%
2020	810,411	810,411	-	5,330,656	15.20%
2019	810,965	810,965	-	5,264,774	15.40%
2018	831,426	831,426	-	5,232,217	15.89%
2017	752,811	752,811	-	5,244,764	14.35%
2016	736,862	736,862	-	5,240,836	14.06%
2015	737,854	737,854	-	5,105,532	14.45%

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

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of City's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	0.01680% \$	206,162 \$	4,049,652	5.09%	69.30%
2022	0.01720%	206,743	3,734,633	5.54%	67.21%
2021	0.01720%	199,789	3,541,938	5.64%	67.45%
2020	0.01740%	289,710	3,571,857	8.11%	52.64%
2019	0.01770%	288,189	3,471,307	8.30%	52.00%
2018	0.01720%	262,000	3,269,880	8.01%	51.22%
2017	0.01813%	272,000	3,343,997	8.13%	48.86%

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Component Unit School Board (nonprofessional)					
2023	0.00210% \$	24,706 \$	484,474	5.10%	69.30%
2022	0.00180%	22,155	399,258	5.55%	67.21%
2021	0.00180%	20,491	363,529	5.64%	67.45%
2020	0.00190%	30,874	380,673	8.11%	52.64%
2019	0.00181%	29,453	354,713	8.30%	52.00%
2018	0.00198%	30,000	377,086	7.96%	51.22%
2017	0.00185%	27,000	341,847	7.90%	48.86%
Component Unit School Board (professional)					
2023	0.02383% \$	285,796 \$	5,612,537	5.09%	69.30%
2022	0.02400%	288,863	5,217,534	5.54%	67.21%
2021	0.02310%	268,481	4,762,096	5.64%	67.45%
2020	0.02590%	432,229	5,330,656	8.11%	52.64%
2019	0.02703%	439,850	5,264,774	8.35%	52.00%
2018	0.02752%	418,000	5,232,217	7.99%	51.22%
2017	0.02843%	428,000	5,244,764	8.16%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 23,293	\$ 23,293	\$ -	\$ 4,313,473	0.54%
2023	21,868	21,868	-	4,049,652	0.54%
2022	20,167	20,167	-	3,734,633	0.54%
2021	19,126	19,126	-	3,541,938	0.54%
2020	18,574	18,574	-	3,571,857	0.52%
2019	18,051	18,051	-	3,471,307	0.52%
2018	17,003	17,003	-	3,269,880	0.52%
2017	17,389	17,389	-	3,343,997	0.52%
2016	14,941	14,941	-	3,112,616	0.48%
2015	13,766	13,766	-	2,867,942	0.48%
Component Unit School Board (nonprofessional)					
2024	\$ 2,941	\$ 2,941	\$ -	\$ 544,642	0.54%
2023	2,616	2,616	-	484,474	0.54%
2022	2,156	2,156	-	399,258	0.54%
2021	1,963	1,963	-	363,529	0.54%
2020	1,979	1,979	-	380,673	0.52%
2019	1,845	1,845	-	354,713	0.52%
2018	1,961	1,961	-	377,086	0.52%
2017	1,778	1,778	-	341,847	0.52%
2016	1,645	1,645	-	342,623	0.48%
2015	1,662	1,662	-	346,316	0.48%
Component Unit School Board (professional)					
2024	\$ 31,677	\$ 31,677	\$ -	\$ 5,866,100	0.54%
2023	30,308	30,308	-	5,612,537	0.54%
2022	28,175	28,175	-	5,217,534	0.54%
2021	25,715	25,715	-	4,762,096	0.54%
2020	27,722	27,722	-	5,330,656	0.52%
2019	27,377	27,377	-	5,264,774	0.52%
2018	27,208	27,208	-	5,232,217	0.52%
2017	27,273	27,273	-	5,244,764	0.52%
2016	25,156	25,156	-	5,240,836	0.48%
2015	24,507	24,507	-	5,105,532	0.48%

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

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

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

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 Years Ended June 30, 2021 through June 30, 2024

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

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

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

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

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

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

Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
Years Ended June 30, 2015 through June 30, 2024

		Contributions in Relation to				Contributions
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll	
Date	(1)	(2)	(3)	(4)	(5)	
2024	\$ 70,980	\$ 70,980	\$ -	\$ 5,866,100	1.21%	
2023	67,912	67,912	-	5,612,537	1.21%	
2022	63,132	63,132	-	5,217,534	1.21%	
2021	57,621	57,621	-	4,762,096	1.21%	
2020	63,968	63,968	-	5,330,656	1.20%	
2019	63,480	63,480	-	5,264,774	1.21%	
2018	64,279	64,279	-	5,225,965	1.23%	
2018	64,279	64,279	-	5,225,965	1.23%	
2017	58,129	58,129	-	5,236,883	1.11%	
2016	55,553	55,553	-	5,240,836	1.06%	
2015	53,940	53,940	-	5,088,650	1.06%	

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

City of Buena Vista, Virginia

Schedule of Changes in Total OPEB Liability and Related Ratios
 Primary Government
 Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022
Total OPEB liability			
Service cost	\$ 32,000	\$ 53,000	\$ 44,000
Interest	42,000	26,000	26,000
Changes of assumptions	(19,000)	(274,000)	165,000
Differences between expected and actual experience	34,000	5,000	118,000
Benefit payments	(41,000)	(45,000)	(29,000)
Net change in total OPEB liability	\$ 48,000	\$ (235,000)	\$ 324,000
Total OPEB liability - beginning	1,113,000	1,348,000	1,024,000
Total OPEB liability - ending	\$ 1,161,000	\$ 1,113,000	\$ 1,348,000
 Covered-employee payroll	 \$ 2,271,000	 \$ 3,404,000	 \$ 3,404,000
 City's total OPEB liability (asset) as a percentage of covered-employee payroll	 51.12%	 32.70%	 39.60%

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

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

City of Buena Vista, Virginia

Schedule of Changes in Total OPEB Liability and Related Ratios
 Component Unit School Board
 Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022
Total OPEB liability			
Service cost	\$ 60,000	\$ 109,000	\$ 113,000
Interest	56,000	40,000	43,000
Changes in assumptions	(19,000)	(279,000)	198,000
Differences between expected and actual experience	360,000	(195,000)	286,000
Benefit payments	(254,000)	(93,000)	(532,000)
Net change in total OPEB liability	\$ 203,000	\$ (418,000)	\$ 108,000
Total OPEB liability - beginning	1,591,000	2,009,000	1,901,000
Total OPEB liability - ending	<u>\$ 1,794,000</u>	<u>\$ 1,591,000</u>	<u>\$ 2,009,000</u>
 Covered-employee payroll	 \$ 5,477,000	 \$ 4,808,000	 \$ 4,808,000
 School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	 32.76%	 33.09%	 41.78%

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

Exhibit 29

2021		2020		2019		2018	
\$	66,000	\$	73,000	\$	88,000	\$	86,000
	36,000		47,000		54,000		53,000
	92,000		39,000		(116,000)		-
	754,000		(139,000)		(108,000)		-
	(250,000)		(106,000)		(105,000)		(118,000)
\$	698,000	\$	(86,000)	\$	(187,000)	\$	21,000
	1,203,000		1,289,000		1,476,000		1,455,000
\$	1,901,000	\$	1,203,000	\$	1,289,000	\$	1,476,000
\$	5,524,000	\$	5,524,000	\$	5,018,000	\$	5,018,000
	34.41%		21.78%		25.69%		29.41%

Notes to Required Supplementary Information - OPEB
Year Ended June 30, 2024

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.86% representing the Municipal GO AA 20-year yield curve rate as of the measurement date
Inflation	2.50% per year
Healthcare Trend Rate - City	6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Healthcare Trend Rate - School Board	6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

OTHER SUPPLEMENTARY INFORMATION

School Construction Fund-Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Revenue from the use of money and property	\$ 19,583	\$ 19,583	\$ 18,522	\$ (1,061)
Intergovernmental:				
Local government	23,181	23,181	56,699	33,518
Total revenues	<u>\$ 42,764</u>	<u>\$ 42,764</u>	<u>\$ 75,221</u>	<u>\$ 32,457</u>
EXPENDITURES				
Debt service:				
Principal retirement	\$ 23,181	\$ 23,181	\$ 69,415	\$ (46,234)
Interest and other fiscal charges	19,583	19,583	30,049	(10,466)
Total expenditures	<u>\$ 42,764</u>	<u>\$ 42,764</u>	<u>\$ 99,464</u>	<u>\$ (56,700)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (24,243)	\$ (24,243)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 24,243	\$ 24,243
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,243</u>	<u>\$ 24,243</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

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

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

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

CAPITAL PROJECT FUNDS

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

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

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 29,462	\$ 66,073	\$ 95,535
Receivables (net of allowance for uncollectibles):			
Accounts receivable	5,130	-	5,130
Prepaid items	3,412	-	3,412
Total assets	<u>\$ 38,004</u>	<u>\$ 66,073</u>	<u>\$ 104,077</u>
LIABILITIES			
Accounts payable	\$ 58,009	\$ -	\$ 58,009
Accrued liabilities	18,949	-	18,949
Due to other funds	1,364	-	1,364
Total liabilities	<u>\$ 78,322</u>	<u>\$ -</u>	<u>\$ 78,322</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	\$ 3,412	\$ -	\$ 3,412
Restricted:			
Community development block grant	-	66,073	66,073
Assigned:			
Green Hill Cemetery	11,385	-	11,385
Senior citizens program	17,986	-	17,986
Unassigned (deficit)	(73,101)	-	(73,101)
Total fund balances (deficit)	<u>\$ (40,318)</u>	<u>\$ 66,073</u>	<u>\$ 25,755</u>
Total liabilities and fund balances	<u>\$ 38,004</u>	<u>\$ 66,073</u>	<u>\$ 104,077</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 211,710	\$ -	\$ 211,710
Charges for services	54,835	-	54,835
Miscellaneous	32,404	-	32,404
Recovered costs	11,054	-	11,054
Total revenues	<u>\$ 310,003</u>	<u>\$ -</u>	<u>\$ 310,003</u>
EXPENDITURES			
Current:			
Health and welfare	\$ 6,907	\$ -	\$ 6,907
Parks, recreation, and cultural	1,183,375	-	1,183,375
Debt service:			
Principal retirement	19,467	-	19,467
Interest and other fiscal charges	95	-	95
Total expenditures	<u>\$ 1,209,844</u>	<u>\$ -</u>	<u>\$ 1,209,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (899,841)</u>	<u>\$ -</u>	<u>\$ (899,841)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 841,041	\$ -	\$ 841,041
Total other financing sources (uses)	<u>\$ 841,041</u>	<u>\$ -</u>	<u>\$ 841,041</u>
Net change in fund balances	\$ (58,800)	\$ -	\$ (58,800)
Fund balances (deficit) - beginning	18,482	66,073	84,555
Fund balances (deficit) - ending	<u>\$ (40,318)</u>	<u>\$ 66,073</u>	<u>\$ 25,755</u>

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	Park and Recreation Fund	Senior Center Fund	Green Hill Cemetery Fund	Total
ASSETS				
Cash and cash equivalents	\$ 749	\$ 17,328	\$ 11,385	\$ 29,462
Receivables (net of allowance for uncollectibles):				
Accounts receivable	3,707	1,423	-	5,130
Prepaid items	3,412	-	-	3,412
Total assets	<u>\$ 7,868</u>	<u>\$ 18,751</u>	<u>\$ 11,385</u>	<u>\$ 38,004</u>
LIABILITIES				
Accounts payable	\$ 57,244	\$ 765	\$ -	\$ 58,009
Accrued liabilities	18,949	-	-	18,949
Due to other funds	1,364	-	-	1,364
Total liabilities	<u>\$ 77,557</u>	<u>\$ 765</u>	<u>\$ -</u>	<u>\$ 78,322</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	\$ 3,412	\$ -	\$ -	\$ 3,412
Assigned:				
Green Hill Cemetery	-	-	11,385	11,385
Senior citizens program	-	17,986	-	17,986
Unassigned (deficit)	(73,101)	-	-	(73,101)
Total fund balances (deficit)	<u>\$ (69,689)</u>	<u>\$ 17,986</u>	<u>\$ 11,385</u>	<u>\$ (40,318)</u>
Total liabilities and fund balances	<u>\$ 7,868</u>	<u>\$ 18,751</u>	<u>\$ 11,385</u>	<u>\$ 38,004</u>

