

COUNTY OF CHARLES CITY,  
VIRGINIA



ANNUAL FINANCIAL REPORT

---

FOR FISCAL YEAR ENDED JUNE 30, 2025



**COUNTY OF CHARLES CITY, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2025**

THIS PAGE LEFT BLANK INTENTIONALLY

# COUNTY OF CHARLES CITY, VIRGINIA

---

## Board of Supervisors

---

Byron M. Adkins, Sr., Chairperson

Ryan Patterson, Vice Chairperson

Michael Hill, Sr.

## Board of Social Services

---

Yvonne W. Bradby, Chairperson

Joyce G. Manning, Vice Chairperson  
Regina B. Harris

Byron M. Adkins, Sr.  
Sylvia B. Wynn

## County School Board

---

Rodney Tyler, Chairperson

Joy Harris, Vice Chairperson  
Royce Paige

Marchelle Hampton  
Donna Harwood

## Other Officials

---

Chief Judge of the Circuit Court ..... Joshua DeFord  
Clerk of the Circuit Court ..... Victoria E. Washington  
Commonwealth's Attorney ..... Tyler Klink  
Commissioner of the Revenue ..... Candice Jones  
Treasurer ..... Kourtney Brown  
Sheriff ..... Jayson Crawley  
Superintendent of Schools ..... Dr. Dalphine Joppy  
Director of Social Services ..... Elizabeth B. Holt  
County Administrator ..... Keith Rogers, Jr.  
Chief Judge of the General District Court ..... Matthew Danielson  
Chief Judge of the Juvenile and Domestic Relations Court ..... Mara Mathews  
County Attorney ..... Jesse Bausch

THIS PAGE LEFT BLANK INTENTIONALLY

COUNTY OF CHARLES CITY, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

---

	<u>Page</u>
Independent Auditors' Report	1-4
Management's Discussion and Analysis	5-11
<b><u>Basic Financial Statements:</u></b>	
<b>Government-Wide Financial Statements:</b>	
Exhibit 1    Statement of Net Position	12
Exhibit 2    Statement of Activities	13
<b>Fund Financial Statements:</b>	
Exhibit 3    Balance Sheet-Governmental Funds	14
Exhibit 4    Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Exhibit 5    Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	16
Exhibit 6    Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Exhibit 7    Statement of Net Position - Proprietary Funds	18
Exhibit 8    Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	19
Exhibit 9    Statement of Cash Flows - Proprietary Funds	20
Notes to Financial Statements	21-91

COUNTY OF CHARLES CITY, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

---

	<u>Page</u>	
<b><u>Required Supplementary Information:</u></b>		
Exhibit 10	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	92
Exhibit 11	Schedule of Changes in Net Pension Liability and Related Ratios - Primary Government	93-94
Exhibit 12	Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Component Unit School Board (nonprofessional)	95-96
Exhibit 13	Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	97
Exhibit 14	Schedule of Employer Contributions - Pension Plan	98
Exhibit 15	Notes to Required Supplementary Information - Pension Plan	99
Exhibit 16	Schedule of County's Share of Net OPEB Liability - Group Life Insurance (GLI) Plan	100
Exhibit 17	Schedule of Employer Contributions - Group Life Insurance (GLI) Plan	101
Exhibit 18	Notes to Required Supplementary Information - Group Life Insurance (GLI) Plan	102
Exhibit 19	Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios-Health Insurance Credit (HIC) Plan	103
Exhibit 20	Schedule of Employer Contributions -Health Insurance Credit (HIC) Plan	104
Exhibit 21	Notes to Required Supplementary Information -Health Insurance Credit (HIC) Plan	105
Exhibit 22	Schedule of Component Unit School Board's Share of Net OPEB Liability - Teacher Employee Health Insurance Credit (HIC) Plan	106
Exhibit 23	Schedule of Employer Contributions - Teacher Employee Health Insurance Credit (HIC) Plan	107
Exhibit 24	Notes to Required Supplementary Information - Teacher Employee Health Insurance Credit (HIC) Plan	108
Exhibit 25	Schedule of Changes in Total OPEB Liability and Related Ratios - Primary Government	109
Exhibit 26	Notes to Required Supplementary Information - County OPEB	110

COUNTY OF CHARLES CITY, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

---

	<u>Page</u>
<b><u>Other Supplementary Information:</u></b>	
<b>Combining and Individual Fund Financial Statements and Schedules:</b>	
Discretely Presented Component Unit - School Board:	
Exhibit 27 Combining Balance Sheet - Governmental Funds	111
Exhibit 28 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	112
Exhibit 29 Schedule of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Budget and Actual	113
Discretely Presented Component Unit - Economic Development Authority:	
Exhibit 30 Statement of Net Position	114
Exhibit 31 Statement of Revenues, Expenses and Changes in Net Position	115
Exhibit 32 Statement of Cash Flows	116
<b>Supporting Schedules:</b>	
Schedule 1 Schedule of Revenues-Budget and Actual-Governmental Funds	117-121
Schedule 2 Schedule of Expenditures-Budget and Actual-Governmental Funds	122-126
<b><u>Statistical Information:</u></b>	
Table 1 Government-Wide Expenses by Function - Last Ten Fiscal Years	127
Table 2 Government-Wide Revenues - Last Ten Fiscal Years	128
Table 3 General Governmental Expenditures by Function - Last Ten Fiscal Years	129
Table 4 General Governmental Revenues by Source - Last Ten Fiscal Years	130
Table 5 Property Tax Levies and Collections - Last Ten Fiscal Years	131
Table 6 Assessed Value of Taxable Property - Last Ten Fiscal Years	132
Table 7 Property Tax Rates - Last Ten Fiscal Years	133
Table 8 Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	134

COUNTY OF CHARLES CITY, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

---

	<u>Page</u>
<b><u>Compliance:</u></b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	135-136
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	137-139
Schedule of Expenditures of Federal Awards	140-142
Notes to Schedule of Expenditures of Federal Awards	143
Schedule of Findings and Questioned Costs	144-146
Summary Schedule of Prior Audit Findings	147



---

**Independent Auditors' Report**

---

**To the Honorable Members of the Board of Supervisors  
County of Charles City  
Charles City, Virginia**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of County of Charles City, Virginia, as of and for the year ended June 30, 2025, 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 financial position of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of County of Charles City, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Changes in Accounting Principles***

As described in Note 25 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

***Restatement of Beginning Balances***

As described in Note 26 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 County of Charles City, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Charles City, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules, supporting schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, supporting schedules, 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 information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2026, on our consideration of County of Charles City, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Charles City, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Charles City, Virginia's internal control over financial reporting and compliance.

*Robinson, Farnum, Cox Associates*

Richmond, Virginia

January 26, 2026

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

To the Honorable Members of the Board of Supervisors  
To the Citizens of Charles City County, Virginia

As management of the County of Charles City, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025. Please read it in conjunction with the County's basic financial statements, which follow this section.

### Financial Highlights

#### Government-wide Financial Statements

< The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$24,248,316 (net position).

#### Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenue and other uses in excess of expenditures and other financing sources of \$2,064,454 (Exhibit 5) after making contributions totaling \$6,815,876 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$6,388,807, a decrease of \$7,129,966 in comparison with the prior year.
- < At the end of the current fiscal year, the unassigned fund balance was \$4,340,356, or 16% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased \$1,291,618 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required and other supplementary information in addition to the basic financial statements themselves.

## Overview of the Financial Statements (Continued)

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

The statement of net position presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the 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, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Charles City, Virginia itself (known as the primary government), but also a legally separate school district and an industrial development authority for which the County of Charles City, Virginia is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

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

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances.

## **Overview of the Financial Statements (Continued)**

**Proprietary funds** - Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting, similar to private sector business.

The Sanitary District Fund provides a centralized source for water/sewer services to County residents.

The Broadband Fund provides broadband services to County residents.

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

**Other information** - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and pension and OPEB funding schedules. Other supplementary information includes combining financial statements for the discretely presented component unit - School Board and financial statements for the discretely presented component unit Economic Development Authority. The School Board and Economic Development Authority do not issue separate financial statements.

*The remainder of this page left blank intentionally*

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,248,316 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Charles City, Virginia's Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 6,393,094	\$ 4,835,558	\$ 13,225	\$ 13,225	\$ 6,406,319	\$ 4,848,783
Internal balances	5,597,463	4,643,912	(5,597,463)	(4,643,912)	-	-
Capital assets	<u>27,580,844</u>	<u>28,000,000</u>	<u>5,283,802</u>	<u>5,524,057</u>	<u>32,864,646</u>	<u>33,524,057</u>
Total assets	<u>\$ 39,571,401</u>	<u>\$ 37,479,470</u>	<u>\$ (300,436)</u>	<u>\$ 893,370</u>	<u>\$ 39,270,965</u>	<u>\$ 38,372,840</u>
Deferred outflows of resources	<u>\$ 873,577</u>	<u>\$ 950,442</u>	<u>\$ 42,986</u>	<u>\$ 58,477</u>	<u>\$ 916,563</u>	<u>\$ 1,008,919</u>
Current liabilities	\$ 1,352,816	\$ 1,492,872	\$ 13,951	\$ 53,346	\$ 1,366,767	\$ 1,546,218
Long-term liabilities outstanding	<u>12,264,032</u>	<u>13,432,454</u>	<u>1,102,926</u>	<u>1,226,122</u>	<u>13,366,958</u>	<u>14,658,576</u>
Total liabilities	<u>\$ 13,616,848</u>	<u>\$ 14,925,326</u>	<u>\$ 1,116,877</u>	<u>\$ 1,279,468</u>	<u>\$ 14,733,725</u>	<u>\$ 16,204,794</u>
Deferred inflows of resources	<u>\$ 1,146,784</u>	<u>\$ 1,096,255</u>	<u>\$ 58,703</u>	<u>\$ 58,037</u>	<u>\$ 1,205,487</u>	<u>\$ 1,154,292</u>
Net investment in capital assets	\$ 16,750,457	\$ 16,602,045	\$ 4,240,030	\$ 4,419,085	\$ 20,990,487	\$ 21,021,130
Restricted	829,859	915,519	-	-	829,859	915,519
Unrestricted (deficit)	<u>8,101,030</u>	<u>4,890,767</u>	<u>(5,673,060)</u>	<u>(4,804,743)</u>	<u>2,427,970</u>	<u>86,024</u>
Total net position	<u>\$ 25,681,346</u>	<u>\$ 22,408,331</u>	<u>\$ (1,433,030)</u>	<u>\$ (385,658)</u>	<u>\$ 24,248,316</u>	<u>\$ 22,022,673</u>

*The remainder of this page left blank intentionally*

## Government-wide Financial Analysis (Continued)

During the current fiscal year, the County's net position increased by \$2,279,234. The following table summarizes the County's Statement of Activities

County of Charles City, Virginia's Changes in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 7,486,205	\$ 4,360,360	\$ 103,292	\$ 37,602	\$ 7,589,497	\$ 4,397,962
Operating grants and contributions	4,867,478	3,064,493	-	-	4,867,478	3,064,493
Capital grants and contributions	-	15,000	-	-	-	15,000
<b>General revenues:</b>						
General property taxes	12,933,765	11,300,245	-	-	12,933,765	11,300,245
Other local taxes	1,953,657	1,985,502	-	-	1,953,657	1,985,502
Grants and other contributions not restricted	815,551	841,013	-	-	815,551	841,013
Other general revenues	1,231,165	1,428,263	-	-	1,231,165	1,428,263
Transfers	(61,200)	(61,200)	61,200	61,200	-	-
<b>Total revenues</b>	<b>\$ 29,226,621</b>	<b>\$ 22,933,676</b>	<b>\$ 164,492</b>	<b>\$ 98,802</b>	<b>\$ 29,391,113</b>	<b>\$ 23,032,478</b>
<b>Expenses:</b>						
<b>General government</b>						
administration	\$ 4,654,851	\$ 4,313,104	\$ -	\$ -	\$ 4,654,851	\$ 4,313,104
Judicial administration	1,169,174	1,212,821	-	-	1,169,174	1,212,821
Public safety	6,478,665	5,303,049	-	-	6,478,665	5,303,049
Public works	1,901,593	2,015,920	1,211,864	1,914,911	3,113,457	3,930,831
Health and welfare	2,126,944	2,226,555	-	-	2,126,944	2,226,555
Education	7,131,116	6,817,105	-	-	7,131,116	6,817,105
Parks, recreation, and cultural	932,743	1,039,431	-	-	932,743	1,039,431
Community development	1,011,730	999,136	-	-	1,011,730	999,136
Interest and other fiscal charges	493,199	156,434	-	-	493,199	156,434
<b>Total expenses</b>	<b>\$ 25,900,015</b>	<b>\$ 24,083,555</b>	<b>\$ 1,211,864</b>	<b>\$ 1,914,911</b>	<b>\$ 27,111,879</b>	<b>\$ 25,998,466</b>
<b>Change in net position</b>	<b>\$ 3,326,606</b>	<b>\$ (1,149,879)</b>	<b>\$ (1,047,372)</b>	<b>\$ (1,816,109)</b>	<b>\$ 2,279,234</b>	<b>\$ (2,965,988)</b>
Net position, beginning of year	\$ 22,408,331	\$ 23,274,958	\$ (385,658)	\$ 1,430,451	\$22,022,673	\$ 24,705,409
Restatement	(53,591)	283,252	-	-	(53,591)	283,252
Net position, beginning of year, as restated	22,354,740	23,558,210	(385,658)	1,430,451	21,969,082	24,988,661
<b>Net position, end of year</b>	<b>\$ 25,681,346</b>	<b>\$ 22,408,331</b>	<b>\$ (1,433,030)</b>	<b>\$ (385,658)</b>	<b>\$ 24,248,316</b>	<b>\$ 22,022,673</b>

## **Financial Analysis of the County's Funds**

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

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

**Proprietary Funds** - The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year amounted to a deficit of \$5,673,060. Net position decreased by \$1,047,372 largely due to unexpected repairs. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

## **General Fund Budgetary Highlights**

During the year, actual revenues and other financing sources were greater than budgetary estimates by \$2,110,302. Expenditures and other uses were greater than budgetary estimates by \$373,900. The combination of both resulted in a net positive variance of \$1,736,402.

## **Capital Asset and Debt Administration**

< **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2025 amounted to \$27,580,844 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

Additional information on the County's capital assets can be found in notes of this report.

**Long-term debt** - At the end of the current fiscal year, the County had total bonds outstanding of \$11,695,985. The County's debt is secured solely by specified revenue sources (i.e., lease/revenue bonds, financed purchase, and revenue bonds). During the current fiscal year, the County's total long-term obligations decreased by \$763,581. Additional information on the County of Charles City, Virginia's long-term debt can be found in Note 8 of this report.

## **Economic Factors**

Inflationary trends in the region compare to national indices.

All of these factors were considered in preparing the County's budget for the 2026 fiscal year.

**Requests for Information** This financial report is designed to provide a general overview of the County of Charles City, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 10900 Courthouse Road, Charles City, Virginia, 23030.

