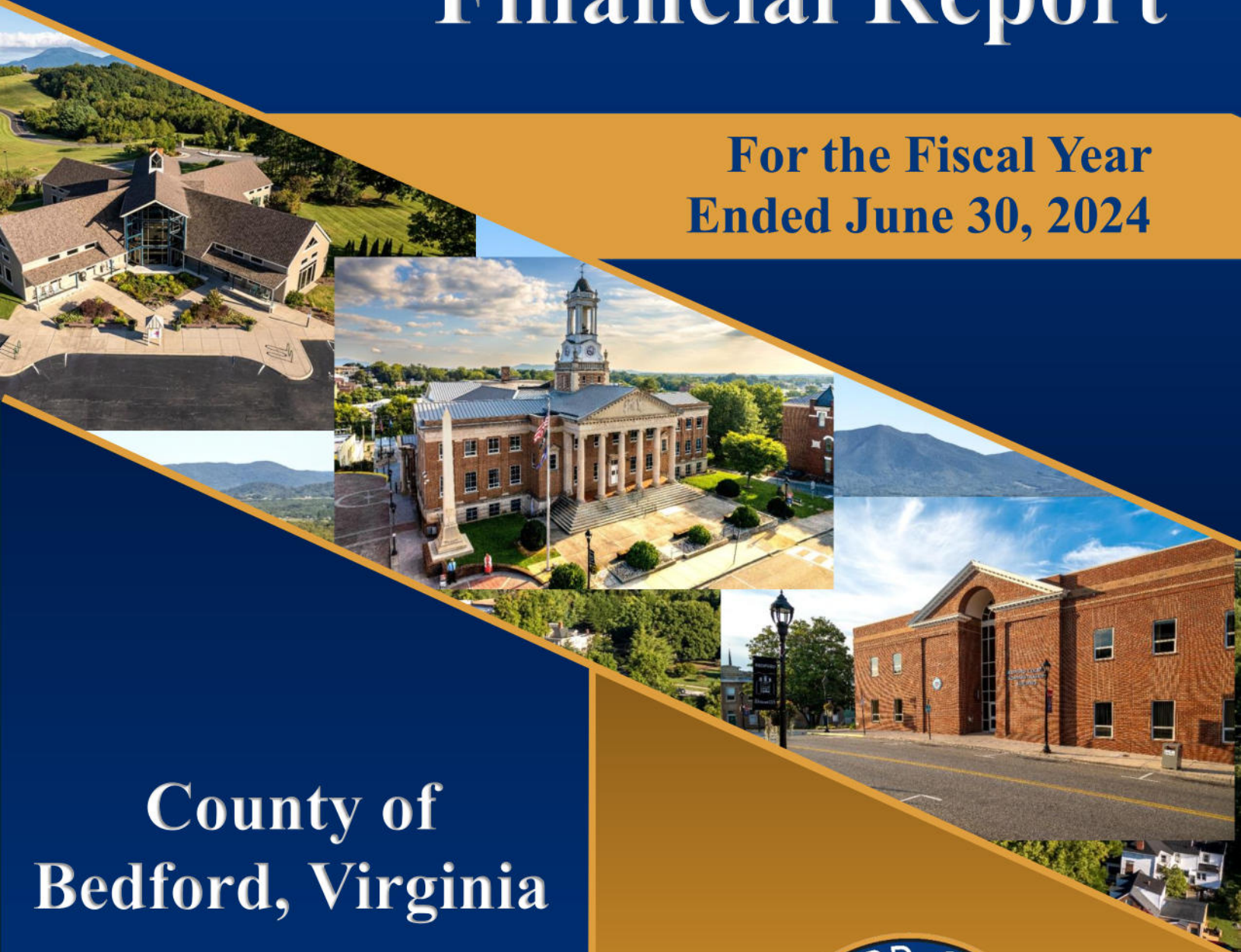


Annual Comprehensive Financial Report

**For the Fiscal Year
Ended June 30, 2024**



**County of
Bedford, Virginia**

www.bedfordcountyva.gov



COUNTY OF BEDFORD, VIRGINIA

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

DEPARTMENT OF FINANCE

**COUNTY OF BEDFORD, VIRGINIA
TABLE OF CONTENTS**

INTRODUCTORY SECTION

	Page
Letter of Transmittal	i
Directory of Principal Officials	xi
Organizational Chart.....	xii

FINANCIAL SECTION

Independent Auditor's Report	1
---	----------

Management's Discussion and Analysis	5
---	----------

Basic Financial Statements

Government-Wide Financial Statements	
Exhibit 1 Statement of Net Position	21
Exhibit 2 Statement of Activities.....	22
Fund Financial Statements	
Exhibit 3 Balance Sheet – Governmental Fund.....	23
Exhibit 4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	25
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cash Basis – Governmental Fund.....	27
Exhibit 6 Statement of Net Position – Proprietary Funds	29
Exhibit 7 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	30
Exhibit 8 Statement of Cash Flows – Proprietary Funds	31
Exhibit 9 Statement of Fiduciary Net Position	33
Exhibit 10 Statement of Changes in Fiduciary Net Position.....	34
Notes to Financial Statements	35

Required Supplementary Information

Exhibit 11	Schedule of Changes in Net Pension Liability and Related Ratios – Primary Government	100
Exhibit 12	Schedule of Changes in Net Pension Liability and Related Ratios – Schools – Nonprofessional Employees	101
Exhibit 13	Schedule of Changes in Net Pension Liability and Related Ratios – Primary Government – Length of Service Awards Program	102
Exhibit 14	Schedule of Pension Contributions	103
Exhibit 15	Schedule of Employer's Share of Net Pension Liability – VRS Teacher Retirement Plan.....	104
Exhibit 16	Schedule of Pension Contributions – VRS Teacher Retirement Plan	105
Exhibit 17	Schedule of Changes in Net OPEB Liability and Related Ratios – Local Plans	106
Exhibit 18	Schedule of OPEB Contributions – Local Plans	107
Exhibit 19	Schedule of Changes in Net OPEB Liability and Related Ratios – VRS Agent Plan – Schools – Nonprofessional Employees	108
Exhibit 20	Schedule of OPEB Contributions – VRS Agent Plan – Schools – Nonprofessional Employees	109
Exhibit 21	Schedule of Employer's Share of Net OPEB Liability –VRS Cost Sharing Plans	110

**COUNTY OF BEDFORD, VIRGINIA
TABLE OF CONTENTS**

	Page
Exhibit 22 Schedule of OPEB Contributions –VRS Cost Sharing Plans.....	111
Notes to Required Supplementary Information	112
Other Supplementary Information	
Discretely Presented Component Unit – Bedford County School Board	
Exhibit 23 Combining Balance Sheet.....	114
Exhibit 24 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	116
Exhibit 25 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Cash Basis.....	118
Supporting Schedules	
Schedule 1 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cash Basis – Governmental Fund.....	119
Schedule 2 Schedule of Expenditures of Federal Awards	126

STATISTICAL SECTION

Table 1 Net Position by Component	129
Table 2 Changes in Net Position	130
Table 3 Fund Balances, Governmental Funds.....	132
Table 4 Changes in Fund Balances, Governmental Funds	133
Table 5 Assessed Value and Estimated Actual Value of Taxable Property	135
Table 6 Direct Property Tax Rates	136
Table 7 Principal Real Property Taxpayers	137
Table 8 Real Property Tax Levies and Collections	138
Table 9 Ratios of Outstanding Debt by Type	139
Table 10 Ratios of General Bonded Debt Outstanding.....	140
Table 11 County Debt Policy	141
Table 12 Demographic and Economic Statistics	142
Table 13 Principal Employers	143
Table 14 County Government Employees by Function.....	144
Table 15 Operating Indicators by Function/Program	145
Table 16 Capital Asset Statistics by Function/Program.....	146
Table 17 Bedford County School Board March 31st Average Daily Membership	147
Table 18 Bedford County School Board Full-Time Equivalent Employees by Type.....	148
Table 19 Bedford County School Board Operating Statistics	149

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	150
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	152
Summary of Compliance Matters	155
Schedule of Findings and Questioned Costs.....	156
Summary Schedule of Prior Audit Findings	157

INTRODUCTORY SECTION





COUNTY OF BEDFORD, VIRGINIA

County Administration Building

122 East Main Street, Suite 202

Bedford, Virginia 24523

Tel: (540) 586.7601

ROBERT HISS
COUNTY ADMINISTRATOR

OFFICE OF THE COUNTY ADMINISTRATOR

December 6, 2024

To the Honorable Members of the Board of Supervisors and Citizens of Bedford County, Virginia:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the County of Bedford (the County) for the fiscal year ended June 30, 2024. As required by the *Code of Virginia*, the Department of Finance has prepared this report in accordance with accounting principles generally accepted (GAAP) in the United States, the standards of financial reporting prescribed by the Governmental Accounting Standards Board (GASB), and those of the Auditor of Public Accounts of the Commonwealth of Virginia.

Responsibility for both the completeness and reliability of the information contained in this report rests solely with County management and is based upon a comprehensive framework of internal control that has been established for this purpose. The cost of internal controls should not exceed the anticipated benefits; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate, in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

The County's financial statements have been audited by Brown, Edwards & Company L.L.P., an independent, third-party firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2024 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Brown, Edwards & Company L.L.P. concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion and that the County's financial statements for the fiscal year ended June 30, 2024 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

The independent audit of the County’s financial statements was part of a broader, federally mandated “Single Audit” designed to meet the requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also report on the County’s compliance with federal requirements for each major program and on internal control over compliance pursuant to the audit requirements of Title 2, *U.S. Code of Federal Regulations*, Part 200, *U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditors’ report on the Single Audit for the County will be available in a separate report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County’s MD&A can be found immediately following the independent auditors’ report on the financial statements.

Profile of the County

The County was formed in 1754 and named for the Fourth Duke of Bedford, a British government official. Bedford County is located in the west central part of the state and is the fifth largest county in Virginia in land area (764 square miles). The Town of Bedford serves as the County seat. The area abounds with natural beauty and outdoor recreational opportunities, offering residents an attractive and pleasant environment in which to live, work and play. Strategically located between the metropolitan areas of Lynchburg and Roanoke, the County is one of the fastest growing areas in the state. A mix of industry, commerce and agriculture ensures a strong, diversified economy and positive business climate.



Bedford County is organized under the traditional form of government (as defined under Virginia Law), with the elected Board of Supervisors (the Board) establishing laws and policies for the administration of government operations. The Board consists of seven members; one member from each of seven districts, elected to a four-year term by the voters of the district in which the member resides. The Board appoints a County Administrator to act as the administrative head of the County.

Bedford County provides a full range of services to its residents, including education, public safety, judicial services, solid waste disposal, community and economic development, parks and recreation, public libraries, health and welfare services, and general administration. All resources required to support these services are reflected in this report.

The County provides education through its public school system administered by the Bedford County School Board (School Board), promotes industry and commerce through the Bedford County Economic Development Authority (the EDA), and provides public library services and remote access to the library collection through the Bedford Public Library System (BPLS). In accordance with GASB pronouncements, these agencies have been classified as discretely presented component units in the accompanying financial statements because they are legally separate entities for which the County is financially accountable, or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Additional information on each of these legally separate entities can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation of the County's financial planning and control. All County departments submit appropriation requests to the Finance department on or about November 20 each year for the Capital Improvements Plan (CIP) and on or about January 5 each year for the operating

BUDGET AND PLANNING CALENDAR*	
Nov 20	Departmental CIP requests due
Nov 20 - Dec 31	Preparation of Administrator's proposed 5-Year CIP
Jan 5	Departmental operating budget requests due
Jan 5 - Feb 15	Preparation of Administrator's proposed operating budget
Feb 15 - Apr 15	Budget work sessions with Board of Supervisors
Apr 20	Tax rate and budget public hearings
May 15	Budget adoption
Jun 30	Current fiscal year ends
Jul 1	New fiscal year begins
*Dates are approximate and subject to change.	

budget. The budget committee, which consists of the County Administrator, Deputy County Administrator, Director of Finance, Budget Analyst, and Accounting Manager, uses the departmental requests as the starting point for developing a proposed budget. The proposed budget is finalized no later than February 15 and presented to the Board through a series of budget work sessions held between February 15 and April 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the County's fiscal year.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff's office) with the budget appropriation resolution adopted by the Board placing legal restriction of expenditures at the department level for the General Fund and Vehicle Replacement Fund; at the grant level for the Grants Fund; at the project level for the Capital Improvement Fund; and at the fund level for all other budgetary funds. The County's adopted budget policy also requires Board of Supervisors approval of certain budget transfers above established thresholds and all requests for supplemental appropriations.

The School Board budget is appropriated at the fund level with transfers across funds, prior year reappropriations, and other supplemental appropriations requiring Board of Supervisors approval.

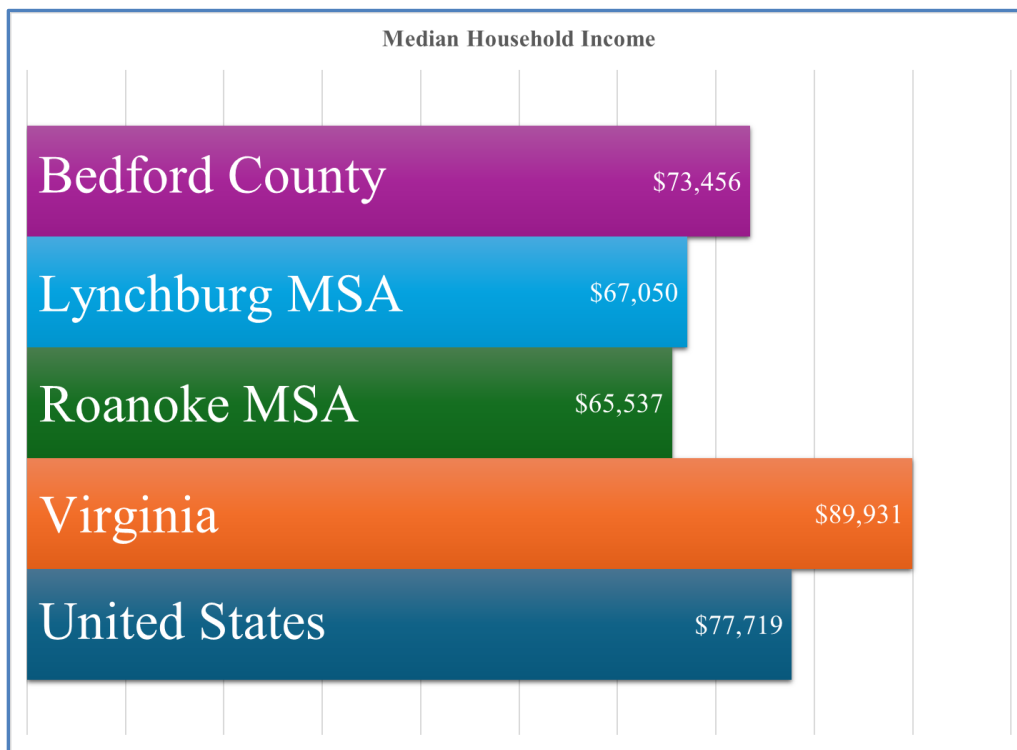
Exhibit 5 in the basic financial statements provides a budget-to-actual comparison for the General Fund. A more detailed, department level comparison is presented in Schedule 1 in the Supporting Schedules subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Bedford County operates.

Local Economy

Bedford County financial position remains favorable due, in large part, to the financial strength and diversification of the County's business community, its low reliance on federal jobs and procurement, low debt levels, growing property tax base, and its strategic location between Lynchburg and Roanoke. As illustrated in the graph on the following page, Bedford's median household income compares favorably to the surrounding metropolitan statistical areas (MSAs) and is consistent with the national level.

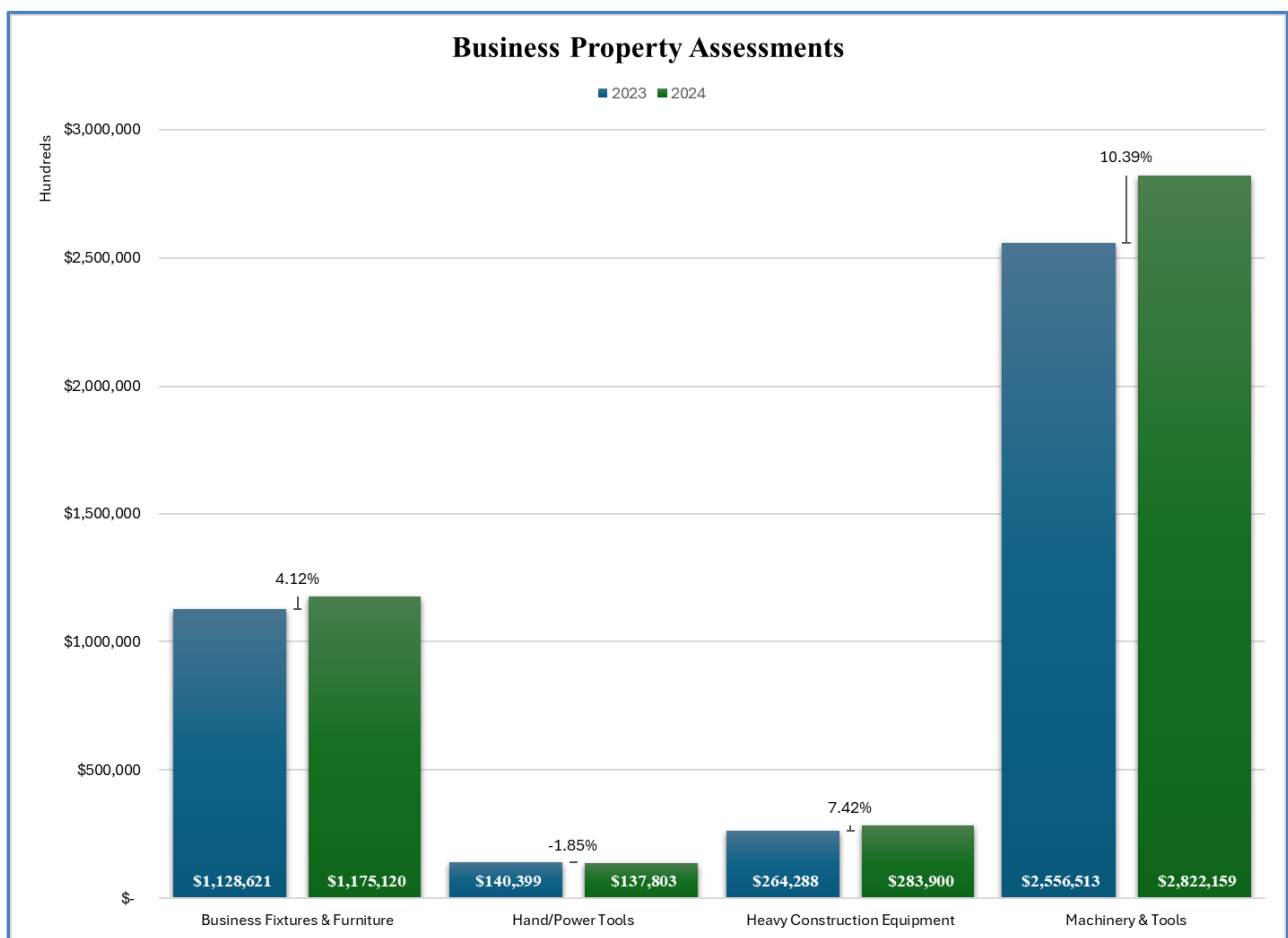


Source: U.S. Census Bureau 2023 American Community Survey 1-Year Estimates (Median Household Income)

Additionally, the County’s average unemployment rate for the first half of calendar year 2024 was 2.7%, which is equivalent to the Commonwealth’s average (2.7%) and well below the national average (4.0%).

Economic Development Update

Fiscal year 2024 marked another successful year for Bedford County. Business property assessments grew by 8.0% overall with total values in three of the four business property categories increasing between fiscal year 2023 and 2024.



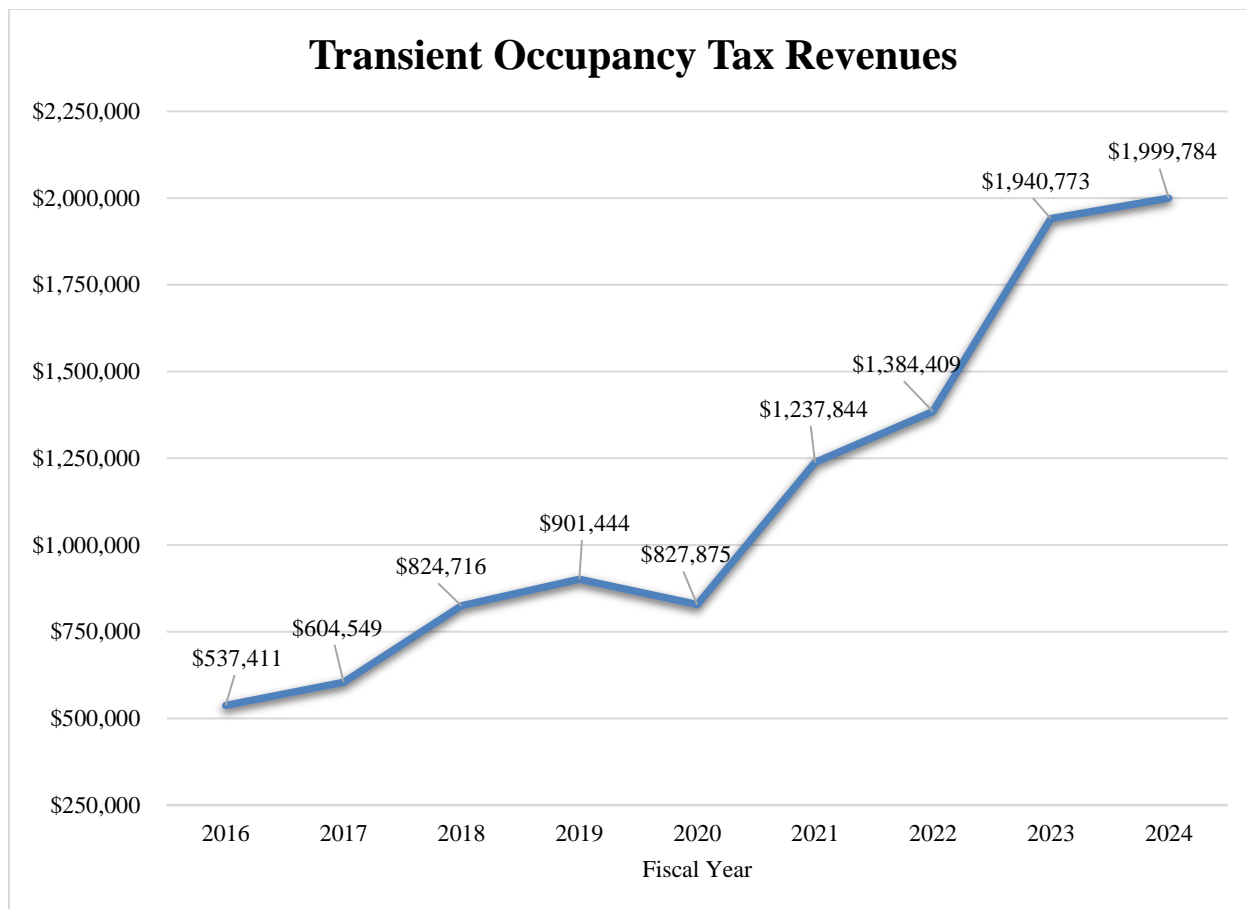
Source: Bedford County Treasurer

Additionally, the County announced several significant economic development accomplishments during the year ended June 30, 2024:

- **Parkland Direct**, a high-volume lithographic print and custom envelope manufacturer, announced an expansion project that will invest \$10 million in Bedford County. The expansion will create 41 new jobs, add 50,000 square feet to its facility, and increase production capacity with the addition of two new converter and press machines.
- **Confident Equipment**, a Kubota equipment sales and rental business, set up operations in an existing building on U.S. 460 in Montvale. Confident Equipment has invested a little over \$2 million in Bedford County and is committed to adding 10 jobs within the first year with an annual payroll of \$500,000.
- **Rapid Assault (RA) Tools** relocated to the Forest area. RA Tools was established in 2002 and has become an internationally recognized brand specializing in forced entry tools and training aids.
- **Phase 2 parcel of the New London Business and Technology Center was improved from a Tier 2 status to a Tier 3 status.** The County was one of 21 sites in the Commonwealth awarded a Virginia Business Ready Sites Program (VBRSP) development grant in January 2023. The grant funds were used in fiscal year 2024 to develop a new master plan for Phase 2 of the New London Business and Technology Center and completed a range of studies, including preliminary geotechnical exploration, a boundary survey, and a topography survey.

Also, during the year, the Department of Economic Development also conducted six Bedford ONE tours with participation from nearly 200 high school students. The Bedford ONE program that links high school students with local businesses based on their career interests. It is a partnership between the Bedford County Office of Economic Development, Bedford County Public Schools, and area businesses.

The tourism industry in Bedford County remains strong, as evidenced by the continued increase in transient occupancy tax revenues. In 2024, these revenues reached an all-time high of nearly \$2.0 million and has more than doubled the County's pre-pandemic revenues.



Also, according to the Virginia Tourism Corporation, direct travel expenditures by visitors to Bedford increased by 13.9% for total spending of \$81,358,328 in calendar year 2023 compared to total spending of \$71,418,941 in calendar year 2022.

Bedford County's Department of Tourism has been integral in growing and maintaining the County's tourism industry with achievements and initiatives such as those completed during fiscal year 2024:

- Bedford County was named the **2023 Top Small Adventure Town** by Blue Ridge Outdoors in the 13th annual Top Adventure Towns contest. The County first won this title in 2020 and was name runner-up in 2021 and 2022.
- Bedford County was named an **American World War II Heritage City**, the only locality in Virginia with this designation. The Secretary of the Interior may designate up to one jurisdiction in each state and territory with this title to recognize the historic importance of the United States' involvement in World War II. This designation was further illustrated with a successful 80th Anniversary of D-Day in collaboration with the National D-Day Memorial.

- The **Bottled in Bedford Craft Beverage Trail** links Bedford County's wineries, breweries, cideries, and meadery into a single experience. Visitors can download a printable map or use the interactive map online to start exploring locally owned businesses throughout Bedford County that are passionate about producing great beverages and providing a welcoming atmosphere for guests.
- **Bedford VA250** is a local committee formed in Bedford County to plan local and regional events, as well as work alongside the state level commission (Virginia American Revolution 250 Commission) to commemorate the 250th anniversary of the American Revolution. Bedford County held its first event on April 20, 2024 with many more events to follow leading up to the anniversary date.

Additionally, the County's brand, Destination Bedford, is extensively marketed via a wide range of media (e.g. travel guides, billboard, social media, radio, travel writers, etc.), increasing the County's visibility and reaching a broad range of potential visitors.

Long-term Planning

The County's General Fund reported an ending unrestricted (the total of the committed, assigned, and unassigned components of fund balance) fund balance of \$92.0 million, an increase of \$1.6 million from fiscal year 2023. Total unassigned fund balance was \$57.8 million, which exceeds the minimum fund balance policy of 20.0% of General Fund expenditures, or \$26.3 million.

The Capital Improvement Plan (CIP) is a planning document intended to provide an analysis of potential long-range funding needs for investing in facilities, improvements and equipment. The five-year CIP is submitted annually to the Board of Supervisors through which identified capital needs are analyzed against the County's ability to pay. The 2024-2028 CIP was adopted in May 2023 and projects total capital needs of \$40.4 million for the County's General Fund. Capital needs will be funded primarily through cash generated from ongoing operating revenues (\$36.5 million). Additional planned funding sources over the life of the plan include the use of unassigned fund balance (\$2.3 million) and miscellaneous grants and user fees (\$1.6 million).

Financial Information

Throughout the year, the County's accounting records for operations are maintained on the cash basis. At year end, adjusting entries are made to report general governmental operations on the modified accrual basis. The modified accrual basis reports revenues when they become measurable and available and expenditures when the good and/or services are received or related fund liability is incurred. For the

County's enterprise funds, the nursing home and solid waste program, adjusting entries are made to report the activity on the accrual basis.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are a system of methods, practices, and procedures designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that; (1) the cost of a control should not exceed the benefits likely to be derived there from; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal accounting control evaluations occur within the above framework. We believe that our system of internal accounting control adequately safeguards assets and provides reasonable assurance for the proper recording of financial transactions. Budgetary controls are maintained to ensure compliance with the budget approved by the Board of Supervisors. The approved budget is used as a tool to monitor general government expenditures within the limits adopted by the Board.

Relevant Financial Policies

Fiscal integrity is a top priority for Bedford County. The County recognizes financial policies establish the framework for financial planning and management and ensure that the County can continue to be a model of excellence in government.

As such, Bedford County's financial policies are approved by the County Administrator and adopted by the Board of Supervisors. The financial policies address procurement, budget formulation, debt issuance and management, guidelines for appropriate fund balance, and investment objectives and restrictions. All financial policies are periodically reviewed, with amendments approved by the Board, as necessary. Most recently, the Board approved the following:

- Budget Policy – replaced the Supplemental Appropriation and Reappropriation policies and expanded the policy coverage to include the entire operating and capital budget process. Issued June 1 2024.
- Fund Balance Policy – increased the minimum level of unassigned fund balance from ten percent (10%) to twenty percent (20%). Revised June 12, 2023.
- Investment Policy – updated various elements within the policy to bring in line with more current standards. Revised June 12, 2023.

- Debt Policy – updated debt parameters to bring in line with more current standards. Revised June 12, 2023.

Acknowledgments

The County utilizes its website, www.bedfordcountyva.gov, for a variety of purposes, which include the presentation of the ACFR and budget document. The budget document serves as the best source of information for the County's current financial plan, new initiatives, and capital improvements program. In addition, the website provides many other topics of interest to County residents and service providers.

The preparation of this report would not have been possible without the efficient and dedicated services of the Department of Finance. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We would also like to acknowledge the cooperation and assistance of the staff of the School Board and the many other County departments and agencies that contributed to the preparation of this report.

Respectfully submitted,



Robert Hiss
County Administrator



Ashley Anderson, MAcc, CPA
Director of Finance

**COUNTY OF BEDFORD, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS**

MEMBERS OF THE BOARD OF SUPERVISORS

Edgar Tuck, Chairperson
Tammy Parker, Vice Chairperson

Mickey Johnson	Charla Bansley
John Sharp	Tommy Scott
Bob Davis	

MEMBERS OF THE COUNTY SCHOOL BOARD

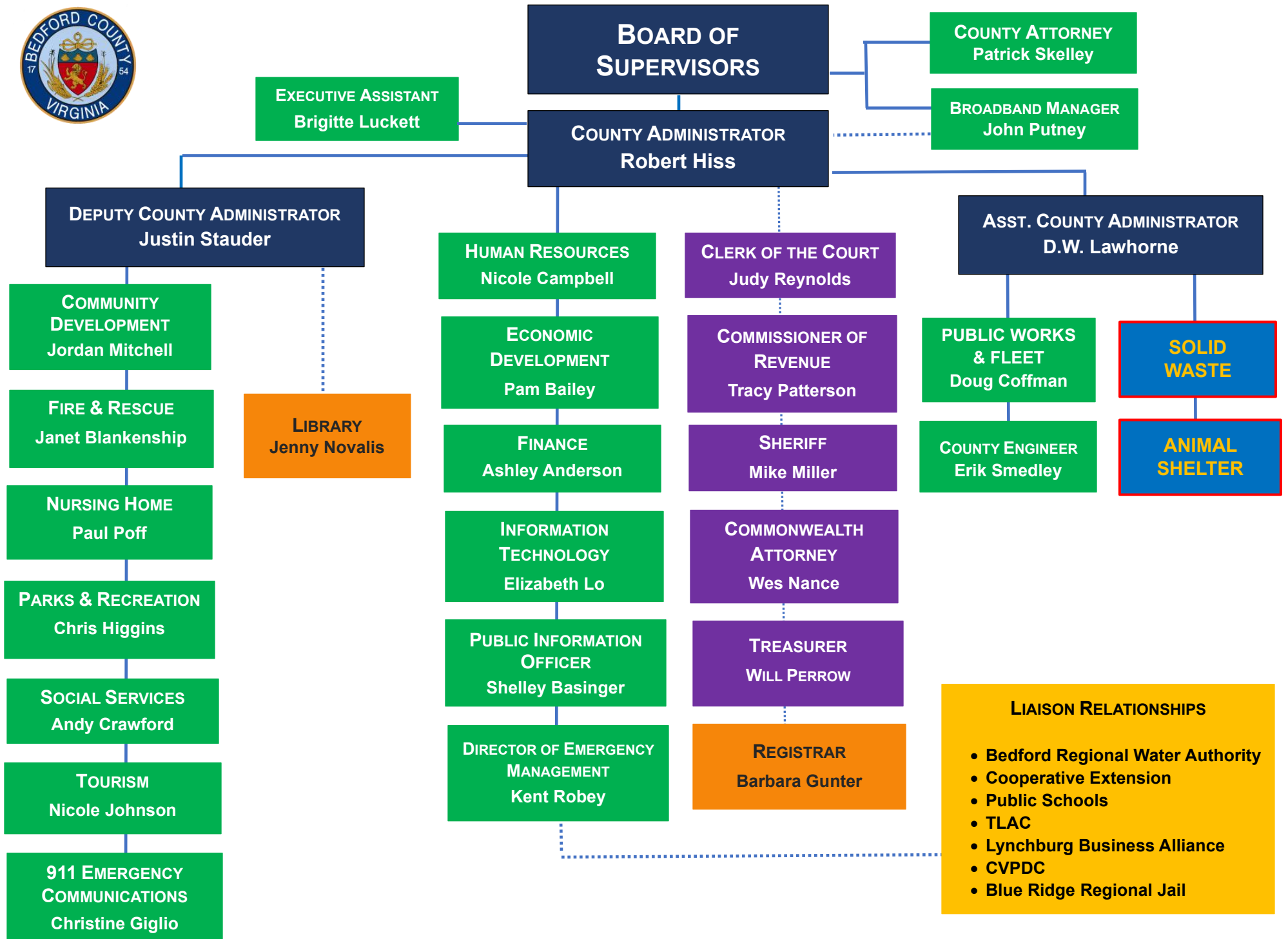
Marcus S. Hill, Chairperson
Christopher Daniels, Vice Chairperson

Johnathan Knight	Matthew Holbrook
Dwayne Nelms	Dora Purvis
Kurt Hubach	

OTHER OFFICIALS

Robert Hiss	County Administrator
Justin Stauder.....	Deputy County Administrator
Donald W. Lawhorne	Assistant County Administrator
Patrick J. Skelley, II.....	County Attorney
Ashley Anderson, MAcc, CPA	Director of Finance
Dr. Marc Bergin.....	Superintendent of Schools
Randy Hagler	Assistant Superintendent of Finance and Operation
Andrew L. Crawford	Director of Social Services
Judy E. Reynolds	Clerk of the Circuit Court
Wes Nance	Commonwealth's Attorney
Tracy Patterson	Commissioner of the Revenue
William M. Perrow	Treasurer
Michael W. Miller	Sheriff
Barbara J. Gunter	Registrar







FINANCIAL SECTION



Independent Auditor's Report

To the Honorable Members of the Board of Supervisors
County of Bedford, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bedford, Virginia (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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


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

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Bedford, Virginia's basic financial statements. The accompanying discretely presented School Board combining statements, Schedule 1, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the discretely presented School Board combining statements, Schedule 1, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 6, 2024

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

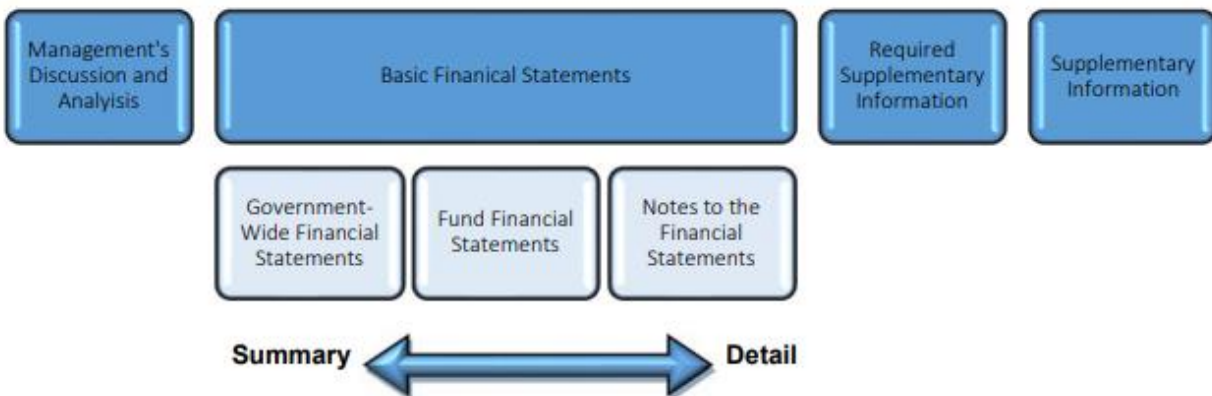
The management of the County of Bedford, Virginia (County) present the following discussion and analysis as an overview of the financial activities of the County and its component unit, Bedford County Public Schools (School Board) for the fiscal year ended June 30, 2024. We encourage readers to consider this discussion and analysis in conjunction with our letter of transmittal, which can be found on pages i-x of this report.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the Primary Government exceeded its liabilities and deferred inflows of resources as of June 30, 2024 by \$93.9 million (*net position*). Under Virginia law, School Divisions hold title to all school property and local governments incur financial obligations for school property. The assets are reported on the School Division's Statement of Net Position and the related debt is reported on the County's Statement of Net Position. Consequently, the County reports \$69.2 million in school debt without the related assets.
- As of June 30, 2024, the County's general fund reported combined ending fund balances of \$107.0 million, an increase of \$7.5 million from the prior year. The increase in fund balances is primarily due to increased interest earnings and other local taxes (i.e. sales tax, transient occupancy tax, and meals tax), as well as higher collection rates on general property taxes. Of the \$107.0 million total, 85.94% (\$92.0 million) is available for spending at the County's discretion (sum of *committed, assigned and unassigned fund balances*), while the *nonspendable and restricted fund balances* were 14.06% (\$15.0 million).
- The County's total debt decreased by \$5.0 million (6.8%) to \$67.7 million during fiscal year 2024. The decrease is the result of principal payments on existing debt.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial section of the Annual Comprehensive Financial Report consists of the following:



**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

Management's discussion and analysis is unaudited and is intended to serve as an introduction to the County of Bedford's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. Additionally, this report contains unaudited required supplementary information that accompanies the basic financial statements and related notes.