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

	Park and Recreation Fund	Senior Center Fund	Green Hill Cemetery Fund	Total
REVENUES				
Revenue from the use of money and property	\$ 210,790	\$ -	\$ 920	\$ 211,710
Charges for services	52,435	-	2,400	54,835
Miscellaneous	32,404	-	-	32,404
Recovered costs	-	11,054	-	11,054
Total revenues	<u>\$ 295,629</u>	<u>\$ 11,054</u>	<u>\$ 3,320</u>	<u>\$ 310,003</u>
EXPENDITURES				
Current:				
Health and welfare	\$ -	\$ 6,907	\$ -	\$ 6,907
Parks, recreation, and cultural	1,183,375	-	-	1,183,375
Debt service:				
Principal retirement	19,467	-	-	19,467
Interest and other fiscal charges	95	-	-	95
Total expenditures	<u>\$ 1,202,937</u>	<u>\$ 6,907</u>	<u>\$ -</u>	<u>\$ 1,209,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (907,308)</u>	<u>\$ 4,147</u>	<u>\$ 3,320</u>	<u>\$ (899,841)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 841,041	\$ -	\$ -	\$ 841,041
Total other financing sources (uses)	<u>\$ 841,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 841,041</u>
Net change in fund balances	\$ (66,267)	\$ 4,147	\$ 3,320	\$ (58,800)
Fund balances (deficit) - beginning	(3,422)	13,839	8,065	18,482
Fund balances (deficit) - ending	<u><u>\$ (69,689)</u></u>	<u><u>\$ 17,986</u></u>	<u><u>\$ 11,385</u></u>	<u><u>\$ (40,318)</u></u>

City of Buena Vista, Virginia

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

	Park and Recreation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 276,775	\$ 276,775	\$ 210,790	\$ (65,985)
Charges for services	58,600	58,600	52,435	(6,165)
Miscellaneous	7,200	7,200	32,404	25,204
Recovered costs	-	-	-	-
Total revenues	\$ 342,575	\$ 342,575	\$ 295,629	\$ (46,946)
EXPENDITURES				
Current:				
Health and welfare	\$ -	\$ -	\$ -	\$ -
Parks, recreation, and cultural	697,233	697,233	1,183,375	(486,142)
Debt service:				
Principal retirement	-	-	19,467	(19,467)
Interest and other fiscal charges	-	-	95	(95)
Total expenditures	\$ 697,233	\$ 697,233	\$ 1,202,937	\$ (505,704)
Excess (deficiency) of revenues over (under) expenditures	\$ (354,658)	\$ (354,658)	\$ (907,308)	\$ (552,650)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 328,662	\$ 328,662	\$ 841,041	\$ 512,379
Net change in fund balances	\$ (25,996)	\$ (25,996)	\$ (66,267)	\$ (40,271)
Fund balances (deficit) - beginning	25,996	25,996	(3,422)	(29,418)
Fund balances (deficit) - ending	\$ -	\$ -	\$ (69,689)	\$ (69,689)

Senior Center Fund				Green Hill Cemetery Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 920	\$ 920
-	-	-	-	-	-	2,400	2,400
-	-	-	-	-	-	-	-
8,500	8,500	11,054	2,554	-	-	-	-
<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 11,054</u>	<u>\$ 2,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,320</u>	<u>\$ 3,320</u>
\$ 8,500	\$ 8,500	\$ 6,907	\$ 1,593	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 6,907</u>	<u>\$ 1,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 4,147	\$ 4,147	\$ -	\$ -	\$ 3,320	\$ 3,320
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 4,147	\$ 4,147	\$ -	\$ -	\$ 3,320	\$ 3,320
-	-	13,839	13,839	-	-	8,065	8,065
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,986</u>	<u>\$ 17,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,385</u>	<u>\$ 11,385</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Capital Projects Fund
Year Ended June 30, 2024

	Community Development Block Grant Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	66,073	66,073
Fund balances - ending	\$ -	\$ -	\$ 66,073	\$ 66,073

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

MAJOR GOVERNMENTAL FUNDS

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

NONMAJOR GOVERNMENTAL FUNDS

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

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

INTERNAL SERVICE FUND

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

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

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,066,775	\$ 303,843	\$ 216,247	\$ 1,586,865
Investments	-	-	387,572	387,572
Receivables (net of allowance for uncollectibles):				
Accounts receivable	100,569	-	-	100,569
Due from other governmental units	900,535	26,588	-	927,123
Prepaid items	47,842	-	-	47,842
Total assets	<u>\$ 2,115,721</u>	<u>\$ 330,431</u>	<u>\$ 603,819</u>	<u>\$ 3,049,971</u>
LIABILITIES				
Accounts payable	\$ 196,312	\$ 12,274	\$ 38,962	\$ 247,548
Contracts payable	829,568	-	-	829,568
Due to primary government	812,969	-	-	812,969
Unearned revenue	217,876	-	-	217,876
Total liabilities	<u>\$ 2,056,725</u>	<u>\$ 12,274</u>	<u>\$ 38,962</u>	<u>\$ 2,107,961</u>
FUND BALANCES				
Nonspendable:				
Prepaid expense	\$ 47,842	\$ -	\$ -	\$ 47,842
Restricted:				
School activity funds	-	-	564,857	564,857
Committed:				
School capital projects	11,154	-	-	11,154
School lunch program	-	318,157	-	318,157
Total fund balances	<u>\$ 58,996</u>	<u>\$ 318,157</u>	<u>\$ 564,857</u>	<u>\$ 942,010</u>
Total liabilities and fund balances	<u>\$ 2,115,721</u>	<u>\$ 330,431</u>	<u>\$ 603,819</u>	<u>\$ 3,049,971</u>

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

Total fund balances per above \$ 942,010

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

Land	\$ 4,634	
Buildings and improvements	7,754,632	
Machinery and equipment	1,786,815	
Lease assets	50,626	
Subscription assets	56,039	
		9,652,746

The net pension asset is not an available resource and, therefore, is not reported in the funds. 319,902

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

Pension related	\$ 1,861,007	
OPEB related	1,044,215	
		2,905,222

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

Health Insurance Fund	\$ 190,012	
		190,012

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

Compensated absences	\$ (325,531)	
Lease liabilities	(47,916)	
Accrued interest	(1,156)	
Net OPEB liability	(2,807,120)	
Net pension liability	(5,710,571)	
		(8,892,294)

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

Pension related	\$ (1,075,338)	
OPEB related	(459,650)	
		(1,534,988)

Net position of governmental activities \$ 3,582,610

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

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 57	\$ -	\$ 31,614	\$ 31,671
Charges for services	360,803	45,750	-	406,553
Miscellaneous	-	-	436,734	436,734
Recovered costs	27,873	-	-	27,873
Intergovernmental:				
Local government	2,777,513	-	-	2,777,513
Commonwealth	10,063,498	21,524	-	10,085,022
Federal	1,673,432	810,516	-	2,483,948
Total revenues	<u>\$ 14,903,176</u>	<u>\$ 877,790</u>	<u>\$ 468,348</u>	<u>\$ 16,249,314</u>
EXPENDITURES				
Current:				
Education	\$ 14,959,850	\$ 854,790	\$ 422,834	\$ 16,237,474
Debt service:				
Principal retirement	94,317	-	-	94,317
Interest and other fiscal charges	1,517	-	-	1,517
Total expenditures	<u>\$ 15,055,684</u>	<u>\$ 854,790</u>	<u>\$ 422,834</u>	<u>\$ 16,333,308</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (152,508)	\$ 23,000	\$ 45,514	\$ (83,994)
OTHER FINANCING SOURCES (USES)				
Issuance of leases	35,590	-	-	35,590
Subscription based liabilities	62,830	-	-	62,830
Total other financing sources and uses	<u>98,420</u>	<u>-</u>	<u>-</u>	<u>98,420</u>
Net change in fund balances	\$ (54,088)	\$ 23,000	\$ 45,514	\$ 14,426
Fund balances - beginning	113,084	295,157	519,343	927,584
Fund balances - ending	<u>\$ 58,996</u>	<u>\$ 318,157</u>	<u>\$ 564,857</u>	<u>\$ 942,010</u>

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

Net change in fund balances - total governmental funds - per above \$ 14,426

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

Capital outlays	\$ 1,037,155	
Depreciation/amortization expenses	<u>(742,902)</u>	294,253

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (3,695)

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

Nonemployer VRS pension contribution 83,813

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

Principal repayments	\$ 94,317	
Issuance of leases	(35,590)	
Subscriptions issued	(62,830)	
Accrued interest	<u>(635)</u>	(4,738)

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

Change in compensated absences	\$ 48,117	
Pension expense	595,215	
OPEB expense	<u>170,156</u>	813,488

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (199,214)

Change in net position of governmental activities \$ 998,333

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 57	\$ 57
Charges for services	3,500	3,500	360,803	357,303
Recovered costs	31,000	31,000	27,873	(3,127)
Intergovernmental:				
Local government	2,293,803	2,293,803	2,777,513	483,710
Commonwealth	10,453,525	10,453,525	10,063,498	(390,027)
Federal	2,161,510	2,161,510	1,673,432	(488,078)
Total revenues	<u>\$ 14,943,338</u>	<u>\$ 14,943,338</u>	<u>\$ 14,903,176</u>	<u>\$ (40,162)</u>
EXPENDITURES				
Current:				
Education	\$ 14,943,338	\$ 15,561,602	\$ 14,959,850	\$ 601,752
Debt service:				
Principal retirement	-	-	94,317	(94,317)
Interest and other fiscal charges	-	-	1,517	(1,517)
Total expenditures	<u>\$ 14,943,338</u>	<u>\$ 15,561,602</u>	<u>\$ 15,055,684</u>	<u>\$ 505,918</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (618,264)	\$ (152,508)	\$ 465,756
OTHER FINANCING SOURCES (USES)				
Issuance of capital leases	-	-	35,590	35,590
Subscription based liabilities	-	-	62,830	62,830
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,420</u>	<u>\$ 98,420</u>
Net change in fund balances	\$ -	\$ (618,264)	\$ (54,088)	\$ 564,176
Fund balances - beginning	-	618,264	113,084	(505,180)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,996</u>	<u>\$ 58,996</u>

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 117,007	\$ 117,007	\$ 45,750	\$ (71,257)
Intergovernmental:				
Commonwealth	117,008	117,008	21,524	(95,484)
Federal	546,038	546,038	810,516	264,478
Total revenues	<u>\$ 780,053</u>	<u>\$ 780,053</u>	<u>\$ 877,790</u>	<u>\$ 97,737</u>
EXPENDITURES				
Current:				
Education	<u>\$ 780,053</u>	<u>\$ 780,053</u>	<u>\$ 854,790</u>	<u>\$ (74,737)</u>
Total expenditures	<u>\$ 780,053</u>	<u>\$ 780,053</u>	<u>\$ 854,790</u>	<u>\$ (74,737)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,000</u>	<u>\$ 23,000</u>
Net change in fund balances	\$ -	\$ -	\$ 23,000	\$ 23,000
Fund balances - beginning	-	-	295,157	295,157
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,157</u>	<u>\$ 318,157</u>

Statement of Net Position
Internal Service Fund
Discretely Presented Component Unit - School Board
June 30, 2024

	<u>Health Insurance Fund</u>
ASSETS	
Cash and cash equivalents	\$ 211,045
Total assets	<u>\$ 211,045</u>
LIABILITIES	
Claims payable	\$ 21,033
Total liabilities	<u>\$ 21,033</u>
NET POSITION	
Unrestricted	\$ 190,012
Total net position	<u>\$ 190,012</u>
Total liabilities and net position	<u>\$ 211,045</u>

Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund
Discretely Presented Component Unit - School Board
Year Ended June 30, 2024

	Health Insurance Fund
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 2,022,391
Total operating revenues	\$ 2,022,391
OPERATING EXPENSES	
Insurance claims paid and expenses	\$ 2,221,666
Total operating expenses	\$ 2,221,666
Operating income (loss)	\$ (199,275)
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 61
Total nonoperating revenues (expenses)	\$ 61
Change in net position	\$ (199,214)
Net position - beginning	389,226
Net position - ending	\$ 190,012

Statement of Cash Flows
Internal Service Fund
Discretely Presented Component Unit - School Board
Year Ended June 30, 2024

	Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 2,022,391
Payments for premiums	(2,314,948)
Net cash provided by (used for) operating activities	\$ (292,557)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	\$ 61
Net cash provided by (used for) investing activities	\$ 61
Net increase (decrease) in cash and cash equivalents	\$ (292,496)
Cash and cash equivalents - beginning	503,541
Cash and cash equivalents - ending	\$ 211,045
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ (199,275)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable	\$ (93,282)
Total adjustments	\$ (93,282)
Net cash provided by (used for) operating activities	\$ (292,557)