THIS PAGE LEFT BLANK INTENTIONALLY

*BASIC FINANCIAL STATEMENTS*

THIS PAGE LEFT BLANK INTENTIONALLY

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

THIS PAGE LEFT BLANK INTENTIONALLY

County of Charles City, Virginia  
 Statement of Net Position  
 June 30, 2025

	Primary Government			Component Units	
	Governmental	Business-type	Total	School Board	EDA
	Activities	Activities			
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,749,788	\$ -	\$ 2,749,788	\$ 816,456	\$ 1,288,354
Investments	-	-	-	-	106,786
Receivables (net of allowance for uncollectibles):					
Taxes receivable	2,221,053	-	2,221,053	-	-
Accounts receivable	902,470	13,225	915,695	33,999	-
Due from other governmental units	519,783	-	519,783	410,403	-
Internal balances	5,597,463	(5,597,463)	-	-	-
Net pension asset	-	-	-	720,191	-
Capital assets (net of accumulated depreciation):					
Land and land improvements	2,584,454	7,819	2,592,273	263,786	-
Buildings and improvements	17,793,624	5,250,669	23,044,293	4,994,238	-
Machinery and equipment	4,933,687	25,314	4,959,001	824,214	-
Construction in progress	2,095,221	-	2,095,221	-	-
Lease equipment	173,858	-	173,858	62,678	-
Total assets	\$ 39,571,401	\$ (300,436)	\$ 39,270,965	\$ 8,125,965	\$ 1,395,140
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	\$ 596,578	\$ 30,310	\$ 626,888	\$ 1,983,018	\$ -
OPEB related items	276,999	12,676	289,675	210,257	-
Total deferred outflows of resources	\$ 873,577	\$ 42,986	\$ 916,563	\$ 2,193,275	\$ -
<b>LIABILITIES</b>					
Accounts payable	\$ 740,279	\$ 13,576	\$ 753,855	\$ 107,157	\$ -
Accrued liabilities	-	-	-	860,292	-
Customers' deposits	-	375	375	-	-
Accrued interest payable	126,001	-	126,001	-	-
Unearned revenue	273,080	-	273,080	239,179	-
Performance bonds	213,456	-	213,456	-	-
Long-term liabilities:					
Due within one year	815,878	61,200	877,078	36,876	-
Due in more than one year	11,448,154	1,041,726	12,489,880	5,280,427	-
Total liabilities	\$ 13,616,848	\$ 1,116,877	\$ 14,733,725	\$ 6,523,931	\$ -
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - property taxes	\$ 113,797	\$ -	\$ 113,797	\$ -	\$ -
Pension related items	656,177	41,428	697,605	1,089,133	-
OPEB related items	376,810	17,275	394,085	175,550	-
Total deferred inflows of resources	\$ 1,146,784	\$ 58,703	\$ 1,205,487	\$ 1,264,683	\$ -
<b>NET POSITION</b>					
Net investment in capital assets	\$ 16,750,457	\$ 4,240,030	\$ 20,990,487	\$ 6,078,327	\$ -
Restricted for:					
Indoor plumbing	391,597	-	391,597	-	-
Forfeited assets	2,706	-	2,706	-	-
Debt service reserve, bond covenants, and construction reserve	435,556	-	435,556	-	-
Net pension asset	-	-	-	720,191	-
Unrestricted (deficit)	8,101,030	(5,673,060)	2,427,970	(4,267,892)	1,395,140
Total net position (deficit)	\$ 25,681,346	\$ (1,433,030)	\$ 24,248,316	\$ 2,530,626	\$ 1,395,140

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

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units			
					Governmental Activities	Business-type Activities	Total	School Board	EDA	
<b>PRIMARY GOVERNMENT:</b>										
Governmental activities:										
General government administration	\$ 4,654,851	\$ -	\$ 565,440	\$ -	\$ (4,089,411)	\$ -	\$ (4,089,411)	\$ -	\$ -	\$ -
Judicial administration	1,169,174	62,500	432,771	-	(673,903)	-	(673,903)	-	-	-
Public safety	6,478,665	1,438,393	1,175,938	-	(3,864,334)	-	(3,864,334)	-	-	-
Public works	1,901,593	5,347,924	-	-	3,446,331	-	3,446,331	-	-	-
Health and welfare	2,126,944	-	1,190,279	-	(936,665)	-	(936,665)	-	-	-
Education	7,131,116	-	-	-	(7,131,116)	-	(7,131,116)	-	-	-
Parks, recreation, and cultural	932,743	50,127	-	-	(882,616)	-	(882,616)	-	-	-
Community development	1,011,730	587,261	1,503,050	-	1,078,581	-	1,078,581	-	-	-
Interest on long-term debt	493,199	-	-	-	(493,199)	-	(493,199)	-	-	-
Total governmental activities	\$ 25,900,015	\$ 7,486,205	\$ 4,867,478	\$ -	\$ (13,546,332)	\$ -	\$ (13,546,332)	\$ -	\$ -	\$ -
Business-type activities:										
Sanitary District	\$ 1,128,145	\$ 94,292	\$ -	\$ -	\$ -	\$ (1,033,853)	\$ (1,033,853)	\$ -	\$ -	\$ -
Broadband	83,719	9,000	-	-	-	(74,719)	(74,719)	-	-	-
Total business-type activities	\$ 1,211,864	\$ 103,292	\$ -	\$ -	\$ -	\$ (1,085,572)	\$ (1,085,572)	\$ -	\$ -	\$ -
Total primary government	\$ 27,111,879	\$ 7,589,497	\$ 4,867,478	\$ -	\$ (13,546,332)	\$ (1,085,572)	\$ (14,654,904)	\$ -	\$ -	\$ -
<b>COMPONENT UNITS:</b>										
School Board	\$ 13,754,610	\$ 30,604	\$ 5,627,889	\$ -	\$ -	\$ -	\$ (8,096,117)	\$ -	\$ -	\$ (132,466)
Economic Development Authority	176,515	44,049	-	-	-	-	-	-	-	(132,466)
Total component units	\$ 13,931,125	\$ 74,653	\$ 5,627,889	\$ -	\$ -	\$ -	\$ (8,096,117)	\$ -	\$ -	\$ -
General revenues:										
General property taxes	\$ 12,933,765	\$ -	\$ -	\$ -	\$ 12,933,765	\$ -	\$ -	\$ -	\$ -	\$ -
Local sales and use taxes	1,492,076	-	-	-	1,492,076	-	-	-	-	-
Consumer's utility taxes	165,895	-	-	-	165,895	-	-	-	-	-
Other local taxes	295,686	-	-	-	295,686	-	-	-	-	-
Unrestricted revenues from use of money	26,936	-	-	-	26,936	-	64,892	-	5,685	-
Miscellaneous	1,038,130	-	-	-	1,038,130	-	270,861	-	-	-
Grants and contributions not restricted to specific programs	815,551	-	-	-	815,551	-	7,129,966	-	-	-
Payment from Charles City County	-	-	-	-	-	-	166,099	-	-	-
Contribution from Charles City County EDA to Charles City County	-	-	-	-	-	-	61,200	-	-	-
Transfers	(61,200)	-	-	-	(61,200)	-	-	-	-	-
Total general revenues and transfers	\$ 16,872,938	\$ 61,200	\$ 16,934,138	\$ -	\$ 16,934,138	\$ 7,465,719	\$ 5,685	\$ -	\$ -	\$ -
Change in net position	\$ 3,326,606	\$ (1,047,372)	\$ 2,279,234	\$ -	\$ (630,398)	\$ (126,781)	\$ -	\$ -	\$ -	\$ -
Net position (deficit) - beginning	\$ 22,408,331	\$ -	\$ (385,658)	\$ -	\$ 22,022,673	\$ 2,983,733	\$ 1,521,921	\$ -	\$ -	\$ -
Restatement	(53,591)	-	-	-	(53,591)	-	177,291	-	-	-
Net position (deficit) - beginning, as restated	\$ 22,354,740	\$ -	\$ (385,658)	\$ -	\$ 21,969,082	\$ 3,161,024	\$ 1,521,921	\$ -	\$ -	\$ -
Net position (deficit) - ending	\$ 25,681,346	\$ (1,433,030)	\$ 24,248,316	\$ -	\$ 25,330,626	\$ 1,395,140	\$ -	\$ -	\$ -	\$ -

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

*FUND FINANCIAL STATEMENTS*

THIS PAGE LEFT BLANK INTENTIONALLY

County of Charles City, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2025

---

	<u>General</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,749,788
Receivables (net of allowance for uncollectibles):	
Taxes receivable	2,221,053
Accounts receivable	902,470
Due from other governmental units	519,783
Due from other funds	5,597,463
Total assets	<u>\$ 11,990,557</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 740,279
Unearned revenue	273,080
Performance bonds	213,456
Total liabilities	<u>\$ 1,226,815</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	\$ 2,199,269
Unavailable revenue - opioid settlement	111,212
Total deferred inflows of resources	<u>\$ 2,310,481</u>
<b>FUND BALANCES</b>	
Restricted	\$ 829,859
Committed	2,179,846
Assigned	1,103,200
Unassigned	4,340,356
Total fund balances	<u>\$ 8,453,261</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,990,557</u>

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

**County of Charles City, Virginia**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2025**

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	8,453,261
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Capital assets, cost	\$ 42,319,806	
Accumulated depreciation	<u>(14,738,962)</u>	27,580,844
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	2,085,472	
Unavailable revenue - opioid settlement	<u>111,212</u>	2,196,684
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 596,578	
OPEB related items	<u>276,999</u>	873,577
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bond	\$ (888,900)	
Lease revenue bonds	(6,108,168)	
Compensated absences	(150,658)	
Financed purchase	(3,655,145)	
Lease liabilities	(178,174)	
Net pension liability	(194,205)	
Net OPEB liabilities	(1,088,782)	
Accrued interest payable	<u>(126,001)</u>	(12,390,033)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (656,177)	
OPEB related items	<u>(376,810)</u>	(1,032,987)
Net position of governmental activities		<u><u>\$ 25,681,346</u></u>

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

County of Charles City, Virginia  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2025

	<u>General</u>
<b>REVENUES</b>	
General property taxes	\$ 12,300,315
Other local taxes	1,953,657
Permits, privilege fees, and regulatory licenses	6,082,672
Fines and forfeitures	40,146
Revenue from the use of money and property	27,414
Charges for services	1,362,909
Miscellaneous	1,046,536
Intergovernmental:	
Local government	166,099
Commonwealth	4,562,371
Federal	1,120,658
Total revenues	<u>\$ 28,662,777</u>
<b>EXPENDITURES</b>	
Current:	
General government administration	\$ 4,635,320
Judicial administration	1,083,408
Public safety	5,217,656
Public works	1,901,156
Health and welfare	2,099,005
Education	7,131,116
Parks, recreation, and cultural	781,962
Community development	1,038,743
Capital projects	1,579,051
Debt service:	
Principal retirement	787,895
Interest and other fiscal charges	545,499
Total expenditures	<u>\$ 26,800,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,861,966</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	\$ (61,200)
Issuance of leases	263,688
Total other financing sources (uses)	<u>\$ 202,488</u>
Net change in fund balances	\$ 2,064,454
Fund balances - beginning	6,388,807
Fund balances - ending	<u>\$ 8,453,261</u>

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

County of Charles City, Virginia  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2025

---

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

Net change in fund balances - total governmental funds \$ 2,064,454

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. The following is a summary of items supporting this adjustment:

Capital outlay	\$ 958,726	
Depreciation expense	<u>(1,377,882)</u>	(419,156)

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

Property taxes	\$ 633,450	
Opioid settlement	<u>(8,406)</u>	625,044

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

Principal payments	\$ 787,895	
Issuance of lease liabilities	<u>(263,688)</u>	524,207

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

The following is a summary of items supporting this adjustment:

Change in compensated absences	\$ (16,456)	
Change in pension related items	600,111	
Change in OPEB related items	(103,898)	
Amortization of bond issuance premiums	43,361	
Change in accrued interest payable	<u>8,939</u>	532,057

Change in net position of governmental activities		<u><u>\$ 3,326,606</u></u>
---	--	----------------------------

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

County of Charles City, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2025

	Enterprise Funds		
	Sanitary District	Broadband	Total
<b>ASSETS</b>			
Current assets:			
Accounts receivable, net of allowance for uncollectibles	\$ 13,225	\$ -	\$ 13,225
Total current assets	\$ 13,225	\$ -	\$ 13,225
Noncurrent assets:			
Capital assets:			
Buildings and improvements	\$ 8,975,380	\$ 614,587	\$ 9,589,967
Machinery and equipment	140,895	23,534	164,429
Accumulated depreciation	(4,197,001)	(281,412)	(4,478,413)
Land and land improvements	7,819	-	7,819
Net capital assets	\$ 4,927,093	\$ 356,709	\$ 5,283,802
Total noncurrent assets	\$ 4,927,093	\$ 356,709	\$ 5,283,802
Total assets	\$ 4,940,318	\$ 356,709	\$ 5,297,027
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 30,310	\$ -	\$ 30,310
OPEB related items	12,676	-	12,676
Total deferred outflows of resources	\$ 42,986	\$ -	\$ 42,986
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 11,846	\$ 1,730	\$ 13,576
Due to other funds	5,292,214	305,249	5,597,463
Customers' deposits	375	-	375
Bonds payable - current portion	61,200	-	61,200
Total current liabilities	\$ 5,365,635	\$ 306,979	\$ 5,672,614
Noncurrent liabilities:			
Bonds payable-net of current portion	\$ 982,572	\$ -	\$ 982,572
Net pension liability	9,240	-	9,240
Net OPEB liabilities	49,914	-	49,914
Total noncurrent liabilities	\$ 1,041,726	\$ -	\$ 1,041,726
Total liabilities	\$ 6,407,361	\$ 306,979	\$ 6,714,340
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	\$ 41,428	\$ -	\$ 41,428
OPEB related items	17,275	-	17,275
Total deferred inflows of resources	\$ 58,703	\$ -	\$ 58,703
<b>NET POSITION</b>			
Net investment in capital assets	\$ 3,883,321	\$ 356,709	\$ 4,240,030
Unrestricted (deficit)	(5,366,081)	(306,979)	(5,673,060)
Total net position (deficit)	\$ (1,482,760)	\$ 49,730	\$ (1,433,030)

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

County of Charles City, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2025

	Enterprise Funds		
	Sanitary District	Broadband	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Water and sewer revenues	\$ 94,292	\$ -	\$ 94,292
Broadband fees	-	9,000	9,000
Total operating revenues	<u>\$ 94,292</u>	<u>\$ 9,000</u>	<u>\$ 103,292</u>
<b>OPERATING EXPENSES</b>			
Water	\$ 105,486	\$ -	\$ 105,486
Wastewater	75,016	-	75,016
Industrial center	329,713	-	329,713
Government utility	395,156	-	395,156
Special projects	3,508	-	3,508
Broadband operations	-	55,066	55,066
Depreciation	219,266	28,653	247,919
Total operating expenses	<u>\$ 1,128,145</u>	<u>\$ 83,719</u>	<u>\$ 1,211,864</u>
Operating income (loss)	<u>\$ (1,033,853)</u>	<u>\$ (74,719)</u>	<u>\$ (1,108,572)</u>
Transfers in	61,200	-	61,200
Change in net position	<u>\$ (972,653)</u>	<u>\$ (74,719)</u>	<u>\$ (1,047,372)</u>
Net position (deficit) - beginning	(510,107)	124,449	(385,658)
Net position (deficit) - ending	<u>\$ (1,482,760)</u>	<u>\$ 49,730</u>	<u>\$ (1,433,030)</u>

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

County of Charles City, Virginia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2025

	Enterprise Funds		
	Sanitary District	Broadband	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 94,292	\$ 9,000	\$ 103,292
Payments for operating activities	(995,508)	(53,671)	(1,049,179)
Net cash provided by (used for) operating activities	<u>\$ (901,216)</u>	<u>\$ (44,671)</u>	<u>\$ (945,887)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	\$ 970,080	\$ 44,671	\$ 1,014,751
Net cash provided by (used for) noncapital financing activities	<u>\$ 970,080</u>	<u>\$ 44,671</u>	<u>\$ 1,014,751</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	\$ (7,664)	\$ -	\$ (7,664)
Principal payments on bonds	(61,200)	-	(61,200)
Net cash provided by (used for) capital and related financing activities	<u>\$ (68,864)</u>	<u>\$ -</u>	<u>\$ (68,864)</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and cash equivalents - beginning	\$ -	\$ -	\$ -
Cash and cash equivalents - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (1,033,853)	\$ (74,719)	\$ (1,108,572)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 219,266	\$ 28,653	\$ 247,919
(Increase) decrease in deferred outflows of resources	15,491	-	15,491
Increase (decrease) in accounts payable	(40,790)	1,395	(39,395)
Increase (decrease) in net pension liability	(46,792)	-	(46,792)
Increase (decrease) in net OPEB liabilities	(15,204)	-	(15,204)
Increase (decrease) in deferred inflows of resources	666	-	666
Total adjustments	<u>\$ 132,637</u>	<u>\$ 30,048</u>	<u>\$ 162,685</u>
Net cash provided by (used for) operating activities	<u><u>\$ (901,216)</u></u>	<u><u>\$ (44,671)</u></u>	<u><u>\$ (945,887)</u></u>

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

THIS PAGE LEFT BLANK INTENTIONALLY

*NOTES TO THE FINANCIAL STATEMENTS*

THIS PAGE LEFT BLANK INTENTIONALLY

# COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025

---

## ***Note 1—Summary of Significant Accounting Policies:***

---

County of Charles City, Virginia (the "County") is governed by an elected three-member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, recreational activities, cultural events, education, and social services.

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

### Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

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

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

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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 governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### ***Note 1—Summary of Significant Accounting Policies: (Continued)***

---

**Budgetary Comparison Schedules** - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

#### **A. Financial Reporting Entity**

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

#### **B. Individual Component Units Disclosures**

*Blended Component Unit.* The County has no blended component units at June 30, 2025.

*Discretely Presented Component Units.* The School Board members are elected by the citizens of Charles City County. The School Board is responsible for the operations of the County's School System within the County boundaries and also oversees the Children's Services Act. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2025.

The Economic Development Authority of Charles City County is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2025. The Economic Development Authority of Charles City County does not issue a separate financial report.

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### **Note 1—Summary of Significant Accounting Policies: (Continued)**

---

#### **C. Other Related Organizations Excluded from the County’s Annual Financial Report**

##### Riverside Regional Jail Authority

Riverside Regional Jail Authority is an intergovernmental (joint) venture, and therefore, its operations are not included in the County’s financial statements. The participating jurisdictions provide the financial support for the Authority and appoint its governing board. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board’s funding or has oversight responsibility over its operations. Separate audited financial statements are available from the Authority.

##### Middle Peninsula Detention Center

Middle Peninsula Juvenile Detention Commission was created to construct, equip, maintain and operate a juvenile detention facility serving nineteen member jurisdictions of which the County’s Director of Finance serves as the County’s representative on the board. The Commission is fiscally independent of the County because substantially all of its income is generated from per diem payments from the member jurisdictions and reimbursements from the Commonwealth of Virginia for a portion of the capital costs. Separate audited financial statements are available from the Commission, c/o County of James City, Virginia. The County does not retain an ongoing financial interest in or responsibility for the Commission.

#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

**Note 1—Summary of Significant Accounting Policies: (Continued)**

---

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

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

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

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

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

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 1—Summary of Significant Accounting Policies: (Continued)**

---

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

1. Governmental Funds - Governmental Funds are those through which most governmental functions typically are financed. The County reports the General Fund as a major governmental fund.