The County's basic financial statements include two types of financial statements, each with a different view of the County's finances: government-wide and the fund financial statements. Government-wide financial statements view the County as a whole and provide both long-term and short-term information about the County's overall financial position. The fund financial statements focus on individual funds and report the County's operations in more detail than the government-wide statements. Both perspectives allow the user to address relevant questions, broaden the basis of comparison, and enhance the County's accountability.

Government-Wide Financial Statements

The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*, both of which are designed to provide readers with a broad overview of the County's finances using the accrual basis of accounting, which is the method most-used by private-sector businesses. All current year revenues and expenses are reported in the *Statement of Activities* regardless of when cash is received or paid.

A primary goal of the government-wide financial statements is to report the County's net position and changes that affected net position during the fiscal year. Net position is the difference between assets plus deferred outflows and liabilities plus deferred inflows and is one way to measure the County's financial position. The historical trend of net position may serve as an indicator of whether the County's financial condition is improving or deteriorating. However, other nonfinancial factors, such as changes in the County's property tax base and the condition of the County's infrastructure, should also be considered in assessing the overall financial condition of the County.

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion of, their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, judicial administration, public safety, public works, health and human services, parks and recreation, community development, and the County's self-insurance fund. The business-type activities of the County include the Nursing Home and Solid Waste.

The government-wide financial statements (Exhibits 1 and 2) include not only the County itself (known as the *primary government*), but also three component units – Bedford County Public Schools, Bedford Public Library System, and the Bedford Economic Development Authority. These component units represent legally separate entities for which the County is financially accountable. Financial information for these

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

component units is reported separately from the financial information presented for the primary government. The government-wide financial statements are found on pages 21-22 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. The County, like all other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. Fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds – not the whole system. The County utilizes three fund types:

Governmental Funds

Governmental funds are used to account for most of the County's basic services. Unlike the government-wide statements, governmental fund financial statements (Exhibits 3 – 5) 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.

The focus of governmental fund statements is narrower than that of the government-wide financial statements, so it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities*. 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 the comparison between *governmental funds* and *governmental activities*.

The County maintains one governmental fund, the general fund, for which it adopts an annual appropriated budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

Proprietary funds are classified as enterprise funds or internal service funds.

Enterprise funds are used to report the same functions that are presented as *business-type activities* in the government-wide financial statements. The County maintains two enterprise funds: Nursing Home and Solid Waste.

Internal Service funds are used to allocate the cost of shared activities between departments and are presented as part of *governmental activities* in the government-wide financial statements. The County maintains one internal service fund to provide health, dental, and vision coverage for employees.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Exhibits 6 – 8 of this report present the County's proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources received and held in a fiduciary capacity for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. However, the County is responsible for ensuring that the fiduciary fund assets are used for their intended purposes. The County's fiduciary funds consist of Custodial Funds and are reported in Exhibits 9 and 10 of this report.

The County's fund financial statements begin on page 23-34 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 35 of this report.

Other Information

- **Required Supplementary Information (RSI)** - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's pension and other postemployment benefits to its current and past employees. RSI schedules are presented in Exhibits 11 – 22 (pages 100-111).
- **Other supplementary information** – Certain additional information is presented immediately following the RSI. Supplementary information includes a governmental fund budgetary comparison (Schedule 1, page 117), a schedule of federal expenditures (Schedule 2, page 124), and combining financials statements of the School Board component unit (Exhibits 23 – 25, pages 114-118).
- **Statistical Section** - The report also contains a statistical section, which begin on page 129 of this report and supplements the basic financial statements by presenting detailed trend information to assist the users in assessing the economic condition of the County.
- **Compliance Section** – The compliance section begins on page 150 of this report and includes the independent auditors' required reports on compliance and internal control, a summary of compliance matters, and a Schedule of Findings and Questioned Costs.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

As noted earlier, the historical trend of the County's net position may serve as a useful indicator of a government's financial position. Table 1 on the following page summarizes the Statement of Net Position for the primary government and the School Board as of June 30, 2024 and 2023:

Summary Statement of Net Position as of June 30, 2024 and 2023, as restated (\$ in millions)								
	Primary Government						Component Unit	
	Governmental Activities		Business-Type Activities		Total Primary Government		School Board	
	2024	2023	2024	2023	2024	2023	2024	2023*
Current and other assets	\$ 154.5	\$ 144.2	\$ 11.7	\$ 12.3	\$ 166.2	\$ 156.5	\$ 36.6	\$ 40.6
Capital assets (net)	44.7	43.4	9.8	10.0	54.5	53.4	141.3	144.1
Total assets	199.2	187.6	21.5	22.3	220.7	209.9	177.9	184.7
Total deferred outflows	4.6	5.6	0.5	0.6	5.1	6.2	22.4	19.4
Long-term liabilities	70.8	77.0	9.5	9.4	80.3	86.4	77.4	75.1
Other liabilities	20.4	20.0	1.3	1.2	21.7	21.2	19.0	19.6
Total liabilities	91.2	97.0	10.8	10.6	102.0	107.6	96.4	94.7
Total deferred inflows	29.4	30.7	0.5	0.7	29.9	31.4	11.7	18.3
Net position:								
Net investment in capital assets	43.8	42.4	9.7	10.0	53.5	52.4	135.9	139.4
Restricted	0.5	-	0.1	-	0.6	-	1.1	1.8
Unrestricted	38.9	23.0	0.9	1.6	39.8	24.6	(45.1)	(50.1)
Total net position	\$ 83.2	\$ 65.4	\$ 10.7	\$ 11.6	\$ 93.9	\$ 77.0	\$ 91.9	\$ 91.1
*Fiscal Year 2023 net position for the School Board was restated to correct the balance of CIP and the value of lease assets and related liabilities.								

Table 1

The County's net position of \$93.9 million increased 22.0%, or \$16.9 million, from fiscal year 2023. The increase is comprised of an increase in net position in governmental activities of \$17.8 million, and a decrease of \$0.9 million in business-type activities. Net investment in capital assets of \$53.7 million was 57.2% of the net position and increased 2.5%, or \$1.3 million. Net position invested in capital assets is not available for future expenses because the assets are facilities, equipment, and infrastructure utilized to provide services.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

The County has unrestricted net position of \$39.8 million, which is comprised of \$38.9 million for governmental activities and \$0.9 million for business-type activities. Unrestricted net position available for providing services to the citizens increased 61.8%, or \$15.2 million. As stated earlier, under Virginia Law, School Divisions hold title to the school property and County incurs the financial obligation for the school property. Consequently, the County reports \$69.2 million in school debt without the related assets.

The School Board's total net position of \$92.2 million, increased \$1.1 million from fiscal year 2023, primarily due to the net change in pension and OPEB deferred inflows and outflows.

Changes in Net Position

Table 2 summarizes the changes in net position for the primary government and the School Board for the fiscal years ended June 30, 2024 and 2023:

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

Change in Net Position Year Ended June 30, 2024 and 2023, as restated (\$ in millions)								
	Primary Government						Component Unit	
	Governmental Activities		Business-Type Activities		Total Primary Government		School Board	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues								
Program revenues:								
Charges for services	\$ 5.9	\$ 4.7	\$ 10.5	\$ 9.5	\$ 16.4	\$ 14.2	5.7	5.2
Operating grants and contributions	28.9	32.9	-	0.4	28.9	33.3	44.1	46.5
Capital grants and contributions	-	-	-	-	-	-	-	-
General revenues:								
Property taxes	79.0	75.0	-	-	79.0	75.0	-	-
Other taxes	19.5	19.1	-	-	19.5	19.1	-	-
Payments from Bedford County	-	-	-	-	-	-	36.3	46.3
Noncategorical state aid	6.7	6.5	0.2	-	6.9	6.5	46.1	43.9
Investment earnings	3.3	0.8	0.1	-	3.4	0.8	0.1	-
Other	1.5	0.9	0.4	0.4	1.9	1.3	1.3	2.8
Total revenues	144.8	139.9	11.2	10.3	156.0	150.2	133.6	144.7
Expenses								
General government	7.5	6.7	-	-	7.5	6.7	-	-
Judicial administration	3.1	2.8	-	-	3.1	2.8	-	-
Public safety	29.2	26.8	-	-	29.2	26.8	-	-
Public works	6.7	6.0	-	-	6.7	6.0	-	-
Health and welfare	17.6	16.4	-	-	17.6	16.4	-	-
Education	36.3	46.3	-	-	36.3	46.3	132.7	120.0
Parks, recreation and cultural	4.2	4.2	-	-	4.2	4.2	-	-
Community development	17.8	13.7	-	-	17.8	13.7	-	-
Nursing Home	-	-	8.5	7.6	8.5	7.6	-	-
Solid Waste	-	-	6.2	6.3	6.2	6.3	-	-
Interest on long-term debt	2.0	2.3	-	-	2.0	2.3	-	-
Total expenses	124.4	125.2	14.7	13.9	139.1	139.1	132.7	120.0
Increase (decrease) in net position before transfers	<u>\$ 20.4</u>	<u>\$ 14.7</u>	<u>\$ (3.5)</u>	<u>\$ (3.6)</u>	<u>\$ 16.9</u>	<u>\$ 11.1</u>	<u>\$ 0.9</u>	<u>\$ 24.7</u>
Transfers	(2.6)	(1.8)	2.6	1.8	-	-	-	-
Change in net position	17.8	12.9	(0.9)	(1.8)	16.9	11.1	0.9	24.7
Total net position-beginning of year, as restated*	65.4	52.5	11.6	13.4	77.0	65.9	91.0	66.3
Total net position-end of year	\$ 83.2	\$ 65.4	\$ 10.7	\$ 11.6	\$ 93.9	\$ 77.0	\$ 91.9	\$ 91.0
<i>*Fiscal Year 2023 net position for the School Board was restated to correct the balance of CIP and the value of lease assets and related liabilities.</i>								

Table 2

Governmental Activities

The increase in net position is largely attributed to the County's governmental activities revenues exceeding expenditures by \$20.4 million. Fiscal year 2024 revenues of \$144.8 million represent an increase of \$4.9 million, or 3.5%, in comparison to the prior year, while expenses of \$124.4 million represent a decrease of \$0.8 million, or 0.6%, compared to the prior year.

The following chart illustrates the County's fiscal year 2024 governmental revenues by source as a percentage of total governmental revenues:

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

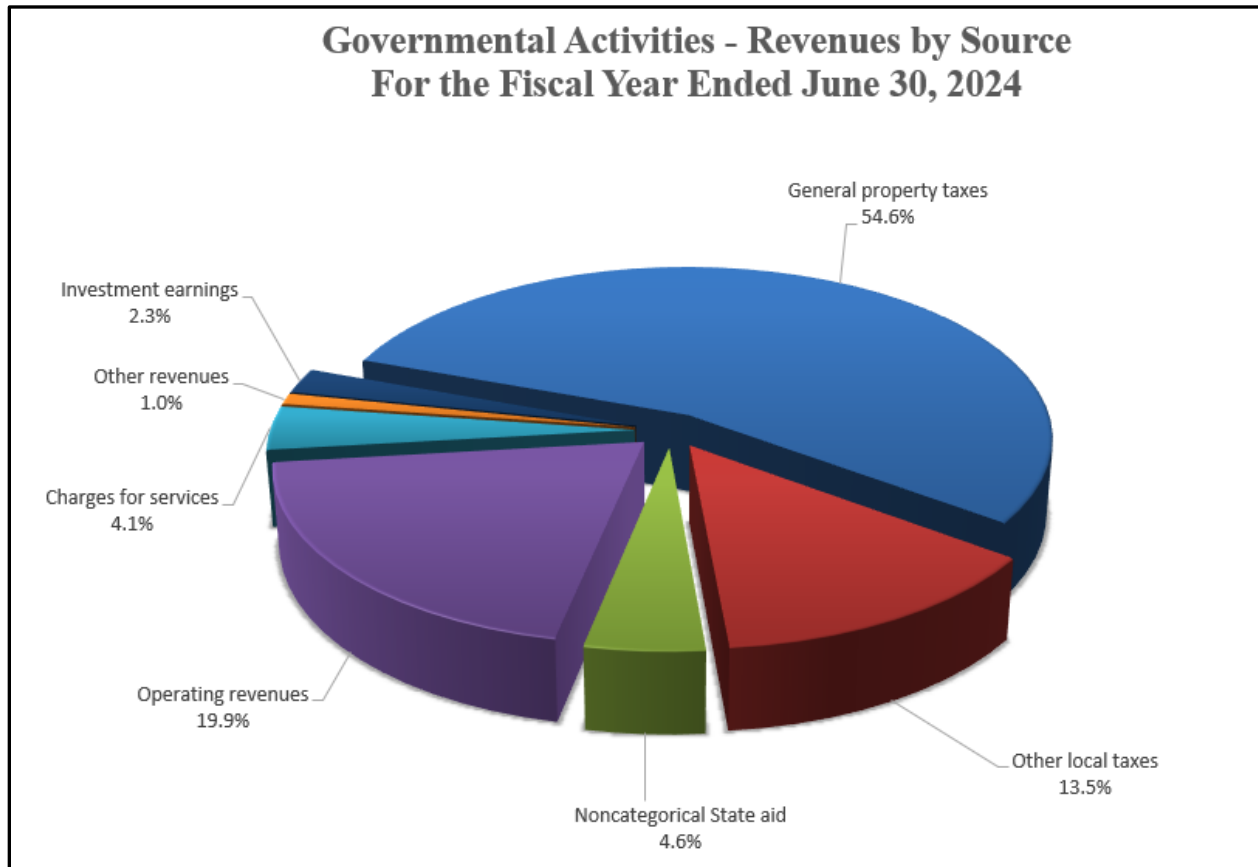


Figure 1

Taxes comprise the largest source of County revenues, totaling \$98.5 million for fiscal year 2024, an increase of \$4.5 million, or 4.8%, in comparison to fiscal year 2023. General property taxes account for \$79.0 million, or 54.6% of revenues. An increase in general property taxes of \$4.0 million, or 5.3%, is attributable to continued growth in the tax base and real estate reassessment completed in 2024.

In fiscal year 2024, \$34.8 million, or 24.0%, of total revenues consisted of program revenues, including \$5.9 million in charges for services and \$28.9 million of operating grants and contributions. General revenue, including \$6.7 million of noncategorical state aid and \$4.8 million of investment earnings and other income, accounted for the remaining revenues.

Also, shown in Table 2 (page 130) and Table 3 (page 132), the total expenses of all the County's governmental activities for fiscal year 2024 were \$124.4 million, which represents decrease of \$0.8 million, or 0.6%, when compared to fiscal year 2023. The decrease is due to decreased expenses for education of \$10.0 million offset by increases in all other functional areas. The decreases in educational expenses are due to the completion of upgrades at Forest Middle School.

As the following chart indicates, education continues to be one of the County's largest programs and highest priorities, with education expenses totaling \$36.3 million in fiscal year 2024. Public Safety, community

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

development, and human services are also strategic focus areas and the County's second, third, and fourth largest expenses, totaling \$29.2 million, \$17.8 million, and \$17.6 million, respectively.

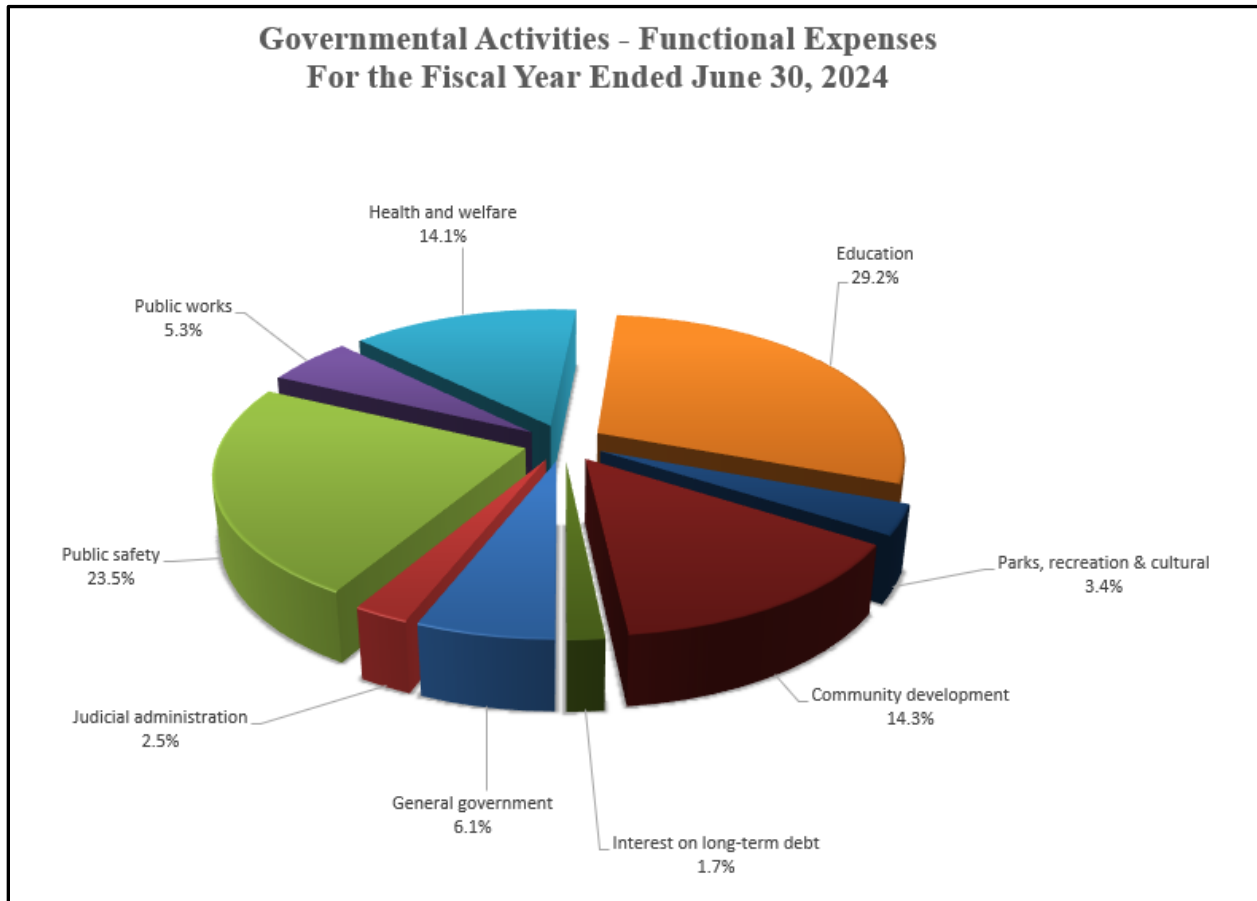


Figure 2

Table 3 presents the total cost of the County's governmental activities by function, as well as the net cost of each function (total cost less fees generated by each function and program-specific intergovernmental aid) for fiscal year ended June 30, 2024 and 2023:

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

	Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2024 (\$ in millions)			
	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General government	\$ 7.5	\$ 6.7	\$ 6.1	\$ 5.6
Judicial administration	3.1	2.8	1.3	1.2
Public safety	29.2	26.8	16.5	15.2
Public works	6.7	6.0	6.2	5.3
Health and welfare	17.6	16.4	5.7	5.6
Education	36.3	46.3	36.3	46.3
Parks, recreation & cultural	4.2	4.2	4.0	4.1
Community development	17.8	13.7	11.4	2.1
Interest on long-term debt	2.0	2.3	2.1	2.3
Total	<u>\$ 124.4</u>	<u>\$ 125.2</u>	<u>\$ 89.6</u>	<u>\$ 87.7</u>

Table 3

A portion of the \$124.4 million cost of the County's governmental activities was paid by those who directly benefited from the programs (i.e., charges for services of \$5.9 million), and other governments and organizations that subsidized certain programs (i.e. operating and capital grants and contributions of \$28.9 million). These combined program revenues of \$34.8 million reduced the total fiscal year 2024 cost of services from \$124.4 million to the net cost of services of \$89.7 million. The net cost of services was covered by the County's general revenues, consisting primarily of taxes and state aid.

Business-type activities

Table 2 (page 130) also summarizes the business-type activities. The County's business-type activities consist of the Nursing Home and Solid Waste. The decrease in the net position attributable to the County's business-type activities totaled \$0.9 million for fiscal year 2024.

FINANCIAL ANALYSIS OF THE COUNTY'S GENERAL FUND

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

The focus of the County's General Fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In addition, the County's fund balance classifications help identify the extent to which the County's fund balances are constrained.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

As of June 30, 2024, the County's General Fund reported combined ending fund balances of \$107.0 million (Exhibit 3), as compared to \$99.5 million as of June 30, 2023, an increase of \$7.5 million. Of the \$107.0 million fiscal year 2024 fund balance, \$0.3 million is classified as *nonspendable* because it is invested in inventories and prepaid expenditures and, therefore, is not in spendable form; \$14.8 million is classified as *restricted* to indicate that it can only be spent for specific purposes as stipulated by external resource providers (e.g., debt covenants, grant agreements, and volunteer fire and rescue length of service program), \$4.0 million is classified as *committed* to indicate that it has been set aside for specific purposes by resolution of the County's Board of Supervisors, \$30.2 million is assigned to indicate that County administration has identified specific purposes for the use of those funds, and the remaining \$57.8 million is *unassigned*. Unassigned fund balances are technically available for any purpose but are maintained at targeted levels in accordance with sound financial management practices.

Additional information can be found in Note 18 on pages 93-94 of this report.

The following graphs illustrate fund balance trends for the County's general fund for fiscal years 2020 through 2024.

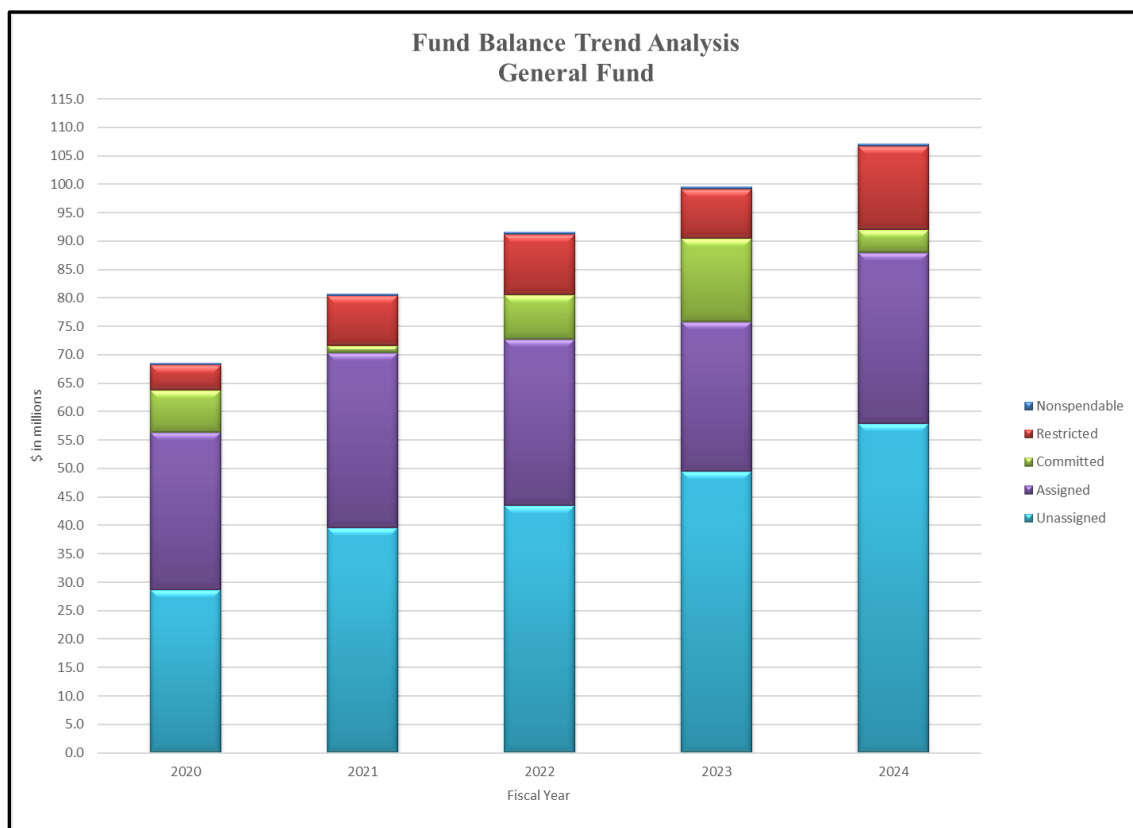


Figure 3

The increase in restricted fund balance in fiscal year 2024 was due to receiving the final tranche of American Rescue Plan Act (ARPA) funding. The unspent grants funds are classified as restricted. The decrease in

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

committed fund balance in fiscal year 2024 is due to the completion of capital projects. Funds appropriated for capital projects are classified as committed until the funds are expended.

The General Fund's liquidity can be measured by comparing unassigned fund balance to total fund expenditures. At the end of the current fiscal year, the General Fund had an unassigned fund balance of \$57.8 million, which represents 43.9% of total fiscal year 2024 General Fund expenditures. Per the Board's adopted policy, which was revised in fiscal year 2023, the County is required to maintain a minimum unassigned fund balance for the General Fund of 20.0% of the General Fund expenditures. This positive liquidity primarily results from the County receiving the first half of the 2024 real estate taxes in June. The semi-annual real estate collection dates allow the County to avoid borrowing funds to support operations during the early part of the following fiscal year.

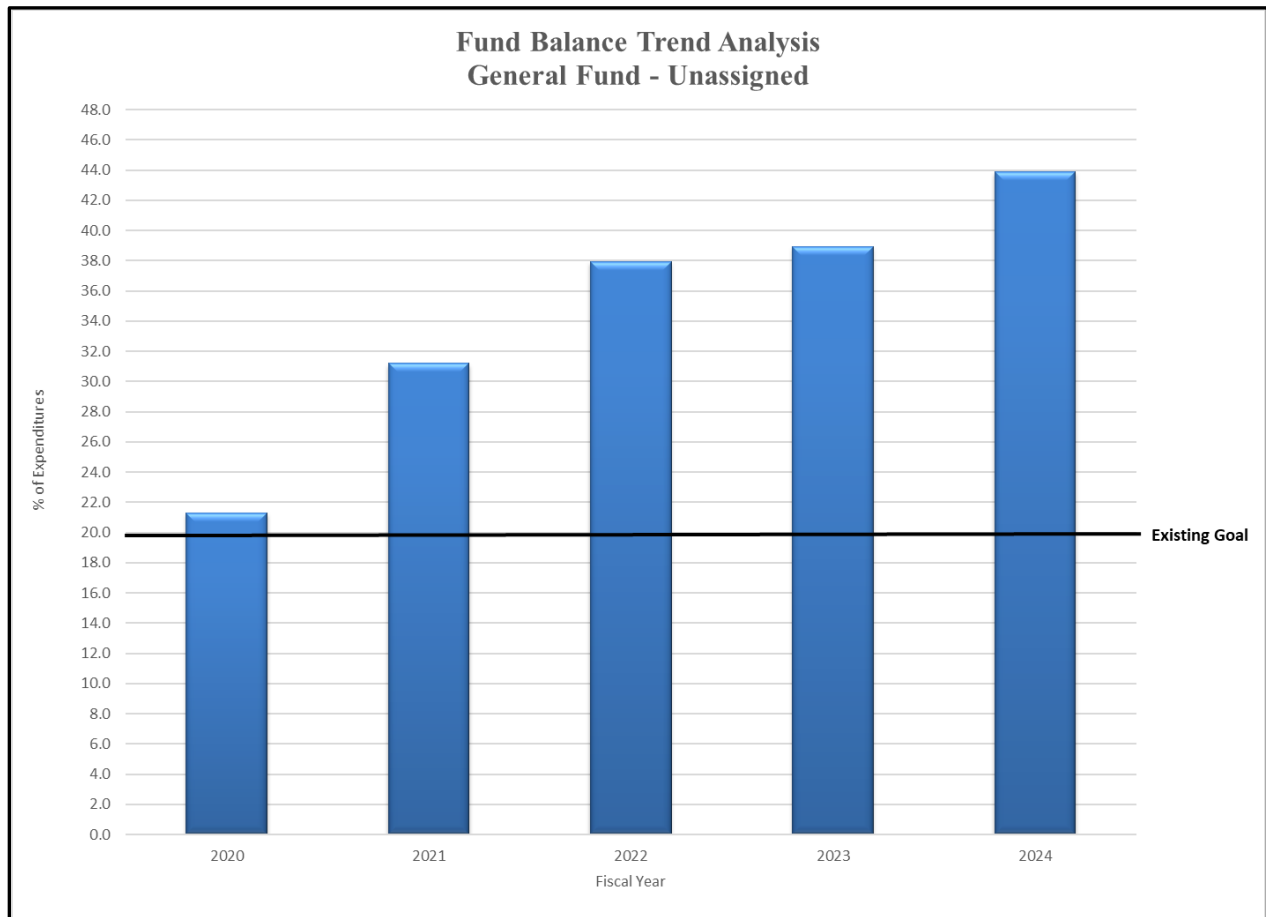


Figure 4

The County's proprietary funds financial statement provide the same type of information presented in the business-type activities on the government-wide financial statements, as their basis of accounting is the same, but in more detail. Factors relating to the financial position and results of operations of the County's

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

Nursing Home and Solid Waste have been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 4 provides a comparison of the original budget, amended budget, and actual revenues and expenditures in the General Fund (Exhibit 5).

Budgetary Comparison General Fund For the Fiscal Year Ended June 30, 2024 (\$ in millions)				
	Original Budget	Amended Budget	Actual	
Revenues & Other Financing Sources:				
General Property Taxes	\$ 76.2	\$ 76.2	\$	79.5
Other Local Taxes	18.0	18.0		19.4
Intergovernmental	26.1	49.0		33.1
Other Revenue	5.4	6.0		10.5
Other Sources	-	-		-
Total	125.7	149.2		142.5
Expenditures & Other Financing Uses:				
Expenditures	122.2	169.1		133.2
Other Uses	2.6	2.6		2.6
Total	124.8	171.7		135.8
Changes in Fund Balance	\$ 0.9	\$ (22.5)	\$	6.7

Table 4

The original budget reflects the Board's original adopted budget for the fiscal year ended June 30, 2024. The amended budget includes rollover grant and capital improvement program appropriations of \$1.9 million and \$36.9 million, respectively. Additionally, the Board did not appropriate \$0.2 million of the budgeted transient occupancy revenues as the funds were legislatively restricted to tourism use and were, therefore, set aside in a reserve for future appropriation.