SUPPORTING SCHEDULES

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 4,442,520	\$ 4,442,520	\$ 4,409,104	\$ (33,416)
Real and personal public service corporation taxes	300,000	300,000	242,670	(57,330)
Personal property taxes	1,769,269	1,769,269	1,759,547	(9,722)
Machinery and tools taxes	430,000	430,000	357,923	(72,077)
Penalties	-	-	77,808	77,808
Interest	44,300	44,300	40,786	(3,514)
Total general property taxes	<u>\$ 6,986,089</u>	<u>\$ 6,986,089</u>	<u>\$ 6,887,838</u>	<u>\$ (98,251)</u>
Other local taxes:				
Local sales and use taxes	\$ 551,616	\$ 551,616	\$ 663,494	\$ 111,878
Consumers' utility taxes	267,000	267,000	287,126	20,126
Meals taxes	408,000	408,000	428,432	20,432
Lodging taxes	30,000	30,000	48,071	18,071
Business and professional license taxes	195,000	195,000	212,279	17,279
Motor vehicle licenses	161,000	161,000	141,474	(19,526)
Water utility taxes	161,000	161,000	25,466	(135,534)
Bank stock taxes	39,100	39,100	36,785	(2,315)
Recordation taxes	75,000	75,000	54,701	(20,299)
Total other local taxes	<u>\$ 1,887,716</u>	<u>\$ 1,887,716</u>	<u>\$ 1,897,828</u>	<u>\$ 10,112</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,900	\$ 1,900	\$ 1,140	\$ (760)
Right of way fees	22,000	22,000	12,570	(9,430)
Transfer fees	175	175	234	59
Permits and other licenses	23,700	23,700	82,104	58,404
Total permits, privilege fees, and regulatory licenses	<u>\$ 47,775</u>	<u>\$ 47,775</u>	<u>\$ 96,048</u>	<u>\$ 48,273</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 71,020	\$ 71,020	\$ 32,172	\$ (38,848)
Parking fines	700	700	900	200
Total fines and forfeitures	<u>\$ 71,720</u>	<u>\$ 71,720</u>	<u>\$ 33,072</u>	<u>\$ (38,648)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 2,000	\$ 2,000	\$ 5,445	\$ 3,445
Revenue from use of property	184,970	184,970	178,780	(6,190)
Sale of cemetery lots	20,000	20,000	15,600	(4,400)
Total revenue from use of money and property	<u>\$ 206,970</u>	<u>\$ 206,970</u>	<u>\$ 199,825</u>	<u>\$ (7,145)</u>
Charges for services:				
Sheriff fees	\$ 500	\$ 500	\$ 514	\$ 14
Commonwealth attorney fees	500	500	2,490	1,990
Charges for waste collection and disposal	725,000	725,000	699,921	(25,079)
Grave openings	63,083	63,083	32,850	(30,233)
Courthouse maintenance fees	12,500	12,500	5,390	(7,110)
Courthouse security fees	15,000	15,000	16,168	1,168
Jail administration fees	2,200	2,200	1,172	(1,028)
Other charges for services	3,250	3,250	4,383	1,133
Total charges for services	<u>\$ 822,033</u>	<u>\$ 822,033</u>	<u>\$ 762,888</u>	<u>\$ (59,145)</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Revenue from local sources: (continued)				
Miscellaneous:				
Miscellaneous	\$ 60,000	\$ 60,000	\$ 139,934	\$ 79,934
Total miscellaneous	\$ 60,000	\$ 60,000	\$ 139,934	\$ 79,934
Recovered costs:				
Social service refunds	\$ -	\$ -	\$ 22,505	\$ 22,505
Other recovered costs	-	-	12,701	12,701
Total recovered costs	\$ -	\$ -	\$ 35,206	\$ 35,206
Total revenue from local sources	\$ 10,082,303	\$ 10,082,303	\$ 10,052,639	\$ (29,664)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 600	\$ 600	\$ 1,993	\$ 1,393
Communication tax	288,000	288,000	205,524	(82,476)
Rolling stock	6,000	6,000	6,976	976
Auto rental tax	700	700	1,611	911
State recordation tax	12,000	12,000	-	(12,000)
Personal property tax relief funds	662,919	662,919	662,919	-
Total noncategorical aid	\$ 970,219	\$ 970,219	\$ 879,023	\$ (91,196)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 192,597	\$ 192,597	\$ 204,946	\$ 12,349
Sheriff	197,736	197,736	218,814	21,078
Commissioner of revenue	94,674	94,674	102,886	8,212
Treasurer	95,123	95,123	99,733	4,610
Registrar/electoral board	71,000	71,000	66,954	(4,046)
Police	216,284	216,284	227,289	11,005
Juror Expense	3,000	3,000	2,050	(950)
Clerk of the Circuit Court	177,787	177,787	193,972	16,185
Total shared expenses	\$ 1,048,201	\$ 1,048,201	\$ 1,116,644	\$ 68,443
Other categorical aid:				
Welfare administration and assistance	\$ 150,000	\$ 150,000	\$ 202,242	\$ 52,242
Comprehensive services act	1,540,000	1,540,000	1,573,701	33,701
Street and Highway Maintenance	1,366,650	1,366,650	1,717,629	350,979
Department of Criminal Justice Services Grant	-	-	449,255	449,255
School resource officer grant	242,611	242,611	280,024	37,413
Victim-witness grant	-	-	21,211	21,211
Fire programs	30,000	30,000	30,000	-
Four for life	-	-	15,744	15,744
Fireman's insurance fund	-	-	13,385	13,385
E-911 rental	-	-	162	162
Opioid abatement authority funds	-	-	219,313	219,313
Other state grants	-	-	742	742
Seized funds	-	-	2,489	2,489
Total other categorical aid	\$ 3,329,261	\$ 3,329,261	\$ 4,525,897	\$ 1,196,636
Total categorical aid	\$ 4,377,462	\$ 4,377,462	\$ 5,642,541	\$ 1,265,079
Total revenue from the Commonwealth	\$ 5,347,681	\$ 5,347,681	\$ 6,521,564	\$ 1,173,883

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Intergovernmental: (continued)				
Revenue from the federal government:				
Categorical aid:				
Welfare administration and assistance	\$ 150,000	\$ 150,000	\$ 139,196	\$ (10,804)
Ground transportation safety grant	-	-	11,448	11,448
Seized funds	-	-	80,893	80,893
Body vest recovery grant	-	-	6,471	6,471
DOJ police grant	24,750	24,750	71,928	47,178
Violence Against Women grant	-	-	25,000	25,000
Victim-witness grant	70,703	70,703	44,543	(26,160)
Byrne justice assistance grant	-	-	-	-
Community development block grant	-	-	31,518	31,518
Coronavirus state and local fiscal recovery funds	-	-	857,602	857,602
Total categorical aid	\$ 245,453	\$ 245,453	\$ 1,268,599	\$ 1,023,146
Total revenue from the federal government	\$ 245,453	\$ 245,453	\$ 1,268,599	\$ 1,023,146
Total General Fund	\$ 15,675,437	\$ 15,675,437	\$ 17,842,802	\$ 2,167,365
Special Revenue Funds:				
Park and Recreation Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 276,775	\$ 276,775	\$ 210,790	\$ (65,985)
Total revenue from use of money and property	\$ 276,775	\$ 276,775	\$ 210,790	\$ (65,985)
Charges for services:				
Recreation fees	\$ 58,600	\$ 58,600	\$ 52,435	\$ (6,165)
Total charges for services	\$ 58,600	\$ 58,600	\$ 52,435	\$ (6,165)
Miscellaneous:				
Miscellaneous	\$ 7,200	\$ 7,200	\$ 32,404	\$ 25,204
Total miscellaneous	\$ 7,200	\$ 7,200	\$ 32,404	\$ 25,204
Total revenue from local sources	\$ 342,575	\$ 342,575	\$ 295,629	\$ (46,946)
Total Park and Recreation Fund	\$ 342,575	\$ 342,575	\$ 295,629	\$ (46,946)
Senior Center Fund:				
Revenue from local sources:				
Recovered costs:				
Payments from other localities	\$ 8,500	\$ 8,500	\$ 11,054	\$ 2,554
Total recovered costs	\$ 8,500	\$ 8,500	\$ 11,054	\$ 2,554
Total revenue from local sources	\$ 8,500	\$ 8,500	\$ 11,054	\$ 2,554
Total Senior Center Fund	\$ 8,500	\$ 8,500	\$ 11,054	\$ 2,554
Green Hill Cemetery Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 920	\$ 920
Total revenue from use of money and property	\$ -	\$ -	\$ 920	\$ 920
Charges for services:				
Cemetery perpetual care receipts	\$ -	\$ -	\$ 2,400	\$ 2,400
Total charges for services	\$ -	\$ -	\$ 2,400	\$ 2,400
Total revenue from local sources	\$ -	\$ -	\$ 3,320	\$ 3,320
Total Green Hill Cemetery Fund	\$ -	\$ -	\$ 3,320	\$ 3,320

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Funds:				
School Construction Fund:				
Intergovernmental:				
Revenue from local governments:				
Contribution from City of Buena Vista School Board	\$ 23,181	\$ 23,181	\$ 56,699	\$ 33,518
Total revenues from local governments	\$ 23,181	\$ 23,181	\$ 56,699	\$ 33,518
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 19,583	\$ 19,583	\$ 18,522	\$ (1,061)
Total revenue from use of money and property	\$ 19,583	\$ 19,583	\$ 18,522	\$ (1,061)
Total School Construction Fund	\$ 42,764	\$ 42,764	\$ 75,221	\$ 32,457
Total Primary Government	\$ 16,069,276	\$ 16,069,276	\$ 18,228,026	\$ 2,158,750
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 57	\$ 57
Total revenue from use of money and property	\$ -	\$ -	\$ 57	\$ 57
Charges for services:				
Charges for education	\$ 3,500	\$ 3,500	\$ 360,803	\$ 357,303
Total charges for services	\$ 3,500	\$ 3,500	\$ 360,803	\$ 357,303
Recovered costs:				
Other recovered costs	\$ 31,000	\$ 31,000	\$ 27,873	\$ (3,127)
Total recovered costs	\$ 31,000	\$ 31,000	\$ 27,873	\$ (3,127)
Total revenue from local sources	\$ 34,500	\$ 34,500	\$ 388,733	\$ 354,233