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial transactions and resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenue is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for government-wide reporting purposes.

2. Proprietary Funds - Proprietary funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds -Distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's major enterprise funds consist of the Sanitary District and Broadband Funds.

3. Component Unit School Board - The Charles City County School Board has the following funds:

Governmental Funds:

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

Special Revenue Funds:

School Cafeteria Fund - This fund is the operating fund of the school cafeteria and accounts for all revenues and expenditures applicable to the general operations of the school nutrition system. Revenues are derived primarily from charges for services and state and federal grants. The School Cafeteria Fund is considered a major fund of the School Board for financial reporting purposes.

Textbook Fund - This fund accounts for the revenues and expenditures for the school textbook program. The School Textbook Fund is considered a major fund for financial reporting purposes.

School Activity Funds - School activity funds include all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from all activities of the school involving personnel, students, or property. The School Activity Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 1—Summary of Significant Accounting Policies: (Continued)**

---

**E. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government’s proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**F. Investments**

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

**G. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$271,633 at June 30, 2025 and is comprised of property taxes of \$240,314 and water and sewer charges of \$31,319.

**Real and Personal Property Tax Data:**

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5/December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 1—Summary of Significant Accounting Policies: (Continued)**

---

**H. Capital Assets**

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, and subscription assets and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, lease assets, and subscription assets of the primary government, as well as the Component Unit-School Board, are depreciated/amortized using the straight-line method over the following estimated useful lives (or life of the associated contract for lease assets):

<u>Assets</u>	<u>Years</u>
Plant, equipment and system	35-45
Motor vehicles	5-10
Equipment	2-15
Buildings and improvements	20-40
Lease equipment	3-5

**I. Compensated Absences**

The liability for compensated absences represents amounts owed to employees for earned but unused vacation and other leave benefits. In accordance with GASB Statement No. 101, *Compensated Absences*, this liability is recognized when the leave is attributable to services already rendered, the leave accumulates, and it is probable that the leave will be used or paid. The liability is measured using the pay rates in effect as of the reporting date, including salary-related payments that are directly and incrementally associated with payments for compensated absences. The portion of the liability expected to be paid within one year is reported as a current liability in the financial statements.

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### **Note 1—Summary of Significant Accounting Policies: (Continued)**

---

#### **J. Use of Estimates**

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

#### **K. Net Position**

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

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

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

#### **L. Pensions**

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

#### **M. Other Postemployment Benefits (OPEB)**

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

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### **Note 1—Summary of Significant Accounting Policies: (Continued)**

---

#### **N. Long-Term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

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

#### **O. Deferred Outflows/Inflows of Resources**

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

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

#### **P. Fund Balance**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance". County's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;

**Note 1—Summary of Significant Accounting Policies: (Continued)**

---

**P. Fund Balance (Continued)**

- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another resolution to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

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

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 1—Summary of Significant Accounting Policies: (Continued)**

**P. Fund Balance (Continued)**

The details of governmental fund balances, as presented in aggregate on Exhibit 3 and Exhibit 27, are as follows:

	General Fund	School Operating Fund
<b>Fund Balances:</b>		
<b>Restricted:</b>		
Indoor plumbing	\$ 391,597	\$ -
Forfeited assets	2,706	-
Debt service reserve	435,556	-
<b>Total Restricted Fund Balance</b>	<b>\$ 829,859</b>	<b>\$ -</b>
<b>Committed:</b>		
Public Safety	\$ 155,668	\$ -
Landfill closure	253,178	-
School activity	-	57,494
Stabilization fund	1,500,000	-
Economic Development	271,000	-
<b>Total Committed Fund Balance</b>	<b>\$ 2,179,846</b>	<b>\$ 57,494</b>
<b>Assigned:</b>		
Capital projects	\$ 1,103,200	\$ -
<b>Total Assigned Fund Balance</b>	<b>\$ 1,103,200</b>	<b>\$ -</b>
<b>Unassigned (deficit)</b>	<b>\$ 4,340,356</b>	<b>\$ (3,264)</b>
<b>Total Fund Balances</b>	<b>\$ 8,453,261</b>	<b>\$ 54,230</b>

**Q. Leases**

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

**Note 1—Summary of Significant Accounting Policies: (Continued)**

---

**Q. Leases (Continued)**

Lessee

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

Key Estimates and Judgments

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

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

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

*The remainder of this page left blank intentionally.*

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### ***Note 2—Stewardship, Compliance, and Accounting:***

---

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

1. On or before April 1<sup>st</sup>, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each fund can be revised only by the Board of Supervisors. The Board of Supervisors is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund of the primary government and the School Operating Fund, School Cafeteria Fund, and School Textbook Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations  
Expenditures exceeded appropriations in the General Fund during the fiscal year ended June 30, 2025.

### ***Note 3—Deposits and Investments:***

---

#### **Deposits**

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

#### **Investments**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 3— Deposits and Investments: (Continued)**

**Credit Risk of Debt Securities**

The County's rated debt investments as of June 30, 2025 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

<b>County's Rate Debt Investments' Value</b>			
<b><u>Rated Debt Investments</u></b>	<b>Fair Quality Ratings</b>		
	<b>AAAm</b>	<b>AA+f/S1</b>	
<b>Primary Government:</b>			
Local Government Investment Pool	\$ 12,163	\$	-
Virginia State Non-Arbitrage Pool	10,604		-
Money Market Mutual Fund	484,877		-
<b>Total</b>	<b>\$ 507,644</b>	<b>\$</b>	<b>-</b>
<b>Discretely Presented Component Unit - Economic Development Authority:</b>			
Virginia Investment Pool	\$ -	\$	106,786
<b>Total</b>	<b>\$ -</b>	<b>\$</b>	<b>106,786</b>

**Interest Rate Risk**

<b>Investment Maturities (in years)</b>			
<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b>Less Than</b>	
		<b><u>1 Year</u></b>	<b><u>1-5 Years</u></b>
<b>Primary Government:</b>			
Local Government Investment Pool	\$ 12,163	\$ 12,163	\$ -
Virginia State Non-Arbitrage Pool	10,604	10,604	-
<b>Total</b>	<b>\$ 22,767</b>	<b>\$ 22,767</b>	<b>\$ -</b>
<b>Discretely Presented Component Unit - Economic Development Authority:</b>			
Virginia Investment Pool	\$ 106,786	\$ -	\$ 106,786
<b>Total</b>	<b>\$ 106,786</b>	<b>\$ -</b>	<b>\$ 106,786</b>

**External Investment Pools**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 4—Due to/from Other Governmental Units:**

---

At June 30, 2025, the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
Local sales tax	\$ 305,291	\$ -
Shared expenses	111,978	-
VPA funds	21,851	-
Mobile home titling tax		-
State sales tax	-	158,039
Railroad rolling stock tax	8,468	-
Communications tax	16,015	-
Children's services act	43,350	-
Other state funds	318	1,100
Federal Government:		
School fund grants	-	198,728
School food funds	-	52,536
Highway safety	3,208	-
VPA funds	9,304	-
Total due from other governmental units	\$ <u>519,783</u>	\$ <u>410,403</u>

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 5—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 2,584,454	\$ -	\$ -	\$ 2,584,454
Construction in progress	11,062,478	634,738	9,601,995	2,095,221
Total capital assets not subject to depreciation	<u>\$ 13,646,932</u>	<u>\$ 634,738</u>	<u>\$ 9,601,995</u>	<u>\$ 4,679,675</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 16,409,273	\$ 9,601,995	\$ -	\$ 26,011,268
Lease equipment	-	263,688	-	263,688
Machinery and equipment	11,304,875	60,300	-	11,365,175
Total capital assets being depreciated	<u>\$ 27,714,148</u>	<u>\$ 9,925,983</u>	<u>\$ -</u>	<u>\$ 37,640,131</u>
Accumulated depreciation:				
Buildings and improvements	\$ 7,608,582	\$ 609,062	\$ -	\$ 8,217,644
Lease equipment	-	89,830	-	89,830
Machinery and equipment	5,752,498	678,990	-	6,431,488
Total accumulated depreciation	<u>\$ 13,361,080</u>	<u>\$ 1,377,882</u>	<u>\$ -</u>	<u>\$ 14,738,962</u>
Total capital assets subject to depreciation, net	<u>\$ 14,353,068</u>	<u>\$ 8,548,101</u>	<u>\$ -</u>	<u>\$ 22,901,169</u>
Net capital assets governmental activities	<u>\$ 28,000,000</u>	<u>\$ 9,182,839</u>	<u>\$ 9,601,995</u>	<u>\$ 27,580,844</u>
	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
<b>Business-type activities:</b>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 7,819	\$ -	\$ -	\$ 7,819
Capital assets subject to depreciation:				
Buildings and improvements	\$ 9,582,303	\$ 7,664	\$ -	\$ 9,589,967
Machinery and equipment	164,429	-	-	164,429
Total capital assets being depreciated	<u>\$ 9,746,732</u>	<u>\$ 7,664</u>	<u>\$ -</u>	<u>\$ 9,754,396</u>
Accumulated depreciation:				
Buildings and improvements	\$ 4,095,446	\$ 243,852	\$ -	\$ 4,339,298
Machinery and equipment	135,048	4,067	-	139,115
Total accumulated depreciation	<u>\$ 4,230,494</u>	<u>\$ 247,919</u>	<u>\$ -</u>	<u>\$ 4,478,413</u>
Total capital assets subject to depreciation, net	<u>\$ 5,516,238</u>	<u>\$ (240,255)</u>	<u>\$ -</u>	<u>\$ 5,275,983</u>
Net capital assets business-type activities	<u>\$ 5,524,057</u>	<u>\$ (240,255)</u>	<u>\$ -</u>	<u>\$ 5,283,802</u>

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 5—Capital Assets: (Continued)**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

Component Unit-School Board:	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Capital assets not subject to depreciation:				
Land and land improvements	\$ 263,786	\$ -	\$ -	\$ 263,786
Construction in Progress	<u>454,943</u>	<u>69,621</u>	<u>524,564</u>	<u>-</u>
Total capital assets not subject to depreciation	\$ <u>718,729</u>	\$ <u>69,621</u>	\$ <u>524,564</u>	\$ <u>263,786</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 19,844,882	\$ 859,680	\$ -	\$ 20,704,562
Equipment	3,508,723	162,257	175,787	3,495,193
Lease equipment	<u>150,429</u>	<u>-</u>	<u>-</u>	<u>150,429</u>
Total capital assets being depreciated	\$ <u>23,504,034</u>	\$ <u>1,021,937</u>	\$ <u>175,787</u>	\$ <u>24,350,184</u>
Accumulated depreciation:				
Buildings and improvements	\$ 15,150,490	\$ 559,834	\$ -	\$ 15,710,324
Equipment	2,599,654	247,112	175,787	2,670,979
Lease equipment	<u>57,665</u>	<u>30,086</u>	<u>-</u>	<u>87,751</u>
Total accumulated depreciation	\$ <u>17,807,809</u>	\$ <u>837,032</u>	\$ <u>175,787</u>	\$ <u>18,469,054</u>
Total capital assets subject to depreciation, net	\$ <u>5,696,225</u>	\$ <u>184,905</u>	\$ <u>-</u>	\$ <u>5,881,130</u>
Net capital assets Component Unit-School Board	\$ <u>6,414,954</u>	\$ <u>254,526</u>	\$ <u>524,564</u>	\$ <u>6,144,916</u>

Depreciation expense was charged to functions/programs as follows:

Primary Government:	
Governmental activities:	
General government administration	\$ 136,479
Judicial administration	131,918
Public safety	828,902
Public works	42,728
Health and welfare	59,210
Parks, recreation and cultural	178,645
Total Governmental activities	<u>\$ 1,377,882</u>
Business-type activities	<u>\$ 247,919</u>
Component Unit School Board	<u>\$ 837,032</u>

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 6—Interfund Receivables/Payables:**

The following is a summary of due to/from other funds as of June 30, 2025:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 5,597,463	\$ -
Sanitary District	-	5,292,214
Broadband	-	305,249
Total	<u>\$ 5,597,463</u>	<u>\$ 5,597,463</u>

A deficit net position of \$1,482,760 exists in the Sanitary District fund. This deficit results from an increase in utility expenses in excess of amounts collected for water and sewer charges.

A deficit fund balance of \$3,264 exists in the School Cafeteria fund. This deficit results from no transfer being made from the School Operating fund in the year ended June 30, 2025.

**Note 7—Interfund Transfers:**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General	\$ -	\$ 61,200
Sanitary District	<u>61,200</u>	<u>-</u>
Total - All Funds	<u>\$ 61,200</u>	<u>\$ 61,200</u>

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 8—Long-Term Obligations:**

**Primary Government:**

The following is a summary of changes in long-term obligation transactions of the County for the fiscal year ended June 30, 2025:

	Balance at July 1, 2024	Restatement	Restated Balance at July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Governmental Activities:							
Compensated absences*	\$ 80,611	\$ 53,591	\$ 134,202	\$ 16,456	\$ -	\$ 150,658	\$ 15,066
Direct borrowing and placements:							
Lease revenue bonds	6,058,000	-	6,058,000	-	210,000	5,848,000	217,000
Add deferred amounts:							
For issuance premium	303,529	-	303,529	-	43,361	260,168	-
General obligation bond	1,172,400	-	1,172,400	-	283,500	888,900	289,800
Financed purchases	3,864,026	-	3,864,026	-	208,881	3,655,145	211,442
Lease liabilities	-	-	-	263,688	85,514	178,174	82,570
Net pension liability	901,228	-	901,228	1,892,373	2,599,396	194,205	-
Net OPEB liabilities	1,052,660	-	1,052,660	273,716	237,594	1,088,782	-
Total incurred by County	\$ 13,432,454	\$ 53,591	\$ 13,486,045	\$ 2,446,233	\$ 3,668,246	\$ 12,264,032	\$ 815,878
Total Governmental Activities	\$ 13,432,454	\$ 53,591	\$ 13,486,045	\$ 2,446,233	\$ 3,668,246	\$ 12,264,032	\$ 815,878
Business-type Activities:							
Net pension liability	\$ 56,032	\$ -	\$ 56,032	\$ 89,438	\$ 136,230	\$ 9,240	\$ -
Net OPEB liabilities	65,118	-	65,118	12,548	27,752	49,914	-
Revenue bonds	1,104,972	-	1,104,972	-	61,200	1,043,772	61,200
Total Business-type Activities	\$ 1,226,122	\$ -	\$ 1,226,122	\$ 101,986	\$ 225,182	\$ 1,102,926	\$ 61,200

\* The change in compensated absences above is a net change for the year.

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (continued)**

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

Year Ending June 30	Governmental Activities							
	Bonds from Direct Borrowings and Direct Placements							
	General Obligation Bond		Lease Revenue Bonds		Financed Purchases		Lease Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 289,800	\$ 19,556	\$ 217,000	\$ 152,913	\$ 211,442	\$ 106,490	\$ 82,570	\$ 14,491
2027	296,300	13,180	224,000	145,524	226,380	100,131	74,665	7,992
2028	302,800	6,662	232,000	137,837	216,703	93,331	20,939	1,516
2029	-	-	553,000	125,988	247,134	87,045	-	-
2030	-	-	572,000	106,322	274,137	79,876	-	-
2031	-	-	593,000	85,803	305,218	71,923	-	-
2032	-	-	464,000	72,078	341,507	63,069	-	-
2033	-	-	474,000	62,404	387,288	53,162	-	-
2034	-	-	483,000	52,521	430,309	41,928	-	-
2035	-	-	493,000	42,451	478,527	29,445	-	-
2036	-	-	504,000	32,172	536,500	15,563	-	-
2037	-	-	514,000	21,663	-	-	-	-
2038	-	-	525,000	10,946	-	-	-	-
Total	\$ 888,900	\$ 39,398	\$ 5,848,000	\$ 1,048,622	\$ 3,655,145	741,963	\$ 178,174	23,999

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (continued)**

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

Year Ending June 30	Business-type Activities	
	Revenue	Bonds
	Principal	Interest
2026	\$ 61,200	\$ -
2027	61,200	-
2028	61,200	-
2029	61,200	-
2030	61,200	-
2031	61,200	-
2032	61,200	-
2033	61,200	-
2034	61,200	-
2035	61,200	-
2036	61,200	-
2037	61,200	-
2038	61,200	-
2039	61,200	-
2040	61,200	-
2041	61,200	-
2042	61,200	-
2043	3,372	-
Total	\$ <u>1,043,772</u>	\$ <u>-</u>

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

**Details of long-term obligations:**

Governmental Activities:

Incurred by County:

Direct borrowings and direct placements:

Lease Revenue Bonds:

	<u>Notes</u>	<u>Amount</u>
\$5,000,000 lease revenue bond issued on December 16, 2021, payable in annual installments through February 1, 2038, interest payable semi-annually at 2.085%.	(a)	\$ 4,753,000
\$1,405,000 VRA Virginia Pooled Financing Program lease revenue bond plus premium of \$433,613 issued June 19, 2020, payable in annual installments through October 1, 2030, interest payable semi-annually at 4.268% to 5.125%, secured by emergency radio communication equipment and 2017 International KME Fire Truck.	(b)	1,355,168
Total lease revenue bonds		<u>\$ 6,108,168</u>