Additional General Fund budget amendments of \$8.1 million were adopted by the Board during the fiscal year ended June 30, 2024. Significant amendments included:

- \$1.8 million from continuation grants awarded by the Department of Criminal Justice Services for the Internet Crimes Against Children Task Force
- \$1.3 million contribution to the Bedford Regional Water Authority to help fund various capital needs

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

- \$1.1 million continuation grant for 14 additional School Resource Officers
- \$0.9 million grant to help bring broadband services to Big Island/Wheats Valley area
- \$0.6 million for public safety radio replacement
- \$0.5 million federal continuation grant for the Internet Crimes Against Children Task Force
- \$0.4 million of additional state funding for increased demand of Children's Services Act (CSA) services
- \$0.1 million contribution to the Bedford YMCA to help fund a childcare center

CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2024, totals \$54.4 million, net of accumulated depreciation and amortization. Capital assets and intangible assets, net of accumulated depreciation and amortization, are illustrated in the following table.

Summary of Capital Assets as of June 30, 2024 and 2023 (\$ in millions)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Capital assets						
Land	\$ 4.5	\$ 4.5	\$ 1.2	\$ 1.2	\$ 5.7	\$ 5.7
Building and improvements	62.8	59.6	23.3	23.2	86.1	82.8
Machinery and equipment	23.8	24.8	5.2	5.0	29.0	29.8
Construction in progress	3.1	2.7	0.3	0.3	3.4	3.0
Total capital assets	94.2	91.6	30.0	29.7	124.2	121.3
Accumulated depreciation	(50.1)	(48.9)	(20.3)	(19.7)	(70.4)	(68.6)
Net capital assets	\$ 44.1	\$ 42.7	\$ 9.7	\$ 10.0	\$ 53.8	\$ 52.7
Intangible assets						
Lease asset - Buildings	\$ 0.7	\$ 0.7	\$ -	\$ -	\$ 0.7	\$ 0.7
Lease asset - Equipment	0.2	0.1	-	-	0.2	0.1
Subscription assets	0.6	0.3	0.1	0.1	0.7	0.4
Total intangible assets	\$ 1.5	\$ 1.1	\$ 0.1	\$ 0.1	\$ 1.6	\$ 1.2
Accumulated Amortization	(0.9)	(0.5)	(0.1)	-	(1.0)	(0.5)
Net intangible assets	\$ 0.6	\$ 0.6	\$ -	\$ 0.1	\$ 0.6	\$ 0.7
Total assets	\$ 44.7	\$ 43.3	\$ 9.7	\$ 10.1	\$ 54.4	\$ 53.4

Table 5

Major capital asset activity during fiscal year 2024 included, but was not limited to, the following:

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

Completed construction in progress (CIP): The following projects were considered construction in progress at the close of fiscal year 2023 but were completed and capitalized during fiscal year 2024.

- Improvements to the Courthouse parking deck
- Exterior repairs and improvements to the Bedford Museum
- Implementation of the Tyler Munis financial- and tax-related modules
- Technology upgrades related to digital storage and back up needs

New construction in progress (CIP): The following projects were initiated during fiscal year 2024, but as of June 30, 2024, were not yet completed and, therefore, considered construction in progress at the close of the fiscal year.

- Upgrades to the fire alarm system in various county-owned facilities
- Improvements to the parking and entrance areas for the Registrar's new location off Falling Creek Road
- Upgrades to public safety radios to ensure continued compatibility with the regional radio system

In addition to these new and completed CIP projects, progress continued on the new CAD/RMS system upgrade, which began in fiscal year 2023 and is expected to reach completion in fiscal year 2025. Additional information on the County's capital assets can be found in Note 6 (pages 50-52) to the financial statements.

LONG-TERM DEBT

Table 6 illustrates the County's outstanding long-term debt obligations as of June 30, 2024. Additional information can be found in Note 7, which begins on page 53 of this report.

	Outstanding Debt as of June 30, 2024 and 2023 (\$ in millions)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Virginia Public School Authority bonds	\$ 62.0	\$ 66.4	\$ -	\$ -	\$ 62.0	\$ 66.4
Bond premiums	5.7	6.2	-	-	5.7	6.2
Lease obligations	3.4	4.2	-	-	3.4	4.2
Subscription obligations	0.2	0.1	-	-	0.2	0.1
Total	\$ 71.3	\$ 76.9	\$ -	\$ -	\$ 71.3	\$ 76.9

Table 6

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

The *Code of Virginia* does not impose a legal debt margin limit on counties. However, the County has adopted a policy with three debt ratios as a management tool. A key debt policy is the ratio of debt service costs to general government expenditures, which was 4.5% for the current year comparing favorably to the policy maximum of 10%. Debt ratios for the last ten years are provided in Table 11 (page 141) in the Statistical Section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During fiscal year 2024, the County experienced positive trends in its economic indicators.

- The County's revenues continue to slowly grow primarily due to higher property tax valuations.
- County general property tax rates remained unchanged for calendar year 2024.
- The County's unemployment rate through the first half of calendar year 2024 remains low at 2.7% and is 32.5% lower than the national unemployment rate for the same period.

The positive economic trends are expected to continue in fiscal year 2025. Other key factors that are expected to impact future budgets include:

- Anticipated increases in health insurance premiums
- Funding for the Capital Improvements Program
- Volatility of CSA program expenditures
- Increasing demand for county services due to a steadily increasing population

The County closely monitors and forecasts its revenues on a continual basis and incorporates any significant changes in its current and subsequent fiscal year's budget plans to mitigate their impact and maintain the County's sound financial position.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's financial condition and operations. Questions concerning this report or requests for additional financial information should be directed to the Director of Finance, 122 East Main Street, Suite 203, Bedford, Virginia, 24523.

BASIC FINANCIAL STATEMENTS

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF NET POSITION
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments (Note 4)	\$ 93,522,039	\$ 10,745,644	\$ 104,267,683
Receivables, net (Note 5)	38,035,649	668,975	38,704,624
Internal balances (Note 10)	(47,257)	47,257	-
Due from primary government	-	-	-
Due from component unit	974	-	974
Prepays	314,797	67,037	381,834
Inventories	51,279	-	51,279
Lease receivable			
Receivable within one year	-	-	-
Receivable in more than one year	-	-	-
Restricted assets: (Note 4)			
Cash, cash equivalents, and investments	22,155,531	94,883	22,250,414
Net pension asset (Note 11 and 12)	485,976	87,042	573,018
Capital assets: (Note 6)			
Nondepreciable	7,633,086	1,566,622	9,199,708
Depreciable, net	36,442,326	8,155,507	44,597,833
Right-of-use-assets, net (Note 6)	398,530	28,730	427,260
Subscription assets, net (Note 6)	217,718	9,394	227,112
Total assets	199,210,648	21,471,091	220,681,739
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,339,802	-	1,339,802
Deferred outflows related to pensions (Notes 11, 12, 13, and 14)	2,848,556	398,252	3,246,808
Deferred outflows related to other			
postemployment benefits (Notes 15 and 16)	381,467	70,544	452,011
Total deferred outflows of resources	4,569,825	468,796	5,038,621
LIABILITIES			
Accounts payable and accrued expenses	3,504,957	489,598	3,994,555
Accrued payroll and related liabilities	710,901	347,902	1,058,803
Accrued interest payable	1,088,168	-	1,088,168
Self insurance (Note 18)	892,166	-	892,166
Unearned revenues	-	-	-
Incentives and performance grants payable	-	-	-
Due to component units	6,086,295	-	6,086,295
Due to primary government	-	-	-
Liabilities payable from restricted assets	-	94,883	94,883
Noncurrent liabilities:			
Due within one year (Note 7)	8,074,628	378,515	8,453,143
Due in more than one year (Note 7)	65,839,662	9,233,355	75,073,017
Net pension liability (Notes 13 and 14)	3,089,415	-	3,089,415
Net other postemployment benefit liability (Notes 15 and 16)	1,866,592	269,589	2,136,181
Total liabilities	91,152,784	10,813,842	101,966,626
DEFERRED INFLOWS OF RESOURCES			
Property taxes (Note 5)	25,599,491	-	25,599,491
Deferred inflows related to pensions (Notes 11, 12, 13, and 14)	3,435,030	372,828	3,807,858
Deferred inflows related to other			
postemployment benefits (Notes 15 and 16)	352,919	81,509	434,428
Lease-related deferred inflows	-	-	-
Total deferred inflows of resources	29,387,440	454,337	29,841,777
NET POSITION			
Net investment in capital assets	43,831,826	9,723,149	53,554,975
Restricted for:			
Donor requests	-	-	-
Pension	485,976	87,042	573,018
Unrestricted (deficit)	38,922,447	861,517	39,783,964
Total net position	\$ 83,240,249	\$ 10,671,708	\$ 93,911,957

The Notes to the Financial Statements are an integral part of this statement.

EXHIBIT 1

Component Units		Economic Development Authority	Reclassifications (See Note 1)	Total
School Board	Public Library			
\$ 24,821,381	\$ 513,776	\$ 2,359,190	\$ -	\$ 131,962,030
4,212,797	24,093	713,072	-	43,654,586
-	-	-	-	-
6,078,941	-	-	-	6,078,941
-	7,354	-	-	8,328
152,785	31,023	-	-	565,642
190,144	-	8,413,397	-	8,654,820
-	-	203,521	-	203,521
-	-	4,013,346	-	4,013,346
-	58,247	48,219	-	22,356,880
1,163,748	197,208	-	-	1,933,974
2,646,525	-	612,790	-	12,459,023
137,142,101	502,772	4,335,593	-	186,578,299
615,856	-	-	-	1,043,116
866,771	-	-	-	1,093,883
177,891,049	1,334,473	20,699,128	-	420,606,389
-	-	-	-	1,339,802
18,619,165	96,386	-	-	21,962,359
3,764,563	10,817	-	-	4,227,391
22,383,728	107,203	-	-	27,529,552
1,032,835	29,384	5,905	-	5,062,679
13,032,874	37,439	-	-	14,129,116
68,319	-	-	-	1,156,487
1,741,826	-	-	-	2,633,992
-	-	144,846	-	144,846
-	-	520,225	-	520,225
-	-	-	-	6,086,295
-	974	-	-	974
-	-	-	-	94,883
3,178,800	72,152	122,874	-	11,826,969
4,237,836	-	2,159,139	-	81,469,992
59,933,703	-	-	-	63,023,118
13,453,185	39,817	-	-	15,629,183
96,679,378	179,766	2,952,989	-	201,778,759
-	-	-	-	25,599,491
8,437,224	57,868	-	-	12,302,950
3,213,353	6,682	-	-	3,654,463
-	-	3,992,569	-	3,992,569
11,650,577	64,550	3,992,569	-	45,549,473
135,904,961	502,772	3,286,285	(69,183,045)	124,065,948
-	57,146	48,219	-	105,365
1,163,748	197,208	-	-	1,933,974
(45,123,887)	440,234	10,419,066	69,183,045	74,702,422
\$ 91,944,822	\$ 1,197,360	\$ 13,753,570	\$ -	\$ 200,807,709

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

		Program Revenues		
Function	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 7,536,040	\$ 550,986	\$ 840,258	\$ -
Judicial administration	3,070,863	113,477	1,686,581	-
Public safety	29,225,060	3,823,235	8,842,494	-
Public works	6,654,388	442,516	-	-
Health and welfare	17,557,614	371,863	11,426,618	-
Education	36,298,486	-	-	-
Parks, recreational, and cultural	4,169,302	212,223	4,500	-
Community development	17,847,900	355,737	6,082,686	-
Interest on long-term debt	2,067,646	-	-	-
Total governmental activities	124,427,299	5,870,037	28,883,137	-
Business-type activities:				
Nursing home	8,484,851	7,807,164	-	-
Solid waste	6,241,894	2,689,724	-	-
Total business-type activities	14,726,745	10,496,888	-	-
Total primary government	\$ 139,154,044	\$ 16,366,925	\$ 28,883,137	\$ -
Component Units:				
School Board	\$ 132,736,510	\$ 5,660,159	\$ 44,112,983	\$ -
Public Library	2,386,664	57,070	90,167	-
Economic Development Authority	1,033,100	-	570,639	-
Total component units	\$ 136,156,274	\$ 5,717,229	\$ 44,773,789	\$ -

General Revenues:

Property taxes
Other local taxes
Payments from Bedford County
Noncategorical grants and state and federal aid
Investment earnings, unrestricted
Investment earnings, restricted for capital projects and debt service
Miscellaneous
Transfers
Total general revenues
Change in net position
Net position-beginning, as restated (Note 24)
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 Units			
Governmental Activities	Business-Type Activities	Total	School Board	Public Library	Economic Development Authority	Total
\$ (6,144,796)	\$ -	\$ (6,144,796)	\$ -	\$ -	\$ -	\$ (6,144,796)
(1,270,805)	-	(1,270,805)	-	-	-	(1,270,805)
(16,559,331)	-	(16,559,331)	-	-	-	(16,559,331)
(6,211,872)	-	(6,211,872)	-	-	-	(6,211,872)
(5,759,133)	-	(5,759,133)	-	-	-	(5,759,133)
(36,298,486)	-	(36,298,486)	-	-	-	(36,298,486)
(3,952,579)	-	(3,952,579)	-	-	-	(3,952,579)
(11,409,477)	-	(11,409,477)	-	-	-	(11,409,477)
(2,067,646)	-	(2,067,646)	-	-	-	(2,067,646)
(89,674,125)	-	(89,674,125)	-	-	-	(89,674,125)
-	(677,687)	(677,687)	-	-	-	(677,687)
-	(3,552,170)	(3,552,170)	-	-	-	(3,552,170)
-	(4,229,857)	(4,229,857)	-	-	-	(4,229,857)
(89,674,125)	(4,229,857)	(93,903,982)	-	-	-	(93,903,982)
-	-	-	(82,963,368)	-	-	(82,963,368)
-	-	-	-	(2,239,427)	-	(2,239,427)
-	-	-	-	-	(462,461)	(462,461)
-	-	-	(82,963,368)	(2,239,427)	(462,461)	(85,665,256)
79,018,623	-	79,018,623	-	-	-	79,018,623
19,548,195	-	19,548,195	-	-	-	19,548,195
-	-	-	36,298,486	2,320,196	163,055	38,781,737
6,707,228	204,356	6,911,584	46,104,247	-	-	53,015,831
3,142,784	165,161	3,307,945	100,028	5,063	287,438	3,700,474
211,244	-	211,244	-	-	-	211,244
1,469,130	350,164	1,819,294	1,320,732	16,647	-	3,156,673
(2,558,388)	2,558,388	-	-	-	-	-
107,538,816	3,278,069	110,816,885	83,823,493	2,341,906	450,493	197,432,777
17,864,691	(951,788)	16,912,903	860,125	102,479	(11,968)	17,863,539
65,375,558	11,623,496	76,999,054	91,084,697	1,094,881	13,765,538	182,944,170
\$ 83,240,249	\$ 10,671,708	\$ 93,911,957	\$ 91,944,822	\$ 1,197,360	\$ 13,753,570	\$ 200,807,709

COUNTY OF BEDFORD, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUND
June 30, 2024**

	<u>General Fund</u>
Assets	
Cash, cash equivalents, and investments	\$ 91,252,169
Receivables, net	37,885,641
Due from other funds	248,535
Due from component unit	974
Prepays	314,797
Inventories	51,279
Restricted cash, cash equivalents, and investments	22,155,531
Total assets	<u>\$ 151,908,926</u>
Liabilities	
Accounts payable and accrued expenses	\$ 3,504,158
Accrued payroll and related liabilities	710,901
Due to component units	4,996,880
Total liabilities	<u>9,211,939</u>
Deferred Inflows of Resources	
Unavailable revenue	35,649,253
Total deferred inflows of resources	<u>35,649,253</u>
Fund Balances	
Nonspendable	366,076
Restricted	14,685,224
Committed	4,001,243
Assigned	30,167,050
Unassigned	57,828,141
Total fund balances	<u>107,047,734</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 151,908,926</u>

The Notes to the Financial Statements are an integral part of this statement.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUND
June 30, 2024**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balance, Governmental Funds		\$ 107,047,734
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 95,739,865	
Accumulated depreciation and amortization	<u>(51,048,205)</u>	44,691,660
Receivables on the statement of net position that do not provide current financial resources are not reported in the governmental funds.		10,049,762
Financial statement elements related to pension and other postemployment benefits are applicable to future periods, and therefore, are not reported in the funds.		
Pension related deferred outflows	2,848,556	
OPEB related deferred outflows	381,467	
Pension related deferred inflows	(3,435,030)	
OPEB related deferred inflows	(352,919)	
Net pension asset	485,976	
Net pension liability	(3,089,415)	
Other post-employment benefits	<u>(1,866,592)</u>	(5,027,957)
Other liabilities that are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds, however, these amounts are off set by deferred revenues in the school funds in the current year.		
Operating settlement-School Board		(1,082,061)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
Self insurance fund		1,223,767
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest payable	(1,088,168)	
General obligation and lease revenue bonds	(62,005,000)	
Premium on debt issued	(5,738,351)	
Deferred charges on refunding	1,339,802	
Leases	(3,441,860)	
Subscriptions	(197,533)	
Compensated absences	<u>(2,531,546)</u>	<u>(73,662,656)</u>
Net position of Governmental Activities		<u>\$ 83,240,249</u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
For the Year Ended June 30, 2024**

	<u>General Fund</u>
Revenues	
General property taxes	\$ 78,906,265
Other local taxes	19,336,293
Permits, privilege fees, and regulatory licenses	683,263
Fines and forfeitures	16,952
Revenue from use of money and property	3,593,216
Charges for services	3,412,600
Other	1,771,866
Recovered costs	1,018,098
Intergovernmental	<u>33,072,211</u>
Total revenues	<u>141,810,764</u>
Expenditures	
Current operating	
General government administration	6,752,703
Judicial administration	2,911,438
Public safety	28,232,993
Public works	6,372,642
Health and welfare	17,812,309
Education	32,276,772
Parks, recreation, and cultural	3,749,407
Community development	3,994,124
Debt service	
Principal	5,398,845
Interest and other fiscal charges	2,539,686
Capital projects	
Education	3,003,046
Other governmental activities	<u>18,662,932</u>
Total expenditures	<u>131,706,897</u>
Excess of revenues over expenditures	<u>10,103,867</u>
Other Financing Sources	
Transfers out	<u>(2,558,388)</u>
Total other financing sources	<u>(2,558,388)</u>
Net change in fund balance	7,545,479
Fund balance, beginning	<u>99,502,255</u>
Fund balance, ending	<u><u>\$ 107,047,734</u></u>

The Notes to the Financial Statements are an integral part of this statement.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
For the Year Ended June 30, 2024**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:

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

Net changes in fund balance – governmental fund		\$ 7,545,479
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 capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures that were capitalized	\$ 5,116,753	
Depreciation	(3,571,021)	
GASB 87 lease capital outlay, net of amortization	(167,173)	
GASB 96 subscription capital outlay, net of amortization	124,451	
Loss on disposition of capital asset	<u>(198,692)</u>	1,304,318
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions	2,160,942	
Pension expenses	<u>(620,533)</u>	1,540,409
Governmental funds report other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost of these benefits earned net of employee contributions is reported as other postemployment benefit expense.		
Employer other postemployment benefit contributions	152,289	
Other postemployment benefits expense	<u>(123,563)</u>	28,726
The issuance of long-term debt 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 has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal repayment	5,398,845	
Amortization of bond premium on debt issuance	539,746	
Change in accrued interest payable	99,638	
Changes in deferred charges on debt issuance costs and refundings	<u>(167,344)</u>	5,870,885
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Changes in unavailable tax revenues	112,358	
Other revenues	<u>2,923,717</u>	3,036,075
Expenses in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Changes in operating settlement-School Board	(1,018,668)	
Changes in compensated absences	<u>(142,849)</u>	(1,161,517)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The revenues and expenditures of the internal service funds are included in governmental activities in the Statement of Activities.		
Self insurance fund		3,535
Lease proceeds		(38,321)
SBITA proceeds		(264,898)
Total changes in net position of governmental activities		<u><u>\$ 17,864,691</u></u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
General property taxes	\$ 76,155,000	\$ 76,155,000	\$ 79,545,716	\$ 3,390,716
Other local taxes	17,993,661	17,993,661	19,369,804	1,376,143
Permits, privilege fees, and regulatory licenses	714,650	714,650	677,636	(37,014)
Fines and forfeitures	58,000	58,000	16,401	(41,599)
Revenue from use of money and property	1,163,842	1,198,101	3,598,602	2,400,501
Charges for services	2,492,104	2,492,104	3,434,366	942,262
Miscellaneous	313,000	449,612	1,690,466	1,240,854
Recovered costs	683,836	1,121,559	1,017,603	(103,956)
Intergovernmental	26,112,490	49,009,377	33,141,434	(15,867,943)
Total revenues	125,686,583	149,192,064	142,492,028	(6,700,036)
Expenditures				
Current operating				
General government administration	7,013,086	7,041,842	6,801,528	240,314
Judicial administration	2,863,251	3,120,044	2,979,759	140,285
Public safety	25,504,448	31,884,299	28,554,871	3,329,428
Public works	6,245,948	6,338,698	6,320,911	17,787
Health and welfare	18,291,576	18,796,972	17,843,744	953,228
Education	35,593,028	35,621,845	34,876,040	745,805
Parks, recreation, and cultural	3,803,043	3,805,543	3,766,849	38,694
Community development	4,053,565	4,372,421	4,074,955	297,466
Debt service				
Principal	5,041,295	5,041,295	5,041,295	-
Interest and other fiscal charges	2,576,077	2,576,077	2,516,797	59,280
Capital projects				
Education	3,300,000	3,300,000	3,300,000	-
Other governmental activities	7,979,687	47,279,607	17,170,072	30,109,535
Total expenditures	122,265,004	169,178,643	133,246,821	35,931,822
Excess of revenues over expenditures	3,421,579	(19,986,579)	9,245,207	29,231,786
Other Financing Sources (Uses)				
Transfers to:				
Component units	(2,558,388)	(2,558,388)	(2,558,388)	-
Total other financing sources (uses)	(2,558,388)	(2,558,388)	(2,558,388)	-
Net change in fund balance	\$ 863,191	\$ (22,544,967)	\$ 6,686,819	\$ 29,231,786

The Notes to the Financial Statements are an integral part of this statement.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
For the Year Ended June 30, 2024**

Explanation of differences between actual amounts on the budgetary basis and GAAP basis**Revenues**

Total Revenues Budgetary Basis (Exhibit 5)	\$ 142,492,028
Tax and other accruals, grant deferrals, and other transfers	<u>(681,264)</u>
Total Revenues GAAP Basis (Exhibit 4)	<u><u>\$ 141,810,764</u></u>

Expenditures

Total Expenditures Budgetary Basis (Exhibit 5)	\$ 133,246,821
Adjustments to remove prior payables and other accruals	<u>(1,539,924)</u>
Total Expenditures GAAP Basis (Exhibit 4)	<u><u>\$ 131,706,897</u></u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
June 30, 2024

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Nursing Home	Solid Waste	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash, cash equivalents, and investments	\$ 7,630,950	\$ 3,114,694	\$ 10,745,644	\$ 2,269,870
Receivables, net	513,840	155,135	668,975	150,008
Due from other funds	38,012	9,245	47,257	-
Prepays	54,599	12,438	67,037	-
Total current assets	8,237,401	3,291,512	11,528,913	2,419,878
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	94,883	-	94,883	-
Net pension assets	71,742	15,300	87,042	-
Capital assets, net	3,027,704	6,694,425	9,722,129	-
Right-of-use assets, net	16,360	12,370	28,730	-
Subscription assets, net	9,394	-	9,394	-
Total noncurrent assets	3,220,083	6,722,095	9,942,178	-
Total assets	11,457,484	10,013,607	21,471,091	2,419,878
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	328,306	69,946	398,252	-
Deferred outflows related to other postemployment benefits	58,659	11,885	70,544	-
Total deferred outflows of resources	386,965	81,831	468,796	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	121,190	368,408	489,598	799
Accrued payroll and related liabilities	329,970	17,932	347,902	-
Self insurance	-	-	-	892,166
Due to other funds	-	-	-	295,792
Due to component unit	-	-	-	7,354
Assets held in agency capacity	94,883	-	94,883	-
Compensated absences	157,999	27,493	185,492	-
Lease obligations	9,502	2,447	11,949	-
Subscription obligations	7,324	-	7,324	-
Landfill closure/postclosure	-	173,750	173,750	-
Total current liabilities	720,868	590,030	1,310,898	1,196,111
Noncurrent liabilities:				
Compensated absences	-	49,418	49,418	-
Other post-employment benefits	204,368	65,221	269,589	-
Lease obligations	7,841	9,990	17,831	-
Landfill closure/postclosure	-	9,166,106	9,166,106	-
Total noncurrent liabilities	212,209	9,290,735	9,502,944	-
Total liabilities	933,077	9,880,765	10,813,842	1,196,111
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	307,295	65,533	372,828	-
Deferred inflows related to other postemployment benefits	66,838	14,671	81,509	-
Total deferred inflows of resources	374,133	80,204	454,337	-
NET POSITION				
Net investment in capital assets	3,028,791	6,694,358	9,723,149	-
Restricted for pension	71,742	15,300	87,042	-
Unrestricted	7,436,706	(6,575,189)	861,517	1,223,767
Total net position	\$ 10,537,239	\$ 134,469	\$ 10,671,708	\$ 1,223,767

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS
For the Year Ended June 30, 2024**

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Nursing Home	Solid Waste	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 7,807,164	\$ 2,689,724	\$ 10,496,888	-
Other	11,955	341,285	353,240	-
Total Operating Revenues	<u>7,819,119</u>	<u>3,031,009</u>	<u>10,850,128</u>	<u>-</u>
Operating Expenses				
Personal services	4,290,990	888,245	5,179,235	-
Employee benefits	1,043,136	226,793	1,269,929	-
Purchased services	1,404,944	1,071,140	2,476,084	-
Continuous charges	578,705	3,053,868	3,632,573	-
Supplies and materials	843,664	197,111	1,040,775	-
Equipment, property, and improvements	20,700	4,332	25,032	-
Landfill closure/postclosure	-	261,764	261,764	-
Depreciation and amortization	302,712	538,521	841,233	-
Total Operating Expenses	<u>8,484,851</u>	<u>6,241,774</u>	<u>14,726,625</u>	<u>-</u>
Operating loss	<u>(665,732)</u>	<u>(3,210,765)</u>	<u>(3,876,497)</u>	<u>-</u>
Non-Operating Revenues (Expenses)				
Interest income	144,253	20,908	165,161	3,535
Interest expense	-	(120)	(120)	-
Gain (loss) on disposal of capital assets	(4,656)	1,580	(3,076)	-
Grant income	170,037	34,319	204,356	-
Total Non-Operating Revenues (Expenses)	<u>309,634</u>	<u>56,687</u>	<u>366,321</u>	<u>3,535</u>
Income (Loss) before transfers	<u>(356,098)</u>	<u>(3,154,078)</u>	<u>(3,510,176)</u>	<u>3,535</u>
Transfers in	-	2,558,388	2,558,388	-
Total	<u>-</u>	<u>2,558,388</u>	<u>2,558,388</u>	<u>-</u>
Change in Net Position	<u>(356,098)</u>	<u>(595,690)</u>	<u>(951,788)</u>	<u>3,535</u>
Net Position, beginning	<u>10,893,337</u>	<u>730,159</u>	<u>11,623,496</u>	<u>1,220,232</u>
Net Position, ending	<u>\$ 10,537,239</u>	<u>\$ 134,469</u>	<u>\$ 10,671,708</u>	<u>\$ 1,223,767</u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
For the Year Ended June 30, 2024**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Nursing Home	Solid Waste	Total	Internal Service Fund
Operating Activities				
Receipts from customers	\$ 7,791,877	\$ 2,675,544	\$ 10,467,421	\$ -
Other cash receipts	11,955	333,231	345,186	-
Payments to employees	(4,302,193)	(888,245)	(5,190,438)	-
Payments for employee benefits	(1,288,677)	(370,915)	(1,659,592)	-
Payments to suppliers	(2,842,062)	(4,205,865)	(7,047,927)	258,627
Premiums collected in excess of claims	-	-	-	303,945
Net Cash Provided by (Used in) Operating Activities	(629,100)	(2,456,250)	(3,085,350)	562,572
Noncapital Financing Activities				
Transfers from other funds	-	2,558,388	2,558,388	-
Grants received	170,037	34,319	204,356	-
Net Cash Provided by Noncapital Financing Activities	170,037	2,592,707	2,762,744	-
Capital and Related Financing Activities				
Acquisition and construction of capital assets	(276,877)	(280,103)	(556,980)	-
Proceeds from sale of capital assets	-	1,580	1,580	-
Principal paid on debt	(37,840)	(17,726)	(55,566)	-
Interest paid on debt	-	(120)	(120)	-
Net Cash Used in Capital and Related Financing Activities	(314,717)	(296,369)	(611,086)	-
Investing Activities				
Interest received	144,253	20,908	165,161	3,535
Net Increase (Decrease) in Cash and Cash Equivalents	(629,527)	(139,004)	(768,531)	566,107
Cash and Cash Equivalents Beginning of Year	8,355,360	3,253,698	11,609,058	1,703,763
Cash and Cash Equivalents End of Year	\$ 7,725,833	\$ 3,114,694	\$ 10,840,527	\$ 2,269,870
Reconciliation to Exhibit 6				
Cash and Cash Equivalents	\$ 7,630,950	\$ 3,114,694	\$ 10,745,644	\$ 2,269,870
Restricted Cash and Cash Equivalents	94,883	-	94,883	-
	\$ 7,725,833	\$ 3,114,694	\$ 10,840,527	\$ 2,269,870

The Notes to the Financial Statements are an integral part of this statement.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
For the Year Ended June 30, 2024**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Nursing Home	Solid Waste	Total	Internal Service Fund
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Operating Loss	\$ (665,732)	\$ (3,210,765)	\$ (3,876,497)	\$ -
Adjustments Not Affecting Cash				
Depreciation and amortization	302,712	538,521	841,233	-
Landfill closure/postclosure	-	261,764	261,764	-
(Increase) Decrease in Assets				
Accounts receivable	(15,287)	(14,180)	(29,467)	(150,008)
Due from other funds	(38,012)	(8,054)	(46,066)	-
Prepays	(1,993)	(3,079)	(5,072)	-
Net pension asset	(144,712)	(34,202)	(178,914)	-
(Increase) Decrease in Deferred Outflows of Resources				
Pension deferrals	66,250	32,235	98,485	-
Other postemployment benefit deferrals	11,426	3,505	14,931	-
Increase (Decrease) in Liabilities				
Accounts payable and accrued expenses	21,992	120,586	142,578	408,635
Accrued payroll and related liabilities	(11,203)	(53,521)	(64,724)	-
Due to other funds	-	-	-	303,945
Assets held in agency capacity	21,971	-	21,971	-
Compensated absences	19,724	(16,640)	3,084	-
Other post-employment benefits	4,639	(4,614)	25	-
Increase (Decrease) in Deferred Inflows of Resources				
Pension deferrals	(160,776)	(55,717)	(216,493)	-
Other postemployment benefit deferrals	(40,099)	(12,089)	(52,188)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (629,100)</u>	<u>\$ (2,456,250)</u>	<u>\$ (3,085,350)</u>	<u>\$ 562,572</u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Custodial Funds		
	Tri-County Lake Administrative Commission	Bedford Community Coalition	Bedford Wine Trail
ASSETS			
Cash and cash equivalents, restricted	\$ 480,152	\$ 1,250	\$ 2,271
Security deposits	900	-	-
Receivables, net	1,971	-	-
Total assets	<u>\$ 483,023</u>	<u>\$ 1,250</u>	<u>\$ 2,271</u>
LIABILITIES			
Accounts payable	\$ 7,266	\$ -	\$ -
Accrued payroll and related liabilities	4,292	-	-
Total liabilities	<u>\$ 11,558</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted			
Amounts held for clients/others	<u>\$ 471,465</u>	<u>\$ 1,250</u>	<u>\$ 2,271</u>

The Notes to the Financial Statements are an integral part of this statement.

EXHIBIT 9

Custodial Funds				
Special Welfare Fund	Road Escrow Accounts	Land Disturbing Bonds	Sheriff Asset Seizures	Total
\$ 66,159	\$ 72,114	\$ 620,772	\$ 63,400	\$ 1,306,118
-	-	-	-	900
-	-	-	-	1,971
<u>\$ 66,159</u>	<u>\$ 72,114</u>	<u>\$ 620,772</u>	<u>\$ 63,400</u>	<u>\$ 1,308,989</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,266
-	-	-	-	4,292
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,558</u>
<u>\$ 66,159</u>	<u>\$ 72,114</u>	<u>\$ 620,772</u>	<u>\$ 63,400</u>	<u>\$ 1,297,431</u>

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

	Custodial Funds		
	Tri-County Lake Administrative Commission	Bedford Community Coalition	Bedford Wine Trail
ADDITIONS			
Contributions received from localities	\$ 222,086	\$ -	\$ -
Interest earnings	1,291	3	-
Payments received from and on behalf of grant awards	4,871	-	-
Payments received from and on behalf of VPA clients	-	-	-
Land disturbing bond deposits	-	-	-
Confiscated proceeds	-	-	-
Other miscellaneous payments received	2,172	-	-
Total additions	<u>\$ 230,420</u>	<u>\$ 3</u>	<u>\$ -</u>
DEDUCTIONS			
Payments to vendors	\$ 112,261	\$ -	\$ 107
Payments to benefit individuals	-	-	-
Payments to employees	174,716	-	-
Release of confiscated proceeds	-	-	-
Total deductions	<u>\$ 286,977</u>	<u>\$ -</u>	<u>\$ 107</u>
Net increase (decrease) in fiduciary net position	\$ (56,557)	\$ 3	\$ (107)
NET POSITION - AT JULY 1	<u>528,022</u>	<u>1,247</u>	<u>2,378</u>
NET POSITION - AT JUNE 30	<u>\$ 471,465</u>	<u>\$ 1,250</u>	<u>\$ 2,271</u>

The Notes to the Financial Statements are an integral part of this statement.

Custodial Funds				
Special Welfare Fund	Road Escrow Accounts	Land Disturbing Bonds	Sheriff Asset Seizures	Total
\$ -	\$ -	\$ -	\$ -	\$ 222,086
46	36	92	45	1,513
-	-	-	-	4,871
200,658	-	-	-	200,658
-	-	445,590	-	445,590
-	-	-	21,478	21,478
-	-	-	-	2,172
<u>\$ 200,704</u>	<u>\$ 36</u>	<u>\$ 445,682</u>	<u>\$ 21,523</u>	<u>\$ 898,368</u>
\$ -	\$ -	\$ -	\$ -	\$ 112,368
222,766	-	-	-	222,766
-	-	-	-	174,716
-	-	-	68,661	68,661
<u>\$ 222,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,661</u>	<u>\$ 578,511</u>
\$ (22,062)	\$ 36	\$ 445,682	\$ (47,138)	\$ 319,857
88,221	72,078	175,090	110,538	977,574
<u>\$ 66,159</u>	<u>\$ 72,114</u>	<u>\$ 620,772</u>	<u>\$ 63,400</u>	<u>\$ 1,297,431</u>



COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies

The financial statements of the County of Bedford, Virginia (the “County”) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The County’s significant accounting and reporting policies are described below.