Schedule of Revenues - Budget and Actual

Governmental Funds

Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (continued)				
School Operating Fund: (continued)				
Intergovernmental:				
Revenue from local governments:				
Contribution from City of Buena Vista, Virginia	\$ 2,293,803	\$ 2,293,803	\$ 2,777,513	\$ 483,710
Total revenue from local governments	\$ 2,293,803	\$ 2,293,803	\$ 2,777,513	\$ 483,710
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,243,541	1,243,541	\$ 1,194,873	\$ (48,668)
Basic school aid	3,798,925	3,798,925	3,745,458	(53,467)
At-risk	649,224	649,224	629,955	(19,269)
Project graduation	3,674	3,674	3,674	-
Alternative education	66,581	66,581	72,413	5,832
Gifted and talented	36,506	36,506	35,478	(1,028)
Special education	471,970	471,970	458,680	(13,290)
Remedial summer school	57,412	57,412	44,235	(13,177)
Remedial education	168,840	168,840	164,086	(4,754)
Vocational education	502,609	502,609	488,456	(14,153)
Technology funds	180,000	180,000	168,123	(11,877)
Lottery	261,890	261,890	256,530	(5,360)
School security grant	249,762	249,762	189,454	(60,308)
Fringe benefits	915,908	915,908	890,118	(25,790)
Medicare benefits	20,000	20,000	11,182	(8,818)
Reduced class size (K-3)	200,041	200,041	196,188	(3,853)
Free textbooks	86,297	86,297	83,868	(2,429)
Hometown teacher program	-	-	7,500	7,500
All in implementation	515,760	515,760	297,884	(217,876)
Early reading intervention	33,122	33,122	30,111	(3,011)
Special education - homebound	2,756	2,756	1,523	(1,233)
Vocational education - equipment	-	-	3,667	3,667
Salary supplement	665,347	665,347	647,125	(18,222)
English as a second language	1,226	1,226	6,132	4,906
Virginia preschool initiative	-	-	87,564	87,564
Hold harmless	94,750	94,750	94,750	-
Standards of learning algebra readiness	18,327	18,327	21,457	3,130
Other state funds	209,057	209,057	233,014	23,957
Total categorical aid	\$ 10,453,525	\$ 10,453,525	\$ 10,063,498	\$ (390,027)
Total revenue from the Commonwealth	\$ 10,453,525	\$ 10,453,525	\$ 10,063,498	\$ (390,027)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 393,418	393,418	\$ 351,606	\$ (41,812)
Title VI-B, special education	263,607	263,607	264,411	804
Title VI-B, pre-school	11,962	11,962	13,790	1,828
Title IV-B, 21st Century	173,396	173,396	194,932	21,536
Title IV, Stronger Connections	339,918	339,918	91,649	(248,269)
State and local fiscal recovery fund	7,610	7,610	7,244	(366)
Education stabilization funds	870,429	870,429	661,956	(208,473)
Vocational Education	22,752	22,752	23,817	1,065
Title II, Improving teacher quality	31,468	31,468	34,493	3,025
Rural and low income grant	22,000	22,000	19,453	(2,547)
Title III	950	950	-	(950)
Title IV, Innovative education	24,000	24,000	10,081	(13,919)
Total categorical aid	\$ 2,161,510	\$ 2,161,510	\$ 1,673,432	\$ (488,078)
Total revenue from the federal government	\$ 2,161,510	\$ 2,161,510	\$ 1,673,432	\$ (488,078)
Total School Operating Fund	\$ 14,943,338	\$ 14,943,338	\$ 14,903,176	\$ (40,162)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (continued)				
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria Sales	\$ 117,007	\$ 117,007	\$ 45,750	\$ (71,257)
Total charges for services	\$ 117,007	\$ 117,007	\$ 45,750	\$ (71,257)
Total revenue from local sources	\$ 117,007	\$ 117,007	\$ 45,750	\$ (71,257)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 117,008	\$ 117,008	\$ 21,524	\$ (95,484)
Total revenue from the commonwealth	\$ 117,008	\$ 117,008	\$ 21,524	\$ (95,484)
Revenue from the federal government:				
Categorical aid:				
USDA Commodities	\$ -	\$ -	\$ 29,080	\$ 29,080
School food program grant	\$ 546,038	\$ 546,038	\$ 781,436	\$ 235,398
Total categorical aid	\$ 546,038	\$ 546,038	\$ 810,516	\$ 264,478
Total revenue from the federal government	\$ 546,038	\$ 546,038	\$ 810,516	\$ 264,478
Total School Cafeteria Fund	\$ 780,053	\$ 780,053	\$ 877,790	\$ 97,737
School Activity Funds:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 31,614	\$ 31,614
Total revenue from use of money and property	\$ -	\$ -	\$ 31,614	\$ 31,614
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 436,734	\$ 436,734
Total miscellaneous revenue	\$ -	\$ -	\$ 436,734	\$ 436,734
Total revenue from local sources	\$ -	\$ -	\$ 468,348	\$ 468,348
Total School Activity Funds	\$ -	\$ -	\$ 468,348	\$ 468,348
Total Discretely Presented Component Unit - School Board	\$ 15,723,391	\$ 15,723,391	\$ 16,249,314	\$ 525,923

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

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
City Council	\$ 39,548	\$ 39,548	\$ 49,201	\$ (9,653)
General and financial administration:				
City Manager	\$ 285,487	\$ 285,487	\$ 244,780	\$ 40,707
City Attorney/Legal Services	70,000	70,000	76,547	(6,547)
Human Resources	-	-	630	(630)
Finance	362,583	362,583	339,394	23,189
Independent Auditor	81,428	81,428	98,810	(17,382)
Commissioner of Revenue	248,158	248,158	224,310	23,848
City Treasurer	281,913	281,913	321,805	(39,892)
Reassessment	36,000	36,000	87,117	(51,117)
Information Technology	148,000	148,000	113,737	34,263
Other general and financial administration	70,700	70,700	78,190	(7,490)
Total general and financial administration	\$ 1,584,269	\$ 1,584,269	\$ 1,585,320	\$ (1,051)
Board of elections:				
Electoral board and officials	\$ 209,794	\$ 209,794	\$ 181,645	\$ 28,149
Total board of elections	\$ 209,794	\$ 209,794	\$ 181,645	\$ 28,149
Total general government administration	\$ 1,833,611	\$ 1,833,611	\$ 1,816,166	\$ 17,445
Judicial administration:				
Courts:				
Circuit court	\$ 6,234	\$ 6,234	\$ 3,969	\$ 2,265
General district court	7,220	7,220	49,324	(42,104)
Juvenile/Domestic relations court	33,810	33,810	57,972	(24,162)
Clerk of the circuit court	269,721	269,721	286,107	(16,386)
Sheriff	542,394	542,394	884,134	(341,740)
Total courts	\$ 859,379	\$ 859,379	\$ 1,281,506	\$ (422,127)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 276,396	\$ 276,396	\$ 286,454	\$ (10,058)
Total commonwealth's attorney	\$ 276,396	\$ 276,396	\$ 286,454	\$ (10,058)
Total judicial administration	\$ 1,135,775	\$ 1,135,775	\$ 1,567,960	\$ (432,185)
Public safety:				
Law enforcement and traffic control:				
Criminal Justice Service Department	\$ 84,457	\$ 84,457	\$ 74,072	\$ 10,385
Police Department	2,022,398	2,022,398	2,138,181	(115,783)
Total law enforcement and traffic control	\$ 2,106,855	\$ 2,106,855	\$ 2,212,253	\$ (105,398)
Fire and rescue services:				
Fire department	\$ 163,500	\$ 163,500	\$ 289,269	\$ (125,769)
Rescue squad	160,903	160,903	164,134	(3,231)
Central dispatch	417,692	417,692	411,753	5,939
Total fire and rescue services	\$ 742,095	\$ 742,095	\$ 865,156	\$ (123,061)
Correction and detention:				
Probation Office	\$ 3,000	\$ 3,000	\$ 870	\$ 2,130
Magistrate	335	335	135	200
Regional Jail	690,657	690,657	762,858	(72,201)
Total correction and detention	\$ 693,992	\$ 693,992	\$ 763,863	\$ (69,871)

Schedule of Expenditures - Budget and Actual

Governmental Funds

Year Ended June 30, 2024 (Continued)

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (continued)				
Public safety: (continued)				
Other protection:				
Medical Examiner	\$ 150	\$ 150	\$ 60	\$ 90
Total other protection	\$ 150	\$ 150	\$ 60	\$ 90
Total public safety	\$ 3,543,092	\$ 3,543,092	\$ 3,841,332	\$ (298,240)
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Administrative and Engineering	\$ 296,093	\$ 296,093	\$ 263,305	\$ 32,788
Street Maintenance Department	1,101,123	1,101,123	1,600,195	(499,072)
Street Lights	73,000	73,000	71,497	1,503
Total maintenance of highways, streets, bridges and sidewalks	\$ 1,470,216	\$ 1,470,216	\$ 1,934,997	\$ (464,781)
Sanitation and waste removal:				
Refuse Department	\$ 445,971	\$ 445,971	\$ 427,520	\$ 18,451
Refuse Disposal	300,000	300,000	332,212	(32,212)
Total sanitation and waste removal	\$ 745,971	\$ 745,971	\$ 759,732	\$ (13,761)
Maintenance of general buildings and grounds:				
Maintenance Buildings and Grounds	\$ 504,622	\$ 504,622	\$ 801,217	\$ (296,595)
Green Hill Cemetery Maintenance	45,618	45,618	52,120	(6,502)
Total maintenance of general buildings and grounds	\$ 550,240	\$ 550,240	\$ 853,337	\$ (303,097)
Total public works	\$ 2,766,427	\$ 2,766,427	\$ 3,548,066	\$ (781,639)
Health and welfare:				
Health:				
Health Services	\$ 42,318	\$ 42,318	\$ 31,054	\$ 11,264
Total health	\$ 42,318	\$ 42,318	\$ 31,054	\$ 11,264
Mental health and mental retardation:				
Mental Health	\$ 64,016	\$ 64,016	\$ 64,016	\$ -
Total mental health and mental retardation	\$ 64,016	\$ 64,016	\$ 64,016	\$ -
Welfare:				
Property Tax Relief	\$ 80,000	\$ 80,000	\$ 80,223	\$ (223)
Social Services	2,300,000	2,300,000	2,466,152	(166,152)
VA Municipal League	4,642	4,642	-	4,642
Valley Program for Aging	43,912	43,912	43,912	-
Total Action Against Poverty	2,700	2,700	2,700	-
Rockbridge Area Rental Assistance	15,102	15,102	-	15,102
Rockbridge Free Clinic	-	-	10,000	(10,000)
Total welfare	\$ 2,446,356	\$ 2,446,356	\$ 2,602,987	\$ (156,631)
Total health and welfare	\$ 2,552,690	\$ 2,552,690	\$ 2,698,057	\$ (145,367)

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

General Fund: (continued)

Education:

Other instructional costs:

Contribution to City School Board	\$ 2,293,803	\$ 2,293,803	\$ 2,777,513	\$ (483,710)
Contribution to Community Colleges	36,408	36,408	36,408	-
Total education	<u>\$ 2,330,211</u>	<u>\$ 2,330,211</u>	<u>\$ 2,813,921</u>	<u>\$ (483,710)</u>

Parks, recreation, and cultural:

Library:

Rockbridge/ Buena Vista Regional Library	\$ 139,228	\$ 147,327	\$ 150,691	\$ (3,364)
Total library	<u>\$ 139,228</u>	<u>\$ 147,327</u>	<u>\$ 150,691</u>	<u>\$ (3,364)</u>
Total parks, recreation, and cultural	<u>\$ 139,228</u>	<u>\$ 147,327</u>	<u>\$ 150,691</u>	<u>\$ (3,364)</u>

Community development:

Planning and community development:

Community development administration	\$ 148,988	\$ 148,988	\$ 154,505	\$ (5,517)
Central Shenandoah Planning District Commission	21,038	21,038	21,038	-
Main Street Buena Vista	15,000	15,000	15,000	-
Blue Ridge Legal Services	1,248	1,248	1,248	-
Arts Council	4,500	4,500	8,692	(4,192)
Visitor's Center	51,379	51,379	51,379	-
Paxton House	6,000	6,000	10,000	(4,000)
Community Foundation	-	-	243,115	(243,115)
SPCA	34,222	34,222	34,221	1
Rockbridge Area transportation system	10,639	10,639	20,491	(9,852)
American Legion	-	-	2,700	(2,700)
Food Bank	1,200	1,200	-	1,200
Talking book center	900	900	900	-
Employee programs	35,000	35,000	30,230	4,770
Business Development	239,892	239,892	636,613	(396,721)
Total planning and community development	<u>\$ 570,006</u>	<u>\$ 570,006</u>	<u>\$ 1,230,132</u>	<u>\$ (660,126)</u>

Environmental management:

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

Total community development	<u>\$ 572,006</u>	<u>\$ 572,006</u>	<u>\$ 1,232,132</u>	<u>\$ (660,126)</u>
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Debt service:

Principal retirement	\$ 139,873	\$ 139,873	\$ 191,914	\$ (52,041)
Interest and other fiscal charges	91,997	91,997	161,904	(69,907)
Total debt service	<u>\$ 231,870</u>	<u>\$ 231,870</u>	<u>\$ 353,818</u>	<u>\$ (121,948)</u>

Total General Fund	<u>\$ 15,104,910</u>	<u>\$ 15,113,009</u>	<u>\$ 18,022,143</u>	<u>\$ (2,909,134)</u>
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Special Revenue Fund:**Park & Recreation Fund:**

Parks, recreation, and cultural:

Parks and recreation:

Administration	\$ 232,352	\$ 232,352	\$ 218,111	\$ 14,241
Recreation	162,190	162,190	212,445	(50,255)
Parks and Ground Maintenance	228,716	228,716	624,109	(395,393)
Activities	16,300	16,300	27,132	(10,832)
Swimming Pool	57,675	57,675	101,578	(43,903)
Total Parks and Recreation	<u>\$ 697,233</u>	<u>\$ 697,233</u>	<u>\$ 1,183,375</u>	<u>\$ (486,142)</u>

Debt Service

Principal Retirement	\$ -	\$ -	\$ 19,467	\$ (19,467)
Interest and fiscal charges	-	-	95	(95)
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,562</u>	<u>\$ (19,562)</u>

Total Park and Recreation Fund	<u>\$ 697,233</u>	<u>\$ 697,233</u>	<u>\$ 1,202,937</u>	<u>\$ (505,704)</u>
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Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2024 (Continued)

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

Health and Welfare:

Senior center	\$ 8,500	\$ 8,500	\$ 6,907	\$ 1,593
Total health and welfare	<u>8,500</u>	<u>8,500</u>	<u>6,907</u>	<u>1,593</u>
Total Senior Center Fund	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 6,907</u>	<u>\$ 1,593</u>

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

Debt service:

Principal retirement	\$ 23,181	\$ 23,181	\$ 69,415	\$ (46,234)
Interest and other fiscal charges	19,583	19,583	30,049	(10,466)
Total debt service	<u>\$ 42,764</u>	<u>\$ 42,764</u>	<u>\$ 99,464</u>	<u>\$ (56,700)</u>
Total School Construction Fund	<u>\$ 42,764</u>	<u>\$ 42,764</u>	<u>\$ 99,464</u>	<u>\$ (56,700)</u>

Total Primary Government	<u>\$ 15,853,407</u>	<u>\$ 15,861,506</u>	<u>\$ 19,331,451</u>	<u>\$ (3,469,945)</u>
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Discretely Presented Component Unit - School Board**School Operating Fund:**

Education:

Instruction	\$ 9,456,202	\$ 11,017,815	\$ 10,026,555	\$ 991,260
Administration and Health Services	898,239	1,043,364	1,062,999	(19,635)
Transportation	599,942	625,976	615,630	10,346
Operation and Maintenance	3,379,768	2,264,039	2,618,019	(353,980)
Technology	609,187	610,408	579,948	30,460
Contribution to City of Buena Vista, Virginia	-	-	56,699	(56,699)
Total Education	<u>\$ 14,943,338</u>	<u>\$ 15,561,602</u>	<u>\$ 14,959,850</u>	<u>\$ 601,752</u>

Debt service:

Principal retirement	\$ -	\$ -	\$ 94,317	\$ (94,317)
Interest and other fiscal charges	-	-	1,517	(1,517)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,834</u>	<u>\$ (95,834)</u>

Total School Operating Fund	<u>\$ 14,943,338</u>	<u>\$ 15,561,602</u>	<u>\$ 15,055,684</u>	<u>\$ 505,918</u>
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Special Revenue Funds:**School Cafeteria Fund:**

Education:

School food services:

School Nutrition	\$ 780,053	\$ 780,053	\$ 854,790	\$ (74,737)
Total education	<u>\$ 780,053</u>	<u>\$ 780,053</u>	<u>\$ 854,790</u>	<u>\$ (74,737)</u>
Total School Cafeteria Fund	<u>\$ 780,053</u>	<u>\$ 780,053</u>	<u>\$ 854,790</u>	<u>\$ (74,737)</u>

School Activity Funds

Education:

Other instructional services	\$ -	\$ -	\$ 422,834	\$ (422,834)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,834</u>	<u>\$ (422,834)</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,834</u>	<u>\$ (422,834)</u>

Total Discretely Presented Component Unit - School Board	<u>\$ 15,723,391</u>	<u>\$ 16,341,655</u>	<u>\$ 16,333,308</u>	<u>\$ 8,347</u>
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STATISTICAL SECTION

STATISTICAL SECTION

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These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 1-6

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Demographic and Economic Information

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Operating Information

These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relate to the services the City provides and the activities it performs. 16-19

Sources:

Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

City of Buena Vista, Virginia

Net Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 7,963,203	\$ 8,551,947	\$ 9,164,709	\$ 9,418,051
Restricted	204,585	205,881	207,337	208,672
Unrestricted	482,642	1,191,643	941,248	(143,522)
Total governmental activities net position	<u>\$ 8,650,430</u>	<u>\$ 9,949,471</u>	<u>\$ 10,313,294</u>	<u>\$ 9,483,201</u>
Business-type activities				
Net investment in capital assets	\$ 49,145	\$ (125,963)	\$ (271,422)	\$ (421,031)
Restricted	839,260	815,382	782,330	589,348
Unrestricted	(702,747)	(1,226,666)	(1,760,050)	(2,240,550)
Total business-type activities net position	<u>\$ 185,658</u>	<u>\$ (537,247)</u>	<u>\$ (1,249,142)</u>	<u>\$ (2,072,233)</u>
Primary government				
Net investment in capital assets	\$ 8,012,348	\$ 8,425,984	\$ 8,893,287	\$ 8,997,020
Restricted	1,043,845	1,021,263	989,667	798,020
Unrestricted	(220,105)	(35,023)	(818,802)	(2,384,072)
Total primary government net position	<u>\$ 8,836,088</u>	<u>\$ 9,412,224</u>	<u>\$ 9,064,152</u>	<u>\$ 7,410,968</u>

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 9,710,411	\$ 9,672,482	\$ 9,808,390	\$ 10,902,760	\$ 7,074,815	\$ 8,112,635
310,654	182,606	184,533	185,231	375,926	1,010,328
(1,106,904)	(2,025,561)	(1,320,741)	(229,183)	1,541,182	651,107
<u>\$ 8,914,161</u>	<u>\$ 7,829,527</u>	<u>\$ 8,672,182</u>	<u>\$ 10,858,808</u>	<u>\$ 8,991,923</u>	<u>\$ 9,774,070</u>
\$ (618,159)	\$ (1,263,416)	\$ (1,429,553)	\$ (2,702,479)	\$ (16,530)	\$ (639,171)
649,457	638,209	633,852	1,029,776	525,016	617,633
(2,985,941)	(3,262,826)	(3,737,252)	(2,960,905)	1,047,721	1,601,529
<u>\$ (2,954,643)</u>	<u>\$ (3,888,033)</u>	<u>\$ (4,532,953)</u>	<u>\$ (4,633,608)</u>	<u>\$ 1,556,207</u>	<u>\$ 1,579,991</u>
\$ 9,092,252	\$ 8,409,066	\$ 8,378,837	\$ 8,200,281	\$ 7,058,285	\$ 7,473,464
960,111	820,815	818,385	1,215,007	900,942	1,627,961
(4,092,845)	(5,288,387)	(5,057,993)	(3,190,088)	2,588,903	2,252,636
<u>\$ 5,959,518</u>	<u>\$ 3,941,494</u>	<u>\$ 4,139,229</u>	<u>\$ 6,225,200</u>	<u>\$ 10,548,130</u>	<u>\$ 11,354,061</u>

City of Buena Vista, Virginia

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government administration	\$ 1,331,648	\$ 1,433,595	\$ 1,451,815	\$ 1,436,939
Judicial administration	739,630	784,356	860,720	880,505
Public safety	2,078,802	2,265,851	2,631,032	2,864,208
Public works	1,710,983	1,960,690	2,064,999	2,316,348
Health and welfare	1,515,132	1,487,186	2,094,471	2,534,961
Education	3,987,920	2,461,405	3,053,399	2,917,688
Parks, recreation and cultural	467,036	541,016	616,884	606,652
Community development	443,371	437,882	483,507	464,611
Interest on long-term debt	237,479	195,175	180,959	183,087
Total governmental activities expenses	\$ 12,512,001	\$ 11,567,156	\$ 13,437,786	\$ 14,204,999
Business-type activities:				
Water and sewer	\$ 2,111,346	\$ 2,309,955	\$ 2,298,746	\$ 2,269,976
Sewer	-	-	-	-
Golf course	1,171,247	1,072,226	1,061,779	1,035,255
Total business-type activities expenses	\$ 3,282,593	\$ 3,382,181	\$ 3,360,525	\$ 3,305,231
Total primary government expenses	\$ 15,794,594	\$ 14,949,337	\$ 16,798,311	\$ 17,510,230
Program Revenues				
Governmental activities:				
Charges for services:				
General government administration	\$ 2,418	\$ 6,111	\$ 2,583	\$ 3,507
Judicial administration	1,082	1,657	1,669	881
Public safety	65,546	72,387	73,081	81,260
Public works	716,207	714,462	744,410	677,866
Parks, recreation and cultural	85,177	86,880	94,478	91,188
Operating grants and contributions	2,869,831	3,330,959	4,526,619	4,545,783
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	\$ 3,740,261	\$ 4,212,456	\$ 5,442,840	\$ 5,400,485
Business-type activities:				
Charges for services:				
Water and sewer	\$ 2,113,865	\$ 2,065,614	\$ 2,044,753	\$ 2,042,514
Sewer	-	-	-	-
Golf course	385,436	352,310	331,401	301,263
Operating grants and contributions	-	-	-	-
Capital grants and contributions	38,901	100	-	-
Total business-type activities program revenues	\$ 2,538,202	\$ 2,418,024	\$ 2,376,154	\$ 2,343,777
Total primary government program revenues	\$ 6,278,463	\$ 6,630,480	\$ 7,818,994	\$ 7,744,262
Net (expense) / revenue				
Governmental activities	\$ (8,771,740)	\$ (7,354,700)	\$ (7,994,946)	\$ (8,804,514)
Business-type activities	(744,391)	(964,157)	(984,371)	(961,454)
Total primary government net expense	\$ (9,516,131)	\$ (8,318,857)	\$ (8,979,317)	\$ (9,765,968)

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,464,836	\$ 1,610,849	\$ 1,795,707	\$ 1,727,240	\$ 1,594,876	\$ 1,743,589
1,027,787	980,103	1,019,950	1,017,867	1,136,483	1,415,453
3,060,196	3,132,569	3,316,903	3,239,319	3,485,799	3,721,518
2,413,388	2,416,545	2,672,139	2,480,331	2,841,447	2,708,776
3,382,721	3,074,478	2,466,902	2,103,375	2,508,447	2,677,613
2,669,456	2,907,138	2,275,851	2,878,417	6,027,630	2,879,487
617,980	568,944	518,058	704,206	875,131	974,712
475,645	992,368	628,416	538,074	545,022	829,518
207,889	144,151	139,701	122,113	189,023	189,434
<u>\$ 15,319,898</u>	<u>\$ 15,827,145</u>	<u>\$ 14,833,627</u>	<u>\$ 14,810,942</u>	<u>\$ 19,203,858</u>	<u>\$ 17,140,100</u>
\$ 2,474,759	\$ 1,592,637	\$ 1,433,945	\$ 1,424,593	\$ 1,391,229	\$ 1,360,859
-	891,033	1,048,050	1,112,872	1,065,752	1,018,187
1,004,867	1,053,312	1,064,944	941,810	-	-
<u>\$ 3,479,626</u>	<u>\$ 3,536,982</u>	<u>\$ 3,546,939</u>	<u>\$ 3,479,275</u>	<u>\$ 2,456,981</u>	<u>\$ 2,379,046</u>
<u>\$ 18,799,524</u>	<u>\$ 19,364,127</u>	<u>\$ 18,380,566</u>	<u>\$ 18,290,217</u>	<u>\$ 21,660,839</u>	<u>\$ 19,519,146</u>
\$ 2,241	\$ 3,495	\$ 1,977	\$ 153,098	\$ 4,512	\$ 4,383
1,058	1,970	1,528	1,863	2,504	2,490
52,353	38,379	29,283	49,606	58,085	50,926
674,044	745,969	754,550	769,251	688,925	801,359
88,017	59,909	86,421	98,220	65,292	87,685
4,948,486	5,266,448	5,220,710	6,651,835	6,674,633	6,878,751
200,804	1,040	-	-	395,977	89,088
<u>\$ 5,967,003</u>	<u>\$ 6,117,210</u>	<u>\$ 6,094,469</u>	<u>\$ 7,723,873</u>	<u>\$ 7,889,928</u>	<u>\$ 7,914,682</u>
\$ 2,024,132	\$ 1,107,618	\$ 1,253,242	\$ 1,314,329	\$ 1,434,959	\$ 1,318,640
-	939,537	1,053,032	1,110,125	1,047,087	1,060,321
301,310	251,533	445,836	220,730	-	-
-	-	31,212	7,424	-	-
-	-	-	-	-	-
<u>\$ 2,325,442</u>	<u>\$ 2,298,688</u>	<u>\$ 2,783,322</u>	<u>\$ 2,652,608</u>	<u>\$ 2,482,046</u>	<u>\$ 2,378,961</u>
<u>\$ 8,292,445</u>	<u>\$ 8,415,898</u>	<u>\$ 8,877,791</u>	<u>\$ 10,376,481</u>	<u>\$ 10,371,974</u>	<u>\$ 10,293,643</u>
\$ (9,352,895)	\$ (9,709,935)	\$ (8,739,158)	\$ (7,087,069)	\$ (11,313,930)	\$ (9,225,418)
(1,154,184)	(1,238,294)	(763,617)	(826,667)	25,065	(85)
<u>\$ (10,507,079)</u>	<u>\$ (10,948,229)</u>	<u>\$ (9,502,775)</u>	<u>\$ (7,913,736)</u>	<u>\$ (11,288,865)</u>	<u>\$ (9,225,503)</u>