General Obligation Bond:

\$2,500,000 general obligation bond issued on October 27, 2017, payable in annual installments through August 1, 2027, interest payable semi-annually at 2.20%.	(c)	\$ 888,900
---	-----	------------

Financed Purchases:

\$4,176,893 master equipment issued on December 18, 2020, due in varying annual installments through December 1, 2035, interest at 2.90%, secured by equipment.		\$ 3,585,652
\$223,370 ambulance issued on October 1, 2019, due in annual installments of \$36,613 through October 2026, interest at 3.56%, secured by ambulance.		69,493
Total financed purchases		<u>\$ 3,655,145</u>

Lease liabilities:

As of June 30, 2025, there were eight active leases. The leases have payments that range from \$575 to \$15,976 and interest rates that range from 7.54% to 9.14%. As of June 30, 2025, the total combined value of the lease liabilities was \$178,174, the total combined value of the short-term lease liabilities was \$82,570. The combined value of the right to use asset, as of June 30, 2025 of \$263,688 with accumulated amortization of \$89,830 is included within the Lease Equipment in Note 5 to the financial statements.		\$ 178,174
--	--	------------

Net pension liability		\$ 194,205
Net OPEB liabilities		\$ 1,088,782
Compensated absences		\$ 150,658
Total Governmental Activities		<u>\$ 12,264,032</u>

Notes:

- (a) Title to real estate and improvements (fire station) are held by the County. In the event of default, the lender may declare the entire unpaid payments due and payable and may take possession of the real estate and improvements and sell or sublease property to satisfy payments due.
- (b) Title to equipment (emergency radio communication equipment and fire truck) are held by the County. In the event of default, the lender may declare the entire unpaid payments due and payable and may take possession of the equipment and sell or sublease property to satisfy payments due.
- (c) In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

**Details of long-term obligations: (continued)**

**Business-type Activities:**

**Revenue Bonds:**

	<u>Amount</u>
\$1,472,172 VRA Revolving Fund, issued May 16, 2017, due in semi-annual installments of \$30,600 through April 2042, with a final principal payment of \$3,372 due in October 2042, with no interest.	\$ <u>1,043,772</u>
Net pension liability	\$ <u>9,240</u>
Net OPEB liabilities	\$ <u>49,914</u>
Total Business-type Activities	\$ <u><u>1,102,926</u></u>

**Component Unit-School Board:**

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2025:

	<u>Balance</u>	<u>Restatement</u>	<u>Restated</u>	<u>Issuances/</u>	<u>Retirements/</u>	<u>Balance at</u>	<u>Amounts</u>
	<u>at July 1,</u>		<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u>	<u>Due Within</u>
	<u>2024</u>		<u>at July 1,</u>			<u>2025</u>	<u>One Year</u>
Compensated absences*	\$ 186,843	\$ (177,291)	\$ 9,552	\$ 47,653	\$ -	\$ 57,205	\$ 5,721
Net OPEB liabilities	754,002	-	754,002	347,803	313,584	788,221	-
Net pension liability	4,196,511	-	4,196,511	2,575,071	2,366,294	4,405,288	-
Lease liability	96,228	-	96,228	-	29,639	66,589	31,155
Total Component Unit-School Board	\$ <u>5,233,584</u>	\$ <u>(177,291)</u>	\$ <u>5,056,293</u>	\$ <u>2,970,527</u>	\$ <u>2,709,517</u>	\$ <u>5,317,303</u>	\$ <u>36,876</u>

\* The change in compensated absences above is a net change for the year.

**Details of long-term obligations:**

Compensated absences	\$ <u>57,205</u>
Net OPEB liabilities	\$ <u>788,221</u>
Net pension liability	\$ <u>4,405,288</u>
Lease liability	\$ <u>66,589</u>
Total Component Unit-School Board	\$ <u><u>5,317,303</u></u>

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 8—Long-Term Obligations: (Continued)**

---

**Component Unit-School Board: (Continued)**

**Details of long-term obligations: (continued)**

Lease equipment:

\$150,429 copier lease issued March 2022, due in monthly installments of \$2,827 through July 2027, interest at 5.00%. \$ 66,589

Expected future payments at June 30, 2025 are as follows:

Year Ending June 30	Lease Equipment	
	Principal	Interest
2026	\$ 31,155	\$ 2,769
2027	32,749	1,175
2028	2,685	142
Total	\$ 66,589	\$ 4,086

On December 18, 2025, the County issued bonds in the amount of \$5,150,000 and \$2,750,000.

**Note 9—Upcoming Pronouncements:**

---

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

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

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

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

**Note 10—Landfill Closure and Post-Closure Costs:**

---

The County has contracted with a third party, USA Waste of Virginia, to operate a solid waste landfill site. Under this agreement, USA Waste of Virginia is responsible for all closure and postclosure monitoring costs related to the landfill. USA Waste of Virginia is obligated to finance these costs through a trust fund mechanism. This trust fund is currently being monitored by the County. No amounts have been recorded in these financial statements for this liability because the third party has assumed all closure and postclosure obligations.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 11—Deferred/Unavailable Revenue:**

---

Deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Deferred/unavailable revenue is comprised of the following:

Unavailable Property Tax Revenue - Revenue representing uncollected tax billings not available for funding of current expenditures totaled \$2,085,472 at June 30, 2025.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2025 but paid in advance by the taxpayers totaled \$113,797 at June 30, 2025.

**Note 12—Commitments and Contingencies:**

---

Federal programs in which the County and discretely presented component units participate were audited in accordance with the provisions of Title 2 *U. S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of the Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements. The Federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current program expenditures would be immaterial.

**Note 13—Litigation:**

---

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

**Note 14—Risk Management:**

---

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Risk Sharing Association (VRSA) for workers' compensation and public officials' liability coverage with the Virginia Association of Counties Group Self Insurance Risk Pool. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays VRSA contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### **Note 15—Pension Plans:**

---

#### ***Plan Description***

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

#### ***Benefit Structures***

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

***Average Final Compensation and Service Retirement Multiplier***

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

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

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

***Employees Covered by Benefit Terms***

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

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	71	19
Inactive members:		
Vested inactive members	21	2
Non-vested inactive members	48	8
Inactive members active elsewhere in VRS	57	3
Total inactive members	<u>126</u>	<u>13</u>
Active members	<u>95</u>	<u>11</u>
Total covered employees	<u><u>292</u></u>	<u><u>43</u></u>

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### **Note 15—Pension Plans: (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 County's contractually required employer contribution rate for the year ended June 30, 2025 was 9.30% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$606,375 and \$637,727 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$0 and \$(4,832) for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$29,596 and \$2,410 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$24,483 and \$3,685 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,870,369 and \$250,032 for the County and School Board, respectively, for the year ended June 30, 2025.

#### **Net Pension Liability (Asset)**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 15—Pension Plans: (Continued)**

---

**Actuarial Assumptions - General Employees**

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

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement:**

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

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

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

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

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

**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits**

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 15—Pension Plans: (Continued)**

---

**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)**

Mortality rates: (Continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

**Long-Term Expected Rate of Return**

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

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

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

\*\*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45<sup>th</sup> 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%.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. Through the fiscal year ended June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2024 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 19,498,217	\$ 18,540,957	\$ 957,260
Changes for the year:			
Service cost	\$ 623,883	\$ -	\$ 623,883
Interest	1,316,269	-	1,316,269
Differences between expected and actual experience	17,311	-	17,311
Contributions - employer	-	637,727	(637,727)
Contributions - employee	-	293,017	(293,017)
Net investment income	-	1,791,951	(1,791,951)
Benefit payments, including refunds			
Refunds of employee contributions	(1,243,632)	(1,243,632)	-
Administrative expenses	-	(11,792)	11,792
Other changes	-	375	(375)
Net changes	\$ 713,831	\$ 1,467,646	\$ (753,815)
Balances at June 30, 2024	\$ 20,212,048	\$ 20,008,603	\$ 203,445

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

**Changes in Net Pension Liability (Asset)**

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 1,625,174	\$ 2,307,385	\$ (682,211)
Changes for the year:			
Service cost	\$ 26,946	\$ -	\$ 26,946
Interest	107,920	-	107,920
Differences between expected and actual experience	63,773	-	63,773
Contributions - employee	-	17,333	(17,333)
Net investment income	-	220,774	(220,774)
Benefit payments, including refunds			
Refunds of employee contributions	(106,623)	(106,623)	-
Administrative expenses	-	(1,531)	1,531
Other changes	-	43	(43)
Net changes	\$ 92,016	\$ 129,996	\$ (37,980)
Balances at June 30, 2024	\$ 1,717,190	\$ 2,437,381	\$ (720,191)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's			
Net Pension Liability (Asset)	\$ 2,676,602	\$ 203,445	\$ (1,841,049)
Component Unit School Board (nonprofessional)'s			
Net Pension Liability (Asset)	\$ (545,875)	\$ (720,191)	\$ (869,201)

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

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

For the year ended June 30, 2025, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$(26,468) and \$(11,831), respectively.

At June 30, 2025, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,096	\$ 163,700	\$ 25,356	\$ -
Net difference between projected and actual earnings on pension plan investments	-	524,488	-	65,790
Proportionate share	9,417	9,417	-	-
Employer contributions subsequent to the measurement date	606,375	-	-	-
<b>Total</b>	<b>\$ 626,888</b>	<b>\$ 697,605</b>	<b>\$ 25,356</b>	<b>\$ 65,790</b>

\$606,375 and \$0 reported as deferred outflows of resources related to pensions resulting from the County’s and Component Unit School Board’s (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of (increase to) the Net Pension Liability (Asset) in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2026	\$ (611,684)	\$ (33,252)
2027	146,700	18,814
2028	(101,831)	(12,378)
2029	(110,277)	(13,618)
2030	-	-

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### ***Note 15—Pension Plans: (Continued)***

---

#### ***Pension Plan Data***

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

#### **Component Unit School Board (Professional)**

##### ***Plan Description***

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

##### ***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding 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 employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$696,450 and \$791,608 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$21,323 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$2,410 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$3,200,913 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$4,405,288 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.04693% as compared to 0.04152% at June 30, 2023.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

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

For the year ended June 30, 2025, the school division recognized pension expense of \$280,671. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	764,255	\$ 90,708
Change of assumptions	79,962	-
Net difference between projected and actual earnings on pension plan investments	-	606,391
Changes in proportion and differences between employer contributions and proportionate share of contributions	416,995	326,244
Employer contributions subsequent to the measurement date	<u>696,450</u>	<u>-</u>
Total	<u>\$ 1,957,662</u>	<u>\$ 1,023,343</u>

\$696,450 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2026	\$ (325,206)
2027	367,570
2028	179,443
2029	16,062
2030	-

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 15—Pension Plans: (Continued)**

---

**Component Unit School Board (professional) (Continued)**

***Actuarial Assumptions***

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

***Actuarial Assumptions (Continued)***

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

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

***Net Pension Liability***

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

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

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

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 15—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset) \$	8,184,162 \$	4,405,288 \$	1,310,511

**Pension Plan Fiduciary Net Position**

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

**Aggregate Pension Information**

	Primary Government				Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expense	Net Pension Asset	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expense
VRS Pension Plans:									
Primary Government	\$ 626,888	\$ 697,605	\$ 203,445	\$ (26,468)	\$ -	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	720,191	25,356	65,790	-	(11,831)
School Board Professional	-	-	-	-	-	1,957,662	1,023,343	4,405,288	280,671
Totals	<u>\$ 626,888</u>	<u>\$ 697,605</u>	<u>\$ 203,445</u>	<u>\$ (26,468)</u>	<u>\$ 720,191</u>	<u>\$ 1,983,018</u>	<u>\$ 1,089,133</u>	<u>\$ 4,405,288</u>	<u>\$ 268,840</u>

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan):**

**Plan Description**

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

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### ***Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)***

---

#### ***Plan Description (Continued)***

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

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

#### ***Eligible Employees***

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

#### ***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

#### ***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the County were \$30,840 and \$33,842 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

---

**Contributions (Continued)**

Contributions to the Group Life Insurance Plan from the Component Unit School Board professional group were \$23,035 and \$27,021 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the Group Life Insurance Plan from the Component Unit School Board nonprofessional group were \$2,290 and \$2,133 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the County reported a liability of \$272,397 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$217,493 and \$17,185, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the County's proportion was 0.02441% as compared to 0.02188% at June 30, 2023. At June 30, 2024, the Component Unit School Board professional and nonprofessional groups' proportion was 0.01949% and 0.00154%, respectively as compared to 0.01777% and 0.00145% respectively at June 30, 2023.

For the year ended June 30, 2025, the County recognized GLI OPEB expense of \$24,375. For the year ended June 30, 2025, the Component Unit School Board professional group recognized GLI OPEB expense of \$(6,444). For the year ended June 30, 2025, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$1,008. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)**

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience \$	42,963	\$ 6,654	\$ 34,304	\$ 5,313	\$ 2,711	\$ 420
Net difference between projected and actual earnings on GLI OPEB plan investments	-	22,960	-	18,332	-	1,449
Change of assumptions	1,553	13,499	1,240	10,779	98	852
Changes in proportionate share	47,675	201	17,432	24,314	1,604	800
Employer contributions subsequent to the measurement date	30,840	-	23,035	-	2,290	-
<b>Total</b>	<b>\$ 123,031</b>	<b>\$ 43,314</b>	<b>\$ 76,011</b>	<b>\$ 58,738</b>	<b>\$ 6,703</b>	<b>\$ 3,521</b>

\$30,840, \$23,035, and \$2,290, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
2026	\$ 4,119	\$ (16,547)	\$ (500)
2027	18,275	1,000	346
2028	8,679	(1,200)	136
2029	8,991	4,489	481
2030	8,813	6,496	429
Thereafter	-	-	-

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

---

**Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions (Continued)**

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

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions (Continued)**

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

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

**NET GLI OPEB Liability**

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

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

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Long-Term Expected Rate of Return**

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

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

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

\*\* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45<sup>th</sup> 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%.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 16—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Discount Rate**

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 423,612	\$ 272,397	\$ 150,234
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 338,230	\$ 217,493	\$ 119,954
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 26,725	\$ 17,185	\$ 9,478

**Group Life Insurance Plan Fiduciary Net Position**

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

## COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

### **Note 17—Health Insurance Credit (HIC) Plan (OPEB Plan):**

---

#### ***Plan Description***

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

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

#### ***Eligible Employees***

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

#### ***Benefit Amounts***

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

#### ***HIC Plan Notes***

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 17—Health Insurance Credit (HIC) Plan (OPEB 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 HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	3
Active members	<u>12</u>
Total covered employees	<u><u>15</u></u>

**Contributions**

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2025 was 0.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$4,532 and \$3,673 for the years ended June 30, 2025 and June 30, 2024, respectively.

**Net HIC OPEB Liability**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 17—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

---

**Actuarial Assumptions**

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

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 17—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

---

**Actuarial Assumptions: (Continued)**

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

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 17—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**Long-Term Expected Rate of Return**

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

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

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

\*\* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45<sup>th</sup> 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%.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 17—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**Discount Rate**

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

**Changes in Net HIC OPEB Liability**

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 25,397	\$ 6,701	\$ 18,696
Changes for the year:			
Service cost	\$ 260	\$ -	\$ 260
Interest	1,694	-	1,694
Differences between expected and actual experience	(2,373)	-	(2,373)
Contributions - employer	-	3,673	(3,673)
Net investment income	-	761	(761)
Benefit payments	(1,122)	(1,122)	-
Administrative expenses	-	(12)	12
Net changes	\$ (1,541)	\$ 3,300	\$ (4,841)
Balances at June 30, 2024	\$ 23,856	\$ 10,001	\$ 13,855

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 17—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**Sensitivity of the School Board’s HIC Net OPEB Liability to Changes in the Discount Rate**

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board's			
Net HIC OPEB Liability	\$ 16,256	\$ 13,855	\$ 11,791

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

For the year ended June 30, 2025, the School Board recognized HIC Plan OPEB expense of (\$2,219). At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	\$ 11,607
Net difference between projected and actual earnings on HIC OPEB plan investments	1,283	-
Change in assumptions	-	122
Employer contributions subsequent to the measurement date	4,532	-
Total	<u>\$ 5,815</u>	<u>\$ 11,729</u>

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 17—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

---

**HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (Continued)**

\$4,532 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (4,278)
2027	(5,216)
2028	(552)
2029	(400)
2030	-
Thereafter	-

**HIC Plan Data**

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

**Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):**

---

**Plan Description**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

---

**Plan Description (Continued)**

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

**Eligible Employees**

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

**Benefit Amounts**

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

**HIC Plan Notes**

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

**Contributions**

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$59,304 and \$60,546 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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

At June 30, 2025, the school division reported a liability of \$539,688 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division’s proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division’s proportion of the VRS Teacher Employee HIC Plan was 0.04670% as compared to 0.04170% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$19,592. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	-	\$ 25,569
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,920
Change of assumptions	9,297	-
Changes in proportionate share and differences between actual and expected contributions	53,127	74,073
Employer contributions subsequent to the measurement date	59,304	-
Total	<u>\$ 121,728</u>	<u>\$ 101,562</u>

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

---

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

\$59,304 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (22,611)
2027	(13,278)
2028	(8,100)
2029	(5,249)
2030	3,465
Thereafter	6,635

**Actuarial Assumptions**

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

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

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

---

**Actuarial Assumptions (Continued)**

**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

---

**Net Teacher Employee HIC OPEB Liability**

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

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,478,105
Plan Fiduciary Net Position		322,457
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,155,648</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		21.82%

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

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**Long-Term Expected Rate of Return**

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

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

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

\*\*On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45<sup>th</sup> 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%.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 18—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**Discount Rate**

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 613,759	\$ 539,688	\$ 476,905

**Teacher Employee HIC OPEB Fiduciary Net Position**

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

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 19—Medical and Dental Pay-as-You-Go (OPEB Plan):**

---

**County**

***Plan Description***

The County administers a single-employer defined benefit healthcare plan, The County of Charles City Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

***Benefits Provided***

Postemployment benefits that are provided to eligible County retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

***Plan Membership***

At June 30, 2025 (measurement date), the following employees were covered by the benefit terms:

	Primary Government
Total active employees with coverage	93
Total retirees and spouses with coverage	15
Total	<u>108</u>

***Contributions***

The County does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2025 was \$32,984.