A. Reporting Entity

The County’s financial reporting entity is defined by, and its financial statements are presented in accordance with, GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These statements define the distinction between the County as a primary government and its related entities.

The financial reporting entity consists of the primary government and its blended and discretely presented component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board; the primary government having the ability to impose its will on the component unit; the component unit having fiscal dependency on the primary government; or a financial benefit or burden relationship existing between the component unit and the primary government.

A blended component unit is an entity, that while legally separate, is in substance, part of the County’s operations, and so its financial information is combined with the financial statements of the County. The County can impose its will over this entity and is financially accountable for it.

The primary government may also be financially accountable if the component unit is fiscally dependent on the primary government regardless of whether the component unit has a separately elected governing board.

The Bedford County Broadband Authority is a blended component unit of the County, and the Bedford County School Board, Bedford Public Library System, and Bedford County Economic Development Authority are reported as separate and discretely presented component units in the County’s annual comprehensive financial report. The primary government is hereafter referred to as the “County” and the reporting entity, which includes the County and its component units, is hereafter referred to as the “Reporting Entity.”

As required by GAAP, the accompanying basic financial statements include all activities of the County. The component unit columns in the basic financial statements include the financial data of the County’s three discretely presented component units.

The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government. All the component units have a June 30 year end. A description of the blended and discretely presented component units follows:

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Blended Component Unit:

Bedford County Broadband Authority

The Bedford County Broadband Authority (the “Authority”) is organized to bring reliable, affordable broadband internet services to all parts of the County through partnerships with private service providers. The members of the County Board of Supervisors also serve as members of the Board of the Authority. The County has operational responsibility for the component unit.

Discretely Presented Component Units:

Bedford County School Board

The County provides education through its own public school system administered by the Bedford County School Board (the “School Board”). The School Board has been classified as a discretely presented component unit in the financial reporting entity because it is legally separate, but financially dependent through appropriations. The Board of Supervisors administers the School Board’s appropriation of funds at the category level, approves transfers between categories, and authorizes school debt issuances. Financial statements of the School Board are included in a discretely presented component unit column and/or row of the government-wide financial statements, as well as in the supplementary information section. The School Board does not issue separate financial statements.

Bedford Public Library System

The Bedford Public Library System (the “Library”) is a regional library system created by an agreement between the County of Bedford and the City of Bedford (now the Town of Bedford). The Library has been classified as a discretely presented component unit in the financial statements because it is legally separate, but financially dependent through appropriations. The Board of Supervisors appoints Library Board members. Financial statements of the Library are included in a discretely presented component unit column and/or row of the government-wide financial statements. Complete financial statements for the Library may be obtained by writing the Library at 321 North Bridge St., Bedford, Virginia 24523.

Bedford County Economic Development Authority

The Bedford County Economic Development Authority (the “EDA”) was created to promote industry and develop trade by encouraging enterprises to locate and remain in Virginia. The EDA is governed by seven directors appointed by the Board and the County is financially accountable for the EDA. It is authorized to acquire, own, lease, and dispose of properties to the extent that such activities foster and stimulate economic development. Financial statements of the EDA are included in a discretely presented component unit column and/or row of the government-wide financial statements. Complete financial statements for the EDA may be obtained by writing the EDA at 122 East Main St., Suite 202, Bedford, Virginia 24523.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities that report information on all of the nonfiduciary activities of the primary government. *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 activities demonstrates the degree to which the direct expenses of a given function or segment is 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 enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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. Custodial funds use the economic resources measurement focus and the accrual basis of accounting.

Governmental fund financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Accordingly, real and personal property taxes are recorded as deferred inflows and receivables when billed, net of allowances of uncollectible amounts. Real and personal property taxes recorded at June 30, and received within the first 60 days after year end are included in tax revenues. Sales and utility taxes, which are collected by the State or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one or two months preceding receipt by the County. Licenses, permits, fines, and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State, and other grants for the purpose of specific funding are recognized when earned or at the time of the specific reimbursable expenditure.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this rule include: (1) accumulated unpaid vacation leave, sick leave, and other employee amounts, which are recorded as compensated absences, and are recognized when payable, and (2) principal and interest payments on general long-term debt, both of which are recognized when paid.

The County reports the following major governmental fund:

General Fund – the County’s primary operating fund. It accounts for all financial resources of the general government.

Proprietary Funds are used to account for the County’s ongoing organizations and activities similar to those often found in the private sector. The County reports the following major proprietary funds:

Nursing Home Fund – accounts for the activities of the nursing home operations.

Solid Waste Fund – accounts for the activities of the solid waste operations.

Additionally, the County reports the following fund category:

Fiduciary Funds – Accounts for assets held by the government in a trustee capacity or as an agent or custodian for individuals, private organizations, or other governmental units. Custodial funds include the Tri-County Lake Administrative Commission, Bedford Community Coalition, Bedford Wine Trail, Special Welfare, Road Escrow, Land Disturbing Bonds, and Sheriff Asset Seizures Funds.

Internal Service Fund – Accounts for goods or services provided by one department or other departments of the County that benefit multiple funds. The County’s internal service fund accounts for self-insurance health program which provides healthcare coverage for employees, retirees, and their dependents. The internal service fund is included in the governmental activities for government-wide reporting purposes. The excess revenue or expenses is allocated to the appropriate functional activity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government’s proprietary funds 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 charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. General revenues include all taxes, grants and contributions not restricted to specific programs, and other revenues not meeting the definition of program revenues.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Operating revenues and expenses in the proprietary funds result from providing goods and services in connection with their principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, contractual services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating.

The solid waste tipping fee includes both capital recovery and operating components. The capital recovery charge is used to finance current and future capital improvements, whereas the operating charge recovers the cost of operations.

D. Assets, Liabilities, and Net Position or Fund Equity

1. Deposits and Investments

Cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value based on quoted market prices.

2. Receivables and Payables

Accounts and property taxes receivable are shown net of an allowance for uncollectibles. The allowance is calculated using historical collection data, specific account analysis, and management's judgment. The allowance is comprised of the following:

General Fund – Property tax receivables	\$ 2,309,319
General Fund – EMS transport fees	<u>31,664</u>
	<u><u>\$ 2,340,983</u></u>

The County levies real estate taxes on all real estate within its boundaries, except that exempted by statute. Real estate is assessed at 100 percent of fair market value and reassessed every four years as of January 1. On January 1, the real estate taxes become an enforceable lien on the property and payment is due in two equal installments on June 5 and December 5. The real estate taxes reported as current year revenue are the second installment (December 5) of the levy on assessed value at January 1, 2023, and the first installment (June 5) of the levy on assessed value at January 1, 2024. The installment due on June 5, 2024 is shown as an assignment of fund balance as it is used to fund the subsequent year's budget. The installment due on December 5, 2024 is included as deferred inflows since these taxes are restricted for use until fiscal year 2025.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

2. Receivables and Payables (Continued)

The County levies personal property taxes on motor vehicles, boats, mobile homes, aircraft, and other tangible business property. Personal property taxes are based on the estimated market value as of January 1, with payment due the following December 5. The tax on a vehicle may be prorated for the length of time the vehicle is kept in the County.

The 1998 Virginia General Assembly enacted legislation providing property tax relief to citizens. The Personal Property Tax Relief Act (PPTRA) was intended to be phased in over five years on the first \$20,000 of value for motor vehicles not used for business purposes. In 2005 the General Assembly capped PPTRA relief at \$950 million statewide beginning with the 2006 tax year. The County receives \$6,086,051 annually. County 2023 tax bills, payable in fiscal year 2024, included a thirty-three (33.0) percent reduction on qualifying vehicles. All PPTRA payments received are classified as non-categorical State aid in the general fund.

3. Inventories and Prepays

Inventory is valued using the first-in/first-out (FIFO) method except for commodities received from the Federal Government, which are valued at market. Inventories of governmental funds and component units consist of expendable supplies held for consumption or items purchased for resale. Reported inventories for governmental funds and component units are reflected as non-spendable fund balance as inventories do not constitute expendable resources.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaids in both government-wide and fund financial statements. Prepaids are also reflected as non-spendable fund balance.

4. Restricted Cash, Cash Equivalents, and Investments

In accordance with applicable bond covenants and other agreements, governmental activities report restricted cash, cash equivalents, and investments at June 30, 2024 of \$22,155,531, which consists of \$151,290 restricted for water and sewer projects, \$2,482,751 for the Volunteer Length of Service Awards Program, and treasury note investments with First Citizens valued at \$19,521,490. Business-type activities report restricted cash, cash equivalents, and investments of \$94,883 for Nursing Home resident and burial funds. Restricted cash, cash equivalents, and investments of the component unit – Library consists of donations restricted as to purpose or time by donors. Restricted cash, cash equivalents, and investments of the component unit – Economic Development Authority consists of funds restricted for water and sewer projects.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

5. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as items with an initial, individual cost of more than \$10,000 for governmental activities and \$5,000 for business-type activities and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	10 – 50
Improvements	10 – 40
Machinery and equipment	3 – 25

Right-of-use leased assets and intangible right of use subscription assets are amortized using the straight-line method over the same estimated useful lives.

Depreciation is charged as an expense in the statement of activities and accumulated depreciation is reported in the statement of net position. The Proprietary Funds also record depreciation expense and accumulated depreciation.

6. Compensated Absences

County, School Board, and Library policies permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits (compensated absences), subject to certain limitations. All such pay is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of the liability is estimated based on historical leave usage. A liability for these amounts is reported in governmental funds only to the extent the liability has matured, for example, as a result of employee resignations or retirements.

7. Unearned Revenues

At June 30, 2024, unearned revenues consist of proceeds received of grants for which revenue recognition criteria have not been met.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

8. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring all financial elements to the pension and OPEB plans information about the fiduciary net position of the County's and Schools' Plans and the additions to/deductions from the County's and Schools' Plans net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*. These items represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements that present financial position report a separate section for *deferred inflows of resources*. These items represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County and Schools have the following items that qualify for reporting as deferred inflows or outflows:

- The deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors as well as changes in actuarial assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Differences between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over a closed five-year period and may be reported as a deferred outflow of inflow as appropriate.
- Changes in proportion and differences between employer contributions and proportionate share of employer contributions in the Virginia Retirement System's teacher cost sharing pool or OPEB cost sharing pool plans. This difference is deferred and recognize in the expense over the average remaining service life of the employees who are subject to the plan, and may be reported as a deferred outflow or inflow as appropriate.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

9. Deferred Outflows/Inflows of Resources (Continued)

- *Unavailable revenue* is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. The governmental funds report unavailable revenue from property taxes and other receivables not collected within 60 days of year end and property taxes levied to fund future years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- At the government-wide level, the County reports deferred inflows for unearned property taxes which are billed and/or collected but are intended to fund future years.

10. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other 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 straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Costs associated with the issuance of debt, other than certain bond insurances, are expensed when debt is issued.

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. Costs associated with the issuance of debt are expensed in the period debt is issued.

11. Leases

Key estimates and judgments include how the County, Schools, and Economic Development Authority determine (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County and Schools use an estimated incremental borrowing rate as the discount rate for their leases. The Economic Development Authority uses an implicit rate calculation as the discount rate for their building leases.
- The lease term includes the noncancellable periods of the lease. Lease payments are included in the measurement of the lease liability and is composed of fixed payments.
- The County, Schools, and Economic Development Authority monitor changes in circumstances that would require a remeasurement of its leases and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease liability.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

12. Right-of-Use Lease Asset and Related Lease Liability

The County and Schools are a lessee for noncancellable leases of buildings and equipment. The County and Schools recognize an intangible right-to-use asset (lease asset) and a related lease liability on the financial statements. At the commencement of a lease, the County and Schools initially measure a lease liability at the present value of payments expected to be made during the lease period. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain direct costs. Subsequently to the initial measurement and recognition, the lease asset is amortized on a straight-line basis over its useful life.

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

13. Net Position/Fund Equity

Net position is comprised of three categories: net investment in capital assets; restricted; and unrestricted. The first category reflects the portion of net position associated with capital assets, less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the unspent bond proceeds and any associated unamortized items. Restricted net position is assets whose use is subject to constraints that are either externally imposed by grantors, creditors, or other external parties, or imposed by law. Net position which is neither restricted nor related to capital assets is reported as unrestricted net position.

14. School Board Debt/Capital Assets Reporting

The County issues debt to finance the construction of school facilities because the School Board does not have borrowing or taxing authority. The County reports this debt, whereas the School Board reports the related capital assets. As a result, in the Statement of Net Position (Exhibit 1), the debt reduces *unrestricted net position* of the primary government, while the capital assets are reported in *net investment in capital assets* of the School Board.

Because this debt is related to capital assets of the reporting entity as a whole, the debt amount of \$69,183,045 is reclassified as shown on Exhibit 1 to present the total reporting entity column.

15. Estimates

Management uses estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent liabilities; and reported revenues, expenditures, and expenses. Actual results could differ from those estimates.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

16. Revenue Recognition – Nursing Home

The Nursing Home is a qualified provider under the Medicaid program. Prior to July 1, 2014, Medicaid reimbursed all nursing facilities for operating costs utilizing a facility-specific per diem rate that was set prospectively based on prior year costs. Effective for claims with dates of service on or after July 1, 2014, the Virginia Department of Medical Assistance Services began paying nursing facilities using a new price-based payment methodology. This was implemented over a four-year transition period.

Beginning July 1, 2014, after approval from Centers for Medicare and Medicaid Services (CMS), the Nursing Home and four other government owned facilities began receiving payments to supplement the interim payments for Medicaid days. The additional payments totaled \$703 for fiscal year 2024.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- ◆ Prior to March 30, the County Administrator submits to the Board a proposed operating and capital budget for the County and School Board for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the related financing.
- ◆ Public hearings are conducted to obtain citizen comments.
- ◆ Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- ◆ The Appropriations Resolution places legal restrictions on expenditures at the department level for the General Fund and at the fund level for the School Funds. The County Administrator is authorized to transfer budgeted amounts within the personnel, capital, and debt categories as long as budgeted amounts do not move across categories. Additionally, the County Administrator is authorized to transfer contingency funds up to \$25,000 per topic or issue and budgeted amounts within the operating category or budgeted amounts that move across categories up to \$65,000 per topic or issue. Only the Board can revise appropriations outside of the County Administrator's authority.
- ◆ Formal budgetary integration is employed as a management control device during the year.
- ◆ All budgets are adopted on a cash basis.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 2. Stewardship, Compliance, and Accountability (Continued)

A. Budgetary Information (Continued)

- ◆ Appropriations lapse on June 30 except as follows:
 - All outstanding purchase order encumbrances, operating and capital, as of June 30 are reappropriated to the next fiscal year, beginning July 1, to the same cost center and account for which they are encumbered.
 - Appropriations previously designated for capital projects will remain appropriated until the completion of the project or until the Board changes or eliminates the appropriation by resolution. Upon completion of a capital project, the County Administrator is authorized to close out the project and transfer funds to other capital projects, as necessary.
 - Grant funds will remain appropriated until completion of the grant or until the Board changes or eliminates the appropriation by resolution.

Note 3. Significant Transactions of the County and Discretely Presented Component Unit – School Board

Certain transactions between the County and the School Board are explained here to provide a more informed understanding of the operational relationship of the two entities and how such transactions are presented in the financial statements.

1. The School Board can neither levy taxes nor incur bonded debt under Virginia law. Therefore, the County issues bonded debt “on behalf” of the School Board. The debt obligation is recorded as a liability of the County’s governmental activities. The proceeds from the debt issued “on behalf” of the School Board are recorded in the County’s General Fund. Funds in an amount equal to expenditures are provided to the School Board to pay for capital expenditures. Unspent funds at year end are reported as deposits and investments of the County’s General Fund.
2. The County’s budgeting process provides funding to the School Board for debt service payments. The School Board is responsible for appropriating debt service payments for debt issued by the County on its behalf. These transactions are reported as transfers on the County’s Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual and as transfers and debt service payments on the School Board’s Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual. GAAP requires that debt issued “on behalf” of the School Board and related debt service payments be reported by the primary government for financial reporting purposes. Therefore, debt service payments for school bonded debt are reported as part of the primary government for financial reporting purposes in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund.
3. If all economic resources associated with school activities were reported with the School Board, its total expenditures would be as follows:

Expenditures of School Board – Component Unit	\$ 138,615,987
Principal and other debt service expenditures included in primary government	<u>7,559,490</u>
Total expenditures for school activities	<u><u>\$ 146,175,477</u></u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 4. 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 amount from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investment Policy

In accordance with the *Code of Virginia* and other applicable law, including regulations, the County’s investment policy (Policy) permits investments in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or its political subdivisions, repurchase agreements, certificates of deposit, bankers’ acceptances, commercial paper, corporate notes and bonds, the Virginia State Non-Arbitrage Program (SNAP), and the State Treasurer’s Local Government Investment Pool (LGIP). At year end, the County and School Board had the following deposits and investments:

Type	Fair Value	Credit Rating	Percent of Portfolio
Demand deposits	\$ 34,895,215	NA	27.58%
Virginia LGIP	10,731,030	AAAm	8.48
Virginia LGIP-EM	5,352,180	AAAF/S1+	4.23
Virginia Investment Pool	53,535,431	AAAm	42.32
Treasury Funds	19,521,490	AA+	15.43
Guaranteed interest account	2,482,751	NA	1.96
Total deposits and investments – County	<u>\$ 126,518,097</u>		<u>100.00%</u>
Demand deposits	\$ 11,055,341	NA	44.54%
Virginia Investment Pool	<u>13,766,040</u>	AAAm	<u>55.46</u>
Total deposits and investments – School Board	<u>\$ 24,821,381</u>		<u>100.00%</u>

Credit Risk

The Policy requires that obligations of the Commonwealth of Virginia and its political subdivisions have a debt rating of at least AA by Standard & Poor’s (S&P) or equivalent by Moody’s Investors Service (Moody’s). Repurchase agreements are collateralized by Treasury or Agency obligations of which the market value is at least 102% of the purchase price of the agreement. Commercial paper must be issued by an entity incorporated in the U.S. and rated at least A-1 by S&P and P-1 by Moody’s. Corporate notes and bonds have a rating of at least AA by S&P and Aa2 by Moody’s. Money market mutual funds must trade

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 4. Deposits and Investments (Continued)

Credit Risk (Continued)

on a constant net asset value and invest solely in securities otherwise eligible for investment under these guidelines.

External Investment Pools

The Virginia SNAP fund is an open-end management investment company and is overseen by the Treasurer of Virginia and State Treasury Board.

Concentration of Credit Risk

The Policy also establishes limitations on portfolio composition, both by investment type and by issuer, to control concentration of credit risk. The Policy provides that a maximum of 35% of the portfolio may be invested in commercial paper, with a limit of 5% of the portfolio invested in any one issuer.

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy requires that at least 50% of the investment portfolio mature in less than one year. At June 30, 100% of the portfolio will mature in less than one year.

The above items are reflected in the statements as follows:

	<u>Primary Government</u>	<u>School Board Component Unit</u>
Deposits and investments:		
Cash on hand	\$ 18,822	\$ -
Deposits	104,495,034	24,821,381
Investments	<u>22,004,241</u>	<u>-</u>
	<u>\$ 126,518,097</u>	<u>\$ 24,821,381</u>
Statement of net position:		
Cash and cash equivalents	\$ 104,267,683	\$ 24,821,381
Restricted cash, cash equivalents, and investments	<u>22,250,414</u>	<u>-</u>
	<u>\$ 126,518,097</u>	<u>\$ 24,821,381</u>

All investments are compliant with the Policy.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 5. Receivables

Receivables are as follows:

	Primary Government				Component
	Business-Type Activities				Unit
	Governmental Activities	Nursing Home	Solid Waste	Total	School Board
Receivables					
Taxes	\$ 28,438,623	\$ -	\$ -	\$ -	\$ -
Accounts	3,578,041	514,318	155,242	669,560	358,738
Intergovernmental	8,359,968	-	-	-	3,854,059
Gross receivables	40,376,632	514,318	155,242	669,560	4,212,797
Less: allowance for uncollectibles	(2,340,983)	(478)	(107)	(585)	-
Net total receivables	<u>\$ 38,035,649</u>	<u>\$ 513,840</u>	<u>\$ 155,135</u>	<u>\$ 668,975</u>	<u>\$ 4,212,797</u>

Taxes receivable represent the current and past four years of uncollected levies for personal property taxes and the current and past nineteen years for real property. The allowance for estimated uncollectible taxes receivable is 8.12% of the total taxes receivable and is based on historical collection rates.

The Nursing Home mix of receivables from residents and third-party payers is Medicaid (96.55%) and private pay (3.45%).

Unavailable/Unearned Revenue

The General fund reports unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The General fund also defers revenue recognition in connection with resources that have been received, but not yet earned. On the government-wide statements, property taxes intended for a future period and grants for which revenue recognition requirements have not been met are considered unearned. The various components of unavailable and unearned revenue are as follows:

	Deferred Inflows	
	Unavailable/ Unearned	Unearned
Property taxes	\$ 29,786,015	\$ 25,599,491
Other receivables not available to liquidate liabilities of current period	5,863,238	-
Total unavailable/unearned revenue	<u>\$ 35,649,253</u>	<u>\$ 25,599,491</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 6. Capital Assets

Capital asset activity was as follows:

Primary Government

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated:				
Land	\$ 4,531,741	\$ -	\$ -	\$ 4,531,741
Construction in progress	2,707,360	3,554,200	3,160,215	3,101,345
Total capital assets, not depreciated	7,239,101	3,554,200	3,160,215	7,633,086
Capital assets, depreciated and amortized:				
Buildings and improvements	59,545,588	3,215,370	-	62,760,958
Machinery and equipment	24,839,220	1,507,398	2,505,408	23,841,210
Lease assets, buildings	746,260	-	-	746,260
Lease assets, equipment	146,730	38,321	-	185,051
Subscription assets	308,401	264,898	-	573,299
Total capital assets, depreciated and amortized	85,586,199	5,025,987	2,505,408	88,106,778
Less accumulated depreciation and amortization for:				
Buildings and improvements	31,434,121	1,568,417	-	33,002,538
Machinery and equipment	17,461,416	2,002,604	2,306,716	17,157,304
Lease assets, buildings	258,708	169,118	-	427,826
Lease assets, equipment	68,579	36,376	-	104,955
Subscription assets	215,134	140,447	-	355,581
Total accumulated depreciation and amortization	49,437,958	3,916,962	2,306,716	51,048,204
Net capital assets, depreciated and amortized	36,148,241	1,109,025	198,692	37,058,574
Governmental activities net capital assets	<u>\$ 43,387,342</u>	<u>\$ 4,663,225</u>	<u>\$ 3,358,907</u>	<u>\$ 44,691,660</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 6. Capital Assets (Continued)

Primary Government (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated:				
Land	\$ 1,230,025	\$ -	\$ -	\$ 1,230,025
Construction in progress	306,397	30,200	-	336,597
Total capital assets, not depreciated	1,536,422	30,200	-	1,566,622
Capital assets, depreciated and amortized:				
Buildings and improvements	23,205,941	249,903	137,260	23,318,584
Machinery and equipment	4,946,730	276,877	58,554	5,165,053
Lease assets, equipment	46,175	13,021	-	59,196
Subscription assets	84,543	-	-	84,543
Total capital assets, depreciated	28,283,389	539,801	195,814	28,627,376
Less accumulated depreciation and amortization for:				
Buildings and improvements	16,120,806	543,409	137,260	16,526,955
Machinery and equipment	3,595,519	259,553	53,897	3,801,175
Lease assets, equipment	20,376	10,090	-	30,466
Subscription assets	46,968	28,181	-	75,149
Total accumulated depreciation and amortization	19,783,669	841,233	191,157	20,433,745
Net capital assets, depreciated and amortized	8,499,720	(301,432)	4,657	8,193,631
Business-type activities net capital assets	<u>\$ 10,036,142</u>	<u>\$ (271,232)</u>	<u>\$ 4,657</u>	<u>\$ 9,760,253</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 6. Capital Assets (Continued)

Component Unit – School Board	Beginning Balance*	Increases	Decreases	Ending Balance
Capital assets, not depreciated:				
Land	\$ 2,082,837	\$ -	\$ -	\$ 2,082,837
Construction in progress	2,959,355	3,184,676	5,580,343	563,688
Total capital assets, not depreciated	5,042,192	3,184,676	5,580,343	2,646,525
Capital assets, depreciated and amortized:				
Buildings and improvements	267,747,633	394,190	98,116	268,043,707
Machinery and equipment	47,223,548	7,349,584	2,200,977	52,372,155
Lease assets, buildings	141,979	-	-	141,979
Lease assets, equipment	683,650	503,772	423,241	764,181
Subscription assets	619,241	650,396	86,184	1,183,453
Total capital assets, depreciated	316,416,051	8,897,942	2,808,518	322,505,475
Less accumulated depreciation and amortization for:				
Buildings and improvements	155,223,655	6,035,344	57,653	161,201,346
Machinery and equipment	21,587,022	2,686,370	2,200,977	22,072,415
Lease assets, buildings	30,424	20,283	-	50,707
Lease assets, equipment	393,290	269,548	423,241	239,597
Subscription assets	158,149	244,717	86,184	316,682
Total accumulated depreciation and amortization	177,392,540	9,256,262	2,768,055	183,880,747
Net capital assets, depreciated and amortized	139,023,511	(358,320)	40,463	138,624,728
School Board net capital assets	\$ 144,065,703	\$ 2,826,356	\$ 5,620,806	\$ 141,271,253

**Amounts have been restated to correct an error in the CIP and Lease Asset-Equipment balances. See Note 24 – Prior Period Restatement for further explanation.*

Depreciation expense was charged to functions/programs as follows:

Primary Government – Governmental Activities	
General government administration	\$ 453,592
Judicial administration	330,235
Public safety	1,869,148
Public works	266,450
Health and welfare	222,278
Parks, recreation, and cultural	503,264
Community development	271,995
Total governmental activities	<u>\$ 3,916,962</u>
Primary Government – Business-Type Activities	
Nursing home	\$ 302,712
Solid waste	538,521
Total business-type activities	<u>\$ 841,233</u>
Component Unit – School Board	<u><u>\$ 9,256,262</u></u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7. Long-Term Liabilities

The following is a summary of changes in long-term liabilities:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation and lease revenue bonds					
School projects	\$ 66,430,000	\$ -	\$ 4,425,000	\$ 62,005,000	\$ 4,635,000
Bond premium	6,278,097	-	539,746	5,738,351	539,745
Total general obligation and revenue bonds	72,708,097	-	4,964,746	67,743,351	5,174,745
Leases:					
County	878,491	38,321	254,451	662,361	262,972
School	3,345,873	-	566,374	2,779,499	585,551
Subscriptions	85,655	264,898	153,020	197,533	71,587
Compensated absences	2,388,697	2,010,908	1,868,059	2,531,546	1,979,773
Total long-term liabilities	<u>\$ 79,406,813</u>	<u>\$ 2,314,127</u>	<u>\$ 7,806,650</u>	<u>\$ 73,914,290</u>	<u>\$ 8,074,628</u>
Business-type activities:					
Leases	\$ 43,661	\$ 13,021	\$ 26,902	\$ 29,780	\$ 11,949
Subscriptions	35,989	-	28,665	7,324	7,324
Compensated absences	231,827	175,974	172,891	234,910	185,492
Landfill closure/post-closure costs	9,078,092	261,764	-	9,339,856	173,750
Total long-term liabilities	<u>\$ 9,389,569</u>	<u>\$ 450,759</u>	<u>\$ 228,458</u>	<u>\$ 9,611,870</u>	<u>\$ 378,515</u>
Component Unit					
School Board					
Leases	\$ 4,659,012	\$ 1,970,231	\$ 1,718,258	\$ 4,910,985	\$ 1,499,732
Subscriptions	-	650,395	195,088	455,307	181,429
Compensated absences	1,951,416	1,524,307	1,425,379	2,050,344	1,497,639
Total long-term liabilities	<u>\$ 6,610,428</u>	<u>\$ 4,144,933</u>	<u>\$ 3,338,725</u>	<u>\$ 7,416,636</u>	<u>\$ 3,178,800</u>

**Amounts have been restated to correct an error in the lease balance for the Component Unit – School Board. See Note 24 – Prior Period Restatement for further explanation.*

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7. Long-Term Liabilities (Continued)

Annual debt service requirements to maturity are as follows:

Year Ending June 30	Primary Government Governmental Activities					
	General Obligation and					
	Lease Revenue Bonds		Leases		Subscriptions	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 4,635,000	\$ 2,290,847	\$ 848,523	\$ 60,368	\$ 71,587	\$ 6,914
2026	4,850,000	2,055,882	800,543	42,252	74,092	4,408
2027	5,085,000	1,809,719	736,769	26,575	16,146	1,815
2028	5,310,000	1,571,227	710,666	14,510	16,710	1,250
2029	5,515,000	1,352,609	345,359	2,849	9,335	665
2030-2034	21,245,000	4,068,854	-	-	9,663	338
2035-2039	13,935,000	1,129,733	-	-	-	-
2040	1,430,000	22,701	-	-	-	-
	<u>\$ 62,005,000</u>	<u>\$ 14,301,572</u>	<u>\$ 3,441,860</u>	<u>\$ 146,554</u>	<u>\$ 197,533</u>	<u>\$ 15,390</u>

Year Ending June 30	Primary Government Business-Type Activities			
	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2025	\$ 11,949	\$ 852	\$ 7,324	\$ 64
2026	10,375	432	-	-
2027	2,624	219	-	-
2028	2,717	125	-	-
2029	2,115	31	-	-
	<u>\$ 29,780</u>	<u>\$ 1,659</u>	<u>\$ 7,324</u>	<u>\$ 64</u>

Year Ending June 30	Component Unit School Board			
	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2025	\$ 1,499,732	\$ 134,688	\$ 181,429	\$ 13,660
2026	1,237,393	97,263	186,872	8,217
2027	914,966	67,448	42,860	2,610
2028	639,986	45,615	44,146	1,324
2029	441,715	26,913	-	-
2030	177,193	9,828	-	-
	<u>\$ 4,910,985</u>	<u>\$ 381,755</u>	<u>\$ 455,307</u>	<u>\$ 25,811</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 7. Long-Term Liabilities (Continued)

The County's outstanding debt consists of General Obligation Bonds (including Virginia Public School Authority Bonds), Lease Revenue Bonds, and leases. The debt was issued to provide funds for the acquisition, construction, and improvement of major capital facilities for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. Lease revenue bonds and leases are backed by the general credit and faith of the County. Governmental activities compensated absences are generally liquidated by the General fund.

Details of long-term liabilities are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
PRIMARY GOVERNMENT					
Governmental Activities:					
General Obligation Bonds					
Schools:					
VPSA Bonds	4.10-5.10%	2008	2029	\$ 5,420,000	\$ 1,350,000
VPSA Bonds	3.05-5.05	2013	2031	23,788,000	13,450,000
VPSA Bonds	2.80-5.05	2017	2037	36,865,000	27,550,000
VPSA Bonds	3.05-5.05	2019	2040	20,275,000	17,580,000
Total general obligation bonds					<u>\$ 59,930,000</u>
Lease Revenue Bonds					
Schools:					
Bedford County EDA Refunding-Jefferson Forest High School	2.81%	2015	2031	\$ 5,700,000	<u>\$ 2,075,000</u>

Note 8. Leases

County and Schools as lessee

In 2022, the County and Schools implemented the guidance of GASB No. 87, *Leases*, which for lessees requires reporting an intangible right to use asset and a lease liability for leases that had previously been reported as operating and capital leases.

The County has leases for various equipment, such as copiers and postage machines, and building space for periods expiring through FY 2029. The County uses its incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use lease asset balances and related accumulated amortization at year end are disclosed in Note 6. The related debt as well as principal and interest requirements to maturity are disclosed in Note 7.

The Schools have leases for various equipment (primarily copiers and building space) for periods expiring through FY 2030. The Schools use their incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use lease asset balances and related accumulated amortization at year end are disclosed in Note 6. The related debt as well as principal and interest requirements to maturity are disclosed in Note 7.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 8. Leases (Continued)

County and Schools as lessee (Continued)

The Schools also lease buses under various leases expiring at various dates through 2028. The bus assets acquired through leases are as follows:

	Component Unit
	School Board
Machinery and equipment	\$ 8,994,408
Less: accumulated depreciation	1,956,940
	<u>\$ 7,037,468</u>

Note 9. Subscriptions

In 2023, the County and Schools implemented the guidance of GASB No. 96, *Subscription-based Information Technology Arrangements*, which requires reporting an intangible right to use asset and a subscription liability for subscription-based information technology arrangements (SBITAs). Prior to the issuance of this statement, there was no accounting or financial reporting guidance specifically for SBITAs.

The County has several subscriptions for periods expiring through FY 2030. These subscriptions are for a variety of software solutions to assist with agenda management, provide video and web conferencing infrastructure, allow for the preservation of court records, and aid in emergency dispatch. The County uses its incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use subscription asset balances and related accumulated amortization at year end are disclosed in Note 6. The related debt, as well as principal and interest requirements to maturity, are disclosed in Note 7.

The Schools have subscriptions for periods expiring through FY 2028. These subscriptions are for timekeeping software and digital textbooks and related content. The Schools use their incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use subscription asset balances and related accumulated amortization at year end are disclosed in Note 6. The related debt, as well as principal and interest requirements to maturity, are disclosed in Note 7.