City of Buena Vista, Virginia

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting) (continued)

	Fiscal Year			
	2015	2016	2017	2018
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 5,600,403	\$ 5,974,703	\$ 5,905,508	\$ 6,027,804
Local sales and use taxes	396,151	378,543	377,061	388,643
Consumer utility taxes	264,454	263,677	263,392	267,128
Meals taxes	326,384	340,008	319,870	314,150
Business and professional licenses taxes	174,344	174,412	184,093	176,301
Motor vehicle licenses taxes	166,550	166,467	168,992	161,220
Other local taxes	203,309	196,196	201,057	211,825
Unrestricted grants and contributions	1,039,468	982,759	973,816	959,916
Unrestricted revenues from use of money and property	190,386	182,946	183,630	174,807
Miscellaneous	214,621	235,226	160,503	228,992
Transfers	(441,351)	(241,196)	(270,794)	(253,937)
Total governmental activities	\$ 8,134,719	\$ 8,653,741	\$ 8,467,128	\$ 8,656,849
Business-type activities:				
Unrestricted revenues from use of money and property	\$ -	\$ 40	\$ 902	\$ 7,335
Miscellaneous	447	16	780	8,663
Transfers	441,351	241,196	270,794	253,937
Special item - disposal of operations	-	-	-	-
Total business-type activities	\$ 441,798	\$ 241,252	\$ 272,476	\$ 269,935
Total primary government	\$ 8,576,517	\$ 8,894,993	\$ 8,739,604	\$ 8,926,784
Change in Net Position				
Governmental activities	\$ (637,021)	\$ 1,299,041	\$ (337,386)	\$ (696,046)
Business-type activities	(302,593)	(722,905)	(688,978)	(884,249)
Total primary government	\$ (939,614)	\$ 576,136	\$ (1,026,364)	\$ (1,580,295)

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

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 6,045,670	\$ 6,043,063	\$ 6,592,574	\$ 6,871,692	\$ 7,043,315	\$ 6,977,786
387,031	435,404	481,248	518,437	667,795	663,494
260,778	268,597	261,312	263,567	312,299	287,126
354,913	360,599	391,982	387,636	424,269	428,432
189,708	202,935	188,928	186,455	200,699	212,279
160,662	154,522	148,416	142,274	137,057	141,474
193,408	193,811	236,032	234,465	302,086	165,023
949,351	936,840	911,217	896,113	895,254	879,023
210,411	205,052	274,265	260,138	30,063	24,887
364,791	234,821	214,309	238,755	80,145	201,272
(254,018)	(294,129)	(118,470)	(725,837)	(645,937)	-
\$ 8,862,705	\$ 8,741,515	\$ 9,581,813	\$ 9,273,695	\$ 9,447,045	\$ 10,007,564
\$ 15,970	\$ 9,785	\$ 48	\$ 159	\$ 14,077	\$ 23,869
1,786	990	179	16	4,167	-
254,018	294,129	118,470	725,837	645,937	-
-	-	-	-	5,500,569	-
\$ 271,774	\$ 304,904	\$ 118,697	\$ 726,012	\$ 6,164,750	\$ 23,869
\$ 9,134,479	\$ 9,046,419	\$ 9,700,510	\$ 9,999,707	\$ 15,611,795	\$ 10,031,433
\$ (847,230)	\$ (968,420)	\$ 842,655	\$ 2,186,626	\$ (1,866,885)	\$ 782,146
(966,520)	(933,390)	(644,920)	(100,655)	6,189,815	23,784
\$ (1,813,750)	\$ (1,901,810)	\$ 197,735	\$ 2,085,971	\$ 4,322,930	\$ 805,930

City of Buena Vista, Virginia

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

Fiscal Year		Property Tax		Local sales and use Tax		Consumer Utility Tax		Meals Tax
2024	\$	6,977,786	\$	663,494	\$	287,126	\$	428,432
2023		7,043,315		667,795		312,299		424,269
2022		6,871,692		518,437		263,567		387,636
2021		6,592,574		481,248		261,312		391,982
2020		6,043,063		435,404		268,597		360,599
2019		6,045,670		387,031		260,778		354,913
2018		6,027,804		388,643		267,128		314,150
2017		5,905,508		377,061		263,392		319,870
2016		5,974,703		378,543		263,677		340,008
2015		5,600,403		396,151		264,454		326,384

Table 3

Business License Tax	Motor Vehicle License Tax	Other Local Tax	Total
\$ 212,279	\$ 141,474	\$ 165,023	\$ 8,875,614
200,699	137,057	302,086	9,087,520
186,455	142,274	234,465	8,604,526
188,928	148,416	236,032	8,300,492
202,935	154,522	193,811	7,658,931
189,708	160,662	193,408	7,592,170
176,301	161,220	211,825	7,547,071
184,093	168,992	201,057	7,419,973
174,412	166,467	196,196	7,494,006
174,344	166,550	203,309	7,131,595

City of Buena Vista, Virginia

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

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Nonspendable	\$ 27,924	\$ 132,433	\$ 98,341	\$ 93,516
Restricted	110,509	111,408	112,412	113,427
Unassigned	2,698,796	3,044,256	2,790,572	2,434,483
Total general fund	<u>\$ 2,837,229</u>	<u>\$ 3,288,097</u>	<u>\$ 3,001,325</u>	<u>\$ 2,641,426</u>
All other governmental funds				
Nonspendable				
Prepaid items	\$ -	\$ 818	\$ 818	\$ 818
Restricted:				
Community development block grant	94,076	94,473	94,925	95,245
School capital projects	214,496	-	-	-
Assigned:				
Senior Center	4,512	7,382	5,715	6,818
Green Hill Cemetary	38,305	33,002	26,564	19,035
Parks and recreation	-	-	-	-
Unassigned, reported in:				
Special revenue funds	(66,610)	(62,692)	(71,600)	(16,358)
Capital projects funds	(228,900)	(14,375)	(13,827)	(14,374)
Total all other governmental funds	<u>\$ 55,879</u>	<u>\$ 58,608</u>	<u>\$ 42,595</u>	<u>\$ 91,184</u>

Table 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 89,159	\$ 92,006	\$ 77,139	\$ 143,469	\$ 229,362	\$ 268,025
230,835	116,987	118,914	119,539	237,744	816,444
1,471,951	975,465	1,944,849	2,457,487	3,845,390	2,242,749
<u>\$ 1,791,945</u>	<u>\$ 1,184,458</u>	<u>\$ 2,140,902</u>	<u>\$ 2,720,495</u>	<u>\$ 4,312,496</u>	<u>\$ 3,327,218</u>
\$ 2,291	\$ 2,343	\$ -	\$ -	\$ 11,000	\$ 3,412
79,819	65,619	65,619	65,692	66,073	66,073
-	-	-	-	-	-
7,603	8,415	9,099	14,984	13,839	17,986
14,650	8,951	4,975	3,690	8,065	11,385
14,930	9,591	3,075	(12,937)	-	-
-	-	-	-	(14,422)	(73,101)
-	-	2,169,648	-	-	-
<u>\$ 119,293</u>	<u>\$ 94,919</u>	<u>\$ 2,252,416</u>	<u>\$ 71,429</u>	<u>\$ 84,555</u>	<u>\$ 25,755</u>

City of Buena Vista, Virginia

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

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
General property taxes	\$ 5,687,818	\$ 5,741,167	\$ 5,803,302	\$ 6,005,861
Other local taxes	1,531,192	1,519,303	1,514,465	1,519,267
Permits, privilege fees and regulatory licenses	44,163	40,924	66,319	37,805
Fines and forfeitures	52,441	57,242	57,544	66,589
Revenue from use of money and property	190,386	182,946	183,630	174,807
Charges for services	773,826	783,331	792,358	750,308
Miscellaneous	214,621	235,226	160,503	228,992
Recovered costs	6,062	10,776	30,787	33,502
Intergovernmental:				
Local government	48,860	193,474	193,474	193,474
Commonwealth	3,805,864	4,053,919	5,102,195	4,931,116
Federal	54,575	66,325	204,766	381,109
Total revenues	\$ 12,409,808	\$ 12,884,633	\$ 14,109,343	\$ 14,322,830
Expenditures				
General government administration	\$ 1,087,930	\$ 1,171,159	\$ 1,198,390	\$ 1,126,123
Judicial administration	750,287	789,640	844,801	854,800
Public safety	2,108,910	2,205,651	2,647,082	2,858,765
Public works	1,933,435	2,193,090	2,843,347	2,427,429
Health and welfare	1,512,651	1,487,742	2,115,142	2,609,039
Education	2,286,258	2,220,877	2,812,881	2,648,982
Parks, recreation and cultural	457,666	531,499	615,116	643,457
Community development	759,790	444,948	491,121	480,471
Capital outlay	223,186	294,357	55	65
Debt service				
Principal	1,003,427	928,069	511,865	574,197
Interest and other fiscal charges	229,706	217,100	185,917	156,875
Total expenditures	\$ 12,353,246	\$ 12,484,132	\$ 14,265,717	\$ 14,380,203
Excess (deficiency) of revenues over (under) expenditures	\$ 56,562	\$ 400,501	\$ (156,374)	\$ (57,373)
Other financing sources (uses)				
Transfers in	\$ 880,904	\$ 587,788	\$ 609,992	\$ 672,207
Transfers out	(1,322,255)	(828,984)	(880,786)	(926,144)
Refunding bonds issued	300,000	-	-	-
Issuance of long-term debt	-	294,292	232,742	-
Proceeds from financed purchase	-	-	-	-
Capital assets from discontinued operations	-	-	-	-
Debt transferred from discontinued operations	-	-	-	-
Pension and OPEB items from discontinued operations	-	-	-	-
Total other financing sources (uses)	\$ (141,351)	\$ 53,096	\$ (38,052)	\$ (253,937)
Net change in fund balances	\$ (84,789)	\$ 453,597	\$ (194,426)	\$ (311,310)
Debt service as a percentage of noncapital expenditures	10.65%	9.39%	9.39%	5.22%

Table 5

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 6,037,950	\$ 6,115,416	\$ 6,404,088	\$ 6,605,823	\$ 6,935,334	\$ 6,887,838	
1,546,500	1,615,868	1,707,918	1,732,834	2,044,205	1,897,828	
24,621	78,875	31,993	42,498	33,889	96,048	
40,254	30,308	19,758	33,944	38,102	33,072	
210,411	205,052	274,265	260,138	368,947	430,057	
752,838	740,539	822,008	851,772	747,327	817,723	
364,791	234,821	214,309	294,439	96,176	172,338	
59,931	30,764	46,735	106,599	41,185	46,260	
169,088	294,189	150,060	252,792	-	56,699	
5,454,072	5,408,275	4,886,959	5,092,249	5,411,375	6,521,564	
475,481	501,864	1,094,908	2,202,907	2,554,489	1,268,599	
\$ 15,135,937	\$ 15,255,971	\$ 15,653,001	\$ 17,475,995	\$ 18,271,029	\$ 18,228,026	
\$ 1,219,895	\$ 1,330,504	\$ 1,566,173	\$ 1,602,255	\$ 1,475,994	\$ 1,816,166	
1,012,532	930,891	950,652	1,043,350	1,211,550	1,567,960	
3,062,164	2,950,132	3,158,038	3,544,076	3,788,714	3,841,332	
2,571,675	2,229,030	2,549,548	3,175,948	3,027,207	3,548,066	
3,426,113	3,088,727	2,497,825	2,188,163	2,534,119	2,704,964	
2,457,090	2,694,787	2,161,966	2,828,318	1,446,896	2,813,921	
619,851	544,464	498,155	764,408	2,350,408	1,334,066	
597,487	985,609	577,617	565,873	632,395	1,232,132	
80	65	-	-	-	-	
698,741	694,383	610,647	633,374	366,343	280,796	
218,429	176,926	142,620	128,272	168,491	192,048	
\$ 15,884,057	\$ 15,625,518	\$ 14,713,241	\$ 16,474,037	\$ 17,002,117	\$ 19,331,451	
\$ (748,120)	\$ (369,547)	\$ 939,760	\$ 1,001,958	\$ 1,268,912	\$ (1,103,425)	
\$ 620,092	\$ 491,043	\$ 404,836	\$ 619,683	\$ 2,058,033	\$ 865,284	
(874,110)	(785,172)	(523,306)	(1,345,520)	(2,703,970)	(865,284)	
-	-	-	292,136	-	-	
139,475	31,815	123,000	-	-	59,347	
-	-	-	-	252,588	-	
-	-	-	-	(10,344)	-	
-	-	-	-	585,127	-	
-	-	-	-	154,781	-	
\$ (114,543)	\$ (262,314)	\$ 4,530	\$ (433,701)	\$ 336,215	\$ 59,347	
\$ (862,663)	\$ (631,861)	\$ 944,290	\$ 568,257	\$ 1,605,127	\$ (1,044,078)	
5.98%	5.60%	5.24%	5.02%	3.60%	2.68%	