***Total OPEB Liability***

The County’s total OPEB liability was measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 19—Medical and Dental Pay-as-You-Go (OPEB Plan): (Continued)**

---

**County: (Continued)**

***Actuarial Assumptions***

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	The salary increase rate is on a graded scale
Discount Rate	5.20% based on the Bond Buyer 20-Year Bond GO Index
Investment Rate of Return	N/A

Mortality rates for the County were based on the following actuarial assumptions:

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2023; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2023; males set forward 1 year; with 1% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2023; males set forward 2 years; unisex using 100% male.

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

***Discount Rate***

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Bond Go Index as of their respective measurement dates.

***Changes in Total OPEB Liability***

Balances at June 30, 2024	\$	855,368
Changes for the year:		
Service cost		96,180
Interest		36,754
Changes of assumptions		(89,019)
Benefit payments		(32,984)
Net changes	\$	<u>10,931</u>
Balances at June 30, 2025	\$	<u><u>866,299</u></u>

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 19—Medical and Dental Pay-as-You-Go (OPEB Plan): (Continued)**

**County: (Continued)**

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current discount rate:

	Rate		
	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
<b>Primary Government:</b>			
Total OPEB liability	\$ 935,443	\$ 866,299	\$ 803,664

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

The following presents the total OPEB liability of the County, as well as what the 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:

	Rates		
	1% Decrease (5.50%)	Healthcare Cost Trend (6.50%)	1% Increase (7.50%)
<b>Primary Government:</b>			
Total OPEB liability	\$ 756,571	\$ 866,299	\$ 995,896

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

For the year ended June 30, 2025, the County recognized OPEB expense in the amount of \$130,240. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 144,050	\$ 220,208
Changes in assumptions	22,594	130,563
Total	<u>\$ 166,644</u>	<u>\$ 350,771</u>

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

**Note 19—Medical and Dental Pay-as-You-Go (OPEB Plan): (Continued)**

**County: (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>
2026	\$ (2,694)
2027	(2,694)
2028	(33,127)
2029	(36,557)
2030	(41,990)
Thereafter	(67,065)

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

**Note 20—Summary of Other Postemployment Benefit Plans:**

**Primary Government and Component Unit School Board**

	Primary Government				Component Unit School Board			
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liabilities</u>	<u>OPEB Expense</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liabilities</u>	<u>OPEB Expense</u>
VRS OPEB Plans:								
Group Life Insurance Plan (Note 16):								
County	\$ 123,031	\$ 43,314	\$ 272,397	\$ 24,375	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	6,703	3,521	17,185	1,008
School Board Professional	-	-	-	-	76,011	58,738	217,493	(6,444)
Health Insurance Credit Plan (Note 17)	-	-	-	-	5,815	11,729	13,855	(2,219)
Teacher Health Insurance Credit Plan (Note 18)	-	-	-	-	121,728	101,562	539,688	19,592
County Stand-Alone Plan (Note 19)	166,644	350,771	866,299	130,240	-	-	-	-
Totals	<u>\$ 289,675</u>	<u>\$ 394,085</u>	<u>\$ 1,138,696</u>	<u>\$ 154,615</u>	<u>\$ 210,257</u>	<u>\$ 175,550</u>	<u>\$ 788,221</u>	<u>\$ 11,937</u>

The remainder of this page left blank intentionally.

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 21—Surety Bonds:**

---

	<u>Amount</u>
Division of Risk Management Surety:	
Commonwealth Funds	
Victoria E. Washington, Clerk of the Circuit Court	\$ 265,000
Kourtney Brown, Treasurer	300,000
Candice Jones, Commissioner of the Revenue	3,000
Jayson Crawley, Sheriff	30,000
Fidelity and Deposit company of Maryland - Surety:	
Board of Supervisors and County Administrator	1,000
Association of Counties Group Self Insurance Risk Pool	
- Public Officials Liability	2,000,000
- Employee Dishonesty Policy	250,000

**Note 22—Fair Value Measurements:**

---

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

***Note 22-Fair Value Measurements: (Continued)***

The County has the following recurring fair value measurements as of June 30, 2025:

Investment type	Balance June 30, 2025	Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)
<b>Primary Government</b>		
Money market mutual fund:		
U.S. Government Obligations	\$ 484,877	\$ 484,877
Total	<u>\$ 484,877</u>	<u>\$ 484,877</u>

**Redemption Restrictions**

VML/VACO Virginia Investment Pool allows the County to have the option to have access to withdraw funds twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, etc.)

**Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above VML/VACO Investment Pool investment at the net asset value (NAV).

**Note 23-Line of Duty Act (LODA) (OPEB Benefits):**

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

*The remainder of this page left blank intentionally.*

COUNTY OF CHARLES CITY, VIRGINIA

Notes to Financial Statements  
June 30, 2025 (Continued)

---

**Note 23-Line of Duty Act (LODA) (OPEB Benefits): (Continued)**

---

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2025 was \$6,584.

**Note 24—Short-Term Financing:**

---

On August 29, 2024, the County issued a revenue anticipation note in the amount of \$5,090,000. This amount was paid back during the year ended June 30, 2025.

On July 1, 2025, the County issued a revenue anticipation note in the amount of \$5,200,000.

**Note 25—Change in Accounting Principle:**

---

During the year ended June 30, 2025, the County implemented GASB Statement No. 101, *Compensated Absences*. This Statement establishes recognition and measurement guidance for compensated absences that are attributable to services already rendered and that are expected to be paid or settled. Implementation of this Statement required the recognition of a liability for certain leave benefits previously unrecorded or measured differently under prior standards.

The adoption of GASB 101 resulted in a restatement of beginning net position as shown in Note 25 below.

**Note 26-Restatement of Beginning Balances:**

---

The beginning net position as of July 1, 2024, has been restated to reflect the cumulative effect of implementing GASB Statement No. 101, *Compensated Absences*.

The impact of this restatement on beginning net position is as follows:

	<u>Governmental Activities</u>	<u>Component Unit School Board</u>
Balance, July 1, 2024, as previously stated	\$ 22,408,331	\$ 2,983,733
Implementation of GASB 101:		
Restatement of compensated absences	(53,591)	177,291
Balance, July 1, 2024, as restated	<u>\$ 22,354,740</u>	<u>\$ 3,161,024</u>

THIS PAGE LEFT BLANK INTENTIONALLY

*REQUIRED SUPPLEMENTARY INFORMATION*

THIS PAGE LEFT BLANK INTENTIONALLY

County of Charles City, Virginia  
 General Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final Appropriated</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
General property taxes	\$ 12,280,817	\$ 12,280,817	\$ 12,300,315	\$ 19,498
Other local taxes	2,256,687	2,256,687	1,953,657	(303,030)
Permits, privilege fees, and regulatory licenses	4,214,404	4,214,404	6,082,672	1,868,268
Fines and forfeitures	35,744	35,744	40,146	4,402
Revenue from the use of money and property	40,255	40,255	27,414	(12,841)
Charges for services	878,880	879,130	1,362,909	483,779
Miscellaneous	684,748	890,320	1,046,536	156,216
Intergovernmental:				
Local government	-	-	166,099	166,099
Commonwealth	3,981,071	5,737,316	4,562,371	(1,174,945)
Federal	1,707	217,802	1,120,658	902,856
Total revenues	<u>\$ 24,374,313</u>	<u>\$ 26,552,475</u>	<u>\$ 28,662,777</u>	<u>\$ 2,110,302</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 4,251,645	\$ 4,243,017	\$ 4,635,320	\$ (392,303)
Judicial administration	1,064,816	1,070,680	1,083,408	(12,728)
Public safety	4,387,476	4,875,012	5,217,656	(342,644)
Public works	1,261,001	1,295,806	1,901,156	(605,350)
Health and welfare	2,015,805	2,015,805	2,099,005	(83,200)
Education	7,194,464	7,194,464	7,131,116	63,348
Parks, recreation, and cultural	837,456	837,896	781,962	55,934
Community development	1,636,740	1,748,366	1,038,743	709,623
Capital projects	169,300	2,166,412	1,579,051	587,361
Debt service:				
Principal retirement	523,840	523,840	787,895	(264,055)
Interest and other fiscal charges	-	-	545,499	(545,499)
Total expenditures	<u>\$ 23,342,543</u>	<u>\$ 25,971,298</u>	<u>\$ 26,800,811</u>	<u>\$ (829,513)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,031,770</u>	<u>\$ 581,177</u>	<u>\$ 1,861,966</u>	<u>\$ 1,280,789</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (516,813)	\$ (516,813)	\$ (61,200)	\$ 455,613
Issuance of leases	-	263,688	263,688	-
Total other financing sources (uses)	<u>\$ (516,813)</u>	<u>\$ (253,125)</u>	<u>\$ 202,488</u>	<u>\$ 455,613</u>
Net change in fund balances	\$ 514,957	\$ 328,052	\$ 2,064,454	\$ 1,736,402
Fund balances - beginning	(514,957)	(328,052)	6,388,807	6,716,859
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,453,261</u>	<u>\$ 8,453,261</u>

County of Charles City, Virginia

Schedule of Changes in Net Pension Liability and Related Ratios  
 Primary Government  
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	2024	2023	2022	2021
<b>Total pension liability</b>				
Service cost	\$ 623,883	\$ 549,950	\$ 402,629	\$ 387,181
Interest	1,316,269	1,298,999	1,238,629	1,139,993
Changes of benefit terms	-	-	28,983	
Assumption changes	-	-	-	612,441
Differences between expected and actual experience	17,311	(535,746)	148,842	(12,779)
Benefit payments	(1,243,632)	(1,018,926)	(1,125,147)	(1,011,237)
<b>Net change in total pension liability</b>	<b>\$ 713,831</b>	<b>\$ 294,277</b>	<b>\$ 693,936</b>	<b>\$ 1,115,599</b>
<b>Total pension liability - beginning</b>	<b>19,498,217</b>	<b>19,203,940</b>	<b>18,510,004</b>	<b>17,394,405</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 20,212,048</b>	<b>\$ 19,498,217</b>	<b>\$ 19,203,940</b>	<b>\$ 18,510,004</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 637,727	\$ 524,813	\$ 474,147	\$ 372,813
Contributions - employee	293,017	241,045	221,016	200,521
Net investment income	1,791,951	1,141,172	(15,014)	3,960,814
Benefit payments	(1,243,632)	(1,018,926)	(1,125,147)	(1,011,237)
Administrator charges	(11,792)	(11,327)	(11,343)	(10,029)
Other	375	459	415	372
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,467,646</b>	<b>\$ 877,236</b>	<b>\$ (455,926)</b>	<b>\$ 3,513,254</b>
<b>Plan fiduciary net position - beginning</b>	<b>18,540,957</b>	<b>17,663,721</b>	<b>18,119,647</b>	<b>14,606,393</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 20,008,603</b>	<b>\$ 18,540,957</b>	<b>\$ 17,663,721</b>	<b>\$ 18,119,647</b>
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 203,445</b>	<b>\$ 957,260</b>	<b>\$ 1,540,219</b>	<b>\$ 390,357</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>98.99%</b>	<b>95.09%</b>	<b>91.98%</b>	<b>97.89%</b>
<b>Covered payroll</b>	<b>\$ 6,259,092</b>	<b>\$ 5,122,158</b>	<b>\$ 4,653,276</b>	<b>\$ 4,268,411</b>
<b>County's net pension liability as a percentage of covered payroll</b>	<b>3.25%</b>	<b>18.69%</b>	<b>33.10%</b>	<b>9.15%</b>

Exhibit 11

	2020	2019	2018	2017	2016	2015
\$	326,011	\$ 316,317	\$ 289,538	\$ 329,116	\$ 289,728	\$ 289,033
	1,088,844	1,066,135	1,073,166	1,061,939	1,036,515	999,821
	-	-	-	-	-	-
	365,969	459,384	-	(17,856)	-	-
	-	922	(544,856)	(241,163)	(100,005)	(6,787)
	(1,034,876)	(849,591)	(986,995)	(956,311)	(769,754)	(745,982)
\$	745,948	\$ 993,167	\$ (169,147)	\$ 175,725	\$ 456,484	\$ 536,085
	16,648,457	15,655,290	15,824,437	15,648,712	15,192,228	14,656,143
\$	17,394,405	\$ 16,648,457	\$ 15,655,290	\$ 15,824,437	\$ 15,648,712	\$ 15,192,228
\$	327,152	\$ 297,286	\$ 322,063	\$ 312,742	\$ 324,511	\$ 313,501
	184,321	165,932	153,218	149,079	142,588	138,684
	281,899	942,898	1,012,150	1,533,937	217,922	571,931
	(1,034,876)	(849,591)	(986,995)	(956,311)	(769,754)	(745,982)
	(9,864)	(9,500)	(8,956)	(9,170)	(8,077)	(8,000)
	(329)	(593)	(888)	(1,351)	(94)	(120)
\$	(251,697)	\$ 546,432	\$ 490,592	\$ 1,028,926	\$ (92,904)	\$ 270,014
	14,858,090	14,311,658	13,821,066	12,792,140	12,885,044	12,615,030
\$	14,606,393	\$ 14,858,090	\$ 14,311,658	\$ 13,821,066	\$ 12,792,140	\$ 12,885,044
\$	2,788,012	\$ 1,790,367	\$ 1,343,632	\$ 2,003,371	\$ 2,856,572	\$ 2,307,184
	83.97%	89.25%	91.42%	87.34%	81.75%	84.81%
\$	3,871,758	\$ 3,483,074	\$ 3,196,272	\$ 3,076,078	\$ 2,929,624	\$ 2,830,453
	72.01%	51.40%	42.04%	65.13%	97.51%	81.51%

County of Charles City, Virginia

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

	2024	2023	2022	2021
<b>Total pension liability</b>				
Service cost	\$ 26,946	\$ 23,592	\$ 30,394	\$ 28,700
Interest	107,920	101,503	100,064	93,245
Assumption changes	-	-	-	60,595
Differences between expected and actual experience	63,773	71,070	(2,267)	(19,187)
Benefit payments	(106,623)	(102,308)	(97,826)	(87,615)
<b>Net change in total pension liability</b>	<u>\$ 92,016</u>	<u>\$ 93,857</u>	<u>\$ 30,365</u>	<u>\$ 75,738</u>
<b>Total pension liability - beginning</b>	<u>1,625,174</u>	<u>1,531,317</u>	<u>1,500,952</u>	<u>1,425,214</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 1,717,190</u>	<u>\$ 1,625,174</u>	<u>\$ 1,531,317</u>	<u>\$ 1,500,952</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ -	\$ -	\$ -	\$ -
Contributions - employee	17,333	15,035	13,831	14,200
Net investment income	220,774	142,896	(929)	512,923
Benefit payments	(106,623)	(102,308)	(97,826)	(87,615)
Administrator charges	(1,531)	(1,466)	(1,476)	(1,313)
Other	43	54	53	48
<b>Net change in plan fiduciary net position</b>	<u>\$ 129,996</u>	<u>\$ 54,211</u>	<u>\$ (86,347)</u>	<u>\$ 438,243</u>
<b>Plan fiduciary net position - beginning</b>	<u>2,307,385</u>	<u>2,253,174</u>	<u>2,339,521</u>	<u>1,901,278</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 2,437,381</u>	<u>\$ 2,307,385</u>	<u>\$ 2,253,174</u>	<u>\$ 2,339,521</u>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ (720,191)</u>	<u>\$ (682,211)</u>	<u>\$ (721,857)</u>	<u>\$ (838,569)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	141.94%	141.98%	147.14%	155.87%
<b>Covered payroll</b>	\$ 394,925	\$ 341,495	\$ 299,868	\$ 304,222
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	-182.36%	-199.77%	-240.72%	-275.64%