Note 10. Interfund Receivables and Payables and Transfers

As of June 30, 2024, the General Fund, Nursing Home Fund and Solid Waste Fund have the following amounts due from the County's Self-Insurance Fund for health insurance premiums collected in excess of claims paid and incurred:

Due To	Due From	Amount
Nursing Home Fund	Self-Insurance Fund	38,012
Solid Waste Fund	Self-Insurance Fund	9,245

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 11. Defined Benefit Pension Plan

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

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

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:

	<u>County</u>
Inactive members or their beneficiaries currently receiving benefits	<u>276</u>
Inactive members:	
Vested	105
Non-vested	363
Inactive members active elsewhere in VRS	<u>164</u>
Total inactive members	<u>632</u>
Active members	<u>475</u>
Total covered employees	<u><u>1,383</u></u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 11. Defined Benefit Pension Plan (Continued)

Contributions

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

The Political Subdivision's contractually required contribution rate for the year ended June 30, 2024 was 9.25% 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 Political Subdivision were \$2,321,304 and \$2,547,977 for the years ended June 30, 2023 and 2024, respectively.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision'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%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates to better fit experience; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability, and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

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)	Target 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
			8.25%

*Expected arithmetic nominal return

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 11. Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return (Continued)

- * The allocation on the previous page provides for a one-year return of 8.25%. However, one-year returns do not consider the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is 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, Political Subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2024, the alternate rate was the employer contribution rate used in the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever is greater. From July 1, 2023 on, participating employers 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.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 11. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2022	\$ 89,768,178	\$ 89,154,473	\$ 613,705
Changes for the year:			
Service cost	2,451,352	-	2,451,352
Interest	6,073,429	-	6,073,429
Differences between expected and actual experience	(619,696)	-	(619,696)
Contributions – employer	-	2,118,476	(2,118,476)
Contributions – employee	-	1,272,124	(1,272,124)
Net investment income	-	5,755,792	(5,755,792)
Benefit payments, including refunds of employee contributions	(4,485,600)	(4,485,600)	-
Administrative expenses	-	(56,906)	56,906
Other changes	-	2,322	(2,322)
Net changes	3,419,485	4,606,208	(1,186,723)
Balances at June 30, 2023	\$ 93,187,663	\$ 93,760,681	\$ (573,018)

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

The following presents the net pension asset of the Political Subdivision using the discount rate of 6.75%, as well as what the Political Subdivision's 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:

<u>Net Pension Liability (Asset)</u>	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
Bedford County	\$ 12,394,738	\$ (573,018)	\$ (11,270,549)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 11. Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2024, the Political Subdivision recognized pension expense of \$372,514. At June 30, 2024, the Political Subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Bedford County	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 299	\$ 1,089,039
Change in assumptions	73,540	-
Net difference between projected and actual earnings on pension plan investments	-	1,365,397
Employer contributions subsequent to the measurement date	<u>2,547,977</u>	<u>-</u>
Total	<u><u>\$ 2,621,816</u></u>	<u><u>\$ 2,454,436</u></u>

The \$2,547,977 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2025	\$ (1,826,132)
2026	(1,877,234)
2027	1,278,100
2028	44,669
2029	-
Thereafter	-

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 11. Defined Benefit Pension Plan (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans 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.

Payables to the Pension Plan

At June 30, 2024, \$341,638 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

Note 12. Defined Benefit Pension Plan – School Nonprofessionals

Plan Description

All full-time, salaried permanent nonprofessional employees (non-teachers) of the Bedford County School Board, (the "school division") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the "System") along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 11.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 12. Defined Benefit Pension Plan – School Nonprofessionals (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:

	<u>School Board Non- Professional</u>
Inactive members or their beneficiaries currently receiving benefits	<u>238</u>
Inactive members:	
Vested	37
Non-vested	106
Inactive members active elsewhere in VRS	<u>36</u>
Total inactive members	<u>179</u>
Active members	<u>193</u>
Total covered employees	<u><u>610</u></u>

Contributions

The school division's contractually required contribution rate for the year ended June 30, 2024 was 5.10% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Contributions to the pension plan from the school division were \$294,389 and \$350,558 for the years ended June 30, 2023 and 2024, respectively.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2022	\$ 27,009,882	\$ 28,791,463	\$ (1,781,581)
Changes for the year:			
Service cost	524,571	-	524,571
Interest	1,800,821	-	1,800,821
Differences between expected and actual experience	629,709	-	629,709
Contributions – employer	-	261,111	(261,111)
Contributions – employee	-	271,335	(271,335)
Net investment income	-	1,822,782	(1,822,782)
Benefit payments, including refunds of employee contributions	(1,711,248)	(1,711,248)	-
Administrative expenses	-	(18,688)	18,688
Other changes	-	728	(728)
Net changes	1,243,853	626,020	617,833
Balances at June 30, 2023	\$ 28,253,735	\$ 29,417,483	\$ (1,163,748)

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

The following presents the net pension asset of the school division using the discount rate of 6.75%, as well as what the net pension 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:

Net Pension Asset	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Board Nonprofessional	\$ 1,853,046	\$ (1,163,748)	\$ (3,718,409)

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

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

For the year ended June 30, 2024, the school division recognized a pension expense of \$170,387. At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	School Board Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 301,736	\$ 3,619
Net difference between projected and actual earnings on pension plan investments	-	476,758
Employer contributions subsequent to the measurement date	350,558	-
Total	<u>\$ 652,294</u>	<u>\$ 480,377</u>

The \$350,588 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 ending 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 as follows:

Year Ending June 30,	School Board Non-Professional Increase (Reduction) to Pension Expense
2025	\$ (38,331)
2026	(572,054)
2027	415,693
2028	16,051
2029	-
Thereafter	-

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans 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.

Payables to the Pension Plan

At June 30, 2024, \$1,411,778 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan

General Information about the Teacher Cost Sharing Plan

Plan Description

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

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 11.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division’s contractually required contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$9,724,539 and \$10,080,181 for the years ended June 30, 2023 and 2024, respectively.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Plan Description (Continued)

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session 1, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The School division's proportionate share is reflected in the current expenditures of the Statement of Revenues, Expenditures, and Changes in Fund Balance.

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 \$59,933,703 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 and 2024, the school division's proportion was 0.60% and 0.59%, respectively.

For the year ended June 30, 2024, the school division recognized pension expense of \$5,585,820. 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 the expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	School Board Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,148,356	\$ 2,338,869
Change in assumptions	2,717,005	-
Net difference between projected and actual earnings on pension plan investments	-	3,896,900
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,329	1,721,078
Employer contributions subsequent to the measurement date	10,080,181	-
Total	<u>\$ 17,966,871</u>	<u>\$ 7,956,847</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

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

The \$10,080,181 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 ending 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 as follows:

Year Ending June 30,	School Board Professional Increase (Reduction) to Pension Expense
2025	\$ (1,707,310)
2026	(3,920,159)
2027	4,496,227
2028	1,061,085
2029	-
Thereafter	-

Net Pension Liability

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

	Teacher Employee Retirement Plan
Total pension liability	\$ 57,574,610
Plan fiduciary net position	<u>47,467,405</u>
Employers' net pension liability	<u>\$ 10,107,205</u>
Plan fiduciary net position as a percentage of the total pension liability	82.45%

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Net Pension Liability (Continued)

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.

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 of the school division 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:

<u>Net Pension Liability</u>	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
School division's proportionate share of the VRS teacher employee retirement plan net pension liability	<u>\$ 106,241,079</u>	<u>\$ 59,933,703</u>	<u>\$ 21,865,231</u>

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.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 14. Fire and Rescue Length of Service Awards Program

A. Plan Description

The County established a Length of Service Awards Program (LOSAP) on July 1, 2006, for the Bedford County Fire and Rescue Association members to recognize the service provided by the volunteers. The LOSAP is accounted for as a single employer defined benefit pension plan. The plan is administered by the Volunteer Fireman's Insurance Services, Inc (the VFIS); amendments to the plan may be made at the discretion of the County Board of Supervisors.

The plan is open to any volunteer over the age of sixteen. Participants vest after five years of service and earn a fixed dollar benefit based on years of service. Benefits amortize on a level dollar basis, and are recognized when due and payable in accordance with the terms of the plan. Benefits accrue at the rate of \$12 per month for each month of active service with a maximum of \$300 per month. Since the County fully funds the benefit, refunds are not paid. The plan does not provide for post-retirement increases. The contribution rate is determined using an entry age Normal-Frozen Initial Liability Cost Method. The actuarial value of the plan assets is equal to the market value of the assets. Present and future assets in the plan are assumed to earn an investment rate of return of 4.25% compounded annually. There is no inflation factor or salary increase factor used since there is no covered payroll.

As of the most recent actuarial valuation date, the program membership consisted of the following:

Active participants	164
Vested-terminated	94
Retired participants and beneficiaries	<u>12</u>
	<u><u>270</u></u>

Although the County's Guaranteed Interest account is intended to fund the plan, this account consists of a "rabbi" trust, which is not a trust or equivalent arrangement where:

- Contributions to the pension plan and earning on those contributions are irrevocable.
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator.

Therefore, the assets of the guaranteed interest account are not considered assets of the plan.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 14. Fire and Rescue Length of Service Awards Program (Continued)

B. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024 using the actuarial assumptions applied to all periods included in the measurement.

Inflation	0.0%
Salary increases	Not Applicable
Investment rate of return	3.97%, net of pension plan investment expense, including inflation
Mortality	No pre-retirement; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the July 1, 2023 actuarial valuation report. Calculations assume the plan remains unfunded and uses a discount rate of 3.97%, which is based on the 20-year AA general obligation bond rate as of June 30, 2024.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 14. Fire and Rescue Length of Service Awards Program (Continued)

C. Changes in Net Pension Liability

	Bedford County – LOSAP		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2023	\$ 3,002,160	\$ -	\$ 3,002,160
Changes for the year:			
Service cost	83,074	-	83,074
Interest	118,903	-	118,903
Differences between expected and actual experience	(21,229)	-	(21,229)
Benefit payments, including refunds of employee contributions	(18,600)	-	(18,600)
Changes in assumptions	(74,893)	-	(74,893)
Net changes	87,255	-	87,255
Balances at June 30, 2024	\$ 3,089,415	\$ -	\$ 3,089,415

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

The following presents the net pension liability of the LOSAP using the discount rate of 3.97%, as well as what the LOSAP's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current rate:

Net Pension Liability	1.00% Decrease (2.97%)	Current Discount Rate (3.97%)	1.00% Increase (4.97%)
Bedford County – LOSAP	\$ 3,855,705	\$ 3,089,415	\$ 2,504,704

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 14. Fire and Rescue Length of Service Awards Program (Continued)

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

For the year ended June 30, 2024, the LOSAP recognized pension expense of \$153,904. At June 30, 2024, the LOSAP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Bedford County – LOSAP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,282	\$ 122,943
Changes in assumptions	508,710	1,230,479
	<u>\$ 624,992</u>	<u>\$ 1,353,422</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Reduction to Pension Expense
2025	\$ (48,075)
2026	(30,629)
2027	(111,316)
2028	(111,323)
2029	(193,943)
Thereafter	(233,144)

Note 15. Other Postemployment Benefits Liability – Local Plan

Plan Description and Benefits Provided

The County and School Board provide post-employment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add, or delete coverage as they deem appropriate and with the approval of the Board or School Board respectively. The plan does not grant retirees vested health benefits.

A retiree, eligible for post-employment medical coverage, is defined as a full-time employee who retires directly from the County or School Board who is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the County and School Board until the month the retiree turns 65. Retirees are responsible for the full cost of the plan.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

Employees Covered by Benefit Terms

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

	<u>County</u>	<u>School Board</u>
Retirees currently receiving benefits	9	35
Active employees	399	995
	<u>408</u>	<u>1,030</u>

Total OPEB Liability

The County's and School Board's total OPEB liability of \$854,715 and \$2,727,294, respectively, was measured as of June 30, 2023 and was determined based on an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions and Other Inputs

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

	<u>County</u>	<u>School Board</u>
Inflation	2.50%	2.50%

Mortality rates: SOA Pub-2010 Employees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

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, 2021 through June 30, 2022.

There have been no changes in benefit terms.

Changes in County and School Board assumptions and other inputs reflect change in discount rate from 3.69% to 3.86% based on GASB 75 rules.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

Changes in the Total OPEB Liability

	Bedford County			School Board		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at June 30, 2022	\$ 845,916	\$ -	\$ 845,916	\$ 2,631,325	\$ -	\$ 2,631,325
Changes for the year:						
Service cost	54,138	-	54,138	169,479	-	169,479
Interest	30,038	-	30,038	94,538	-	94,538
Changes in assumptions	(11,630)	-	(11,630)	(29,416)	-	(29,416)
Differences between expected and actual experience	(19,676)	-	(19,676)	227,264	-	227,264
Contributions – employer	-	44,071	(44,071)	-	365,896	(365,896)
Benefit payments, including refunds of employee contributions	(44,071)	(44,071)	-	(365,896)	(365,896)	-
Net changes	8,799	-	8,799	95,969	-	95,969
Balance at June 30, 2023	\$ 854,715	\$ -	\$ 854,715	\$ 2,727,294	\$ -	\$ 2,727,294

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

The following presents the total OPEB liability of the County and School Board, as well as what the County and School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

	1.00% Decrease (2.86%)	Current Discount Rate (3.86%)	1.00% Increase (4.86%)
Bedford County	\$ 925,872	\$ 854,715	\$ 790,055
Bedford County School Board	\$ 2,905,889	\$ 2,727,294	\$ 2,556,872

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

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

The following presents the total OPEB liability of the County and School Board's, as well as what the County and School Board's total OPEB liability 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:

	1.00% Decrease (2.94%)	Current Healthcare Cost Trend Rates (3.94%)	1.00% Increase (4.94%)
Bedford County	\$ 762,388	\$ 854,715	\$ 790,055
Bedford County School Board	\$ 2,458,682	\$ 2,727,294	\$ 3,038,095

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$38,814 and the School Board recognized an OPEB benefit of \$(413,186). At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	County Local OPEB		School Board Local OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,279	\$ 108,962	\$ 1,024,939	\$ 1,282,006
Change in assumptions	37,761	131,631	320,399	401,776
Employer contributions subsequent to the measurement date	27,487	-	602,576	-
	<u>\$ 102,527</u>	<u>\$ 240,593</u>	<u>\$ 1,947,914</u>	<u>\$ 1,683,782</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The \$27,487 and \$602,576 reported as deferred outflows of resources related to OPEB resulting from the retiree's contributions subsequent to the measurement date will be recognized as a reduction of the 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 OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Increase (Reduction) to Local OPEB Expense	
	County	Schools
2025	\$ (39,292)	\$ (624,119)
2026	(62,460)	39,964
2027	(57,539)	50,574
2028	(6,262)	162,159
2029	-	32,978
Thereafter	-	-

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County of Bedford and the Bedford County School Board also participate in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Plan Descriptions (Continued)

Teacher Employee Health Insurance Credit Program

All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple employer, cost sharing plans.

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent defined benefit plan.

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	34
Inactive members – vested	10
Active elsewhere in VRS	36
Active members	<u>193</u>
Total covered employee	<u><u>273</u></u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021 (General Employee HIC Program) and June 30, 2021 (GLI and Teacher HIC). The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program-Bedford County

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$135,974
June 30, 2024 Contribution	\$147,408

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. Our proportionate share is reflected in the financial statements.

Group Life Insurance Program-Bedford County School Board-Teachers

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$313,618
June 30, 2024 Contribution	\$325,804

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions (Continued)

Group Life Insurance Program-Bedford County School Board-Nonprofessional

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$31,878
June 30, 2024 Contribution	\$38,013

Teacher Health Insurance Credit Program-Bedford County School Board

Governed by:	<i>Code of Virginia 51.1-1401 and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.</i>
Total rate:	1.21% of covered employee compensation.
June 30, 2023 Contribution	\$708,518
June 30, 2024 Contribution	\$735,691

In June 2022, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher Health Insurance Credit Program. 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.

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

Governed by:	<i>Code of Virginia 51.1-1401 and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.</i>
Total rate:	0.91% of covered employee compensation.
June 30, 2023 Contribution	\$68,904
June 30, 2024 Contribution	\$82,539

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

The net OPEB liabilities were measured as of June 30, 2023 and the total OPEB liabilities used to calculate the net OPEB liabilities 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 OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program-Bedford County

June 30, 2024 proportionate share of liability	\$ 1,281,466
June 30, 2023 proportion	0.11%
June 30, 2022 proportion	0.10%
June 30, 2024 expense	\$ 80,901

Group Life Insurance Program-Bedford County School Board-Teachers

June 30, 2024 proportionate share of liability	\$ 3,003,081
June 30, 2023 proportion	0.25%
June 30, 2022 proportion	0.26%
June 30, 2024 expense	\$ 103,672

Group Life Insurance Program-Bedford County School Board-Nonprofessional

June 30, 2024 proportionate share of liability	\$ 301,987
June 30, 2023 proportion	0.03%
June 30, 2022 proportion	0.03%
June 30, 2024 expense	\$ 2,262

Teacher Health Insurance Credit Program-Bedford County School Board

June 30, 2024 proportionate share of liability	\$ 7,148,211
June 30, 2023 proportion	0.59%
June 30, 2022 proportion	0.60%
June 30, 2024 expense	\$ 483,919

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2022	\$ 774,893	\$ 87,723	\$ 687,170
Changes for the year:			
Service costs	6,484	-	6,484
Interest	52,163	-	52,163
Difference between expected and actual experience	\$ (395,541)	\$ -	\$ (395,541)
Contributions – employer	-	70,019	(70,019)
Benefit payments, including refunds of employee contributions	(17,192)	(17,192)	-
Net investment income	-	7,868	(7,868)
Administrative expenses	-	(224)	224
Other Changes	-	1	(1)
Net changes	(354,086)	60,472	(414,558)
Balances at June 30, 2023	\$ 420,807	\$ 148,195	\$ 272,612

In addition, for the year ended June 30, 2024, the School Board recognized OPEB income of \$33,075 related to the General Employee Health Insurance Credit Program.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

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

Group Life Insurance Program-Bedford County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 127,987	\$ 38,899
Change in assumptions	27,392	88,785
Net difference between projected and actual earnings on OPEB plan investments	-	51,497
Changes in proportion	46,697	14,654
Employer contributions subsequent to the measurement date	147,408	-
Total	<u>\$ 349,484</u>	<u>\$ 193,835</u>

Group Life Insurance Program-Bedford County School Board-Teachers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 299,934	\$ 91,159
Change in assumptions	64,192	208,065
Net difference between projected and actual earnings on OPEB plan investments	-	120,681
Changes in proportion	10,104	138,587
Employer contributions subsequent to the measurement date	325,804	-
Total	<u>\$ 700,034</u>	<u>\$ 558,492</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

Group Life Insurance Program-Bedford County School Board-Nonprofessional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,161	\$ 9,167
Change in assumptions	6,455	20,923
Net difference between projected and actual earnings on OPEB plan investments	-	12,136
Changes in proportion	5,173	25,457
Employer contributions subsequent to the measurement date	38,013	-
Total	<u>\$ 79,802</u>	<u>\$ 67,683</u>

Teacher Health Insurance Credit Program-Bedford County School Board

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 314,629
Change in assumptions	166,398	7,203
Net difference between projected and actual earnings on OPEB plan investments	3,587	-
Changes in proportion	26,024	269,991
Employer contributions subsequent to the measurement date	735,691	-
Total	<u>\$ 931,700</u>	<u>\$ 591,823</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 21,291	\$ -
Differences between expected and actual experience	-	311,573
Net difference between projected and actual earnings on OPEB plan investments	1,283	-
Employer contributions subsequent to the measurement date	82,539	-
Total	<u>\$ 105,113</u>	<u>\$ 311,573</u>

The deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net 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 OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program-Bedford County

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ 586
2026	(43,487)
2027	26,743
2028	6,545
2029	17,854
Thereafter	-

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

Group Life Insurance Program-Bedford County School Board-Teachers

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (49,702)
2026	(158,971)
2027	22,580
2028	(16,124)
2029	17,955
Thereafter	-

Group Life Insurance Program-Bedford County School Board-Nonprofessional

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (11,961)
2026	(18,996)
2027	2,135
2028	904
2029	2,024
Thereafter	-

Teacher Health Insurance Credit Program-Bedford County School Board

Year Ending June 30,	Reduction to OPEB Expense
2025	\$ (89,589)
2026	(74,277)
2027	(60,890)
2028	(78,149)
2029	(66,669)
Thereafter	(26,240)

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

<u>Year Ending June 30,</u>	<u>Increase to OPEB Expense</u>
2025	\$ (85,114)
2026	(89,920)
2027	(92,424)
2028	(21,541)
2029	-
Thereafter	-

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2022, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases, including inflation:	
Locality – general employees	3.50 – 5.35%
Locality – hazardous duty employees	3.50 – 4.75%
Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
Under age 65	7.00 – 4.75%
Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 11.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<u>Group Life Insurance Program</u>	<u>Teacher Employee HIC OPEB Plan</u>
Total OPEB liability	\$ 3,907,052	\$ 1,475,471
Plan fiduciary net position	2,707,739	264,054
Employers' net OPEB liability (asset)	1,199,313	1,211,417
Plan fiduciary net position as a percentage of total OPEB liability	69.30%	17.90%

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

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS 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 OPEB 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:

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Long-Term Expected Rate of Return (Continued)

Group Life Insurance and Health Insurance Credit Programs (Continued)

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi-Asset Public 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 for a one-year return of 8.25%. However, one-year returns do not consider the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is 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 inflation of 2.50%.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities 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 Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the employer for the OPEB liabilities 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 for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

The following presents the net OPEB liabilities of the County and School Board, as well as what the County and School Board's net OPEB liabilities 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 discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI net OPEB liability			
Bedford County	\$ 1,899,534	\$ 1,281,466	\$ 781,755
School Board - Teachers	4,451,504	3,003,081	1,832,021
School Board - Nonprofessional	447,639	301,987	184,226
Teacher HIC net OPEB liability			
School Board - Teachers	8,085,425	7,148,211	6,354,003
School Board - Nonprofessional	316,235	272,612	235,220

OPEB Plan Fiduciary Net Position

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 17. Landfill Closure and Post-closure Costs

Permit #30

The County stopped accepting waste at its old landfill site, permit #30, on October 8, 1993. In accordance with federal and state laws, the County placed a final cover on this site and was required to perform certain maintenance and monitoring functions for ten years after closure. The site was certified as closed by the Virginia Department of Environmental Quality (DEQ) on July 2, 1996. The cumulative amount of estimated post-closure care costs to date for this site, less amounts expended for such costs to date, totals \$1,839,416.

The presence of certain contaminants in the groundwater extends the monitoring period in excess of the initial requirement. The estimated liability is based on the DEQ continuing to accept the current remedy enacted as discussed below and documented in the Corrective Action Permit dated November 21, 2006. If groundwater conditions change significantly prompting DEQ to require a change to the current remedy the actual costs will likely increase. Also, actual costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances. This amount is included in the long-term liabilities of the primary government.

The County's current plan of remediation consists of existing engineering and institutional controls (closure, capping, and site access restriction) coupled with groundwater remediation by monitored natural attenuation. This remedy consists of conducting groundwater and surface water monitoring at wells and springs on the site. It is the opinion of the County and its external engineer, based upon data observed to date, that during the next ten (10) years, the groundwater contaminants will decrease to an acceptable level and the County will be released from requirements of corrective action, and will petition DEQ to suspend all post-closure care activities including groundwater and gas monitoring.

Permit #560

The County's active landfill site, permit #560, began accepting waste on October 9, 1993. State and federal laws and regulations require the County to place a final cover on this landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for thirty (30) years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used, as of each balance sheet date. The \$7,500,440 reported as landfill closure and post-closure care liability as of June 30, 2024 represents the cumulative amount reported to date based on the use of approximately 85.1% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$1,610,585 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects its disposal area to be closed in 2030.

The County uses the financial test method for demonstrating assurance for post-closure care.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 18. Fund Balances

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County classifies governmental fund balances as follows:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they legally or contractually required to be maintained intact.
- **Restricted** fund balance includes amounts that have constraints placed on the use by external sources such as creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority – the Board. Formal Board action includes the annual adoption of the County’s Budget and Appropriation Resolutions, budget amendments appropriating funds and resources, and budget amendments to carry forward appropriations that were unexpended at fiscal year end.
- **Assigned** fund balance includes amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed. Fund balance may be assigned either through the encumbrance process as a result of normal purchasing activity or by the Board or an official delegated that authority.
- **Unassigned** fund balance is the positive fund balance within the General Fund which has not been classified as Restricted, Committed, or Assigned and negative fund balances in other governmental funds.

The County considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents of contracts. When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the County considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

The General Fund reserve target is 20% of the next fiscal year’s General Fund recurring operating expenditures. To determine if the target has been met, the unassigned fund balance is compared with the annual appropriations budget.

A schedule of the County fund balances is on the following page.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 18. Fund Balances (Continued)

	General Fund	School Board
Nonspendable:		
Prepays	\$ 314,797	\$ 152,785
Inventories	51,279	190,144
Total nonspendable	366,076	342,929
Restricted for:		
Public safety	2,616,762	-
Other purposes	12,068,462	-
Total restricted	14,685,224	-
Committed to:		
Public works	405,390	-
Health self-insurance	-	3,716,814
Community development	2,358,354	-
Capital projects	1,237,499	-
Total committed	4,001,243	3,716,814
Assigned to:		
Judicial administration	50,889	-
Public safety	2,155,288	-
Education	745,805	
Education-nutrition	-	1,836,373
Education-textbooks	-	1,414,315
Education-maintenance projects	-	8,675,938
School activity fund	-	1,543,481
Funding of subsequent year budget	26,656,350	-
Subsequent year appropriation of fund balance	467,572	-
Encumbrances	91,146	-
Total assigned	30,167,050	13,470,107
Unassigned	57,828,141	-
Total fund balances	<u>\$ 107,047,734</u>	<u>\$ 17,529,850</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 19. Risk Management

The risk management programs of the County and School Board are as follows:

Worker's Compensation

Worker's Compensation Insurance is provided through VaCorp for both the County and the School Division. Benefits are those afforded through the Commonwealth of Virginia as outlined in *Code of Virginia* §65.2-100. Premiums are based on covered payroll, job rates, and claims experience. Total premiums paid for the current year were \$369,803 and \$261,392 for the County and School Division, respectively.

General Liability and Other

The County provides general liability and other insurance through VaCorp. General liability and business automobile have a \$2,000,000 limit. Boiler and machinery insurance has a \$125,000,000 limit and all other property insurance is covered as per the statement of values. Furthermore, public officials' liability insurance has a \$1,000,000 limit and line of duty coverage is provided pursuant to *Code of Virginia* §9.1-400. Total premiums for the current fiscal year were \$355,998.

The Bedford County Nursing Home has a separate policy for general liability insurance through GuideOne Mutual Insurance. The policy limit is \$3,000,000. Total premiums for the current fiscal year were \$48,105. Other Nursing Home insurance (i.e., worker's compensation, business auto, etc.) is included in the VaCorp policy and premiums noted in the preceding paragraph.

The School Division provides general liability and other insurance through VaCorp. General liability and business automobile have a \$2,000,000 limit. Boiler and machinery insurance has a \$50,000,000 limit and property insurance is covered as per the statement of values. Total premiums for the current fiscal year were \$448,293.

Health Care

The County moved from a commercial insurance program to a professionally administered self-insured health program to provide healthcare coverage for employees, retirees, and their dependents for the year ended June 30, 2024. Risk management activities are accounted for in the County Self-Insurance Fund. Monthly premiums are based upon estimates from the County's benefit consultant that should cover administrative expenses, stop loss insurance premiums, and claims. A stop loss insurance contract executed with an insurance carrier covers claims in excess of \$150,000 per covered individual per contract year. For the year ended June 30, total claims expense was \$5,248,980. Administrative fees and stop loss premiums for the year ended June 30 totaled \$877,784. Estimated incurred but not reported (IBNR) claims at June 30 based on prior experience totaled \$229,441. Changes in the balance of claims payable liability during the past year are follows:

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 19. Risk Management (Continued)

Health Care (Continued)

	County Health Insurance
	<hr/>
Unpaid claims at July 1	\$ -
Incurred claims (including IBNR and changes in estimates)	5,248,980
Claim payments	<u>(4,961,039)</u>
Unpaid claims at June 30	<u>\$ 287,941</u>

The School Board's professionally administered self-insured health program provides healthcare coverage for employees, retirees, and their dependents. Risk management activities are accounted for in the School Operating Fund. Monthly premiums are based upon estimates from the School Board's benefit consultant that should cover administrative expenses, stop loss insurance premiums, and claims. A stop loss insurance contract executed with an insurance carrier covers claims in excess of \$275,000 per covered individual per contract year. For the year ended June 30, total claims expense was \$11,965,059. Administrative fees and stop loss premiums for the year ended June 30 totaled \$1,726,837. Estimated incurred but not reported (IBNR) claims at June 30 based on prior experience totaled \$1,198,000. Changes in the balance of claims payable liability during the past year are follows:

	School Health Insurance
	<hr/>
Unpaid claims at July 1	\$ 698,855
Incurred claims (including IBNR and changes in estimates)	11,965,059
Claim payments	<u>(11,752,611)</u>
Unpaid claims at June 30	<u>\$ 911,303</u>

Note 20. Related Organizations, Jointly Governed Organizations, and Joint Ventures

The following organizations are excluded from the accompanying financial statements:

Related Organizations:

Bedford Regional Water Authority (BRWA)

The BRWA (formerly the Bedford County Public Service Authority) was created pursuant to the Water and Sewer Authorities Act Chapter 28, Title 15.1 *Code of Virginia* of 1950, as amended, and in accordance with the Reversion Agreement executed in August 2012 between the Bedford County Board of Supervisors and the Bedford City Council. The BRWA operates on a Board-Administrator form of government. Its Board consists of a chairman and six other board members.

(Continued)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 20. Related Organizations, Jointly Governed Organizations, and Joint Ventures (Continued)

The BRWA serves the water and sewer needs of the Smith Mountain Lake, Forest, New London, and Boonsboro areas of the County as well as the Town of Bedford. The County contributes funding annually to the BRWA to assist in the payment of debt service for water and sewer lines and plant expansion.

Jointly Governed Organizations:

Horizon Behavioral Health (HBH)

The County, in conjunction with the Counties of Amherst, Appomattox, and Campbell, and the City of Lynchburg, participates in HBH, whose board is composed of two members from each of the participating localities. The County contributed \$116,000 for operations to HBH for 2024.

Blue Ridge Regional Jail Authority (BRRJA)

The County, in conjunction with the Counties of Amherst, Appomattox, Campbell, and Halifax, and the City of Lynchburg, participates in the BRRJA. Each member jurisdiction pays a per diem charge for each day that one of its prisoners is at any regional jail facility. In accordance with the service agreement, the Authority has divided the per diem charge into operating and debt service components. The per diem charge is based upon an assumed number of prisoner days, and is subject to adjustment at the end of each fiscal year.

Joint Ventures:

Region 2000 Radio Communications Board

The County, along with the County of Amherst and City of Lynchburg, is a participant in the development and operation of a regional radio communication system, the Region 2000 Radio Communications Board (the "Board"). Each participant agreed to contribute its pro rata share for annual capital and operational costs, as well as any annual deficit. The Board issued debt of \$13.1 million in May 2012 for the upgrade and replacement of the existing system. Each participant agreed to contribute its pro rata share towards debt service payments of the Board. The County's share will be 41.90%, and annual contributions for debt service will approximate \$465,000 through May 2027. Should the Board fail to make the debt service payments, the member jurisdictions have a moral non-binding obligation to pay the debt service. During fiscal year 2024, the County paid the Board \$447,735 for debt service and \$487,317 for other operational costs.

Tri-County Lake Administrative Commission (TLAC)

The County, in conjunction with the Counties of Franklin and Pittsylvania, created TLAC, which is composed of an eight-member board of directors appointed by the participating localities to carry out lake planning duties as may be assigned by the respective Boards of Supervisors. Such duties may include, but are not limited to, navigation marker issues, debris cleanup, and coordination with American Electric Power on lake-related issues. The County is responsible for annual contributions to TLAC, which equaled \$79,388 for 2024. Separate financial statements for TLAC are not available.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 21. Commitments and Contingencies

Litigation

The County and School Board, in the normal course of conducting affairs, are each involved in various claims, judgments, and litigation. Officials estimate that any ultimate liability not covered by insurance will have an immaterial effect on financial position.

Special purpose grants

Special purpose grants are subject to audit to determine compliance with their requirements. County officials believe that if any refunds are required, they will be immaterial.

Note 22. Tax Incentives

The County and EDA have performance based tax incentive agreements with three local businesses. The agreements provide for a partial refund of Machinery and Tools tax paid for five years. The refund is based on the performance agreement investment of business machinery and tools. The refund percentage steps down by 10 percent during each year of the performance agreement (see schedule below):

Year 1	70 %
Year 2	60
Year 3	50
Year 4	40
Year 5	30

During fiscal year 2024, there were no amounts refunded to businesses in accordance with the above mentioned agreements.

Note 23. Other Matters

On July 1, 2013, the City of Bedford, Virginia reverted to Town status. The reversion agreement provided for certain capital assets with a value of \$2,132,737 to be transferred to the County from the Town, including the Library and an elementary school. Due to the reversion, the School Board receives an increase in state education funding for 15 years. In consideration for the assets received from the Town, the County agreed to pay the Town \$500,000 annually for a period of 15 years. For any year in which the additional state education funding exceeds \$4 million, the County will pay the Town an additional \$250,000. For any year in which the additional state education funding is less than \$4 million, the payment to the Town will be reduced by a formula described in the reversion agreement. For the year ended June 30, 2024, the County paid the Town \$750,000, which was the Town's share of additional funding for the year.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 24. Prior Period Restatement

During 2023, the School Board completed CIP projects and capitalized assets, accordingly. However, the CIP balance for the year ended June 30, 2023 was not adjusted to remove the completed projects, which resulted in an overstatement of the June 30, 2023 CIP balance (\$238,246)

Additionally, the School Board signed new long-term copier leases, which were capitalized according to the requirements of GASB Statement 87, *Leases*. During the calculation of the right-to-use asset and related lease liability, an incorrect lease execution date was applied, which caused an understatement of the value of the right-to use asset (\$49,519) and related lease liability (\$45,105).

The School Board has recorded a prior period adjustment to the above errors. The following is a summary of the restatement to beginning net position.