City of Buena Vista, Virginia

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

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Business License Tax	Motor Vehicle License Tax	Bank Stock Tax
2024	\$ 6,887,838	\$ 663,494	\$ 287,126	\$ 212,279	\$ 141,474	\$ 36,785
2023	6,935,334	667,795	312,299	200,699	137,057	43,094
2022	6,605,823	518,437	263,567	186,455	142,274	39,100
2021	6,404,088	481,248	261,312	188,928	148,416	35,005
2020	6,115,416	435,404	268,597	202,935	154,522	35,588
2019	6,037,950	387,031	260,778	189,708	160,662	32,698
2018	6,005,861	388,643	267,128	176,301	161,220	56,012
2017	5,803,302	377,061	263,392	184,093	168,992	48,715
2016	5,741,167	378,543	263,677	174,412	166,467	44,278
2015	5,687,818	396,151	264,454	174,344	166,550	48,115

Table 6

Recordation and Wills Tax	Meals Tax	Other Local Tax	Total
\$ 54,701	\$ 428,432	\$ 73,537	\$ 8,785,666
46,798	424,269	212,194	8,979,539
66,338	387,636	129,027	8,338,657
79,047	391,982	121,980	8,112,006
38,784	360,599	119,439	7,731,284
40,337	354,913	120,373	7,584,450
32,543	314,150	123,270	7,525,128
26,039	319,870	126,303	7,317,767
25,412	340,008	126,506	7,260,470
24,724	326,384	130,470	7,219,010

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

Fiscal Year	Real Estate (1)	Personal Property (3)	Public Service (2)	Total Taxable Assessed Value	Estimated Actual Taxable Value	State Sales Assessment Ratio (4)	Total Direct Rate
2024	\$ 348,281,810	\$ 53,665,739	\$ 19,117,528	\$ 421,065,077	\$ 605,761,872	69.51%	\$ 12.64
2023	341,888,250	53,746,522	21,056,911	416,691,683	509,652,254	81.76%	12.64
2022	341,132,250	54,058,886	23,665,886	418,857,022	497,395,822	84.21%	12.64
2021	340,543,100	47,679,280	21,643,851	409,866,231	433,858,612	94.47%	12.64
2020	328,436,550	43,179,143	21,972,178	393,587,871	395,406,742	99.54%	12.52
2019	327,800,980	43,730,511	22,218,021	393,749,512	381,244,686	103.28%	12.52
2018	327,498,090	42,979,676	23,322,541	393,800,307	334,040,467	117.89%	12.52
2017	327,313,460	40,865,214	23,005,034	391,183,708	341,704,846	114.48%	12.52
2016	364,742,820	41,387,341	21,978,142	428,108,303	372,203,359	115.02%	12.30
2015	370,299,700	38,823,781	16,226,569	425,350,050	340,388,964	124.96%	12.30

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

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

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

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

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

Fiscal Years	Direct Rates				Total Direct Rate
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	
2024	\$ 1.27	\$ 5.85	\$ 1.27	\$ 4.25	\$ 12.64
2023	1.27	5.85	1.27	4.25	12.64
2022	1.27	5.85	1.27	4.25	12.64
2021	1.27	5.85	1.27	4.25	12.64
2020	1.21	5.85	1.21	4.25	12.52
2019	1.21	5.85	1.21	4.25	12.52
2018	1.21	5.85	1.21	4.25	12.52
2017	1.21	5.85	1.21	4.25	12.52
2016	1.10	5.85	1.10	4.25	12.30
2015	1.10	5.85	1.10	4.25	12.30

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

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

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2024		Fiscal Year 2015	
		2024 Assessed Valuation	% of Total Assessed Valuation	2015 Assessed Valuation	% of Total Assessed Valuation
Virginia Electric and Power	Utilities	\$ 9,977,377	2.12%	\$ 8,187,742	1.92%
Columbia Gas of Virginia, Inc.	Utilities	7,369,946	1.57%	3,430,723	0.80%
Modine	Manufacturing	7,062,100	1.50%	8,048,975	1.89%
Mountain Valley Rentals B LLC (1)	Real Estate	4,402,100	0.94%	N/A	N/A
GPH Buena Vista LLC	Nursing Home	3,625,000	0.77%	3,651,500	0.86%
Beans Bottom	Real Estate	3,237,500	0.69%	2,522,800	0.59%
Buena Vista Management LLC (1)	Retail Merchants	3,115,500	0.66%	N/A	N/A
Treemont Village Preservation	Apartments	3,088,100	0.66%	3,042,200	0.71%
Everbrite	Manufacturing	2,839,800	0.60%	3,384,935	0.79%
Knopp Company	Apartments	2,822,300	0.60%	2,863,300	0.67%
		<u>\$ 47,539,723</u>	<u>10.11%</u>	<u>\$ 35,132,175</u>	<u>8.24%</u>

Total City Assessed Value

Source: Commissioner of Revenue, FYE 2015 AFCR

(1) Business not in operation in fiscal year 2015, or data is not available for that year

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year (1)		Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years	Total Collections to Date				
			Amount	Percentage of Levy		Amount	Percentage of Levy			
2024	\$	7,703,664	\$	7,075,556	91.85%	\$	-	\$	7,075,556	91.85%
2023		7,656,103		7,026,943	91.78%		156,213		7,183,156	93.82%
2022		7,662,991		7,032,738	91.78%		352,593		7,385,331	96.38%
2021		7,332,049		6,884,680	93.90%		272,943		7,157,623	97.62%
2020		6,662,964		6,260,700	93.96%		313,237		6,573,937	98.66%
2019		6,656,869		6,230,502	93.60%		352,904		6,583,406	98.90%
2018		6,582,676		6,159,283	93.57%		418,124		6,577,407	99.92%
2017		6,500,078		6,044,153	92.99%		454,269		6,498,422	99.97%
2016		6,521,393		6,102,140	93.57%		418,314		6,520,454	99.99%
2015		6,374,749		6,032,482	94.63%		342,267		6,374,749	100.00%

Source: Commissioner of Revenue, County Treasurer's office

(1) Includes PPTRA reimbursement from Commonwealth of Virginia

City of Buena Vista, Virginia

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities					
	General Obligation Bonds	Literary Fund Loans	Revenue Bonds	Lease Liabilities	Loans Payable	Notes Payable
2024	\$ 254,982	\$ -	\$ 500,579	\$ 70,274	\$ 1,940,593	\$ 293,392
2023	278,163	-	543,772	39,052	2,019,501	400,784
2022	301,344	-	-	82,408	2,102,702	323,446
2021	324,525	375,000	-	-	2,181,759	187,446
2020	347,706	750,000	-	-	2,259,221	199,450
2019	370,887	1,125,000	-	-	2,326,683	396,375
2018	394,068	1,500,000	-	-	2,406,810	357,192
2017	417,249	1,875,000	-	-	2,462,382	477,636
2016	440,430	2,250,000	-	-	2,531,282	289,678
2015	463,611	2,625,000	-	-	3,009,116	47,437

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See the Schedule of Demographic and Economic Statistics - Table 15

Table 11

Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
Revenue Bonds	Other Obligations			
\$ 7,646,921	\$ -	\$ 10,706,741	4.87%	\$ 1,614
4,896,412	-	8,177,684	3.81%	1,254
13,968,542	1,201,840	17,980,282	12.96%	2,775
14,248,941	1,201,840	18,519,511	13.35%	2,858
14,516,470	1,201,840	19,274,687	13.94%	2,986
14,771,250	1,201,840	20,192,035	17.69%	3,179
14,918,406	1,201,840	20,778,316	20.02%	3,284
15,088,052	1,201,840	21,522,159	21.07%	3,310
15,315,298	1,201,840	22,028,528	18.06%	3,332
15,535,249	1,201,840	22,882,253	18.30%	3,479

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

Fiscal Year	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2024	\$ 254,982	\$ -	\$ 254,982	0.06%	\$ 38
2023	278,163	-	278,163	0.07%	43
2022	301,344	-	301,344	0.07%	45
2021	699,525	-	699,525	0.17%	108
2020	1,097,706	-	1,097,706	0.28%	170
2019	1,495,887	-	1,495,887	0.38%	236
2018	1,894,068	-	1,894,068	0.48%	299
2017	2,292,249	-	2,292,249	0.59%	353
2016	2,690,430	-	2,690,430	0.63%	395
2015	3,088,611	-	3,088,611	0.73%	450

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

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

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

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

	Fiscal Year			
	2015	2016	2017	2018
Debt limit (1)	\$ 37,029,970	\$ 36,474,282	\$ 32,731,346	\$ 32,749,809
Total net debt applicable to limit (2)	<u>22,882,353</u>	<u>22,028,528</u>	<u>21,522,159</u>	<u>20,778,316</u>
Legal debt margin	<u>\$ 14,147,617</u>	<u>\$ 14,445,754</u>	<u>\$ 11,209,187</u>	<u>\$ 11,971,493</u>
Total net debt applicable to the limit as a percentage of debt limit	61.79%	60.39%	65.75%	63.45%

(1) The debt limit is calculated on Table 7

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

Table 13

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 32,780,098	\$ 32,843,655	\$ 34,054,310	\$ 34,113,225	\$ 34,188,825	\$ 34,828,181
20,192,035	19,274,287	18,519,511	17,980,282	8,177,684	10,706,741
\$ 12,588,063	\$ 13,569,368	\$ 15,534,799	\$ 16,132,943	\$ 26,011,141	\$ 24,121,440
61.60%	58.68%	54.38%	52.71%	23.92%	30.74%

City of Buena Vista, Virginia

Pledged-Revenue Coverage
Last Ten Fiscal Years

Water Revenue Bonds (1)								
Fiscal Year	Water		Less:		Net		Coverage	
	Charges and Other		Operating Expenses		Available Revenue	Debt Service		
						Principal	Interest	
2024 (5)	\$	1,318,640	\$	1,087,612	\$ 231,028	\$ 2,673,491	\$ 262,633	7.87%
2023 (3)		1,435,771		1,119,602	316,169	252,003	271,627	60.38%
2022 (3)		1,314,329		1,140,781	173,548	240,882	287,604	32.84%
2021 (2)		1,253,254		1,138,561	114,693	229,849	299,050	21.69%
2020 (2)		1,107,618		1,286,170	(178,552)	218,940	309,953	-33.76%
2019 (2)		2,024,132		2,160,283	(136,151)	130,614	315,976	-30.49%
2018 (2)		2,050,364		1,886,186	164,178	148,509	322,088	34.89%
2017		2,045,288		1,919,514	125,774	195,081	329,004	24.00%
2016		2,065,614		1,926,450	139,164	188,768	337,798	26.43%
2015		2,113,865		1,767,302	346,563	178,349	345,431	66.17%

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

Table 14

Golf Course Revenue Bonds (1)(4)						
Golf Course Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
Principal	Interest					
\$ -	\$ -	\$ -	\$ -	\$ -		0.00%
3,355	-	3,355	41,355	36,536		4.31%
220,746	451,168	(230,422)	39,517	38,561		-295.12%
446,003	572,331	(126,328)	327,679	408,355		-17.16%
252,523	558,823	(306,300)	310,841	425,023		-41.62%
303,096	509,167	(206,071)	276,542	439,832		-32.62%
302,076	538,666	(236,590)	271,137	454,197		-32.62%
331,646	523,001	(191,355)	267,165	538,778		-23.74%
352,326	554,531	(202,205)	256,246	517,695		-26.13%
385,443	523,442	(137,999)	239,408	610,843		-16.23%

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemploy- ment Rate
2024	6,632	\$ 220,016,600	\$ 33,175	36.2	856	2.10%
2023	6,523	214,769,775	32,925	35.3	817	3.20%
2022	6,628	212,639,496	32,082	35.9	817	3.30%
2021	6,479	138,773,701	21,419	35.5	864	4.20%
2020	6,454	138,238,226	21,419	35.5	876	6.40%
2019	6,351	114,121,119	17,969	36.4	894	3.10%
2018	6,327	103,794,435	16,405	35.1	923	4.10%
2017	6,502	102,126,914	15,707	38.1	997	5.20%
2016	6,817	119,024,820	17,460	38.1	966	5.20%
2015	6,867	126,716,751	18,453	36.8	1,046	6.40%