Exhibit 12

	2020	2019	2018	2017	2016	2015
\$	29,034	\$ 24,652	\$ 23,133	\$ 36,115	\$ 34,070	\$ 33,907
	90,494	109,098	108,052	103,895	102,982	105,930
	-	33,230	-	(5,703)	-	-
	11,022	(289,744)	(12,006)	38,111	(9,299)	(69,141)
	(91,969)	(98,278)	(110,197)	(115,873)	(113,564)	(112,037)
\$	38,581	\$ (221,042)	\$ 8,982	\$ 56,545	\$ 14,189	\$ (41,341)
	1,386,633	1,607,675	1,598,693	1,542,148	1,527,959	1,569,300
\$	1,425,214	\$ 1,386,633	\$ 1,607,675	\$ 1,598,693	\$ 1,542,148	\$ 1,527,959
\$	791	\$ 782	\$ 4,668	\$ 4,800	\$ 20,064	\$ 17,694
	14,566	13,732	11,958	12,163	13,642	12,046
	36,822	123,805	135,298	208,033	29,482	80,741
	(91,969)	(98,278)	(110,197)	(115,873)	(113,564)	(112,037)
	(1,292)	(1,287)	(1,221)	(1,273)	(1,154)	(1,172)
	(43)	(78)	(118)	(182)	(13)	(18)
\$	(41,125)	\$ 38,676	\$ 40,388	\$ 107,668	\$ (51,543)	\$ (2,746)
	1,942,403	1,903,727	1,863,339	1,755,671	1,807,214	1,809,960
\$	1,901,278	\$ 1,942,403	\$ 1,903,727	\$ 1,863,339	\$ 1,755,671	\$ 1,807,214
\$	(476,064)	\$ (555,770)	\$ (296,052)	\$ (264,646)	\$ (213,523)	\$ (279,255)
	133.40%	140.08%	118.41%	116.55%	113.85%	118.28%
\$	313,386	\$ 293,162	\$ 245,459	\$ 247,034	\$ 275,626	\$ 242,427
	-151.91%	-189.58%	-120.61%	-107.13%	-77.47%	-115.19%

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2024	0.04693%	\$ 4,405,288	\$ 5,003,832	88.04%	84.52%
2023	0.04152%	4,196,511	4,154,698	101.01%	82.45%
2022	0.04295%	4,089,097	4,022,480	101.66%	82.61%
2021	0.04726%	3,668,839	4,155,131	88.30%	85.46%
2020	0.00048%	6,961,976	4,177,810	166.64%	71.47%
2019	0.05113%	6,728,999	4,337,813	155.12%	73.51%
2018	0.05516%	6,486,000	4,618,534	140.43%	74.81%
2017	0.05903%	7,260,000	4,681,016	155.09%	72.92%
2016	0.05896%	8,263,000	4,728,243	174.76%	68.28%
2015	0.05691%	7,163,000	4,231,021	169.30%	70.68%

Schedule of Employer Contributions - Pension Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2025	\$ 606,375	\$ 606,375	-	\$ 6,520,165	9.30%
2024	637,727	637,727	-	6,259,092	10.19%
2023	524,833	524,833	-	5,122,158	10.25%
2022	475,002	475,002	-	4,653,276	10.21%
2021	372,813	372,813	-	4,268,411	8.73%
2020	328,373	328,373	-	3,871,758	8.48%
2019	297,852	297,852	-	3,483,074	8.55%
2018	322,063	322,063	-	3,196,272	10.08%
2017	312,742	312,742	-	3,076,078	10.17%
2016	324,511	324,511	-	2,929,624	11.08%
<b>Component Unit School Board (nonprofessional)</b>					
2025	\$ -	\$ -	-	\$ 487,261	0.00%
2024	(4,832)	(4,832)	-	394,925	-1.22%
2023	(3,962)	(3,962)	-	341,495	-1.16%
2022	(1,899)	(1,899)	-	299,868	-0.63%
2021	-	-	-	304,222	0.00%
2020	-	-	-	313,386	0.00%
2019	217	217	-	293,162	0.07%
2018	4,668	4,668	-	245,459	1.90%
2017	4,800	4,800	-	247,034	1.94%
2016	20,064	20,064	-	275,626	7.28%
<b>Component Unit School Board (professional)</b>					
2025	\$ 696,450	\$ 696,450	-	\$ 4,901,128	14.21%
2024	791,608	791,608	-	5,003,832	15.82%
2023	655,490	655,490	-	4,154,698	15.78%
2022	638,003	638,003	-	4,022,480	15.86%
2021	668,543	668,543	-	4,155,131	16.09%
2020	635,678	635,678	-	4,177,810	15.22%
2019	655,189	655,189	-	4,337,813	15.10%
2018	713,389	713,389	-	4,618,534	15.45%
2017	671,742	671,742	-	4,681,016	14.35%
2016	664,791	664,791	-	4,728,243	14.06%

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

County of Charles City, Virginia

Notes to Required Supplementary Information-Pension Plan  
For the Year Ended June 30, 2025

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

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

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

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

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

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

Component Unit School Board - Professional Employees:

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
2024	0.02441%	\$ 272,397	\$ 6,266,967	4.35%	73.41%
2023	0.02188%	262,410	5,153,658	5.09%	69.30%
2022	0.02150%	259,362	4,684,776	5.54%	67.21%
2021	0.02070%	241,120	4,275,911	5.64%	67.45%
2020	0.01881%	313,908	3,871,758	8.11%	52.64%
2019	0.01777%	289,165	3,483,074	8.30%	52.00%
2018	0.01681%	255,000	3,196,272	7.98%	51.22%
2017	0.01668%	251,000	3,076,078	8.16%	48.86%
Component Unit School Board (nonprofessional):					
2024	0.00154%	\$ 17,185	\$ 394,925	4.35%	73.41%
2023	0.00145%	17,390	341,495	5.09%	69.30%
2022	0.00140%	16,857	303,512	5.55%	67.21%
2021	0.00150%	17,347	308,839	5.62%	67.45%
2020	0.00152%	25,366	313,386	8.09%	52.64%
2019	0.00149%	24,247	293,162	8.27%	52.00%
2018	0.00129%	19,000	245,459	7.74%	51.22%
2017	0.00134%	20,000	247,034	8.10%	48.86%
Component Unit School Board (professional):					
2024	0.01949%	\$ 217,493	\$ 5,003,832	4.35%	73.41%
2023	0.01777%	213,118	4,186,405	5.09%	69.30%
2022	0.01850%	222,637	4,022,480	5.53%	67.21%
2021	0.02010%	234,368	4,155,131	5.64%	67.45%
2020	0.02030%	338,773	4,177,810	8.11%	52.64%
2019	0.02166%	352,466	4,246,489	8.30%	52.00%
2018	0.02342%	356,000	4,452,550	8.00%	51.22%
2017	0.02527%	381,000	4,661,035	8.17%	48.86%

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

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2025	\$ 30,840	\$ 30,840	\$ -	\$ 6,561,703	0.47%
2024	33,842	33,842	-	6,266,967	0.54%
2023	27,830	27,830	-	5,153,658	0.54%
2022	25,298	25,298	-	4,684,776	0.54%
2021	23,090	23,090	-	4,275,911	0.54%
2020	20,133	20,133	-	3,871,758	0.52%
2019	18,112	18,112	-	3,483,074	0.52%
2018	16,621	16,621	-	3,196,272	0.52%
2017	15,996	15,996	-	3,076,078	0.52%
2016	14,062	14,062	-	2,929,624	0.48%
Component Unit School Board (nonprofessional):					
2025	\$ 2,290	\$ 2,290	\$ -	\$ 487,261	0.47%
2024	2,133	2,133	-	394,925	0.54%
2023	1,844	1,844	-	341,495	0.54%
2022	1,639	1,639	-	303,512	0.54%
2021	1,668	1,668	-	308,839	0.54%
2020	1,630	1,630	-	313,386	0.52%
2019	1,524	1,524	-	293,162	0.52%
2018	1,276	1,276	-	245,459	0.52%
2017	1,285	1,285	-	247,034	0.52%
2016	1,323	1,323	-	275,626	0.48%
Component Unit School Board (professional):					
2025	\$ 23,035	\$ 23,035	\$ -	\$ 4,901,128	0.47%
2024	27,021	27,021	-	5,003,832	0.54%
2023	22,607	22,607	-	4,186,405	0.54%
2022	21,721	21,721	-	4,022,480	0.54%
2021	22,438	22,438	-	4,155,131	0.54%
2020	21,725	21,725	-	4,177,810	0.52%
2019	22,082	22,082	-	4,246,489	0.52%
2018	23,153	23,153	-	4,452,550	0.52%
2017	24,238	24,238	-	4,661,035	0.52%
2016	21,580	21,580	-	4,495,795	0.48%

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

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

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

**Teachers**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios  
 Health Insurance Credit (HIC) Plan  
 Component Unit School Board (nonprofessional)  
 For the Measurement Dates of June 30, 2020 through June 30, 2024

	2024	2023	2022	2021	2020
Total HIC OPEB Liability					
Service cost	\$ 260	\$ 245	\$ 385	\$ 447	\$ -
Interest	1,694	2,853	2,391	2,135	-
Changes in benefit terms	-	-	-	-	31,621
Differences between expected and actual experience	(2,373)	(19,163)	(1,006)	-	-
Changes of assumptions	-	-	6,275	1,320	-
Benefit payments	(1,122)	(1,122)	(984)	-	-
Net change in total HIC OPEB liability	\$ (1,541)	\$ (17,187)	\$ 7,061	\$ 3,902	\$ 31,621
Total HIC OPEB Liability - beginning	25,397	42,584	35,523	31,621	-
Total HIC OPEB Liability - ending (a)	<u>\$ 23,856</u>	<u>\$ 25,397</u>	<u>\$ 42,584</u>	<u>\$ 35,523</u>	<u>\$ 31,621</u>
Plan fiduciary net position					
Contributions - employer	\$ 3,673	\$ 3,176	\$ 2,489	\$ 2,525	\$ -
Net investment income	761	369	(28)	305	-
Benefit payments	(1,122)	(1,122)	(984)	-	-
Administrator charges	(12)	(10)	(8)	(11)	-
Net change in plan fiduciary net position	\$ 3,300	\$ 2,413	\$ 1,469	\$ 2,819	\$ -
Plan fiduciary net position - beginning	6,701	4,288	2,819	-	-
Plan fiduciary net position - ending (b)	<u>\$ 10,001</u>	<u>\$ 6,701</u>	<u>\$ 4,288</u>	<u>\$ 2,819</u>	<u>\$ -</u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 13,855	\$ 18,696	\$ 38,296	\$ 32,704	\$ 31,621
Plan fiduciary net position as a percentage of the total HIC OPEB liability	41.92%	26.39%	10.07%	7.94%	-
Covered payroll	\$ 394,925	\$ 341,495	\$ 299,868	\$ 304,222	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	3.51%	5.47%	12.77%	10.75%	-

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

Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 Component Unit School Board (nonprofessional)  
 For the Years Ended June 30, 2021 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 4,532	\$ 4,532	-	\$ 487,261	0.93%
2024	3,673	3,673	-	394,925	0.93%
2023	3,176	3,176	-	341,495	0.93%
2022	2,489	2,489	-	299,868	0.83%
2021	2,525	2,525	-	304,222	0.83%

Schedule is intended to show information for 10 years. However, the program was not utilized until the year ended June 30, 2021.

**Notes to Required Supplementary Information  
 Health Insurance Credit (HIC) Plan  
 Component Unit School Board (nonprofessional)  
 For the Year Ended June 30, 2025**

---

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

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

**Non-Largest Ten Locality Employers - General Employees**

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

County of Charles City, Virginia

Schedule of Component Unit School Board's Share of Net OPEB Liability  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2017 through 2024

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.04670%	\$ 539,688	\$ 5,003,832	10.79%	21.82%
2023	0.04170%	504,798	4,154,698	12.15%	17.90%
2022	0.04320%	539,088	4,022,480	13.40%	15.08%
2021	0.04698%	603,021	4,155,131	14.51%	13.15%
2020	0.04770%	621,732	4,177,810	14.88%	9.95%
2019	0.05063%	662,796	4,246,489	15.61%	8.97%
2018	0.05506%	700,000	4,452,550	15.72%	8.08%
2017	0.05906%	749,000	4,661,035	16.07%	7.04%

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

County of Charles City, Virginia

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 59,304	\$ 59,304	\$ -	4,901,128	1.21%
2024	60,546	60,546	-	5,003,832	1.21%
2023	50,272	50,272	-	4,154,698	1.21%
2022	48,672	48,672	-	4,022,480	1.21%
2021	50,277	50,277	-	4,155,131	1.21%
2020	50,134	50,134	-	4,177,810	1.20%
2019	50,958	50,958	-	4,246,489	1.20%
2018	54,766	54,766	-	4,452,550	1.23%
2017	51,737	51,737	-	4,661,035	1.11%
2016	47,655	47,655	-	4,495,795	1.06%

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

---

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

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

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

## County of Charles City, Virginia

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 96,180	\$ 101,090	\$ 102,393	\$ 114,470	\$ 70,614	\$ 57,494	\$ 34,975	\$ 35,551
Interest	36,754	42,472	37,897	19,658	18,478	19,002	20,364	19,045
Effect of economic/demographic gains or losses	-	(290,116)	-	159,855	-	225,827	-	-
Assumption changes	(89,019)	(30,562)	16,357	(56,788)	3,476	44,548	9,496	(9,238)
Benefit payments	(32,984)	(59,515)	(64,990)	(64,554)	(60,470)	(72,746)	(68,474)	(57,136)
Net change in total OPEB liability	\$ 10,931	\$ (236,631)	\$ 91,657	\$ 172,641	\$ 32,098	\$ 274,125	\$ (3,639)	\$ (11,778)
Total OPEB liability - beginning	855,368	1,091,999	1,000,342	827,701	795,603	521,478	525,117	536,895
Total OPEB liability - ending	\$ 866,299	\$ 855,368	\$ 1,091,999	\$ 1,000,342	\$ 827,701	\$ 795,603	\$ 521,478	\$ 525,117
Covered-employee payroll	\$ 5,420,690	\$ 5,420,690	\$ 4,357,875	\$ 4,357,875	\$ 3,231,929	\$ 3,231,929	\$ 2,585,604	\$ 2,585,604
County's total OPEB liability as a percentage of covered-employee payroll	15.98%	15.78%	25.06%	22.95%	25.61%	24.62%	20.17%	20.31%

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

County of Charles City, Virginia

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

---

Valuation Date: July 1, 2023  
Measurement Date: June 30, 2025

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	5.20% based on the Bond Buyer 20-Year Bond GO Index
Inflation	2.50% per year
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.50% graded down to 3.90% for fiscal year 2072 and later
Salary Increase Rates	Graded scale
Retirement Age	The average age of retirement is 65

THIS PAGE LEFT BLANK INTENTIONALLY

*OTHER SUPPLEMENTARY INFORMATION*

THIS PAGE LEFT BLANK INTENTIONALLY

*COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES*

THIS PAGE LEFT BLANK INTENTIONALLY

County of Charles City, Virginia  
Combining Balance Sheet - Governmental Funds  
Discretely Presented Component Unit - School Board  
June 30, 2025

	School Operating Fund	Textbook Fund	School Cafeteria Fund	Nonmajor School Activity Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 737,986	\$ 39,314	\$ -	\$ 57,494	\$ 834,794
Receivables (net of allowance for uncollectibles):					
Accounts receivable	33,999	-	-	-	33,999
Due from other governmental units	357,867	-	52,536	-	410,403
Total assets	<u>\$ 1,129,852</u>	<u>\$ 39,314</u>	<u>\$ 52,536</u>	<u>\$ 57,494</u>	<u>\$ 1,279,196</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 100,285	\$ -	\$ 6,872	\$ -	\$ 107,157
Accrued liabilities	829,702	-	30,590	-	860,292
Reconciled overdraft			18,338	-	18,338
Unearned revenue	199,865	39,314	-	-	239,179
Total liabilities	<u>\$ 1,129,852</u>	<u>\$ 39,314</u>	<u>\$ 55,800</u>	<u>\$ -</u>	<u>\$ 1,224,966</u>
<b>FUND BALANCES:</b>					
Committed	\$ -	\$ -	\$ -	\$ 57,494	\$ 57,494
Unassigned (deficit)	-	-	(3,264)	-	(3,264)
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,264)</u>	<u>\$ 57,494</u>	<u>\$ 54,230</u>
Total liabilities and fund balances	<u>\$ 1,129,852</u>	<u>\$ 39,314</u>	<u>\$ 52,536</u>	<u>\$ 57,494</u>	<u>\$ 1,279,196</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above				\$	54,230
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:					
Capital assets, cost				\$	24,613,970
Accumulated depreciation				(18,469,054)	6,144,916
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					
Net pension asset					720,191
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.					
Pension related items				\$	1,983,018
OPEB related items				210,257	2,193,275
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.					
Net pension liability				\$	(4,405,288)
Compensated absences				(57,205)	
Lease liability				(66,589)	
Net OPEB liabilities				(788,221)	(5,317,303)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.					
Pension related items				\$	(1,089,133)
OPEB related items				(175,550)	(1,264,683)
Net position of governmental activities				\$	<u>2,530,626</u>