Net position, July 1, 2023, as previously reported	\$ 91,318,529
Correction of CIP balance	(238,246)
Correction of lease asset and related liability	<u>4,414</u>
Net position, July 1, 2023, as restated	<u><u>\$ 91,084,697</u></u>

Note 25. New Accounting Standards

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

In December 2023, the GASB issued **Statement No. 102**, *Certain Risk Disclosures*. This statement defines and requires governments to disclose the risks related to concentrations of inflows or outflows of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

In April 2024, the GASB issued **Statement No. 103**, *Financial Reporting Model Improvements*. This statement 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 as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PRIMARY GOVERNMENT
June 30, 2024**

	Plan Year		
	2023	2022	2021
Total Pension Liability			
Service cost	\$ 2,451,352	\$ 2,296,598	\$ 2,289,733
Interest on total pension liability	6,073,429	5,939,927	5,363,784
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(619,696)	(2,058,062)	11,504
Changes in assumptions	-	-	2,831,347
Benefit payments, including refunds of employee contributions	(4,485,600)	(4,225,212)	(4,289,821)
Net change in total pension liability	3,419,485	1,953,251	6,206,547
Total pension liability – beginning	89,768,178	87,814,927	81,608,380
Total pension liability – ending	93,187,663	89,768,178	87,814,927
Plan Fiduciary Net Position			
Contributions – employer	2,118,476	1,842,493	1,779,084
Contributions – employee	1,272,124	1,051,109	1,014,907
Net investment income	5,755,792	(95,987)	19,686,177
Benefit payments, including refunds of employee contributions	(4,485,600)	(4,225,212)	(4,289,821)
Administrative expenses	(56,906)	(56,301)	(49,035)
Other	2,322	2,095	1,860
Net change in plan fiduciary net position	4,606,208	(1,481,803)	18,143,172
Plan fiduciary net position – beginning	89,154,473	90,636,276	72,493,104
Plan fiduciary net position – ending	93,760,681	89,154,473	90,636,276
Net pension liability (asset) – ending	\$ (573,018)	\$ 613,705	\$ (2,821,349)
Plan fiduciary net position as a percentage of total pension liability	101%	99%	103%
Covered employee payroll	\$ 27,394,405	\$ 24,460,444	\$ 23,498,772
Net pension liability as a percentage of covered employee payroll	-2%	3%	-12%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

The Notes to the Financial Statements are an integral part of this statement.

EXHIBIT 11

Plan Year							
2020	2019	2018	2017	2016	2015	2014	
\$ 2,202,410	\$ 2,021,050	\$ 2,006,400	\$ 1,898,498	\$ 1,804,637	\$ 1,919,057	\$ 1,936,109	
5,171,252	4,947,523	4,534,182	4,339,811	4,238,485	4,072,090	3,827,724	
-	-	-	517,512	-	-	-	
(468,690)	283,759	2,720,519	(451,977)	(1,711,831)	(1,101,052)	-	
-	2,366,146	-	(459,022)	-	-	-	
(3,815,452)	(3,557,037)	(3,155,426)	(2,980,765)	(2,786,780)	(2,239,267)	(2,306,520)	
3,089,520	6,061,441	6,105,675	2,864,057	1,544,511	2,650,828	3,457,313	
78,518,860	72,457,419	66,351,744	63,487,687	61,943,176	59,292,348	55,835,035	
81,608,380	78,518,860	72,457,419	66,351,744	63,487,687	61,943,176	59,292,348	
1,487,607	1,400,026	1,339,030	1,272,940	1,481,732	1,451,172	1,751,158	
1,032,124	989,164	957,613	909,120	826,393	812,546	860,090	
1,377,574	4,582,631	4,805,143	7,135,145	1,023,046	2,558,667	7,596,167	
(3,815,452)	(3,557,037)	(3,155,426)	(2,980,765)	(2,786,780)	(2,239,267)	(2,306,520)	
(47,102)	(45,242)	(41,325)	(41,144)	(36,107)	(34,521)	(40,277)	
(1,634)	(2,892)	132,140	(6,358)	(430)	(546)	400	
33,117	3,366,650	4,037,175	6,288,938	507,854	2,548,051	7,861,018	
72,459,987	69,093,337	65,056,162	58,767,224	58,259,370	55,711,319	47,850,301	
72,493,104	72,459,987	69,093,337	65,056,162	58,767,224	58,259,370	55,711,319	
\$ 9,115,276	\$ 6,058,873	\$ 3,364,082	\$ 1,295,582	\$ 4,720,463	\$ 3,683,806	\$ 3,581,029	
89%	92%	95%	98%	93%	94%	94%	
\$ 21,647,240	\$ 21,781,710	\$ 21,353,372	\$ 19,852,664	\$ 18,450,608	\$ 17,522,239	\$ 18,233,530	
42%	28%	16%	7%	26%	21%	20%	

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
SCHOOLS – NONPROFESSIONAL EMPLOYEES
June 30, 2024**

	Plan Year		
	2023	2022	2021
Total Pension Liability			
Service cost	\$ 524,571	\$ 478,719	\$ 484,926
Interest on total pension liability	1,800,821	1,762,842	1,659,999
Difference between expected and actual experience	629,709	(94,107)	(259,734)
Changes in assumptions	-	-	746,967
Benefit payments, including refunds of employee contributions	(1,711,248)	(1,550,065)	(1,624,485)
Net change in total pension liability	1,243,853	597,389	1,007,673
Total pension liability – beginning	27,009,882	26,412,493	25,404,820
Total pension liability – ending	28,253,735	27,009,882	26,412,493
Plan Fiduciary Net Position			
Contributions – employer	261,111	277,810	264,495
Contributions – employee	271,335	255,112	244,599
Net investment income	1,822,782	(18,589)	6,549,386
Benefit payments, including refunds of employee contributions	(1,711,248)	(1,550,065)	(1,624,485)
Administrative expenses	(18,688)	(18,785)	(16,923)
Other	728	676	612
Net change in plan fiduciary net position	626,020	(1,053,841)	5,417,684
Plan fiduciary net position – beginning	28,791,463	29,845,304	24,427,620
Plan fiduciary net position – ending	29,417,483	28,791,463	29,845,304
Net pension liability (asset) – ending	\$ (1,163,748)	\$ (1,781,581)	\$ (3,432,811)
Plan fiduciary net position as a percentage of total pension liability (asset)	104%	107%	113%
Covered employee payroll	\$ 7,537,603	\$ 6,337,433	\$ 6,009,183
Net pension liability (asset) as a percentage of covered employee payroll	-15%	-28%	-57%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

EXHIBIT 12

Plan Year						
2020	2019	2018	2017	2016	2015	2014
\$ 526,618	\$ 529,937	\$ 538,823	\$ 547,567	\$ 558,668	\$ 601,405	\$ 582,857
1,627,059	1,564,001	1,491,579	1,454,802	1,431,511	1,351,849	1,277,059
(155,622)	364,326	158,901	(164,960)	(638,390)	80,427	-
-	616,120	-	(224,914)	-	-	-
(1,395,613)	(1,229,744)	(1,079,678)	(1,094,549)	(943,544)	(847,770)	(735,199)
602,442	1,844,640	1,109,625	517,946	408,245	1,185,911	1,124,717
24,802,378	22,957,738	21,848,113	21,330,167	20,921,922	19,736,011	18,611,294
25,404,820	24,802,378	22,957,738	21,848,113	21,330,167	20,921,922	19,736,011
239,271	244,991	237,168	236,702	390,587	404,699	475,727
253,638	255,641	264,009	261,842	262,489	272,628	286,798
470,154	1,582,297	1,686,767	2,537,662	364,171	923,208	2,759,864
(1,395,613)	(1,229,744)	(1,079,678)	(1,094,549)	(943,544)	(847,770)	(735,199)
(16,462)	(16,057)	(14,762)	(14,951)	(13,042)	(12,637)	(14,693)
(551)	(993)	(1,492)	(2,243)	(154)	(196)	146
(449,563)	836,135	1,092,012	1,924,463	60,507	739,932	2,772,643
24,877,183	24,041,048	22,949,036	21,024,573	20,964,066	20,224,134	17,451,491
24,427,620	24,877,183	24,041,048	22,949,036	21,024,573	20,964,066	20,224,134
\$ 977,200	\$ (74,805)	\$ (1,083,310)	\$ (1,100,923)	\$ 305,594	\$ (42,144)	\$ (488,123)
96%	100%	105%	105%	99%	100%	102%
\$ 5,904,866	\$ 6,232,346	\$ 6,239,209	\$ 6,134,885	\$ 6,058,761	\$ 5,777,679	\$ 6,064,075
17%	-1%	-17%	-18%	5%	-1%	-8%

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PRIMARY GOVERNMENT – LENGTH OF SERVICE AWARDS PROGRAM
June 30, 2024**

	Plan Year					
	2024	2023	2022	2021	2020	2019
Total Pension Liability						
Service cost	\$ 83,074	\$ 84,435	\$ 90,798	\$ 152,699	\$ 105,316	\$ 95,314
Interest on total pension liability	118,903	115,124	157,123	67,062	72,729	86,214
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(21,229)	(42,978)	82,762	122,220	(49,104)	(182,357)
Changes in assumptions	(74,893)	(117,479)	(1,571,683)	538,789	549,356	329,430
Benefit payments, including refunds of employee contributions	(18,600)	(34,096)	(35,547)	(196,278)	(111,653)	(116,441)
Net change in total pension liability	87,255	5,006	(1,276,547)	684,492	566,644	212,160
Total pension liability – beginning	<u>3,002,160</u>	<u>2,997,154</u>	<u>4,273,701</u>	<u>3,589,209</u>	<u>3,022,565</u>	<u>2,810,405</u>
Total pension liability – ending	<u>3,089,415</u>	<u>3,002,160</u>	<u>2,997,154</u>	<u>4,273,701</u>	<u>3,589,209</u>	<u>3,022,565</u>
Plan Fiduciary Net Position						
Contributions – employer	-	-	-	-	-	-
Contributions – employee	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position – beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position – ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net pension liability – ending	<u>\$ 3,089,415</u>	<u>\$ 3,002,160</u>	<u>\$ 2,997,154</u>	<u>\$ 4,273,701</u>	<u>\$ 3,589,209</u>	<u>\$ 3,022,565</u>
Plan fiduciary net position as a percentage of total pension liability	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Covered employee payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability as a percentage of covered employee payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Schedule is intended to show information for 10 years. Since the 2017 fiscal year was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

EXHIBIT 13

Plan Year	
2018	2017
\$ 97,910	\$ 104,705
98,590	98,942
-	-
(49,620)	-
(32,874)	(156,953)
(64,755)	(118,545)
49,251	(71,851)
2,761,154	2,833,005
2,810,405	2,761,154
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
\$ 2,810,405	\$ 2,761,154
0%	0%
\$ -	\$ -
0%	0%



COUNTY OF BEDFORD, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2024

Entity Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government-All Employees					
2024	\$ 2,547,977	\$ 2,547,977	-	\$ 29,674,024	8.59 %
2023	2,321,304	2,321,304	-	27,394,405	8.47
2022	2,009,006	2,009,006	-	24,460,444	8.21
2021	1,921,416	1,921,416	-	23,498,772	8.18
2020	1,599,989	1,599,989	-	21,647,240	7.39
2019	1,480,062	1,480,062	-	21,781,710	6.79
2018	1,394,763	1,394,763	-	21,353,372	6.53
2017	1,308,922	1,308,922	-	19,852,664	6.59
2016	1,504,339	1,504,339	-	18,450,608	8.15
2015	1,461,696	1,461,696	-	17,522,239	8.34
Schools – Nonprofessional Employees					
2024	350,558	350,558	-	8,830,071	3.97
2023	294,389	294,389	-	7,537,603	3.91
2022	308,439	308,439	-	6,337,433	4.87
2021	294,481	294,481	-	6,009,183	4.90
2020	268,886	268,886	-	5,904,866	4.55
2019	260,351	260,351	-	6,232,346	4.18
2018	248,907	248,907	-	6,239,209	3.99
2017	253,457	253,457	-	6,134,885	4.13
2016	394,983	394,983	-	6,058,761	6.52
2015	403,169	403,169	-	5,777,679	6.98
Primary Government-Length of Service Awards Program					
2024	18,600	18,600	-	N/A	N/A
2023	34,096	34,096	-	N/A	N/A
2022	35,547	35,547	-	N/A	N/A
2021	196,278	196,278	-	N/A	N/A
2020	111,653	111,653	-	N/A	N/A
2019	93,369	93,369	-	N/A	N/A
2018	96,350	96,350	-	N/A	N/A
2017	105,469	105,469	-	N/A	N/A

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY –
VRS TEACHER RETIREMENT PLAN
June 30, 2024

School Division Plan Year Ended June 30,	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.59 %	\$ 59,933,703	\$ 55,140,604	108.69 %	82.45 %
2022	0.60	57,070,277	48,866,385	116.79	82.61
2021	0.61	47,251,645	48,170,110	98.09	71.47
2020	0.61	89,430,254	47,893,326	186.73	73.51
2019	0.62	81,823,201	49,842,942	164.16	73.51
2018	0.62	72,970,000	48,371,493	150.85	74.81
2017	0.61	75,240,000	47,412,845	158.69	72.92
2016	0.63	88,270,000	48,619,400	181.55	68.28
2015	0.62	78,504,000	47,022,390	166.95	70.68
2014	0.67	80,535,000	49,087,777	164.06	70.88

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the school division's fiscal year.

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS –
VRS TEACHER RETIREMENT PLAN
June 30, 2024

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 10,080,181	\$ 10,080,181	\$ -	\$ 56,051,996	17.98 %
2023	9,724,539	9,724,539	-	55,140,604	17.64
2022	8,860,532	8,860,532	-	48,866,385	18.13
2021	8,508,843	8,508,843	-	48,170,110	17.66
2020	7,910,482	7,910,482	-	47,893,326	16.52
2019	8,128,483	8,128,483	-	49,842,942	16.31
2018	8,147,789	8,147,789	-	48,371,493	16.84
2017	6,950,571	6,950,571	-	47,412,846	14.66
2016	6,672,491	6,672,491	-	48,619,400	13.72
2015	6,677,180	6,677,180	-	47,022,390	14.20

The covered payroll amounts above are for the school division's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND
RELATED RATIOS – LOCAL PLANS
June 30, 2024**

	Plan Year						
	Primary Government						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 54,138	\$ 77,187	\$ 68,693	\$ 63,358	\$ 62,102	\$ 42,428	\$ 45,868
Interest on total OPEB liability	30,038	19,601	23,410	28,107	31,493	23,759	18,053
Difference between expected and actual experience	(19,676)	(104,469)	(26,007)	(52,610)	4,131	252,668	-
Changes in assumptions	(11,630)	(165,365)	42,110	50,121	(35,609)	(90,532)	(42,476)
Benefit payments	(44,071)	(40,574)	(34,386)	(18,846)	(28,857)	(13,755)	25,799
Net change in total OPEB liability	8,799	(213,620)	73,820	70,130	33,260	214,568	47,244
Total OPEB liability – beginning	845,916	1,059,536	985,716	915,586	882,326	667,758	620,514
Total OPEB liability – ending	854,715	845,916	1,059,536	985,716	915,586	882,326	667,758
Plan Fiduciary Net Position							
Contributions – employer	44,071	40,574	34,386	18,846	28,857	(13,755)	(25,799)
Benefit payments	(44,071)	(40,574)	(34,386)	(18,846)	(28,857)	13,755	25,799
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position – beginning	-	-	-	-	-	-	-
Plan fiduciary net position – ending	-	-	-	-	-	-	-
Net OPEB liability – ending	\$ 854,715	\$ 845,916	\$ 1,059,536	\$ 985,716	\$ 915,586	\$ 882,326	\$ 667,758
Plan fiduciary net position as a percentage of total OPEB liability	0%	0%	0%	0%	0%	0%	0%
Covered payroll	\$ 27,394,405	\$ 24,460,444	\$ 23,498,772	\$ 21,647,240	\$ 21,781,710	\$ 21,353,372	\$ 19,852,664
Net OPEB liability as a percentage of covered payroll	3.12%	3.46%	4.51%	4.55%	4.20%	4.13%	3.36%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

Plan Year						
Schools						
2023	2022	2021	2020	2019	2018	2017
\$ 169,479	\$ 234,056	\$ 208,748	\$ 221,313	\$ 206,165	\$ 432,439	\$ 460,509
94,538	50,345	57,947	89,696	100,233	242,932	196,367
227,264	941,191	364,157	(912,494)	(75,589)	(6,085,371)	-
(29,416)	(565,895)	102,245	131,449	1,344	1,436,739	(371,559)
(365,896)	(711,440)	(466,282)	(84,226)	(136,575)	(235,616)	(183,114)
95,969	(51,743)	266,815	(554,262)	95,578	(4,208,877)	102,203
2,631,325	2,683,068	2,416,253	2,970,515	2,874,937	7,083,814	6,981,611
2,727,294	2,631,325	2,683,068	2,416,253	2,970,515	2,874,937	7,083,814
365,896	711,440	466,282	84,226	136,575	235,616	183,114
(365,896)	(711,440)	(466,282)	(84,226)	(136,575)	(235,616)	(183,114)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 2,727,294	\$ 2,631,325	\$ 2,683,068	\$ 2,416,253	\$ 2,970,515	\$ 2,874,937	\$ 7,083,814
0%	0%	0%	0%	0%	0%	0%
\$ 62,678,207	\$ 55,203,818	\$ 54,179,293	\$ 53,798,192	\$ 56,075,288	\$ 54,610,702	\$ 53,547,731
4.35%	4.77%	4.95%	4.49%	5.30%	5.26%	13.23%

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS –
LOCAL PLANS
June 30, 2024**

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
County Local Plan					
2024	\$ 27,487	\$ 27,487	\$ -	\$ 29,674,024	0.09 %
2023	44,071	44,071	-	27,394,405	0.16
2022	43,314	43,314	-	24,460,444	0.18
2021	34,386	34,386	-	23,498,772	0.15
2020	18,846	18,846	-	21,647,240	0.09
2019	471,580	471,580	-	21,781,710	2.17
2018	13,755	13,755	-	21,353,372	0.06
Schools Local Plan					
2024	602,576	602,576	-	64,882,067	0.93
2023	350,479	350,479	-	62,678,207	0.56
2022	736,372	736,372	-	55,203,818	1.33
2021	510,571	510,571	-	54,179,293	0.94
2020	198,370	198,370	-	53,798,192	0.37
2019	156,196	156,196	-	56,075,288	0.28
2018	235,616	235,616	-	54,610,702	0.43

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS –
VRS AGENT PLAN – SCHOOLS – NONPROFESSIONAL EMPLOYEES
June 30, 2024

	Plan Year			
	2023	2022	2021	2020
Total OPEB Liability				
Service cost	\$ 6,484	\$ 7,924	\$ 7,637	\$ -
Interest on total OPEB liability	52,163	48,291	43,735	-
Changes in benefit terms	-	-	-	647,931
Difference between expected and actual experience	(395,541)	(20,833)		
Changes in assumptions	-	39,397	15,587	-
Benefit payments	(17,192)	(14,776)		
Net change in total OPEB liability	(354,086)	60,003	66,959	647,931
Total OPEB liability – beginning	774,893	714,890	647,931	-
Total OPEB liability – ending	420,807	774,893	714,890	647,931
Plan Fiduciary Net Position				
Contributions – employer	70,019	50,313	46,958	-
Net investment income	7,868	(808)	6,416	-
Benefit payments	(17,192)	(14,776)	-	-
Administrative expenses	(224)	(171)	(209)	-
Other	1	-	-	-
Net change in plan fiduciary net position	60,472	34,558	53,165	-
Plan fiduciary net position – beginning	87,723	53,165	-	-
Plan fiduciary net position – ending	148,195	87,723	53,165	-
Net OPEB liability – ending	\$ 272,612	\$ 687,170	\$ 661,725	\$ 647,931
Plan fiduciary net position as a percentage of total OPEB liability	284%	883%	1345%	0%
Covered payroll	\$ 7,537,603	\$ 6,337,433	\$ 6,009,183	\$ 5,904,866
Net OPEB liability as a percentage of covered payroll	4%	11%	11%	11%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2020 information was presented in the entity's fiscal year 2021 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan year 2020) was the first year for this plan, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS –
VRS AGENT PLAN – SCHOOLS – NONPROFESSIONAL EMPLOYEES
June 30, 2024**

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
VRS Health Insurance Credit Non-Teachers					
2024	\$ 82,539	\$ 82,539	-	\$ 8,830,071	0.93 %
2023	68,904	68,904	-	7,537,603	0.91 %
2022	49,169	49,169	-	6,337,433	0.78
2021	10,417	10,417	-	6,009,183	0.17

Schedule is intended to show information for 10 years. Since 2021 was the first year for this plan, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY –
VRS COST SHARING PLANS
June 30, 2024

Plan Fiscal Year Ended June 30,	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System – Health Insurance Credit – Schools – Teachers					
2023	0.59 %	\$ 7,148,211	\$ 55,140,604	12.96 %	17.90 %
2022	0.60	7,443,818	48,866,385	15.23	15.09
2021	0.61	7,787,671	48,170,110	16.17	13.15
2020	0.61	7,991,338	47,893,326	16.69	9.95
2019	0.62	8,110,000	49,842,942	16.27	8.97
2018	0.62	7,859,000	48,371,493	16.25	8.08
2017	0.61	7,739,000	47,412,846	16.32	7.04
Virginia Retirement System – Group Life Insurance – Primary Government					
2023	0.11	1,281,466	27,394,405	4.68	69.30
2022	0.10	1,256,475	24,460,444	5.14	67.21
2021	0.11	1,223,184	23,498,772	5.21	67.45
2020	0.11	1,755,783	21,647,240	8.11	52.64
2019	0.10	1,664,000	21,781,710	7.64	52.00
2018	0.10	1,583,000	21,353,372	7.41	51.22
2017	0.10	1,516,000	19,852,664	7.64	48.86
Virginia Retirement System – Group Life Insurance – Schools – Nonprofessional Employees					
2023	0.03	301,987	7,537,603	4.01	69.30
2022	0.03	308,730	6,337,433	4.87	67.21
2021	0.03	292,116	6,009,183	4.86	67.45
2020	0.03	436,401	5,904,866	7.39	52.64
2019	0.03	445,000	6,232,346	7.14	52.00
2018	0.03	441,000	6,239,209	7.07	51.22
2017	0.03	443,000	6,134,885	7.22	48.86
Virginia Retirement System – Group Life Insurance – Schools-Teachers					
2023	0.25	3,003,081	55,140,604	5.45	69.30
2022	0.26	3,082,607	48,866,385	6.31	67.21
2021	0.26	3,031,763	48,170,110	6.29	67.45
2020	0.26	4,363,507	47,893,326	9.11	52.64
2019	0.27	4,338,000	49,842,942	8.70	52.00
2018	0.26	4,014,000	48,371,493	8.30	51.22
2017	0.26	3,938,000	48,619,400	8.10	48.86

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS –
VRS COST SHARING PLANS
June 30, 2024**

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System – Health Insurance Credit – Schools – Teachers					
2024	\$ 735,691	\$ 735,691	-	\$ 56,051,996	1.31 %
2023	708,518	708,518	-	55,140,604	1.28
2022	641,597	641,597	-	48,866,385	1.31
2021	617,044	617,044	-	48,170,110	1.28
2020	606,005	606,005	-	47,893,326	1.27
2019	622,390	622,390	-	49,842,942	1.25
2018	614,318	614,318	-	48,371,493	1.27
Virginia Retirement System – Group Life Insurance – Primary Government					
2024	147,408	147,408	-	29,674,024	0.50
2023	135,974	135,974	-	27,394,405	0.50
2022	121,666	121,666	-	24,460,444	0.50
2021	116,286	116,286	-	23,498,772	0.49
2020	113,460	113,460	-	21,647,240	0.52
2019	105,040	105,040	-	21,781,710	0.48
2018	103,829	103,829	-	21,353,372	0.49
Virginia Retirement System – Group Life Insurance – Schools- Nonprofessional Employees					
2024	38,013	38,013	-	8,830,071	0.43
2023	31,878	31,878	-	7,537,603	0.42
2022	29,922	29,922	-	6,337,433	0.47
2021	27,252	27,252	-	6,009,183	0.45
2020	28,372	28,372	-	5,904,866	0.48
2019	29,198	29,198	-	6,232,346	0.47
2018	29,372	29,372	-	6,239,209	0.47
Virginia Retirement System – Group Life Insurance – Schools- Teachers					
2024	325,804	325,804	-	56,051,996	0.58
2023	313,618	313,618	-	55,140,604	0.57
2022	284,161	284,161	-	48,866,385	0.58
2021	273,268	273,268	-	48,170,110	0.57
2020	264,295	264,295	-	47,893,326	0.55
2019	271,777	271,777	-	49,842,942	0.55
2018	261,711	261,711	-	48,371,493	0.54

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2024

Note 1. Changes of Benefit Terms

Pension

There have been no actuarially material changes to the Virginia Retirement System (the “System”) benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

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

Note 2. 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-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Morality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change in disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rates.
- Applicable to: Pension, GLI OPEB, and LODA OPEB

(Continued)

COUNTY OF BEDFORD, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

Note 2. Changes of Assumptions (Continued)

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.
- Applicable to: Pension, GLI OPEB, and HIC OPEB

OTHER SUPPLEMENTARY INFORMATION



DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD

SPECIAL REVENUE FUNDS – Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The component unit – School Board has the following special revenue funds.

School Operating Fund – Accounts for the primary operating activities of the public school system.

School Nutrition Fund – Accounts for revenues and expenditures associated with the food services within the school system.

School Textbook Fund – Accounts for the state and local funds provided for the purchase of textbooks.

School Activities Fund – The School Activities Fund accounts for all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, etc., and from any and all school sponsored activities of the Schools that involve school personnel, students, or property.

CAPITAL PROJECTS FUNDS – Capital projects funds are used to account for revenues and expenditures related to major construction and renovation. The component unit – School Board has the following capital projects fund.

School Capital Projects Fund – Accounts for revenues and expenditures related to major construction and renovation projects of the school system.

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING BALANCE SHEET
Year Ended June 30, 2024

	Special Revenue Funds				Capital Projects	Total Governmental Funds
	Operating	Nutrition	Textbooks	School Activities		
ASSETS						
Cash and cash equivalents	\$ 19,617,306	\$ 2,246,279	\$ 1,414,315	\$ 1,543,481	\$ -	\$ 24,821,381
Receivables, net	4,212,797	-	-	-	-	4,212,797
Due from primary government	4,996,880	-	-	-	-	4,996,880
Prepays	126,321	26,464	-	-	-	152,785
Inventories	-	190,144	-	-	-	190,144
Total assets	<u>\$ 28,953,304</u>	<u>\$ 2,462,887</u>	<u>\$ 1,414,315</u>	<u>\$ 1,543,481</u>	<u>\$ -</u>	<u>\$ 34,373,987</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 1,008,014	\$ 24,821	\$ -	\$ -	\$ -	\$ 1,032,835
Accrued payroll and related liabilities	12,647,789	385,085	-	-	-	13,032,874
Self insurance	1,741,826	-	-	-	-	1,741,826
Deferred revenue	1,036,602	-	-	-	-	1,036,602
Total liabilities	<u>16,434,231</u>	<u>409,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,844,137</u>
FUND BALANCES						
Fund balances:						
Nonspendable	126,321	216,608	-	-	-	342,929
Committed	3,716,814	-	-	-	-	3,716,814
Assigned	8,675,938	1,836,373	1,414,315	1,543,481	-	13,470,107
Unassigned	-	-	-	-	-	-
Total fund balances	<u>12,519,073</u>	<u>2,052,981</u>	<u>1,414,315</u>	<u>1,543,481</u>	<u>-</u>	<u>17,529,850</u>
Total liabilities and fund balances	<u>\$ 28,953,304</u>	<u>\$ 2,462,887</u>	<u>\$ 1,414,315</u>	<u>\$ 1,543,481</u>	<u>\$ -</u>	

(Continued)

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING BALANCE SHEET
Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balance, Governmental Funds		\$ 17,529,850
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 325,152,000	
Accumulated depreciation and amortization	<u>(183,880,747)</u>	141,271,253
Other long-term assets not available to pay for current period expenditures and therefore are deferred in the funds.		1,036,602
Amounts due from the primary government are adjusted based on accruals as part of this government-wide conversion process, resulting in a reduction in the current year amount.		1,082,061
Financial statement elements related to pension and other postemployment benefits are applicable to future period and therefore, are not reported in the funds.		
Deferred outflows related to:		
Pensions	18,619,165	
Other postemployment benefits	3,764,563	
Deferred inflows related to:		
Pensions	(8,437,224)	
Other postemployment benefits	(3,213,353)	
Net pension asset	1,163,748	
Net pension liability	(59,933,703)	
Net other postemployment benefit liability	<u>(13,453,185)</u>	(61,489,989)
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest	(68,319)	
Leases	(4,910,985)	
Subscriptions	(455,307)	
Compensated absences	<u>(2,050,344)</u>	<u>(7,484,955)</u>
Net position of Governmental Activities		<u><u>\$ 91,944,822</u></u>

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2024

	Special Revenue Funds					Total Governmental Funds
	Operating	Nutrition	Textbooks	School Activities	Capital Projects	
REVENUES						
Revenue from use of money and property	\$ 69,016	\$ 25,520	\$ 5,492	\$ -	\$ -	\$ 100,028
Charges for services	516,158	1,148,154	-	4,062,547	-	5,726,859
Other	1,253,928	-	104	-	-	1,254,032
Intergovernmental:						
County of Bedford	35,079,818	-	200,000	-	-	35,279,818
Commonwealth of Virginia	79,030,210	84,238	788,794	-	-	79,903,242
Federal government	7,232,267	3,991,763	-	-	-	11,224,030
Total revenues	123,181,397	5,249,675	994,390	4,062,547	-	133,488,009
EXPENDITURES						
Current:						
Instructional	86,529,763	-	593,947	3,926,744	-	91,050,454
Administration, attendance, and health	6,357,936	-	-	-	-	6,357,936
Pupil transportation services	10,212,590	-	-	-	-	10,212,590
Operations and maintenance services	15,894,376	-	-	-	-	15,894,376
Nutrition services	-	6,293,633	-	-	-	6,293,633
Technology	5,630,426	-	-	-	-	5,630,426
Debt service:						
Principal	1,913,346	-	-	-	-	1,913,346
Interest and other fiscal charges	109,059	-	-	-	-	109,059
Capital projects	1,154,167	-	-	-	-	1,154,167
Total expenditures	127,801,663	6,293,633	593,947	3,926,744	-	138,615,987
Excess (deficiency) of revenues over expenditures	(4,620,266)	(1,043,958)	400,443	135,803	-	(5,127,978)
OTHER FINANCING SOURCES						
Lease proceeds	1,970,231	-	-	-	-	1,970,231
SBITA proceeds	650,395	-	-	-	-	650,395
Transfers in	448,262	-	-	-	-	448,262
Transfers out	-	-	-	-	(448,262)	(448,262)
Total other financing sources	3,068,888	-	-	-	(448,262)	2,620,626
Net change in fund balances	(1,551,378)	(1,043,958)	400,443	135,803	(448,262)	(2,507,352)
Fund balance, beginning	14,070,451	3,096,939	1,013,872	1,407,678	448,262	
Fund balance, ending	\$ 12,519,073	\$ 2,052,981	\$ 1,414,315	\$ 1,543,481	\$ -	

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2024**

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

Net changes in fund balances - total governmental funds \$ (2,507,352)

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 depreciation exceeded capital outlays in the current period.

Capital outlay expenditures that were capitalized	\$ 5,348,107	
Depreciation expense for governmental assets	(8,721,714)	
GASB 87 lease capital outlay, net of amortization	213,941	
GASB 96 subscription capital outlay, net of amortization	405,679	
Loss on disposal of capital asset	(40,463)	(2,794,450)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned, net of employee contributions is reported as pension expense.

Employer pension contributions		10,430,739
Pension expense		(5,279,125)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned, net of employee contributions is reported as pension expense.