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

Principal Employers

Current Year and Nine Years Ago

Employer	Fiscal Year 2024			Fiscal Year 2015		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Modine	285	1	11.26%	162	3	5.23%
Peoplink Staffing Solutions	201	2	7.94%	N/A	N/A	N/A
Buena Vista City Public Schools	198	3	7.83%	198	1	6.04%
Southern Virginia University	171	4	6.76%	173	2	5.59%
Everbrite LLC	105	5	4.15%	112	6	3.62%
City of Buena Vista	101	6	3.99%	77	8	2.49%
Sayre Enterprises, Inc.	86	7	3.40%	112	5	3.62%
Advanced Drainage Systems	85	8	3.36%	37	10	1.19%
Pro Careers	81	9	3.20%	N/A	N/A	N/A
Food Lion	72	10	2.85%	N/A	N/A	N/A
Totals	<u>1,385</u>		<u>48.70%</u>	<u>871</u>		<u>27.78%</u>

Total City Employment

Source: BLS, VEC, Businesses, FYE 2015 AFCE

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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	11	12	12	12	12	12	12	12	12	13
City Management	2	2	2	2	2	2	2	2	2	2
Human Resources	0	0	0	0	0	0	0	0	0	1
Finance	3	3	3	3	3	3	3	3	3	3
Commissioner of Revenue	3	3	3	3	3	3	3	3	3	3
Treasurer	3	4	4	4	4	4	4	4	4	4
Elections	2	2	2	2	2	2	2	2	2	2
Judicial Administration	8	8	8	9	9	9	9	9	9	10
Circuit Court Clerk	3	3	3	3	3	3	3	3	3	3
Sheriff Office	2	2	2	3	3	3	3	3	3	3
Commonwealth's Attorney	2	2	2	2	2	2	2	2	2	3
Criminal Justice Service	1	1	1	1	1	1	1	1	1	1
Public Safety	17	17	19	19	19	19	19	19	20	24
Police Department	15	15	17	18	18	18	18	18	18	22
Building Inspections	1	1	1	1	1	1	1	1	1	1
Animal control	1	1	1	0	0	0	0	0	1	1
Public Works	33	33	32	33	33	33	31	31	31	31
Admin & Engineering	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Street Maintenance	9	9	9	9	9	9	9	9	9	9
Refuse	8	8	8	8	8	8	8	8	8	8
Maintenance B&G	4	4	4	4	4	4	4	4	4	4
Green Hill Cemetery	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0	0.25
Water Administration	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0	0.25
Water Maintenance	2	2	2	2	2	2	1	1	1	1
Water Production	1	1	1	1	1	1	1	1	1	1
Sewer Administration	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0	0.25
Sewer Maintenance	2	2	1	2	2	2	1	1	1	1
Waste Water Treatment Plant	4	4	4	4	4	4	4	4	4	4
Culture and Recreation	4	4	4	4	5	5	4	4	4	6
Administration	2	2	2	2	2	2	2	2	2	3
Parks & Campground Maint.	2	2	2	2	3	3	2	2	2	3
Community Development	2	2	2	2	2	2	2	2	2	3
Planning	1	1	1	1	1	1	1	1	1	1
Economic Development	1	1	1	1	1	1	1	1	1	2
Totals	77	78	79	81	82	82	79	79	80	89

Source: Human Resources Department

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Sheriffs department:										
Civil papers	4,004	4,004	4,004	4,004	4,004	4,004	2,385	2,385	2,219	2,298
Building inspections:										
Permits issued	71	71	61	55	77	119	95	95	93	126
Public works										
Landfill:										
Recycling (tons/year)	343	343	343	343	-	-	-	-	-	-
Community development										
Planning:										
Zoning permits issued	36	36	50	61	52	63	44	44	104	87
Component Unit - School Board										
Education:										
School age population	1,046	965	930	948	940	1,040	948	948	864	828
Number of teachers	80	79	75	77	70	72	65	65	76	71
Local expenditures per pupil	\$ 9,709	\$ 9,709	\$ 9,709	\$ 3,343	\$ 1,879	\$ 2,021	\$ 2,463	\$ 2,463	\$ 3,216	\$ 2,909

Source: Individual City departments

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Administration buildings	18	18	18	18	18	18	18	18	18	16
Vehicles	1	1	1	1	1	1	1	1	1	1
Public safety										
Police department:										
Patrol units	16	16	21	21	21	21	21	21	21	18
Building inspections:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Animal control:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Public works										
General maintenance:										
Trucks/vehicles	27	27	28	28	28	28	28	28	28	42
Culture and recreation										
Parks and recreation:										
Community centers	1	1	1	1	1	1	1	1	1	0
Vehicles	6	6	6	6	6	6	6	6	6	5
Parks acreage	615	615	615	615	615	615	615	615	615	315
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community development										
Planning:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Component Unit - School Board										
Education:										
Schools	4	4	4	4	4	4	4	4	4	4
School buses	12	12	12	12	12	12	12	12	12	11

Source: Individual City departments

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of City of Buena Vista, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Buena Vista, Virginia's basic financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Buena Vista, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

City of Buena Vista, Virginia's Response to Findings

City of Buena Vista, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Buena Vista, Virginia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
February 28, 2025



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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

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

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

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
February 28, 2025

City of Buena Vista, Virginia

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

Federal Grantor/State Pass - Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Not available	\$ 2,592
Temporary Assistance for Needy Families	93.558	Not available	462
Foster Care - Title IV-E	93.658	Not available	11,198
Adoption Assistance	93.659	Not available	123,153
Social Services Block Grant	93.667	Not available	1,427
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not available	294
Children's Health Insurance Program	93.747	Not available	70
Total Dept. Health & Human Services-pass through			\$ 139,196
Total Department of Health and Human Services			\$ 139,196
Department of Treasury			
Pass Through Payments:			
Direct Payments:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	\$ 768,574
Pass Through Payments:			
Virginia Department of Criminal Justice Services			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	120304	89,028
Total AL 21.027			\$ 857,602
Total Department of Treasury			\$ 857,602
Department of Agriculture:			
Direct Payments:			
Water and Wastewater Disposal Systems for Rural Communities	10.760	N/A	\$ 5,424,000
Total Department of Agriculture direct payments			\$ 5,424,000
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture:			
Food Distribution	10.555	Not available	\$ 28,161
		202323N11994 1;	
		202322N89034 1;	
		202323N89034 1;	
National School Lunch Program	10.555	202424N11994 1	395,707
Total AL 10.555			\$ 423,868
		202323N11994 1;	
School Breakfast Program	10.553	202424N11994 1	\$ 212,651
Summer Food Service Program for Children	10.559	202323N11994 1	\$ 84,061
Food Distribution	10.559	Not available	918
Total AL 10.559			\$ 84,979
Total Child Nutrition Cluster			\$ 721,498
Child Nutrition Discretionary Grants Limited Availability	10.579	202222N81034 1	\$ 81,041
Virginia Department of Education:			
COVID-19 Pandemic Electronic Benefit Transfer Administrative Costs	10.649	202323S900941	\$ 653
		202323N11994 1;	
		202424N10994 1;	
Child and Adult Care Food Program	10.558	202424N11994 1	7,324
Total Department of Agriculture - pass-through payments			\$ 810,516
Total Department of Agriculture			\$ 6,234,516
Department of Housing and Urban Development			
Pass Through Payments:			
Virginia Department of Housing and Community Development			
Community Development Block Grants/State's Program			
and Non-Entitlement Grants in Hawaii	14.228	Not available	\$ 31,518
Total Department of Housing and Urban Development			\$ 31,518
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Service:			
		2020V2GX0048;	
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$ 44,543
Violence Against Women Formula Grants	16.588	15JOVW23GG00605STOP	25,000
Bulletproof Vest Partnership Program	16.607	Not available	6,471
Public Safety Partnership and Community Policing Grants	16.710	Not available	71,928
Equitable Sharing Program	16.922	Not available	80,893
Total Department of Justice			\$ 228,835

City of Buena Vista, Virginia

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

Federal Grantor/State Pass - Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	Not available	\$ 5,063
Alcohol Open Container Requirements	20.607	Not available	6,385
Total Department of Transportation			\$ 11,448
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	S010A210046; S010A220046; S010A230046 V048A210046;	\$ 351,605
Career and Technical Education - Basic Grants to States	84.048	V048A220046	23,817
Special Education Cluster:			
Title VI-B: Special Education - Grants to States	84.027	H027A210107; H027A220107; H027A230107	\$ 264,411
COVID 19 Title VI-B: Special Education - Preschool Grants	84.027	H027X210107	7,244
Total AL 84.027			\$ 271,655
Title VI-B: Special Education - Preschool Grants	84.173	H173A220112; H173A230112	13,790
Total Special Education Cluster			\$ 285,445
Twenty-first Century Community Learning Centers	84.287	S287C220047; S287C230047	\$ 194,932
Student Support and Academic Enrichment Program	84.424	S424A220048; S424A230048; S424F220048	101,730
Rural Education	84.358	S358B200046; S358B220046; S358B230046	19,453
Supporting Effective Instruction State Grants	84.367	S367A210044; S367A220044;	34,493
COVID-19 Education Stabilization Fund - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	661,957
Total Department of Education			\$ 1,673,432
Total Expenditures of Federal Awards			\$ 9,176,547

Notes to Schedule of Expenditures of Federal Awards:

NOTE A - BASIS OF PRESENTATION

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Pass-through identifying numbers are presented where available.

City of Buena Vista, Virginia

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

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

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the City had no food commodities in inventory. The value of food commodities expended during the year ended June 30, 2024 amounted to \$29,079.

NOTE D - SUBRECIPIENTS

No awards were passed through to subrecipients.

NOTE E - LOANS

The City was approved by the USDA Rural Utilities Service to issue a bond totaling \$5,424,000 to refinance to existing debt issues. The outstanding loan balance at the end of the period is \$5,424,000.

NOTE F - RELATIONSHIP TO FINANCIAL STATEMENTS

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

Governmental funds

\$ 1,268,599

Total primary government

\$ 1,268,599

Discretely presented component unit - School Board:

School operating fund

\$ 1,673,432

School cafeteria fund

810,516

Total discretely presented component unit - School Board

\$ 2,483,948

Water and waste disposal systems for rural communities current year debt issuance reported as long-term debt in the Water fund.

\$ 5,424,000

Total federal expenditures per the Schedule of Expenditures of
Federal awards

\$ 9,176,547

CITY OF BUENA VISTA, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I-Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes x no

- Significant deficiency(ies) identified? x yes no

Noncompliance material to financial statements noted? x yes no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? yes x no

- Significant deficiency(ies) identified? yes x no

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

Any audit findings disclosed that are required to be reported
in accordance with section 2 CFR section 200.516(a)? yes x no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
84.425U	COVID-19 Education Stabilization Fund - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund

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

Auditee qualified as low-risk auditee? yes x no

Section II-Financial Statement Findings

None

2024-001 Significant Deficiency and Compliance Finding

Criteria: Per Sections 15.2-2507 and 58.1-3001 of the Code of Virginia, no money may be paid out for any expenditure unless and until the governing body has made an appropriation for the expenditure.

Condition: During our audit, it was determined that the City's general fund actual expenditures were \$2,909,134 in excess of appropriations. This overage represents 19% of the original budgeted general fund expenditures.

Cause Management is not requesting appropriation amendments from the City Council throughout the year, as needed. Additional federal and state aid was received during the fiscal year, which funded a portion of the unexpended expenditures.

Effect: The City has expended more money than the amount appropriated by City Council during fiscal year 2024.

CITY OF BUENA VISTA, VIRGINIA
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2024

2024-001 (continued)

Recommendation:	It is recommended that management review budget to actual expenditures throughout the year and ensure appropriations are made before money is expended. Additionally, the City must comply with Section 15.2-2506 of the Code of Virginia, which requires a public notice and a public hearing for any budget amendment that exceeds one percent of the total expenditures shown in the currently adopted budget.
Management's Response:	Management will take care to more closely monitor expenditure projections. Budget amendments will be booked if required to ensure enough funds are appropriated. The City will comply with Section 15.2-2507 of the Code of Virginia and confirm that the budget amendments are properly adopted.

Section III-Federal Award Findings and Questioned Costs

None

Section IV-Status of Prior Year Audit Findings

None