County of Charles City, Virginia

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

	School Operating Fund	Textbook Fund	School Cafeteria Fund	Nonmajor School Activity Funds	Total
<b>REVENUES</b>					
Revenue from the use of money and property	\$ 64,892	\$ -	\$ -	\$ -	\$ 64,892
Charges for services	-	-	30,604	-	30,604
Miscellaneous	164,709	-	-	106,152	270,861
Intergovernmental:					
Local government	7,009,153	8,909	111,904	-	7,129,966
Commonwealth	4,330,788	-	13,554	-	4,344,342
Federal	864,440	-	419,107	-	1,283,547
Total revenues	\$ 12,433,982	\$ 8,909	\$ 575,169	\$ 106,152	\$ 13,124,212
<b>EXPENDITURES</b>					
Current:					
Education	\$ 13,217,226	\$ 8,909	\$ 584,026	\$ 132,137	\$ 13,942,298
Debt service:					
Principal retirement	29,639	-	-	-	29,639
Interest and other fiscal charges	4,285	-	-	-	4,285
Total expenditures	\$ 13,251,150	\$ 8,909	\$ 584,026	\$ 132,137	\$ 13,976,222
Net change in fund balances	\$ (817,168)	\$ -	\$ (8,857)	\$ (25,985)	\$ (852,010)
Fund balances - beginning	817,168	-	5,593	83,479	906,240
Fund balances (deficits) - ending	\$ -	\$ -	\$ (3,264)	\$ 57,494	\$ 54,230

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

Net change in fund balances - total governmental funds - per above \$ (852,010)

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. The following is a summary of items supporting this adjustment:

The following is a summary of items supporting this adjustment:

Capital outlays	\$ 566,994	
Depreciation expense	(837,032)	(270,038)

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

Principal retirement of leases 29,639

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

Change in compensated absences	\$ (47,653)	
Change in pension related items	432,440	
Change in OPEB related items	77,224	462,011

Change in net position of governmental activities \$ (630,398)



THIS PAGE LEFT BLANK INTENTIONALLY

*DISCRETELY PRESENTED COMPONENT UNIT  
ECONOMIC DEVELOPMENT AUTHORITY*

THIS PAGE LEFT BLANK INTENTIONALLY

**County of Charles City, Virginia**  
**Statement of Net Position**  
**Discretely Presented Component Unit - Economic Development Authority**  
**June 30, 2025**

---

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 1,288,354
Investments	106,786
Total current assets	\$ 1,395,140
Total assets	\$ 1,395,140

**NET POSITION**

Unrestricted	\$ 1,395,140
Total net position	\$ 1,395,140

County of Charles City, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Discretely Presented Component Unit - Economic Development Authority  
For the Year Ended June 30, 2025

---

<b>OPERATING REVENUES</b>	
Bond fees	\$ 44,049
Total operating revenues	<u>\$ 44,049</u>
<b>OPERATING EXPENSES</b>	
Contractual services	\$ 4,020
Other charges	6,396
Total operating expenses	<u>\$ 10,416</u>
Operating income (loss)	<u>\$ 33,633</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	\$ 5,685
Contribution to Charles City County	(166,099)
Total nonoperating revenues (expenses)	<u>\$ (160,414)</u>
Change in net position	\$ (126,781)
Net position - beginning	<u>1,521,921</u>
Net position - ending	<u><u>\$ 1,395,140</u></u>

County of Charles City, Virginia  
Statement of Cash Flows  
Discretely Presented Component Unit - Economic Development Authority  
For the Year Ended June 30, 2025

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 44,049
Payments for operating activities	(10,416)
Net cash provided by (used for) operating activities	<u>\$ 33,633</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Contribution to Charles City County	\$ (166,099)
Net cash provided (used) by noncapital financing activities	<u>\$ (166,099)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment income	\$ 127
Net cash provided by (used for) investing activities	<u>\$ 127</u>

Net increase (decrease) in cash and cash equivalents \$ (132,339)

Cash and cash equivalents - beginning	1,420,693
Cash and cash equivalents - ending	<u><u>\$ 1,288,354</u></u>

THIS PAGE LEFT BLANK INTENTIONALLY

*SUPPORTING SCHEDULES*

THIS PAGE LEFT BLANK INTENTIONALLY

County of Charles City, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 7,715,024	\$ 7,715,024	\$ 6,817,271	\$ (897,753)
Real and personal public service corporation taxes	1,087,991	1,087,991	1,358,613	270,622
Personal property taxes	2,932,546	2,932,546	3,754,783	822,237
Mobile home taxes	7,709	7,709	4,829	(2,880)
Machinery and tools taxes	269,859	269,859	124,628	(145,231)
Merchant's capital taxes	74,178	74,178	16,043	(58,135)
Penalties	121,606	121,606	130,183	8,577
Interest	71,904	71,904	93,965	22,061
Total general property taxes	<u>\$ 12,280,817</u>	<u>\$ 12,280,817</u>	<u>\$ 12,300,315</u>	<u>\$ 19,498</u>
Other local taxes:				
Local sales and use taxes	\$ 1,710,310	\$ 1,710,310	\$ 1,492,076	\$ (218,234)
Consumers' utility taxes	161,071	161,071	165,895	4,824
Consumption tax	34,503	34,503	26,349	(8,154)
Cable television franchise license tax	19,872	19,872	-	(19,872)
Motor vehicle licenses	62	62	59	(3)
Taxes on recordation and wills	99,974	99,974	83,710	(16,264)
Hotel and motel room taxes	30,895	30,895	26,424	(4,471)
Restaurant food taxes	200,000	200,000	159,144	(40,856)
Total other local taxes	<u>\$ 2,256,687</u>	<u>\$ 2,256,687</u>	<u>\$ 1,953,657</u>	<u>\$ (303,030)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,260	\$ 5,260	\$ 2,737	\$ (2,523)
Transfer fees	285	285	305	20
Landfill host fees	3,415,073	3,415,073	4,476,135	1,061,062
AES agreements	-	-	851,871	851,871
Permits and other licenses	793,786	793,786	751,624	(42,162)
Total permits, privilege fees, and regulatory licenses	<u>\$ 4,214,404</u>	<u>\$ 4,214,404</u>	<u>\$ 6,082,672</u>	<u>\$ 1,868,268</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 35,744	\$ 35,744	\$ 40,146	\$ 4,402
Total fines and forfeitures	<u>\$ 35,744</u>	<u>\$ 35,744</u>	<u>\$ 40,146</u>	<u>\$ 4,402</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 22,879	\$ 22,879	\$ 26,936	\$ 4,057
Revenue from use of property	17,376	17,376	478	(16,898)
Total revenue from use of money and property	<u>\$ 40,255</u>	<u>\$ 40,255</u>	<u>\$ 27,414</u>	<u>\$ (12,841)</u>
Charges for services:				
Clerk's interest fees	\$ 1,124	\$ 1,124	\$ 1,379	\$ 255
Sheriff's fees	-	-	328	328
Courthouse maintenance fees	1,937	1,937	2,238	301
Courthouse security fees	10,585	10,585	14,873	4,288
Court fees	1,741	1,741	1,828	87
Commonwealth's attorney fees	494	494	384	(110)
Charges for parks and recreation	23,838	24,088	49,649	25,561
Charges for other protection	312	312	-	(312)
Document reproduction fees	1,675	1,675	1,652	(23)

County of Charles City, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Charges for EMS transport	\$ 139,878	\$ 139,878	\$ 683,399	\$ 543,521
CTVA distributions	660,000	660,000	587,261	(72,739)
Sale of gas byproducts	37,296	37,296	19,918	(17,378)
Total charges for services	<u>\$ 878,880</u>	<u>\$ 879,130</u>	<u>\$ 1,362,909</u>	<u>\$ 483,779</u>
Miscellaneous:				
Miscellaneous	\$ 625,949	\$ 779,121	\$ 967,775	\$ 188,654
Opioid settlement	-	-	13,938	13,938
Donations	58,799	111,199	64,823	(46,376)
Total miscellaneous	<u>\$ 684,748</u>	<u>\$ 890,320</u>	<u>\$ 1,046,536</u>	<u>\$ 156,216</u>
Total revenue from local sources	<u>\$ 20,391,535</u>	<u>\$ 20,597,357</u>	<u>\$ 22,813,649</u>	<u>\$ 2,216,292</u>
<b>Intergovernmental:</b>				
Revenues from local governments:				
Contribution from Charles City County EDA	\$ -	\$ -	\$ 166,099	\$ 166,099
Total revenues from local governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,099</u>	<u>\$ 166,099</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Auto rental tax	\$ -	\$ -	\$ 907	\$ 907
Mobile home titling tax	43,491	43,491	14,776	(28,715)
Rolling stock tax	7,297	7,297	8,551	1,254
Communications tax	129,203	129,203	100,354	(28,849)
Additional tax on deeds	14,158	14,158	-	(14,158)
Personal property tax relief funds	690,963	690,963	690,963	-
Total noncategorical aid	<u>\$ 885,112</u>	<u>\$ 885,112</u>	<u>\$ 815,551</u>	<u>\$ (69,561)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 213,875	\$ 213,875	\$ 214,076	\$ 201
Sheriff	701,877	701,877	687,210	(14,667)
Commissioner of revenue	114,169	114,169	113,649	(520)
Treasurer	120,357	125,357	112,625	(12,732)
Registrar/electoral board	57,192	57,192	63,991	6,799
Clerk of the Circuit Court	230,538	230,538	218,695	(11,843)
Total shared expenses	<u>\$ 1,438,008</u>	<u>\$ 1,443,008</u>	<u>\$ 1,410,246</u>	<u>\$ (32,762)</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 1,171,630	\$ 1,171,630	\$ 291,552	\$ (880,078)
Children's services act	371,827	371,827	213,767	(158,060)
Litter control	-	3,050	3,050	-
PSAP grant	-	-	53,030	53,030
Four for life	-	34,711	34,711	-
Record preservation	-	-	49,209	49,209
IRF grant	-	1,500,000	1,500,000	-
Other state funds	114,494	327,978	191,255	(136,723)
Total other categorical aid	<u>\$ 1,657,951</u>	<u>\$ 3,409,196</u>	<u>\$ 2,336,574</u>	<u>\$ (1,072,622)</u>
Total categorical aid	<u>\$ 3,095,959</u>	<u>\$ 4,852,204</u>	<u>\$ 3,746,820</u>	<u>\$ (1,105,384)</u>
Total revenue from the Commonwealth	<u>\$ 3,981,071</u>	<u>\$ 5,737,316</u>	<u>\$ 4,562,371</u>	<u>\$ (1,174,945)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 1,707	\$ 1,707	\$ -	\$ (1,707)
Total noncategorical aid	<u>\$ 1,707</u>	<u>\$ 1,707</u>	<u>\$ -</u>	<u>\$ (1,707)</u>

County of Charles City, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Intergovernmental revenue: (Continued)				
Revenue from the federal government: (Continued)				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 684,960	\$ 684,960
Highway safety	-	-	12,656	12,656
Emergency services	-	-	9,381	9,381
American rescue plan act	-	4,095	211,756	207,661
RSAF grant	-	212,000	201,905	(10,095)
Total categorical aid	<u>\$ -</u>	<u>\$ 216,095</u>	<u>\$ 1,120,658</u>	<u>\$ 904,563</u>
Total revenue from the federal government	<u>\$ 1,707</u>	<u>\$ 217,802</u>	<u>\$ 1,120,658</u>	<u>\$ 902,856</u>
Total General Fund	<u>\$ 24,374,313</u>	<u>\$ 26,552,475</u>	<u>\$ 28,662,777</u>	<u>\$ 2,110,302</u>
Total Primary Government	<u>\$ 24,374,313</u>	<u>\$ 26,552,475</u>	<u>\$ 28,662,777</u>	<u>\$ 2,110,302</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 46,275	\$ 46,275	\$ 64,892	\$ 18,617
Miscellaneous:				
Miscellaneous	\$ 193,680	\$ 208,497	\$ 164,709	\$ (43,788)
Total revenue from local sources	<u>\$ 239,955</u>	<u>\$ 254,772</u>	<u>\$ 229,601</u>	<u>\$ (25,171)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Charles City, Virginia	\$ 6,968,647	\$ 7,156,899	\$ 7,009,153	\$ (147,746)
Total revenues from local governments	<u>\$ 6,968,647</u>	<u>\$ 7,156,899</u>	<u>\$ 7,009,153</u>	<u>\$ (147,746)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 876,843	\$ 876,843	\$ 909,799	\$ 32,956
Basic school aid	1,390,792	1,390,792	1,288,143	(102,649)
Regular foster care	12,000	12,000	13,748	1,748
Gifted and talented	10,847	10,847	10,255	(592)
Remedial education	452,929	452,929	-	(452,929)
Special education	288,875	288,875	273,111	(15,764)
GED funding	8,203	8,203	8,027	(176)
Vocational education	119,065	119,065	112,622	(6,443)
English as a second language	-	-	2,282	2,282

County of Charles City, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
School fringes	\$ 272,686	\$ 272,686	\$ 257,806	\$ (14,880)
Early reading intervention	15,598	15,598	12,762	(2,836)
Project graduation	3,214	3,214	3,214	-
At risk payments	-	-	427,363	427,363
Primary class size	17,775	17,775	16,265	(1,510)
Standards of Learning algebra readiness	5,801	5,801	5,801	-
Mentor teacher	2,112	2,112	2,862	750
Preschool initiative	94,696	94,696	119,616	24,920
Homebound	12,663	12,663	12,901	238
School construction	1,080,660	892,358	-	(892,358)
Other state	925,188	1,084,079	854,211	(229,868)
Total categorical aid	<u>\$ 5,589,947</u>	<u>\$ 5,560,536</u>	<u>\$ 4,330,788</u>	<u>\$ (1,229,748)</u>
Total revenue from the Commonwealth	<u>\$ 5,589,947</u>	<u>\$ 5,560,536</u>	<u>\$ 4,330,788</u>	<u>\$ (1,229,748)</u>
Revenue from the federal government:				
Categorical aid:				
Vocational education	\$ 14,163	\$ 16,148	\$ 15,446	\$ (702)
Title VIB	285,044	285,044	226,721	(58,323)
Preschool grant	8,331	8,331	2,114	(6,217)
Title II -- part a	57,182	57,182	28,814	(28,368)
JROTC grant	76,185	76,185	80,689	4,504
Title IV -- part a	-	-	38,918	38,918
Other federal grants	431,801	577,901	471,738	(106,163)
Total categorical aid	<u>\$ 872,706</u>	<u>\$ 1,020,791</u>	<u>\$ 864,440</u>	<u>\$ (156,351)</u>
Total revenue from the federal government	<u>\$ 872,706</u>	<u>\$ 1,020,791</u>	<u>\$ 864,440</u>	<u>\$ (156,351)</u>
Total School Operating Fund	<u>\$ 13,671,255</u>	<u>\$ 13,992,998</u>	<u>\$ 12,433,982</u>	<u>\$ (1,559,016)</u>
<b>Special Revenue Funds:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 30,750	\$ 28,000	\$ 30,604	\$ 2,604
Total revenue from local sources	<u>\$ 30,750</u>	<u>\$ 28,000</u>	<u>\$ 30,604</u>	<u>\$ 2,604</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Charles City, Virginia	\$ 88,844	\$ 133,440	\$ 111,904	\$ (21,536)
Total revenues from local governments	<u>\$ 88,844</u>	<u>\$ 133,440</u>	<u>\$ 111,904</u>	<u>\$ (21,536)</u>

County of Charles City, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Funds: (Continued)</b>				
<b>School Cafeteria Fund: (Continued)</b>				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 11,035	\$ 13,785	\$ 13,554	\$ (231)
Total revenue from the Commonwealth	\$ 11,035	\$ 13,785	\$ 13,554	\$ (231)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 384,195	\$ 384,195	\$ 383,055	\$ (1,140)
Other federal grants	653	653	-	(653)
Commodities	25,000	25,000	36,052	11,052
Total categorical aid	\$ 409,848	\$ 409,848	\$ 419,107	\$ 9,259
Total revenue from the federal government	\$ 409,848	\$ 409,848	\$ 419,107	\$ 9,259
Total School Cafeteria Fund	\$ 540,477	\$ 585,073	\$ 575,169	\$ (9,904)
<b>Textbook Fund:</b>				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Charles City, Virginia	\$ 26,725	\$ 40,773	\$ 8,909	\$ (31,864)
Total revenues from local governments	\$ 26,725	\$ 40,773	\$ 8,909	\$ (31,864)
Revenue from the Commonwealth:				
Categorical aid:				
Textbook payment	\$ 53,505	\$ 8,909	\$ -	\$ (8,909)
Total revenue from the Commonwealth	\$ 53,505	\$ 8,909	\$ -	\$ (8,909)
Total Textbook Fund	\$ 80,230	\$ 49,682	\$ 8,909	\$ (40,773)
<b>School Activity Funds:</b>				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ 150,000	\$ 106,152	\$ (43,848)
Total School Activity Funds	\$ -	\$ 150,000	\$ 106,152	\$ (43,848)
Total Discretely Presented Component Unit - School Board	\$ 14,291,962	\$ 14,777,753	\$ 13,124,212	\$ (1,653,541)