Employer other postemployment benefit contributions		1,784,623
Other postemployment expense		(67,029)

The issuance of long-term debt 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 has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New long-term debt issued	(2,620,626)	
Principal payments on long-term debt	1,913,346	
Increase in accrued interest payable	(9,698)	(716,978)

Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Other revenues		108,625
----------------	--	---------

Expenses in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		(98,928)
----------------------	--	----------

Total changes in net position of governmental activities		\$ 860,125
--	--	------------

COUNTY OF BEDFORD, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – CASH BASIS
Year Ended June 30, 2024**

	Operating			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from use of money and property	\$ 50,000	\$ 50,000	\$ 69,016	\$ 19,016
Charges for services	530,000	530,000	572,042	42,042
Other	450,000	509,190	905,008	395,818
Intergovernmental:				
County of Bedford	38,693,028	38,721,845	38,424,302	(297,543)
Commonwealth of Virginia	74,035,915	79,463,919	78,943,847	(520,072)
Federal government	9,530,994	10,225,303	9,000,122	(1,225,181)
Total revenues	123,289,937	129,500,257	127,914,337	(1,585,920)
EXPENDITURES				
Current:				
Instructional	82,134,492	87,923,184	84,685,079	3,238,105
Administration, attendance, and health	6,101,942	6,254,600	6,229,700	24,900
Pupil transportation services	10,276,151	10,084,581	10,045,249	39,332
Operations and maintenance services	17,912,463	19,191,711	17,146,045	2,045,666
Nutrition services	-	-	-	-
Technology	6,864,889	6,046,181	5,931,974	114,207
Total expenditures	123,289,937	129,500,257	124,038,047	5,462,210
Excess (deficiency) of revenues over expenditures	-	-	3,876,290	3,876,290
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	448,262	448,262
Total other financing sources and uses	-	-	448,262	448,262
Net change in fund balances	\$ -	\$ -	\$ 4,324,552	\$ 4,324,552

Nutrition				Textbooks			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 7,000	\$ 7,000	\$ 25,520	\$ 18,520	\$ -	\$ -	\$ 5,492	\$ 5,492
1,800,000	1,800,000	1,092,269	(707,731)	-	-	-	-
-	-	-	-	-	-	104	104
-	-	-	-	200,000	200,000	200,000	-
140,665	140,665	84,238	(56,427)	796,901	796,901	788,794	(8,107)
3,062,439	3,062,439	3,991,763	929,324	-	-	-	-
5,010,104	5,010,104	5,193,790	183,686	996,901	996,901	994,390	(2,511)
-	-	-	-	996,901	996,901	605,137	391,764
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,010,104	5,010,104	6,238,316	(1,228,212)	-	-	-	-
-	-	-	-	-	-	-	-
5,010,104	5,010,104	6,238,316	(1,228,212)	996,901	996,901	605,137	391,764
-	-	(1,044,526)	(1,044,526)	-	-	389,253	389,253
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ (1,044,526)	\$ (1,044,526)	\$ -	\$ -	\$ 389,253	\$ 389,253



SUPPORTING SCHEDULES



COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 50,575,000	\$ 50,575,000	\$ 51,872,268	\$ 1,297,268
Real and personal public service corporation property taxes	1,650,000	1,650,000	1,473,947	(176,053)
Personal property taxes (local remittance)	19,575,000	19,575,000	21,879,913	2,304,913
Machinery and tools taxes	3,405,000	3,405,000	2,975,706	(429,294)
Mobile home taxes	110,000	110,000	90,776	(19,224)
Penalties and interest	840,000	840,000	1,253,106	413,106
Total general property taxes	<u>76,155,000</u>	<u>76,155,000</u>	<u>79,545,716</u>	<u>3,390,716</u>
Other local taxes:				
Local sales and use taxes	9,459,061	9,459,061	10,051,581	592,520
Consumer utility taxes	1,279,600	1,279,600	1,267,352	(12,248)
Utility license tax	25,000	25,000	47,264	22,264
Bank stock taxes	650,000	650,000	633,372	(16,628)
Taxes on recordations and wills	1,530,000	1,530,000	1,373,490	(156,510)
Transient occupancy tax	1,650,000	1,650,000	2,004,094	354,094
Meals tax	2,125,000	2,125,000	2,729,370	604,370
Communications sales tax	1,275,000	1,275,000	1,263,281	(11,719)
Total other local taxes	<u>17,993,661</u>	<u>17,993,661</u>	<u>19,369,804</u>	<u>1,376,143</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	20,000	20,000	19,295	(705)
Building permits	562,500	562,500	457,511	(104,989)
Other permits and licenses	72,150	72,150	96,510	24,360
Planning permits and fees	60,000	60,000	104,320	44,320
Total permits, privilege fees, and regulatory licenses	<u>714,650</u>	<u>714,650</u>	<u>677,636</u>	<u>(37,014)</u>
Fines and forfeitures	<u>58,000</u>	<u>58,000</u>	<u>16,401</u>	<u>(41,599)</u>
Revenue from use of money and property:				
Revenue from use of money	970,100	1,004,359	3,350,493	2,346,134
Revenue from use of property	193,742	193,742	248,109	54,367
Total revenue from use of money and property	<u>1,163,842</u>	<u>1,198,101</u>	<u>3,598,602</u>	<u>2,400,501</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Charges for services:				
Court costs	\$ 107,604	\$ 107,604	\$ 199,303	\$ 91,699
Commonwealth attorney	4,500	4,500	6,729	2,229
Law enforcement and traffic control	-	-	110,626	110,626
Welfare and social services	76,000	76,000	258,836	182,836
Recreation fees	73,500	73,500	123,428	49,928
EMS cost recoveries	2,200,000	2,200,000	2,678,936	478,936
Other	30,500	30,500	56,508	26,008
Total charges for services	<u>2,492,104</u>	<u>2,492,104</u>	<u>3,434,366</u>	<u>942,262</u>
Miscellaneous	<u>313,000</u>	<u>449,612</u>	<u>1,690,466</u>	<u>1,240,854</u>
Recovered costs:				
Town of Bedford-Communications	97,722	115,579	204,019	88,440
Horizon-Social services	60,200	60,200	82,247	22,047
Bedford County School Board	-	257,366	81,588	(175,778)
Economic Development Authority	25,914	25,914	28,012	2,098
Bedford Public Library	35,000	35,000	35,613	613
Tri-County Lake Administrative Commission	10,000	10,000	10,000	-
Central Garage	200,000	200,000	273,645	73,645
Nursing home	255,000	255,000	286,547	31,547
Other	-	162,500	15,932	(146,568)
Total recovered costs	<u>683,836</u>	<u>1,121,559</u>	<u>1,017,603</u>	<u>(103,956)</u>
Total revenue from local sources	<u>99,574,093</u>	<u>100,182,687</u>	<u>109,350,594</u>	<u>9,167,907</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Personal property taxes (state remittance)	6,086,051	6,086,051	6,086,051	-
Rental taxes	140,000	140,000	168,298	28,298
Mobile home titling taxes	210,000	210,000	171,103	(38,897)
Railroad rolling stock taxes	155,000	155,000	169,899	14,899
Total non-categorical aid	<u>6,591,051</u>	<u>6,591,051</u>	<u>6,595,351</u>	<u>4,300</u>
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	695,542	695,542	712,706	17,164
Sheriff	3,068,538	3,068,538	3,193,914	125,376
Commissioner of the Revenue	286,414	286,414	299,001	12,587
Treasurer	288,520	288,520	312,155	23,635
Registrar and Electoral board	78,911	78,911	171,609	92,698
Clerk of the Circuit Court	575,882	575,882	634,453	58,571
Communications	168,860	168,860	133,179	(35,681)
Total shared expenses	<u>5,162,667</u>	<u>5,162,667</u>	<u>5,457,017</u>	<u>294,350</u>

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other:				
Social services	\$ 2,448,617	\$ 2,448,617	\$ 2,439,836	\$ (8,781)
Comprehensive services	3,776,446	4,125,068	3,718,687	(406,381)
Forfeited asset seizure proceeds	-	-	61,318	61,318
State internet crimes	-	3,388,999	3,149,856	(239,143)
EMS Four for Life	93,000	93,000	183,108	90,108
Fire funds	292,101	292,101	327,801	35,700
Public safety grants	-	1,077,361	466,792	(610,569)
Victim witness coordinator	45,640	58,194	40,108	(18,086)
Domestic violence grants	215,542	286,884	206,426	(80,458)
VJCCCA	70,751	70,751	70,751	-
Wireless E-911 grant	254,000	256,828	318,887	62,059
Tourism grants	-	-	-	-
Record preservation grant	-	57,686	28,741	(28,945)
VA Commission of Arts	4,500	4,500	4,500	-
Juror and witness reimbursement	-	25,138	31,805	6,667
Virginia Tobacco Commission grants	-	57,191	-	(57,191)
Agriculture and forestry industries development grants	-	30,500	8,936	(21,564)
VDOT revenue sharing grant	-	162,500	-	(162,500)
Virginia telecommunication initiative grant	1,373,162	17,063,237	3,352,157	(13,711,080)
Other	43,199	171,949	146,780	(25,169)
Total other categorical aid	8,616,958	29,670,504	14,556,489	(15,114,015)
Total categorical aid	13,779,625	34,833,171	20,013,506	(14,819,665)
Total revenue from the Commonwealth	20,370,676	41,424,222	26,608,857	(14,815,365)
Revenue from the federal government:				
Payments in lieu of taxes	80,000	80,000	91,354	11,354
Categorical aid:				
Social services	5,434,730	5,434,730	5,033,110	(401,620)
Sheriff – DMV grants	-	65,297	19,341	(45,956)
Justice assistance grants	-	15,015	14,764	(251)
Internet crimes grant	-	1,203,789	792,840	(410,949)
Bulletproof vest grant	-	33,741	7,410	(26,331)
Other law enforcement grants	-	105,141	85,573	(19,568)
Emergency management grants	-	13,304	-	(13,304)
Victim witness coordinator	106,493	110,171	96,989	(13,182)
Domestic violence grants	120,591	120,591	89,312	(31,279)
American rescue plan act grants	-	403,376	301,884	(101,492)
Total categorical aid	5,661,814	7,505,155	6,441,223	(1,063,932)
Total revenue from the federal government	5,741,814	7,585,155	6,532,577	(1,052,578)
Total intergovernmental revenues	26,112,490	49,009,377	33,141,434	(15,867,943)
Total general fund	\$ 125,686,583	\$ 149,192,064	\$ 142,492,028	\$ (6,700,036)

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures				
General government administration:				
Legislative:				
Board of Supervisors	\$ 153,966	\$ 149,245	\$ 147,057	\$ 2,188
General and financial administration:				
County administration	935,153	948,457	884,239	64,218
Public information	141,231	141,231	137,655	3,576
County attorney	252,112	280,085	274,870	5,215
Independent auditor	85,000	85,000	83,580	1,420
Commissioner of the Revenue	738,899	745,069	741,119	3,950
Treasurer	905,425	1,035,169	1,034,320	849
Finance	1,068,144	1,068,144	1,067,824	320
Information technology	1,466,910	1,351,525	1,348,747	2,778
Human resources	536,871	503,523	477,068	26,455
Electoral board	318,523	327,957	245,294	82,663
Registrar	410,852	406,437	359,755	46,682
Total general and financial administration	6,859,120	6,892,597	6,654,471	238,126
Total general government administration	7,013,086	7,041,842	6,801,528	240,314
Judicial administration:				
Courts:				
Circuit Court	95,495	123,583	123,582	1
District Court	12,275	12,275	12,220	55
Magistrates	2,000	12	12	-
Juvenile and Domestic Relations District Court	16,050	76,050	28,248	47,802
Clerk of the Circuit Court	1,265,037	1,412,226	1,371,827	40,399
Victim Witness Program	234,645	223,996	198,534	25,462
Law Library	13,500	13,500	10,701	2,799
Other court services	12,000	14,000	13,376	624
Total courts	1,651,002	1,875,642	1,758,500	117,142
Commonwealth's Attorney	1,212,249	1,244,402	1,221,259	23,143
Total judicial administration	2,863,251	3,120,044	2,979,759	140,285
Public safety:				
Law enforcement and traffic control:				
Sheriff	9,416,651	9,535,535	9,425,990	109,545
Internet Crimes Grant	19,450	4,770,491	3,035,004	1,735,487
Law enforcement grants	-	1,619,451	960,952	658,499
Total law enforcement and traffic control	9,436,101	15,925,477	13,421,946	2,503,531
Fire and rescue services:				
Volunteer fire companies	1,657,421	1,711,682	1,572,480	139,202
Volunteer rescue squads	1,039,455	965,776	927,912	37,864
Total fire and rescue services	2,696,876	2,677,458	2,500,392	177,066

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Correction and detention:				
Blue Ridge Regional Jail	\$ 2,525,000	\$ 2,525,000	\$ 2,503,941	\$ 21,059
VJCCA	105,610	174,686	174,685	1
Juvenile secure detention	175,000	175,000	165,190	9,810
Total correction and detention	<u>2,805,610</u>	<u>2,874,686</u>	<u>2,843,816</u>	<u>30,870</u>
Building inspections	<u>819,621</u>	<u>819,621</u>	<u>800,398</u>	<u>19,223</u>
Other protection:				
Animal shelter	272,402	284,582	275,670	8,912
Animal control	364,718	364,718	349,193	15,525
Emergency services	5,532,708	5,417,592	5,355,584	62,008
Communications center	3,576,412	3,520,165	3,007,872	512,293
Total other protection	<u>9,746,240</u>	<u>9,587,057</u>	<u>8,988,319</u>	<u>598,738</u>
Total public safety	<u>25,504,448</u>	<u>31,884,299</u>	<u>28,554,871</u>	<u>3,329,428</u>
Public works:				
Sanitation and waste removal:				
Refuse collection	3,935,113	4,016,308	4,016,308	-
Total sanitation and waste removal	<u>3,935,113</u>	<u>4,016,308</u>	<u>4,016,308</u>	<u>-</u>
Maintenance – buildings and grounds:				
Housekeeping	482,428	486,969	486,969	-
General properties	1,420,298	1,420,298	1,400,930	19,368
Central garage	408,109	415,123	416,704	(1,581)
Total maintenance – buildings and grounds	<u>2,310,835</u>	<u>2,322,390</u>	<u>2,304,603</u>	<u>17,787</u>
Total public works	<u>6,245,948</u>	<u>6,338,698</u>	<u>6,320,911</u>	<u>17,787</u>
Health and welfare:				
Health:				
Supplement to local health agencies	667,803	679,000	679,000	-
Welfare:				
Social services	11,441,007	11,445,590	10,696,334	749,256
Comprehensive services	5,627,813	6,043,093	5,993,381	49,712
Domestic violence	554,953	629,289	475,029	154,260
Total welfare	<u>17,623,773</u>	<u>18,117,972</u>	<u>17,164,744</u>	<u>953,228</u>
Total health and welfare	<u>18,291,576</u>	<u>18,796,972</u>	<u>17,843,744</u>	<u>953,228</u>
Education	<u>35,593,028</u>	<u>35,621,845</u>	<u>34,876,040</u>	<u>745,805</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Parks, recreation, and cultural:				
Recreation department	\$ 1,585,043	\$ 1,587,543	\$ 1,558,849	\$ 28,694
Cultural enrichment	164,676	164,676	154,676	10,000
Contribution to Regional Library	2,053,324	2,053,324	2,053,324	-
Total parks, recreation, and cultural	3,803,043	3,805,543	3,766,849	38,694
Community development:				
Planning and community development:				
Planning commission	58,281	58,281	58,004	277
Planning and zoning	716,671	716,671	677,108	39,563
GIS	372,136	372,136	249,804	122,332
Economic development	641,440	694,690	617,257	77,433
Joint City/County Economic development	750,000	750,000	750,000	-
Broadband Authority	53,860	183,860	170,157	13,703
Tourism	857,282	969,408	948,245	21,163
Total planning and community development	3,449,670	3,745,046	3,470,575	274,471
Environmental management:				
Natural Resources	391,446	391,446	372,134	19,312
Soil and Water Conservation District	14,250	14,250	14,250	-
Tri-County Lake Administrative Commission	79,388	79,388	79,388	-
Total environmental management	485,084	485,084	465,772	19,312
Cooperative Extension Program:				
VPI & SU Extension Office	99,225	120,945	117,262	3,683
Cannery	19,586	21,346	21,346	-
Total cooperative extension program	118,811	142,291	138,608	3,683
Total community development	4,053,565	4,372,421	4,074,955	297,466
Debt Service:				
Principal retirement	5,041,295	5,041,295	5,041,295	-
Interest and other fiscal charges	2,576,077	2,576,077	2,516,797	59,280
Total debt service	7,617,372	7,617,372	7,558,092	59,280

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital projects:				
General governmental	\$ 3,179,466	\$ 4,141,992	\$ 481,769	\$ 3,660,223
Public safety	1,861,067	9,015,885	2,593,942	6,421,943
Public works	565,992	3,818,862	1,703,905	2,114,957
Health and welfare	-	15,300	-	15,300
Education	3,300,000	3,300,000	3,300,000	-
Parks, recreation, and cultural	-	517,933	32,160	485,773
Community and economic development	2,373,162	29,769,635	12,358,296	17,411,339
Total capital projects	11,279,687	50,579,607	20,470,072	30,109,535
Total expenditures	122,265,004	169,178,643	133,246,821	35,931,822
Excess of Revenues over Expenditures	3,421,579	(19,986,579)	9,245,207	29,231,786
Other Financing Sources (Uses):				
Transfers to:				
Solid Waste Fund	(2,558,388)	(2,558,388)	(2,558,388)	-
Total other financing sources and uses	(2,558,388)	(2,558,388)	(2,558,388)	-
Net change in fund balance	\$ 863,191	\$ (22,544,967)	\$ 6,686,819	\$ 29,231,786

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor (Commonwealth of Virginia)/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>Department of Agriculture:</u>		
<u>Pass-Through Payments:</u>		
<u>Department of Social Services:</u>		
SNAP Cluster - Supplemental Nutrition Assistance Program	10.561	\$ 1,366,857
<u>Department of the Agriculture and Consumer Services:</u>		
Child Nutrition Cluster – National School Lunch Program (Commodities)	10.555	371,211
Emergency Food Assistance Program (Food Commodities)	10.569	1,704
<u>Department of Forestry</u>		
Cooperative Forestry Assistance	10.665	16,309
<u>Department of Education:</u>		
Child Nutrition Cluster – National School Breakfast Program	10.553	668,330
Child Nutrition Cluster – National School Lunch Program	10.555	2,080,707
Child and Adult Care Food Program	10.558	4,038
Child Nutrition Cluster – Summer Food Service for Children	10.559	14,786
Child Nutrition Discretionary Grants	10.579	2,450
COVID-19 - Pandemic EBT Administrative Costs	10.649	6,180
<u>Department of Justice:</u>		
<u>Direct Payments:</u>		
Missing Children's Assistance	16.543	826,176
Bulletproof Vest Partnership Program	16.607	14,437
Public Safety Partnership and Community Policing Grants	16.710	90,411
JAG Program Cluster – Edward Byrne Memorial Justice Assistance Grant	16.738	10,621
<u>Pass-Through Payments:</u>		
<u>Department of Criminal Justice Services:</u>		
Crime Victim Assistance	16.575	168,635
Violence Against Women Formula Grants	16.588	12,117
<u>Department of Transportation:</u>		
<u>Pass-Through Payments:</u>		
<u>Department of Motor Vehicles:</u>		
Highway Safety Cluster – State and Community Highway Safety (Section 402)	20.600	11,891
<u>Department of Treasury:</u>		
<u>Direct Payments:</u>		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	3,023,546
<u>Pass-through Payments:</u>		
<u>Department of Criminal Justice Services:</u>		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	295,861
<u>Virginia Telecommunications Initiative</u>		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	4,294,353
<u>Virginia Tourism Corporation:</u>		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	98,295
<u>Department of Education:</u>		
<u>Direct Payments:</u>		
Twenty-First Century Community Learning Centers	84.287	185,693

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024**

<u>Federal Grantor/Pass-Through Grantor (Commonwealth of Virginia)/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>Department of Education:</u>		
<u>Pass-through Payments:</u>		
<u>Department of Education:</u>		
Adult Education Grants to States	84.002	\$ 108,322
Title I: Grants to Local Educational Agencies	84.010	1,575,140
Special Education Cluster – Special Education – Grants to States	84.027	2,649,086
Vocational Education – Basic Grants to States	84.048	185,541
Special Education Cluster – Special Education – Preschool Grants	84.173	118,894
English Language Acquisition Grants	84.365	12,037
No Child Left Behind Act Improving Teacher Quality State Grants	84.367	261,957
Student Support and Academic Enrichment Program	84.424	174,810
Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER) Fund – COVID-19	84.425	2,376,341
<u>Department of Health and Human Services:</u>		
<u>Direct Payments:</u>		
Provider Relief Funds – COVID-19	93.498	375,209
<u>Pass-through Payments:</u>		
<u>Department of Social Services:</u>		
Guardianship Assistance	93.090	544
Title IV-E Prevention Program	93.472	16,685
Promoting Safe and Stable Families	93.556	54,713
TANF Block Grant	93.558	383,784
Refugee and Entrant Assistance – State Administered Program	93.566	1,654
Low Income Home Energy Assistance	93.568	79,660
CCDF Cluster – Child Care Development Fund	93.596	99,884
Chafee Education & Training Vouchers Program	93.599	3,054
Adoption Incentives Payment Program	93.603	3,157
Child Welfare Services – State Grants	93.645	607
Foster Care – Title IV-E	93.658	460,985
Adoption Assistance	93.659	1,004,843
Social Service Block Grant	93.667	536,923
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	20,000
Independent Living	93.674	34,828
Virginia Children's Medical Insurance Plan	93.767	12,732
Medicaid Cluster - Medical Assistance Program (Medicaid; Title XIX)	93.778	1,096,560
<u>Department of Homeland Security:</u>		
<u>Pass-through Payments:</u>		
Emergency Management Performance Grants	97.042	10,204
State Homeland Security Program	97.067	28,760
Total Expenditures of Federal Awards		<u>\$ 25,251,522</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024**

Note 1. Basis of Accounting

This schedule was prepared on the budgetary (cash) basis.

Note 2. Nonmonetary Assistance

Nonmonetary assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the food commodities or food stamps disbursed.

Note 3. Indirect Costs

The County has not elected to use the de minimis 10% indirect cost rate.

Note 4. Outstanding Loan Balances

At June 30, 2024, the County had no outstanding loan balances requiring continuing disclosure.

Note 5. Provider Relief Funds

The amount reported for Provider Relief Funds on this Schedule covers all amounts received by the County through June 30, 2023.

STATISTICAL SECTION

This part of the annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends – These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity – These tables contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.

Debt Capacity – These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

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



TABLE 1

COUNTY OF BEDFORD, VIRGINIA

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

	2015	2016	2017	2018 (2)	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 28,334,835	\$ 30,177,071	\$ 33,534,872	\$ 37,032,856	\$ 39,730,712	\$ 39,341,946	\$ 43,150,176	\$ 43,376,776	\$ 42,423,196	\$ 43,831,826
Restricted	1,079	1,778,497	-	-	-	387,285	-	2,323,945	-	485,976
Unrestricted	(6,360,819)	5,347,098	1,390,438	(17,107,846)	(12,947,519)	(28,300,584)	(12,856,315)	6,826,858	22,952,362	38,922,447
Total net position, governmental activities	\$ 21,975,095	\$ 37,302,666	\$ 34,925,310	\$ 19,925,010	\$ 26,783,193	\$ 11,428,647	\$ 30,293,861	\$ 52,527,579	\$ 65,375,558	\$ 83,240,249
Business-type activities										
Net investment in capital assets	\$ 11,690,734	\$ 10,903,022	\$ 11,032,423	\$ 10,294,047	\$ 10,801,945	\$ 10,406,135	\$ 10,832,714	\$ 10,228,978	\$ 9,955,625	\$ 9,723,149
Restricted	-	-	-	-	-	-	-	497,404	-	87,042
Unrestricted	3,656,443	5,412,132	6,526,534	7,892,213	6,691,283	6,740,696	4,828,854	2,623,383	1,667,871	861,517
Total net position, business-type activities	\$ 15,347,177	\$ 16,315,154	\$ 17,558,957	\$ 18,186,260	\$ 17,493,228	\$ 17,146,831	\$ 15,661,568	\$ 13,349,765	\$ 11,623,496	\$ 10,671,708
Primary government										
Net investment in capital assets	\$ 40,025,569	\$ 41,080,093	\$ 44,567,295	\$ 47,326,903	\$ 50,532,657	\$ 49,748,081	\$ 53,982,890	\$ 53,605,754	\$ 52,378,821	\$ 53,554,975
Restricted	1,079	1,778,497	-	-	-	387,285	-	2,821,349	-	573,018
Unrestricted	(2,704,376)	10,759,230	7,916,972	(9,215,633)	(6,256,236)	(21,559,888)	(8,027,461)	9,450,241	24,620,233	39,783,964
Total net position, primary government	\$ 37,322,272	\$ 53,617,820	\$ 52,484,267	\$ 38,111,270	\$ 44,276,421	\$ 28,575,478	\$ 45,955,429	\$ 65,877,344	\$ 76,999,054	\$ 93,911,957
Component Unit-School Board (1)										
Net investment in capital assets	\$ 91,638,957	\$ 89,284,475	\$ 99,440,616	\$ 120,580,237	\$ 119,753,017	\$ 133,836,321	\$ 133,453,692	\$ 136,092,022	\$ 139,640,526	\$ 135,904,961
Restricted	6	-	-	-	-	74,805	-	3,432,811	1,781,581	1,163,748
Unrestricted	(80,768,278)	(76,737,675)	(75,767,336)	(90,361,598)	(83,093,633)	(82,157,986)	(83,300,950)	(73,185,844)	(50,103,578)	(45,123,887)
Total net position, component unit-School Board	\$ 10,870,685	\$ 12,546,800	\$ 23,673,280	\$ 30,218,639	\$ 36,659,384	\$ 51,753,140	\$ 50,152,742	\$ 66,338,989	\$ 91,318,529	\$ 91,944,822

Notes: (1) School Board component unit, net position components are included in this table due to Public Schools being a significant portion of the County. In Virginia, the County issues debt to finance the construction of school facilities for the Public Schools because Public Schools do not have borrowing or taxing authority.

(2) GASB Statement No. 75 was adopted in fiscal year 2018. Prior years have not been adjusted for the effect of this statement on the change in net position.

TABLE 2

COUNTY OF BEDFORD, VIRGINIA

Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary Government:										
<u>Expenses</u>										
Governmental activities:										
General government	\$ 3,903,841	\$ 3,686,970	\$ 4,135,945	\$ 4,324,995	\$ 5,020,465	\$ 5,019,953	\$ 22,395,626	\$ 7,899,840	\$ 6,686,853	\$ 7,536,040
Judicial administration	2,339,469	2,419,173	2,588,187	2,621,336	2,683,103	2,950,095	3,051,594	2,974,109	2,846,398	3,070,863
Public safety	18,263,579	18,985,844	20,680,112	21,976,031	21,460,096	24,496,837	17,923,009	25,020,861	26,787,027	29,225,060
Public works	4,569,759	4,523,662	4,736,339	4,996,039	5,823,881	7,347,749	6,417,775	5,555,347	6,042,468	6,654,388
Health and welfare	9,929,076	10,643,689	11,668,977	13,154,429	14,123,419	17,297,660	16,924,548	16,033,838	16,442,996	17,557,614
Education	29,271,434	33,713,688	48,102,859	60,391,126	41,340,447	58,005,165	36,025,390	37,042,431	46,362,335	36,298,486
Parks, recreational, and cultural	3,116,385	3,753,755	3,344,715	3,448,466	3,563,515	3,589,381	3,817,554	3,784,816	4,164,111	4,169,302
Community development	7,308,128	5,114,090	5,254,616	5,444,352	5,988,002	7,055,199	3,794,110	3,921,142	13,748,347	17,847,900
Interest on long-term debt	2,484,060	2,201,911	2,989,864	2,911,990	2,841,510	3,236,998	2,853,180	3,320,619	2,277,702	2,067,646
Total expense, governmental activities	81,185,731	85,042,782	103,501,614	119,268,764	102,844,438	128,999,037	113,202,786	105,553,003	125,358,237	124,427,299
Business-type activities:										
Nursing home	5,279,264	5,323,100	5,752,404	5,958,786	7,158,320	7,759,530	8,419,047	7,017,861	7,595,996	8,484,851
Solid waste	3,127,530	3,360,369	3,324,130	3,528,516	4,599,966	5,181,169	4,919,613	6,116,669	6,282,517	6,241,894
Total expenses, business-type activities	8,406,794	8,683,469	9,076,534	9,487,302	11,758,286	12,940,699	13,338,660	13,134,530	13,878,513	14,726,745
Total expenses, Primary Government	\$ 89,592,525	\$ 93,726,251	\$ 112,578,148	\$ 128,756,066	\$ 114,602,724	\$ 141,939,736	\$ 126,541,446	\$ 118,687,533	\$ 139,236,750	\$ 139,154,044
<u>Program Revenues</u>										
Governmental activities:										
Charges for services:										
Public safety	\$ 2,237,790	\$ 2,322,194	\$ 2,190,308	\$ 3,316,833	\$ 2,713,928	\$ 2,708,587	\$ 2,716,088	\$ 3,318,927	\$ 3,161,800	\$ 3,823,235
Health and welfare	119,175	132,634	141,947	121,645	167,992	158,016	269,037	269,855	195,311	371,863
Community development	247,451	241,294	255,561	293,703	267,484	292,024	241,316	242,008	313,150	355,737
Other activities	747,100	824,510	958,722	998,692	1,150,890	1,208,727	1,179,328	1,363,146	1,015,567	1,319,202
Operating grants and contributions	12,680,711	13,479,122	14,505,883	14,894,113	18,009,891	22,283,832	34,981,432	25,771,659	32,938,035	28,883,137
Capital grants and contributions	104,082	346,027	239,004	53,637	12,500	158,779	563,696	-	-	-
Total program revenues, governmental activities	16,136,309	17,345,781	18,291,425	19,678,623	22,322,685	26,809,965	39,950,897	30,965,595	37,623,863	34,753,174
Business-type activities:										
Charges for services:										
Nursing Home	6,737,547	6,802,536	7,244,858	7,209,455	7,742,767	7,600,312	6,282,862	5,884,474	7,035,619	7,807,164
Solid Waste	2,330,680	2,493,612	2,610,092	2,685,029	2,887,895	2,624,487	2,619,474	2,475,035	2,428,915	2,689,724
Operating grants and contributions	351,149	295,454	378,572	359,322	332,733	-	616,342	75,980	401,456	-
Total program revenues, business-type activities	9,419,376	9,591,602	10,233,522	10,253,806	10,963,395	10,224,799	9,518,678	8,435,489	9,865,990	10,496,888
Total program revenues, Primary Government	25,555,685	26,937,383	28,524,947	29,932,429	33,286,080	37,034,764	49,469,575	39,401,084	47,489,853	45,250,062
<u>Net (Expense) Revenue (1)</u>										
Governmental activities	(65,049,422)	(67,697,001)	(85,210,189)	(99,590,141)	(80,521,753)	(102,189,072)	(73,251,889)	(74,587,408)	(87,734,374)	(89,674,125)
Business-type activities	1,012,582	908,133	1,156,988	766,504	(794,891)	(2,715,900)	(3,819,982)	(4,699,041)	(4,012,523)	(4,229,857)
Total net expense, Primary Government	(64,036,840)	(66,788,868)	(84,053,201)	(98,823,637)	(81,316,644)	(104,904,972)	(77,071,871)	(79,286,449)	(91,746,897)	(93,903,982)

(Continued)

COUNTY OF BEDFORD, VIRGINIA

Changes in Net Position (*Unaudited*)

Last Ten Fiscal Years

(*accrual basis of accounting*)

TABLE 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>General Revenues and Other Changes in Net Position</u>										
Governmental activities:										
Taxes										
Property taxes	\$ 59,963,137	\$ 61,722,532	\$ 63,956,257	\$ 65,118,037	\$ 66,324,332	\$ 65,118,037	\$ 69,190,893	\$ 71,897,356	\$ 75,052,644	\$ 79,018,623
Other local taxes	11,657,187	12,118,186	12,529,640	13,221,452	13,522,591	13,221,452	16,979,126	18,540,409	19,092,096	19,548,195
Noncategorical state aid	6,595,703	6,701,673	6,871,458	6,814,314	6,783,138	6,814,314	6,535,954	6,786,999	6,553,686	6,707,228
Investment earnings-unrestricted	150,908	261,818	274,992	250,275	396,118	250,275	324,972	197,744	280,355	3,142,784
Investment earnings-restricted for capital projects, debt service and length of service award program	1,233	55,460	263,835	337,943	215,960	337,943	108,006	63,905	492,805	211,244
Miscellaneous	205,121	573,225	1,677,067	226,623	137,797	226,623	915,978	1,119,457	922,453	1,469,130
Transfers	2,867	-	5,751	(50,000)	-	(50,000)	-	(1,784,744)	(1,834,674)	(2,558,388)
Special Item - contribution of capital assets	-	-	-	-	-	-	(1,937,826)	-	-	-
Total general revenues and other changes in net position, governmental activities	78,576,156	81,432,894	85,579,000	85,918,644	87,379,936	85,918,644	92,117,103	96,821,126	100,559,365	107,538,816
Business-type activities:										
Noncategorical grants	-	-	-	-	-	-	-	-	-	204,356
Investment earnings-unrestricted and restricted	15,811	58,686	29,687	36,750	97,692	36,750	66,635	38,947	32,540	165,161
Miscellaneous	-	1,158	62,879	1,512	4,167	1,512	330,259	563,647	419,040	350,164
Transfers	(2,867)	-	(5,751)	50,000	-	50,000	1,937,826	1,784,744	1,834,674	2,558,388
Total general revenues and other changes in net position, business-type activities	12,944	59,844	86,815	88,262	101,859	88,262	2,334,720	2,387,338	2,286,254	3,073,713
Total general revenues and other changes in net position, primary government	\$ 78,589,100	\$ 81,492,738	\$ 85,665,815	\$ 86,006,906	\$ 87,481,795	\$ 86,006,906	\$ 94,451,823	\$ 99,208,464	\$ 102,845,619	\$ 110,612,529
<u>Change in Net Position</u>										
Governmental activities	\$ 13,526,734	\$ 13,735,893	\$ 368,811	\$ (13,671,497)	\$ 6,858,183	\$ (16,270,428)	\$ 18,865,214	\$ 22,233,718	\$ 12,824,991	\$ 17,864,691
Business-type activities	1,025,526	967,977	1,243,803	854,766	(693,032)	(2,627,638)	(1,485,262)	(2,311,703)	(1,726,269)	(1,156,144)
Total change in net position, Primary Government	\$ 14,552,260	\$ 14,703,870	\$ 1,612,614	\$ (12,816,731)	\$ 6,165,151	\$ (18,898,066)	\$ 17,379,952	\$ 19,922,015	\$ 11,098,722	\$ 16,708,547
<u>Component Unit-School Board: (2)</u>										
<u>Expenses</u>										
Education	\$ 98,554,187	\$ 99,876,493	\$ 103,236,399	\$ 104,889,393	\$ 104,774,662	\$ 104,889,393	\$ 118,447,507	\$ 115,421,194	\$ 119,765,751	\$ 132,736,510
<u>Program Revenues</u>										
Charges for services	2,859,682	2,656,725	2,581,361	2,786,113	2,646,055	2,786,113	2,810,912	3,949,989	5,233,794	5,660,159
Operating grants and contributions	22,640,803	24,797,005	22,774,064	25,133,669	24,858,468	25,133,669	32,144,555	46,174,711	46,482,269	44,112,983
Total program revenues, component unit-School Board	25,500,485	27,453,730	25,355,425	27,919,782	27,504,523	27,919,782	34,955,467	50,124,700	51,716,063	49,773,142
Net (Expense)/Revenue	(73,053,702)	(72,422,763)	(77,880,974)	(76,969,611)	(77,270,139)	(76,969,611)	(83,492,040)	(65,296,494)	(68,049,688)	(82,963,368)
<u>General Revenues and Other Changes in Net Position</u>										
Contribution from primary government	29,269,553	33,711,812	48,100,970	60,389,231	41,339,555	60,389,231	36,035,480	37,042,431	46,362,335	36,298,486
State aid	40,709,409	39,980,964	40,596,771	40,508,443	42,222,047	40,508,443	43,573,533	43,330,333	43,883,053	46,104,247
Investment earnings-unrestricted	-	791	1,073	1,110	14,708	1,110	30,309	30,742	33,312	100,028
Investment earnings-restricted for capital projects and debt service	651	-	-	-	-	-	-	-	-	-
Miscellaneous	109,450	405,311	308,640	114,525	134,574	114,525	886,706	1,079,235	2,750,528	1,320,732
Total general revenues and other changes in net position, component unit-School Board	70,089,063	74,098,878	89,007,454	101,013,309	83,710,884	101,013,309	80,526,028	81,482,741	93,029,228	83,823,493
Total Change in Net Position, Component Unit-School Board	\$ (2,964,639)	\$ 1,676,115	\$ 11,126,480	\$ 24,043,698	\$ 6,440,745	\$ 24,043,698	\$ (2,966,012)	\$ 16,186,247	\$ 24,979,540	\$ 860,125

Notes: (1) Net (expense) revenue is the difference between the expenses and program revenues, which indicates whether a function or program is supported by its own fees and program-specific grants. A number in parentheses is a net expense meaning expenses were greater than program revenues and, therefore, general revenues were needed to finance that function or program. A number without parentheses is a net revenue meaning program revenues were more than sufficient to cover expenses.

(2) Component unit change in net position is included in this table due to the School Board being a significant portion of the County.

TABLE 3

COUNTY OF BEDFORD, VIRGINIA

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Funds										
General Fund										
Nonspendable	\$ 234,600	\$ 268,645	\$ 278,565	\$ 296,607	\$ 284,498	\$ 310,661	\$ 361,054	\$ 384,007	\$ 365,348	\$ 366,076
Restricted	1,657,857	1,850,461	29,704,078	6,072,001	24,385,995	4,420,914	8,735,008	10,601,823	8,694,655	14,685,224
Committed	6,366,387	7,624,489	5,570,652	7,290,318	6,836,238	7,432,663	1,328,596	7,881,953	14,641,984	4,001,243
Assigned	25,789,032	24,936,650	31,471,282	30,428,808	30,658,140	27,687,939	30,755,108	29,253,539	26,294,441	30,167,050
Unassigned	19,916,759	25,244,877	25,656,556	24,082,774	25,640,778	28,659,410	39,516,637	43,461,985	49,505,827	57,828,141
Total governmental funds	\$ 53,964,635	\$ 59,925,122	\$ 92,681,133	\$ 68,170,508	\$ 87,805,649	\$ 68,511,587	\$ 80,696,403	\$ 91,583,307	\$ 99,502,255	\$ 107,047,734

TABLE 4

COUNTY OF BEDFORD, VIRGINIA

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (1)
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
General property taxes	\$ 60,043,733	\$ 61,700,495	\$ 63,520,537	\$ 65,013,122	\$ 66,303,730	\$ 68,497,980	\$ 69,365,969	\$ 69,525,120	\$ 74,768,258	\$ 78,906,265
Other local taxes	11,647,448	12,149,638	12,529,553	13,215,433	13,463,926	14,632,059	16,981,217	18,561,403	19,008,871	19,336,293
Permits, privilege fees, and regulatory licenses	540,118	512,450	515,652	530,735	611,793	540,747	603,764	629,344	587,713	683,263
Fines and forfeitures	122,821	115,017	155,382	145,480	129,851	89,712	70,020	68,384	32,201	16,952
Revenue from use of money and property	275,960	476,458	736,247	786,376	809,401	1,049,371	586,126	439,692	1,040,528	3,593,216
Charges for services	1,840,840	2,002,289	2,015,902	2,818,251	2,448,328	2,429,251	2,545,432	2,902,012	3,171,724	3,412,600
Other	541,357	535,437	446,039	593,612	631,471	1,016,225	1,199,962	1,230,217	945,989	1,771,866
Recovered costs	503,792	460,022	541,654	522,472	634,755	626,730	747,607	884,604	756,513	1,018,098
Intergovernmental	19,565,405	20,456,296	20,845,343	22,167,811	23,989,020	28,331,036	43,817,563	32,927,755	37,700,956	33,072,211
Total revenues	95,081,474	98,408,102	101,306,309	105,793,292	109,022,275	117,213,111	135,917,660	127,168,531	138,012,753	141,810,764
Expenditures										
General government administration	3,790,833	3,563,822	3,772,199	4,190,871	4,522,841	4,214,240	17,866,410	5,888,445	6,262,835	6,752,703
Judicial administration	2,025,961	2,132,148	2,210,515	2,314,015	2,388,617	2,421,382	2,492,217	2,635,608	2,748,879	2,911,438
Public safety	17,824,591	18,828,269	19,344,212	21,303,220	20,941,980	22,179,931	17,213,823	23,443,567	25,296,762	28,232,993
Public works	4,142,247	4,417,932	4,572,428	4,792,171	5,052,857	5,244,561	5,520,292	5,408,706	5,766,693	6,372,642
Health and welfare	9,879,615	10,729,572	11,626,797	13,281,249	14,709,600	16,888,732	15,882,406	16,025,103	16,636,712	17,812,309
Education	29,496,706	32,875,682	33,950,706	37,302,935	36,098,010	36,524,702	33,340,251	35,840,519	39,520,279	32,276,772
Parks, recreation, and cultural	2,823,541	2,849,528	2,993,734	3,165,687	3,130,561	3,027,537	2,981,313	3,273,363	3,551,065	3,749,407
Community development	3,099,227	3,098,928	3,247,165	3,393,749	3,487,754	3,519,175	3,620,244	3,892,513	4,208,964	3,994,124
Debt service										
Principal	6,048,314	5,777,279	5,701,156	6,362,167	6,093,223	6,034,618	10,880,605	4,607,841	5,089,729	5,398,847
Interest and other fiscal charges	2,684,171	2,363,660	2,175,912	3,543,651	3,066,792	3,324,295	3,341,694	3,113,407	2,832,919	2,539,684
Capital projects	7,396,780	5,866,985	19,127,991	30,604,202	12,466,286	31,076,259	13,453,871	7,167,811	15,161,224	21,665,978
Total expenditures	89,211,986	92,503,805	108,722,815	130,253,917	111,958,521	134,455,432	126,593,126	111,296,883	127,076,061	131,706,897
Excess of revenues over (under) expenditures	5,869,488	5,904,297	(7,416,506)	(24,460,625)	(2,936,246)	(17,242,321)	9,324,534	15,871,648	10,936,692	10,103,867
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	179,826	-	-	-	-
Transfers out	-	-	-	(50,000)	-	(2,231,567)	(1,937,826)	(4,984,744)	(3,017,744)	(2,558,388)
Issuance of debt	-	-	36,865,000	-	20,275,000	-	-	-	-	-
Refunding bonds issued	-	7,225,000	-	-	-	-	-	-	-	-
Premiums on issuance of debt	-	-	3,220,678	-	2,296,387	-	-	-	-	-
Payment to refunded bond escrow agent	-	(7,168,810)	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	4,798,108	-	-	-
Total other financing sources and uses	-	56,190	40,085,678	(50,000)	22,571,387	(2,051,741)	2,860,282	(4,984,744)	(3,017,744)	(2,558,388)
Net change in fund balances	\$ 5,869,488	\$ 5,960,487	\$ 32,669,172	\$ (24,510,625)	\$ 19,635,141	\$ (19,294,062)	\$ 12,184,816	\$ 10,886,904	\$ 7,918,948	\$ 7,545,479

(Continued)

TABLE 4

COUNTY OF BEDFORD, VIRGINIA

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (1)
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Service as a Percentage of Noncapital Expenditures:										
Primary Government:										
Total debt service	\$ 8,732,485	\$ 8,140,939	\$ 7,877,068	\$ 9,905,818	\$ 9,160,015	\$ 9,358,913	\$ 14,222,299	\$ 7,721,248	\$ 7,922,648	\$ 7,938,531
Total expenditures	\$ 89,211,986	\$ 92,503,805	\$ 108,722,815	\$ 130,253,917	\$ 111,958,521	\$ 134,455,432	\$ 126,593,126	\$ 111,296,883	\$ 127,076,061	\$ 131,706,897
Capital outlay primary government only	3,669,703	3,097,784	3,461,038	5,352,233	5,040,542	3,989,973	6,063,346	3,497,143	2,477,031	5,116,753
Noncapital expenditures	\$ 85,542,283	\$ 89,406,021	\$ 105,261,777	\$ 124,901,684	\$ 106,917,979	\$ 130,465,459	\$ 120,529,780	\$ 107,799,740	\$ 124,599,030	\$ 126,590,144
Debt service as a percentage of noncapital expenditures	10.21%	9.11%	7.48%	7.93%	8.57%	7.17%	11.80%	7.16%	6.36%	6.27%
Component Unit-School Board:										
Total debt service	\$ 834,643	\$ 787,048	\$ 868,173	\$ 946,533	\$ 1,155,846	\$ 1,363,602	\$ 1,320,842	\$ 1,347,842	\$ 1,394,486	\$ 2,620,626
School expenditures excluding County contribution	\$ 67,289,716	\$ 66,399,289	\$ 67,688,200	\$ 69,839,335	\$ 69,256,503	\$ 71,917,820	\$ 81,792,992	\$ 90,235,754	\$ 94,536,915	\$ 103,336,169
Capital outlay Component Unit - School Board	3,004,319	4,025,400	16,465,629	27,492,948	6,631,490	22,446,974	7,781,281	10,551,058	11,460,189	5,348,107
Noncapital expenditures	\$ 64,285,397	\$ 62,373,889	\$ 51,222,571	\$ 42,346,387	\$ 62,625,013	\$ 49,470,846	\$ 74,011,711	\$ 79,684,696	\$ 83,076,726	\$ 97,988,062
Primary Government and Component Unit-Schools:										
Total debt service	\$ 9,567,128	\$ 8,927,987	\$ 8,745,241	\$ 10,852,351	\$ 10,315,861	\$ 10,722,515	\$ 15,543,141	\$ 9,069,090	\$ 9,317,134	\$ 10,559,157
Total noncapital expenditure	\$ 149,827,680	\$ 151,779,910	\$ 156,484,348	\$ 167,248,071	\$ 169,542,992	\$ 179,936,305	\$ 194,541,491	\$ 187,484,436	\$ 207,675,756	\$ 224,578,206
Debt service as a percentage of noncapital expenditures	6.39%	5.88%	5.59%	6.49%	6.08%	5.96%	7.99%	4.84%	4.49%	4.70%

(1) In Virginia, the County issues debt to finance the construction of school facilities for the Public Schools because Public Schools do not have borrowing or taxing authority, therefore the debt service payments related to School facilities are presented as debt service of the component unit. Debt service as a percentage of noncapital expenditures for the Primary Government and School Board more appropriately reflects the unique Virginia school debt requirements. Only School Board capital lease debt service is selected in the Component Unit-School Board.

TABLE 5

COUNTY OF BEDFORD, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Calendar Years

Calendar Year	Real Property				Less: Tax Deferred Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Agricultural Property	Public Service			
2014	\$ 6,889,739,371	\$ 649,039,700	\$ 1,785,041,800	\$ 278,858,917	\$ 1,215,882,300	\$ 8,386,797,488	0.52
2015	6,952,590,383	681,652,300	1,788,524,700	294,371,167	1,211,313,400	8,505,825,150	0.52
2016	7,042,927,820	698,322,700	1,795,584,700	331,448,764	1,214,727,200	8,653,556,784	0.52
2017	7,120,334,172	705,261,700	1,795,644,600	326,010,950	1,216,871,300	8,730,380,122	0.52
2018	7,188,214,159	702,798,700	1,792,912,100	325,277,869	1,206,883,300	8,802,319,528	0.52
2019	7,706,088,008	732,381,400	1,811,686,506	337,948,360	1,196,989,900	9,391,114,374	0.50
2020	7,787,276,322	747,763,100	1,811,271,123	335,644,449	1,191,853,800	9,490,101,194	0.50
2021	7,894,488,883	748,473,300	1,807,586,606	320,057,058	1,192,123,300	9,578,482,547	0.50
2022	8,002,736,300	772,156,900	1,805,254,300	287,009,053	1,159,642,200	9,707,514,353	0.50
2023	10,849,790,200	913,723,900	2,053,836,100	359,802,138	1,227,811,900	12,949,340,438	0.41

- (1) Property in Bedford County is reassessed once every four years at actual market value.
Property is assessed at 100 percent of estimated actual value. Tax rates are per \$100 of assessed value.

Source: Bedford County Commissioner of the Revenue

TABLE 6

COUNTY OF BEDFORD, VIRGINIA

Direct Property Tax Rates
Last Ten Calendar Years
(rate per \$100 of assessed value)

Type of Tax	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real Estate:										
General Fund	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.41	\$ 0.41

Source: Bedford County Commissioner of the Revenue

TABLE 7

COUNTY OF BEDFORD, VIRGINIA

Principal Real Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2023 Calendar Year			2014 Calendar Year		
	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation
Appalachian Power Co	\$190,313,248	1	1.47%	\$ 141,127,943	1	1.68%
Westyn Village LLC	69,827,600	2	0.54%	-		-
Southwood Cottontown LLC	65,487,600	3	0.51%	-		-
Norfolk & Western Railway Co	44,800,101	4	0.35%	39,816,684	3	0.47%
Southside Electric Corporation	30,771,355	5	0.24%	27,705,214	5	0.33%
GP (Georgia Pacific) Big Island LLC	28,498,100	6	0.22%	18,788,500	6	0.22%
NBI Development	24,654,700	7	0.19%	-		-
B & A Properties	24,044,800	8	0.19%	-		-
Carriage Square	22,872,000	9	0.18%	-		-
Verizon Virginia Inc	22,416,935	10	0.17%	33,126,634	4	0.39%
Teva Pharmaceuticals Industries Ltd	-		-	46,708,200	2	0.56%
Wal-Mart	-		-	9,984,000	7	0.12%
Boonsboro Country Club	-		-	9,649,600	8	0.12%
Center for Advanced Engineering & Research	-		-	9,156,700	9	0.11%
Crystal Shores Marina Resort	-		-	8,743,900	10	0.10%
Total	<u>\$523,686,439</u>		<u>4.04%</u>	<u>\$ 344,807,375</u>		<u>4.11%</u>

Source: Bedford County Commissioner of the Revenue

TABLE 8

COUNTY OF BEDFORD, VIRGINIA

Real Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Tax Levied for the Tax Year	Adjustments	Total Adjusted Levy	Collection within the Tax Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2014	\$ 43,252,910	\$ 109,317	\$ 43,362,227	\$ 41,430,823	95.79%	\$ 1,921,634	\$ 43,352,457	99.98%
2015	43,857,517	140,104	43,997,621	42,162,884	96.14%	1,822,235	43,985,119	99.97%
2016	44,613,788	118,703	44,732,491	42,884,139	96.12%	1,829,462	44,713,601	99.96%
2017	45,009,233	153,560	45,162,793	43,137,025	95.84%	1,987,535	45,124,560	99.92%
2018	45,388,928	174,890	45,563,818	42,947,960	94.62%	2,523,904	45,471,864	99.80%
2019	46,730,571	110,292	46,840,863	44,809,346	95.89%	1,877,795	46,687,141	99.67%
2020	47,260,573	189,829	47,447,402	45,343,493	95.94%	1,832,661	47,176,154	99.43%
2021	47,710,058	146,522	47,856,580	39,437,400	82.66%	7,478,347	46,915,747	98.03%
2022	47,102,886	206,303	47,309,189	43,526,317	92.41%	2,870,087	46,396,404	98.07%
2023	51,617,935	127,064	51,744,999	49,544,462	95.98%	775,773	50,320,235	97.25%

COUNTY OF BEDFORD, VIRGINIA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

The County has no overlapping debt

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Virginia Public School Authority Bonds	Lease Revenue Bonds	Capital Leases	Subscriptions	Capital Leases	Subscriptions			
2015	\$ 1,155,000	\$ 38,024,048	\$ 11,540,000	\$ 7,470,000	\$ -	\$ 52,708	\$ -	\$ 58,241,756	1.84%	\$ 754
2016	760,000	35,408,169	9,360,000	7,093,600	-	-	-	52,621,769	1.62%	679
2017	375,000	69,802,952	6,925,000	6,682,661	-	413,965	-	84,199,578	2.55%	1,087
2018	-	65,276,932	5,905,000	6,241,515	-	330,964	-	77,754,411	2.25%	999
2019	-	80,943,552	4,885,000	5,776,671	-	518,288	-	92,123,511	2.55%	1,176
2020	-	76,426,160	3,860,000	5,284,445	-	365,906	-	85,936,511	2.27%	1,088
2021	-	71,850,000	2,840,000	4,798,108	-	170,172	-	79,658,280	2.00%	1,009
2022	-	68,065,000	2,590,000	4,801,920	176,001	88,512	-	75,721,433	1.76%	948
2023	-	64,095,000	2,335,000	4,224,367	85,655	43,661	35,989	70,819,672	1.60%	886
2024	-	59,930,000	2,075,000	3,441,860	197,533	29,766	7,324	65,681,483	*	813

(1) Bureau of Economic Analysis, includes Bedford Town and County

* Unavailable

TABLE 10

COUNTY OF BEDFORD, VIRGINIA

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Real Property (1)	Per Capita (2)
	County General Obligation	School General Obligation	Total Primary Government		
2015	\$ 1,342,000	\$ 37,837,048	\$ 39,179,048	0.47%	\$ 507
2016	947,000	35,221,169	36,168,169	0.43%	467
2017	562,000	69,615,952	70,177,952	0.81%	906
2018	144,000	65,132,932	65,276,932	0.75%	839
2019	96,000	80,847,552	80,943,552	0.92%	1,033
2020	48,000	76,378,160	76,426,160	0.81%	967
2021	-	71,850,000	71,850,000	0.76%	910
2022	-	68,065,000	68,065,000	0.71%	852
2023	-	64,095,000	64,095,000	0.66%	802
2024	-	59,930,000	59,930,000	0.46%	742

(1) Source - Taxable Value of Assessed Real Property obtained from the Commissioner of Revenue.

(2) Source - Schedule of Demographic and Economic Statistics Table 12 for personal income and population data.

COUNTY OF BEDFORD, VIRGINIA

County Debt Policy (1) (2)
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net debt applicable to parameter	\$ 58,241,756	\$ 52,207,804	\$ 52,621,769	\$ 83,785,613	\$ 77,423,447	\$ 91,605,223	\$ 85,570,605	\$ 75,721,433	\$ 70,783,683	\$ 65,674,159
Net debt as a percentage of assessed value (not to exceed 3.5%)	0.69%	0.61%	0.61%	0.96%	0.88%	0.98%	0.90%	0.79%	0.73%	0.51%
Net debt per capita (not to exceed \$1,750)	\$ 751	\$ 674	\$ 676	\$ 1,070	\$ 980	\$ 1,160	\$ 1,071	\$ 947	*	*
Debt service as a percentage of General Governmental Expenditures (not to exceed 10%)	6.55%	5.99%	6.21%	7.64%	6.36%	7.02%	8.31%	4.93%	4.78%	5.08%

(1) The *Code of Virginia* has no legal debt margin limit set on the Counties. However, through the fiscal year ended June 30, 2022, Bedford County applied a policy with the following three parameters:

- Net Debt as a percentage of Assessed Value will not exceed 3.5%. (Net Debt is General Obligation debt and Capital Lease Obligation exclusive of debt or leases payable from Proprietary Funds)
- Net Debt per Capita will not exceed \$1,750 per capita.
- General Obligation Debt Service and Capital Lease payments as a percentage of General Governmental Expenditures will not exceed 15%.

(2) Bedford County revised its debt policy in the fiscal year ended June 30, 2023. The following parameters became effective June 12, 2023:

- Net Debt as a percentage of Assessed Value will not exceed 3.5% (Net Debt is General Obligation debt, Capital Lease Obligations, and Subscription Obligations exclusive of debt, leases, and subscriptions payable from Proprietary Funds)
- General Obligation Debt Service and Capital Lease payments as a percentage of General Government Expenditures will not exceed 10%.

* Not applicable

TABLE 12

COUNTY OF BEDFORD, VIRGINIA

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (1)	Personal Income (2) (5) (in thousands)	Per Capita Personal Income (2) (6)	School Enrollment (3)	Unemployment Rate (4)
2015	77,525	3,251,297	41,942	9,915	4.4%
2016	77,465	3,302,567	42,414	9,674	4.0%
2017	77,807	3,462,854	44,249	9,545	3.8%
2018	78,329	3,609,168	45,742	9,543	3.1%
2019	78,997	3,779,260	47,725	9,474	2.8%
2020	78,984	3,985,249	50,096	9,368	5.3%
2021	79,865	4,307,397	53,650	8,952	3.4%
2022	79,943	4,433,461	54,837	8,812	2.8%
2023	80,759	*	*	8,818	2.9%
2024	*	*	*	8,760	2.7%

Sources: (1) Weldon Cooper Center for Public Service, University of Virginia, estimates for FY 2014 through FY 2022.

(2) Bureau of Economic Analysis, includes Bedford Town and County

(3) March 31 ADM

(4) Virginia Employment Commission calendar year data for 2015-2023. Data for 2024 is average for January 1, 2024 through June 30, 2024.

(5) Personal income is the income received by all persons from all sources.

(6) Per capita personal income is calculated as the personal income of residents of a given area divided by the resident population of the area.

* Unavailable

TABLE 13

COUNTY OF BEDFORD, VIRGINIA

Principal Employers

Current Year and Nine Years Ago

Taxpayer	2024		2015	
	Employees	Rank	Employees	Rank
Bedford County School Board	1,000+	1	1,000+	1
County of Bedford	500-999	2	500-999	2
Centra Health	500-999	3	250-499	4
Walmart	250-499	4	250-499	8
GP (Georgia Pacific) Big Island LLC	250-499	5	250-499	6
Food Lion	100-249	6	100-249	10
Sentry Equipment Erectors	100-249	7	-	-
* Elwood Staffing Services Inc	100-249	8	-	-
Runk & Prat Health Care, Inc	100-249	9	-	-
Uos, LLC (Custom Truck One Source)	100-249	10	-	-
** Teva Pharmaceuticals Industries Ltd	-	-	500-999	3
Mail America Communications	-	-	250-499	5
* Workforce Solutions	-	-	250-499	7
Sam Moore Furniture	-	-	250-499	9

Source: Virginia Labor Market Information (LMI)

* Staffing agencies that provided temporary workers for Bedford County and surrounding locality businesses.

** Formerly known as Barr Laboratories.

TABLE 14

COUNTY OF BEDFORD, VIRGINIA

County Government Employees by Function
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Function/Program</u>										
General government administration	46.3	48.0	49.5	49.5	49.5	50.0	53.5	57.8	60.6	67.1
Judicial administration	29.0	30.0	30.8	30.8	30.8	31.6	31.9	31.3	30.7	31.5
Public safety	154.5	149.0	161.5	161.5	161.5	172.0	174.7	175.2	183.3	192.7
Public works	48.0	49.0	50.5	50.5	50.5	51.4	51.4	53.0	54.6	57.7
Health & welfare	83.0	81.5	88.5	88.5	88.5	106.2	105.6	106.7	112.7	111.4
Parks, recreation, and cultural	12.3	12.8	14.3	14.3	14.3	16.3	15.2	17.0	16.6	16.8
Community development	25.0	24.0	24.0	24.0	24.0	32.5	33.6	34.0	35.3	31.2
Other funds										
Nursing home	97.0	94.5	94.0	94.0	94.0	97.1	92.5	84.6	84.8	88.1
Solid waste	16.6	15.8	15.5	15.5	15.5	15.8	15.0	14.6	16.3	16.4
Other funds	113.6	110.3	109.5	109.5	109.5	112.9	107.5	99.2	101.1	104.5
Total primary government	511.6	504.6	528.5	528.6	528.6	572.9	573.4	574.2	594.9	612.9
Education	1,673.0	1,697.0	1,687.0	1,694.0	1,714.00	1,674.00	1,639.0	1,638.0	1,631.0	1,670.0
Total	2,184.6	2,201.6	2,215.5	2,222.6	2,242.6	2,246.9	2,212.4	2,212.2	2,225.9	2,282.9

Source: Bedford County Department of Finance and Bedford County School Board

TABLE 15

COUNTY OF BEDFORD, VIRGINIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
(5) Sheriff										
Number of calls	42,501	43,097	43,847	46,717	44,540	42,984	41,445	46,618*	42,412	42,444
Criminal warrants served	1,544	1,485	1,560	2,027	1,889	1,662	1,766	1,622*	1,939	1,737
Other warrants/protective orders served	1,099	1,290	941	1,240	1,321	1,303	1,186	1,324*	1,182	1,006
Civil papers handled	18,076	17,281	18,124	22,338	22,200	22,237	20,663	18,290*	19,419	19,044
Building inspections										
(2) Number of permits	1,471	1,537	1,561	1,565	1,562	1,788	1,983	2,427	2,479	2,354
Value of permits	\$ 143,043,939	\$ 113,302,338	\$ 123,863,855	\$ 132,571,974	\$ 141,727,024	\$ 167,939,287	\$ 178,738,809	\$ 199,764,728	\$ 212,883,171	\$ 188,608,916
Fire and rescue										
(4) Number of Volunteers	558	655	739	703	764	700	300	300	260	546
Number of EMS calls	17,029	18,603	18,595	16,435	5,296	5,129	5,129	8,049	10,221	5,434
Number of fire calls	3,482	3,843	4,023	3,221	3,715	3,796	3,796	2,074	3,549	776
Public Works										
(3) Refuse collection										
Incoming waste tonnage										
Industrial	2,946	3,246	4,452	4,383	4,352	1,586	663	260	83	3
Commercial	19,095	20,379	20,772	23,051	25,136	12,449	12,182	12,730	14,613	16,574
County collection system	23,590	25,030	25,707	25,322	26,539	29,907	29,808	28,222	27,654	26,886
Commercial hauled residential	1,849	1,932	1,928	1,821	1,893	1,977	1,809	1,146	696	753
Residential hauled	2,135	2,479	2,915	2,979	3,622	3,998	3,675	3,676	4,066	4,567
Total	49,615	53,066	55,774	57,556	61,542	49,917	48,137	46,034	47,112	48,783
Recyclable tonnage collected	1,962	1,981	2,072	2,079	2,512	2,239	2,290	2,296	2,621	2,286
Parks, recreation, and cultural										
(1) Parks and recreation										
Number of child participants	5,585	6,331	6,525	6,894	6,782	4,192	4,335	5,717	6,208	7,091
Number of adult participants	563	776	621	617	648	396	185	450	737	3,126
Number of senior participants	3,987	3,069	3,200	1,832	1,232	1,056	215	2,365	2,460	2,921
Scheduled events	8	9	8	16	18	10	6	8	22	29
Number of event participants	1,001	1,091	1,253	2,048	2,187	1,106	915	1,575	1,575	6,459
Trips/tours	24	30	25	25	14	6	-	11	11	16
Number of trip participants	355	507	350	363	230	115	-	231	231	299

*Statistical data for the first half of fiscal year 2022 was lost due to a system failure in November 2021. Data available from the second half of the fiscal year was used to project the annual total.

Source: Various County Departments

TABLE 16

COUNTY OF BEDFORD, VIRGINIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Function/Program</u>										
General Government - none										
Judicial Administration - none										
Public safety										
Sheriff										
Stations	4	4	4	4	5	5	5	5	5	5
Patrol units	111	112	116	117	115	115	115	117	117	112
Fire & rescue										
Rescue squads	11	11	10	10	10	10	9	9	9	9
Satellite rescue squads	5	5	5	5	2	2	2	2	2	3
Fire companies	11	11	11	11	12	12	11	11	11	11
Marine based fire company	1	1	1	1	1	1	1	1	1	1
Satellite fire companies	8	8	7	7	6	6	6	6	6	6
Public works										
Refuse collection										
County convenience centers										
Unstaffed	1	1	1	1	1	1	1	1	1	0
Partially staffed	4	4	3	3	3	3	3	3	4	3
Fully staffed	10	10	11	11	12	12	12	12	12	12
Total county convenience centers	15	15	15	15	16	16	16	16	17	15
Leased convenience centers										
Partially staffed	10	10	10	10	9	9	9	9	9	9
Total leased convenience centers	10	10	10	10	9	9	9	9	9	9
Recycling centers	13	13	14	14	15	15	15	15	15	15
Parks, recreation, and cultural										
Parks & recreation										
Acreage	625	492	492	492	492	548	548	548	548	548
County parks	4	3	3	3	3	4	4	4	4	4
Leased parks	8	8	9	9	9	7	7	7	7	7
Skate Park	1	1	1	1	1	1	1	1	1	1
Walking/biking trails - miles developed	27	27	34	40	40	44	44	44	44	44
County baseball/softball diamonds	4	4	4	4	4	10	10	10	10	10
Leased baseball/softball diamonds	44	44	44	44	44	33	33	33	33	33
Football fields	4	4	4	4	4	4	4	4	4	4
County soccer fields	3	3	3	3	3	4	4	4	4	4
Leased soccer fields	37	38	39	39	39	38	38	38	38	38
Community centers	2	2	3	3	3	3	3	3	3	3
County Gymnasium	1	1	1	1	1	1	1	1	1	1

Sources: Various county departments

COUNTY OF BEDFORD, VIRGINIA

Bedford County School Board
March 31st Average Daily Membership
Last Ten Fiscal Years

Grade	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
K	686	661	672	659	694	701	617	650	651	625
1	688	662	664	693	673	676	641	610	662	647
2	710	686	690	683	704	686	659	661	600	673
3	742	694	686	704	682	676	658	647	671	599
4	713	739	709	693	697	681	652	648	657	669
5	745	707	756	734	711	700	647	659	662	654
6	806	737	699	754	726	691	663	665	673	642
7	744	807	740	726	750	738	702	663	666	674
8	801	742	803	752	736	763	727	699	689	686
9	822	833	801	836	797	761	776	776	753	719
10	805	800	781	763	799	753	746	738	738	738
11	865	750	775	748	738	789	716	679	718	691
12	788	856	769	798	767	753	748	717	678	742
Total	9,915	9,674	9,545	9,543	9,474	9,368	8,952	8,812	8,818	8,759
Elementary school membership	5,834	5,693	5,616	5,646	5,637	5,549	5,239	5,203	5,242	5,184
Secondary school membership	4,081	3,981	3,929	3,897	3,837	3,819	3,713	3,609	3,576	3,576
Total	9,915	9,674	9,545	9,543	9,474	9,368	8,952	8,812	8,818	8,760

Source: Bedford County School Board

Table 18

COUNTY OF BEDFORD, VIRGINIA

Bedford County School Board
Full-Time Equivalent Employees by Type
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Based Support										
Principals	22	21	21	21	21	21	21	21	21	21
Assistant principals	14	14	13	14	14	15	18	15	16	16
Clerical/secretarial	53	50	49	52	51	50	54	55	57	54
Guidance	38	37	33	36	36	38	39	37	37	38
Librarians	20	20	20	19	21	16	17	18	18	19
Total supervisory	147	142	136	142	143	140	149	146	149	148
Instruction										
Elementary classroom teachers	448	434	416	422	437	438	424	420	402	409
Secondary classroom teachers	319	323	308	296	306	299	300	287	287	302
Substitutes	53	52	53	50	51	38	26	41	45	48
Other teachers	54	58	53	55	38	37	45	48	43	42
Technology Teachers	22	23	27	28	27	27	26	24	26	20
Aides	172	189	194	197	213	192	185	184	195	209
Total instruction	1,068	1,079	1,051	1,048	1,072	1,031	1,006	1,004	998	1,030
Student Services										
Technical support	5	4	4	5	4	5	21	27	25	24
Visiting teachers/social workers	-	-	-	-	3	4	3	3	4	7
Psychologists	9	7	5	6	7	7	7	8	9	9
Nurses	27	25	26	25	24	24	23	21	20	23
Total student services	41	36	35	36	38	40	54	59	58	63
Support and Administration										
Board members	7	7	7	7	7	7	7	7	7	7
Instruction administration	19	21	22	22	16	18	14	12	11	11
Support administration	10	12	15	14	12	12	14	15	15	16
Clerical/secretarial	23	23	25	24	22	22	22	20	21	20
Service workers	323	340	358	362	367	367	334	335	329	335
Skilled crafts	39	37	39	40	42	42	39	40	43	40
Total support and administration	421	440	466	469	466	468	430	429	426	429
Total employees	1,677	1,697	1,688	1,695	1,719	1,679	1,639	1,638	1,631	1,670
Teachers and administrators	1,043	1,032	993	993	1,002	979	970	966	952	969
Other employees	634	665	695	702	717	700	669	672	679	701
Total employees	1,677	1,697	1,688	1,695	1,719	1,679	1,639	1,638	1,631	1,670

Source: Bedford County School Board

Table 19

COUNTY OF BEDFORD, VIRGINIA

Bedford County School Board
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Debt Service Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2015	9,915	\$ 95,893,402	\$ 9,672	0.98%	\$ 4,626,404	\$ 467	-0.62%	767	12.93	37%
2016	9,674	98,432,050	10,175	5.20%	5,933,984	613	31.46%	757	12.78	37%
2017	9,545	96,688,413	10,130	-0.44%	5,623,434	589	-3.95%	725	13.17	37%
2018	9,542	101,495,428	10,637	5.00%	7,775,881	815	38.32%	718	13.29	37%
2019	9,475	101,065,093	10,667	0.28%	7,355,530	776	-4.74%	743	12.75	39%
2020	9,366	102,435,750	10,937	2.54%	7,615,577	813	4.74%	737	12.71	39%
2021	8,954	104,343,634	11,653	6.55%	8,301,779	927	14.03%	724	12.37	39%
2022	8,812	109,582,852	12,436	6.71%	7,558,128	858	-7.49%	707	12.46	39%
2023	8,818	117,002,437	13,269	6.70%	7,553,498	857	-0.13%	689	12.79	39%
2024	8,760	117,608,437	13,426	1.18%	7,559,490	863	0.74%	711	12.32	39%

Source: Bedford County School Board



COMPLIANCE SECTION



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

To the Honorable Members of the Board of Supervisors
County of Bedford, 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* and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bedford, Virginia (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 6, 2024.

Report on Internal Control over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 6, 2024

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Program

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

In our opinion, the County of Bedford, 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Bedford, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 documentation of the County of Bedford, 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 the County of Bedford, Virginia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County'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 the County'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 risk 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 the County of Bedford, 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 the County of Bedford, 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 the County of Bedford, 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material



weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 6, 2024

County of Bedford, Virginia
Summary of Compliance Matters
June 30, 2024

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the County's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia

Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Comprehensive Services Act
Uniform Disposition of Unclaimed Property Act
Sheriff Internal Controls

State Agency Requirements

Education
Social Services
Fire Programs Aid to Localities
Opioid Abatement Program

Federal Compliance Matters

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

County of Bedford, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

A – Summary of Auditor’s Results

1. The auditor’s report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies and no material weaknesses** relating to the audit of the financial statements were reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements which would be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award programs expresses an **unmodified opinion on all major federal programs**.
6. The audit disclosed **no findings relating to the major programs**.
7. The programs tested as major were:

Name of Program	Assistance Listing Number
Coronavirus State and Local Fiscal Recovery Funds – COVID-19	21.027
Education Stabilization Fund – ESSER – COVID-19	84.425
Internet Crimes Against Children	16.543

8. The threshold for distinguishing Type A and B programs was **\$757,546**.
9. The County was **not** determined to be a **low-risk auditee**.

B – Findings – Financial Statement Audit

None.

C – Findings and Questioned Costs – Major Federal Award Program Audit

None.

D – Findings – Commonwealth of Virginia

None.

County of Bedford, Virginia
Summary Schedule of Prior Audit Findings
June 30, 2024

A – Findings and Questioned Costs – Major Federal Award Program Audit

2023-001: Supplemental Nutrition Assistance Program – AL# 10.561; Child Nutrition Cluster – AL# 10.553, 10.555, 10.559; Coronavirus State and Local Fiscal Recovery Fund – AL# 21.027; Title I Grants to Local Educational Agencies – AL# 84.010; Education Stabilization Fund – AL# 84.425C, 84.425D, 84.425U; Temporary Assistance for Needy Families – AL# 93.558; Medical Assistance Program – AL# 93.778, Late Filing of Data Collection Form

Condition

The County did not file the data collection form for the year ended June 30, 2022 timely.

Recommendation

Management should take steps to ensure that the form is filed timely.

Current Status

The County filed the data collection form for the year ended June 30, 2023 timely. Condition no longer exists.