THIS PAGE LEFT BLANK INTENTIONALLY

County of Charles City, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 77,538	\$ 77,538	\$ 55,581	\$ 21,957
General and financial administration:				
County administrator	\$ 315,069	\$ 315,123	\$ 438,723	\$ (123,600)
Legal services	152,500	152,500	301,412	(148,912)
Commissioner of revenue	319,553	319,607	375,447	(55,840)
Treasurer	234,082	239,082	250,808	(11,726)
Motor pool	68,513	68,513	85,691	(17,178)
Central gas	12,143	12,143	14,499	(2,356)
Memberships	2,452	2,452	2,300	152
Information technology	1,228,530	1,228,530	959,506	269,024
Management services	473,932	474,041	533,879	(59,838)
Other general and financial administration	1,068,661	1,045,539	1,246,917	(201,378)
Total general and financial administration	<u>\$ 3,875,435</u>	<u>\$ 3,857,530</u>	<u>\$ 4,209,182</u>	<u>\$ (351,652)</u>
Board of elections:				
Electoral board and officials	\$ 65,942	\$ 75,192	\$ 120,712	\$ (45,520)
Registrar	232,730	232,757	249,845	(17,088)
Total board of elections	<u>\$ 298,672</u>	<u>\$ 307,949</u>	<u>\$ 370,557</u>	<u>\$ (62,608)</u>
Total general government administration	<u>\$ 4,251,645</u>	<u>\$ 4,243,017</u>	<u>\$ 4,635,320</u>	<u>\$ (392,303)</u>
Judicial administration:				
Courts:				
Circuit court	\$ 29,985	\$ 29,985	\$ 19,017	\$ 10,968
General district court	9,700	9,700	7,279	2,421
Courthouse security fund	108,621	108,621	129,766	(21,145)
Special Magistrates	100	100	-	100
Sheriff	175,482	175,164	211,356	(36,192)
9th district court services	15,000	15,000	10,922	4,078
Crater Criminal Justice	15,260	21,442	30,844	(9,402)
Clerk of the circuit court	347,771	347,771	327,043	20,728
Total courts	<u>\$ 701,919</u>	<u>\$ 707,783</u>	<u>\$ 736,227</u>	<u>\$ (28,444)</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 362,897	\$ 362,897	\$ 347,181	\$ 15,716
Total commonwealth's attorney	<u>\$ 362,897</u>	<u>\$ 362,897</u>	<u>\$ 347,181</u>	<u>\$ 15,716</u>
Total judicial administration	<u>\$ 1,064,816</u>	<u>\$ 1,070,680</u>	<u>\$ 1,083,408</u>	<u>\$ (12,728)</u>

County of Charles City, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,406,803	\$ 1,573,726	\$ 1,718,163	\$ (144,437)
E-911	74,380	113,845	287,073	(173,228)
Total law enforcement and traffic control	<u>\$ 1,481,183</u>	<u>\$ 1,687,571</u>	<u>\$ 2,005,236</u>	<u>\$ (317,665)</u>
Fire and rescue services:				
Fire department	\$ 2,151,922	\$ 2,166,222	\$ 2,194,136	\$ (27,914)
Ambulance and rescue services	9,000	230,285	269,217	(38,932)
Total fire and rescue services	<u>\$ 2,160,922</u>	<u>\$ 2,396,507</u>	<u>\$ 2,463,353</u>	<u>\$ (66,846)</u>
Correction and detention:				
Confinement and care of prisoners	\$ 235,994	\$ 235,994	\$ 209,736	\$ 26,258
Criminal justice planner	16,845	16,845	16,845	-
Total correction and detention	<u>\$ 252,839</u>	<u>\$ 252,839</u>	<u>\$ 226,581</u>	<u>\$ 26,258</u>
Other protection:				
Animal control	\$ 193,957	\$ 194,631	\$ 184,857	\$ 9,774
Codes enforcement	176,076	176,130	197,222	(21,092)
Emergency services	112,999	157,834	120,280	37,554
VJCCCA	9,400	9,400	20,067	(10,667)
Medical examiner	100	100	60	40
Total other protection	<u>\$ 492,532</u>	<u>\$ 538,095</u>	<u>\$ 522,486</u>	<u>\$ 15,609</u>
Total public safety	<u>\$ 4,387,476</u>	<u>\$ 4,875,012</u>	<u>\$ 5,217,656</u>	<u>\$ (342,644)</u>
Public works:				
Sanitation and waste removal:				
Landfill monitoring	\$ 376,925	\$ 411,730	\$ 385,488	\$ 26,242
Maintenance of general buildings and grounds:				
General properties	\$ 884,076	\$ 884,076	\$ 1,515,668	\$ (631,592)
Total public works	<u>\$ 1,261,001</u>	<u>\$ 1,295,806</u>	<u>\$ 1,901,156</u>	<u>\$ (605,350)</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 158,000	\$ 158,000	\$ 158,000	\$ -
Mental health and mental retardation:				
Henrico area community services	\$ 140,000	\$ 140,000	\$ 140,000	\$ -

County of Charles City, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 1,651,355	\$ 1,651,355	\$ 1,377,995	\$ 273,360
Children's services act	-	-	356,560	(356,560)
Contributions	66,450	66,450	66,450	-
Total welfare	<u>\$ 1,717,805</u>	<u>\$ 1,717,805</u>	<u>\$ 1,801,005</u>	<u>\$ (83,200)</u>
Total health and welfare	<u>\$ 2,015,805</u>	<u>\$ 2,015,805</u>	<u>\$ 2,099,005</u>	<u>\$ (83,200)</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 1,150	\$ 1,150	\$ 1,150	\$ -
Contribution to County School Board	7,193,314	7,193,314	7,129,966	63,348
Total education	<u>\$ 7,194,464</u>	<u>\$ 7,194,464</u>	<u>\$ 7,131,116</u>	<u>\$ 63,348</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 632,654	\$ 632,904	\$ 583,523	\$ 49,381
Total parks and recreation	<u>\$ 632,654</u>	<u>\$ 632,904</u>	<u>\$ 583,523</u>	<u>\$ 49,381</u>
Cultural enrichment:				
Center for local history	\$ 52,613	\$ 52,803	\$ 46,250	\$ 6,553
Total cultural enrichment	<u>\$ 52,613</u>	<u>\$ 52,803</u>	<u>\$ 46,250</u>	<u>\$ 6,553</u>
Library:				
Library	\$ 152,189	\$ 152,189	\$ 152,189	\$ -
Total library	<u>\$ 152,189</u>	<u>\$ 152,189</u>	<u>\$ 152,189</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 837,456</u>	<u>\$ 837,896</u>	<u>\$ 781,962</u>	<u>\$ 55,934</u>
Community development:				
Planning and community development:				
Department of development	\$ 261,795	\$ 261,849	\$ 229,975	\$ 31,874
IPR grant	-	-	58,137	(58,137)
Economic development	366,822	472,372	368,457	103,915
Workforce redevelopment	108,236	108,236	37,663	70,573
Food pantry	80,373	86,395	112,074	(25,679)
Concert series	68,000	68,000	27,759	40,241
CVTA	660,000	660,000	130,819	529,181
Community development contribution	46,614	46,614	43,014	3,600
Total planning and community development	<u>\$ 1,591,840</u>	<u>\$ 1,703,466</u>	<u>\$ 1,007,898</u>	<u>\$ 695,568</u>

County of Charles City, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Community development: (Continued)				
Environmental management:				
Conservation grant	\$ 19,708	\$ 19,708	\$ 19,708	\$ -
Total environmental management	<u>\$ 19,708</u>	<u>\$ 19,708</u>	<u>\$ 19,708</u>	<u>\$ -</u>
Cooperative extension program:				
Extension office	\$ 25,192	\$ 25,192	\$ 11,137	\$ 14,055
Total cooperative extension program	<u>\$ 25,192</u>	<u>\$ 25,192</u>	<u>\$ 11,137</u>	<u>\$ 14,055</u>
Total community development	<u>\$ 1,636,740</u>	<u>\$ 1,748,366</u>	<u>\$ 1,038,743</u>	<u>\$ 709,623</u>
Capital projects:				
County capital improvements	\$ 169,300	\$ 2,166,412	\$ 1,579,051	\$ 587,361
Total capital projects	<u>\$ 169,300</u>	<u>\$ 2,166,412</u>	<u>\$ 1,579,051</u>	<u>\$ 587,361</u>
Debt service:				
Principal retirement	\$ 523,840	\$ 523,840	\$ 787,895	\$ (264,055)
Interest and other fiscal charges	-	-	545,499	(545,499)
Total debt service	<u>\$ 523,840</u>	<u>\$ 523,840</u>	<u>\$ 1,333,394</u>	<u>\$ (809,554)</u>
Total General Fund	<u>\$ 23,342,543</u>	<u>\$ 25,971,298</u>	<u>\$ 26,800,811</u>	<u>\$ (829,513)</u>
Total Primary Government	<u>\$ 23,342,543</u>	<u>\$ 25,971,298</u>	<u>\$ 26,800,811</u>	<u>\$ (829,513)</u>
<b>Discretely Presented Component Unit - School Board:</b>				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,046,194	\$ 1,046,194	\$ 1,281,212	\$ (235,018)
Instruction costs	6,969,802	6,969,802	6,901,288	68,514
Pupil transportation	1,389,582	1,389,582	1,347,084	42,498
Grants	1,000,453	1,322,196	976,107	346,089
Operation and maintenance of school plant	1,393,744	1,393,744	1,081,333	312,411
Technology	478,623	478,623	506,444	(27,821)
Capital projects	1,392,857	1,392,857	1,123,758	269,099
Total education	<u>\$ 13,671,255</u>	<u>\$ 13,992,998</u>	<u>\$ 13,217,226</u>	<u>\$ 775,772</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 29,639	\$ (29,639)
Interest and other fiscal charges	-	-	4,285	(4,285)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,924</u>	<u>\$ (33,924)</u>
Total School Operating Fund	<u>\$ 13,671,255</u>	<u>\$ 13,992,998</u>	<u>\$ 13,251,150</u>	<u>\$ 741,848</u>

County of Charles City, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2025

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Appropriated Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
Special Revenue Funds:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 540,477	\$ 585,073	\$ 547,974	\$ 37,099
Commodities	-	-	36,052	(36,052)
Total School Cafeteria Fund	<u>\$ 540,477</u>	<u>\$ 585,073</u>	<u>\$ 584,026</u>	<u>\$ 1,047</u>
Textbook Fund				
Education:				
Purchase of textbooks	\$ 80,230	\$ 49,682	\$ 8,909	\$ 40,773
Total Textbook Fund	<u>\$ 80,230</u>	<u>\$ 49,682</u>	<u>\$ 8,909</u>	<u>\$ 40,773</u>
School Activity Funds:				
Education:				
Instruction	\$ -	\$ 150,000	\$ 132,137	\$ 17,863
Total School Activity Funds	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 132,137</u>	<u>\$ 17,863</u>
Total Discretely Presented Component Unit - School Board	<u><u>\$ 14,291,962</u></u>	<u><u>\$ 14,777,753</u></u>	<u><u>\$ 13,976,222</u></u>	<u><u>\$ 801,531</u></u>

THIS PAGE LEFT BLANK INTENTIONALLY

*STATISTICAL INFORMATION*

THIS PAGE LEFT BLANK INTENTIONALLY

Table 1

County of Charles City, Virginia  
Government-Wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General										Interest on Long-Term Debt	Sanitary District	Broadband	Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Sanitary District	Broadband				
2015-16	\$ 1,965,562	\$ 713,982	\$ 2,288,796	\$ 1,136,050	\$ 1,396,921	\$ 5,162,868	\$ 563,736	\$ 375,828	\$ 61,550	\$ 627,054	\$ -	\$ 14,292,347		
2016-17	2,201,506	818,695	2,287,587	1,125,138	1,406,217	5,436,358	499,706	291,077	40,243	618,944	54,902	14,780,373		
2017-18	2,113,816	808,465	2,378,549	1,126,433	1,498,555	5,754,083	654,913	228,622	52,743	617,706	43,926	15,277,811		
2018-19	2,209,891	779,591	2,841,701	1,196,210	1,856,170	6,201,684	732,912	197,844	72,559	725,027	45,657	16,859,246		
2019-20	2,614,047	864,708	3,195,654	1,408,224	1,769,963	6,249,096	706,388	344,642	76,753	783,209	118,947	18,131,631		
2020-21	3,381,968	923,501	3,833,081	1,469,035	2,342,538	6,024,827	820,056	382,460	73,616	809,657	53,116	20,113,855		
2021-22	2,651,984	1,063,792	4,717,111	1,392,578	2,499,521	5,547,177	841,766	4,338,305	441,212	990,044	123,015	24,606,505		
2022-23	3,660,112	1,116,854	4,740,790	1,888,737	2,139,498	5,265,147	919,367	472,647	284,826	1,832,545	76,251	22,396,774		
2023-24	4,313,104	1,212,821	5,303,049	2,015,920	2,226,555	6,817,105	1,039,431	999,136	156,434	1,831,010	83,901	25,998,466		
2024-25	4,654,851	1,169,174	6,478,665	1,901,593	2,126,944	7,131,116	932,743	1,011,730	493,199	1,128,145	83,719	27,111,879		

Table 2

County of Charles City, Virginia  
 Government-Wide Revenues  
 Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain on Disposal of Capital Assets		
2015-16	\$ 2,647,314	\$ 1,985,462	\$ -	\$ 8,738,110	\$ 952,052	\$ 23,213	\$ 226,897	\$ 1,527,837	\$ -	\$ 16,100,885		
2016-17	3,573,174	2,030,014	22,355	9,311,704	1,023,184	22,263	377,568	874,042	-	17,234,304		
2017-18	3,602,062	1,825,761	200,745	9,468,127	781,089	24,985	175,836	1,150,010	-	17,228,615		
2018-19	4,059,817	2,353,025	31,900	10,071,186	1,130,514	48,356	1,057,902	866,052	-	19,618,752		
2019-20	3,999,208	2,517,380	-	10,169,199	1,229,304	48,465	254,453	973,478	-	19,191,487		
2020-21	4,675,526	5,186,338	-	9,991,615	1,834,704	14,002	470,522	822,987	-	22,995,694		
2021-22	4,585,524	5,669,884	-	10,132,657	1,911,594	24,164	675,235	857,343	-	23,856,401		
2022-23	5,346,143	3,222,538	-	10,819,799	1,908,353	186,387	250,465	1,481,502	-	23,215,187		
2023-24	4,397,962	3,064,493	15,000	11,300,245	1,985,502	51,028	1,236,257	841,013	-	22,891,500		
2024-25	7,589,497	4,867,478	-	12,933,765	1,953,657	26,936	1,038,130	815,551	-	29,225,014		

Table 3

County of Charles City, Virginia  
 General Governmental Expenditures by Function (1)  
 Last Ten Fiscal Years

Fiscal Year	General Government Administration				Public Safety	Public Works	Health and Welfare		Education (2)	Parks, Recreation, and Cultural		Community Development	Non-departmental	Debt Service	Total (3)
	General Administration	Judicial Administration	Public Safety	Public Works			Health and Welfare	Education (2)		Parks, Recreation, and Cultural	Community Development				
2015-16	\$ 1,888,944	\$ 675,639	\$ 2,249,616	\$ 1,116,457	\$ 1,413,620	\$ 10,448,006	\$ 490,951	\$ 436,098	\$ -	\$ 574,311	\$ 19,293,642				
2016-17	2,020,484	686,041	2,212,889	1,110,474	1,421,423	10,664,017	571,953	334,780	-	546,327	19,568,388				
2017-18	2,039,893	694,810	2,374,841	1,111,136	1,546,016	10,609,363	624,743	395,321	-	535,914	19,932,037				
2018-19	2,102,229	720,479	2,842,533	1,275,748	1,794,281	10,914,626	603,487	310,918	-	521,609	21,085,910				
2019-20	2,448,776	746,208	3,170,035	1,317,155	1,790,660	10,753,260	630,826	361,034	-	384,573	21,602,527				
2020-21	3,419,639	755,934	3,640,947	1,416,576	2,291,376	11,208,376	577,357	349,719	-	428,041	24,087,965				
2021-22	3,680,505	947,049	3,648,033	1,388,858	2,501,208	10,782,507	674,796	438,987	-	931,422	24,993,365				
2022-23	3,480,721	985,318	3,622,922	1,796,455	2,126,508	12,007,582	744,374	472,785	-	901,573	26,138,238				
2023-24	4,293,989	1,118,785	4,969,046	1,958,015	2,197,666	13,728,701	884,637	854,870	-	906,432	30,912,141				
2024-25	4,635,320	1,083,408	5,217,656	1,901,156	2,099,005	13,943,448	781,962	1,038,743	-	1,333,394	32,034,092				

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.

(3) Excludes capital projects expenditures.

**County of Charles City, Virginia**  
**General Governmental Revenues by Source (1)**  
**Last Ten Fiscal Years**

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2015-16	\$ 8,721,012	\$ 952,052	\$ 2,317,438	\$ 33,132	\$ 27,757	\$ 306,285	\$ 297,944	\$ 102,257	\$ 8,644,428	\$ 21,402,305
2016-17	9,283,165	1,023,184	3,204,429	28,615	42,615	324,385	396,520	86,483	8,075,389	22,464,785
2017-18	9,318,071	781,089	3,216,189	39,644	60,143	285,209	259,347	194,895	7,676,571	21,831,158
2018-19	10,011,303	1,130,514	3,705,860	34,071	84,289	290,178	1,164,686	45,065	7,679,094	24,145,060
2019-20	10,082,236	1,229,304	3,630,472	29,347	105,559	267,516	313,651	34,603	7,868,516	23,561,204
2020-21	9,963,515	1,834,704	4,038,624	37,423	44,443	486,186	606,220	4,379	10,931,506	27,947,000
2021-22	9,976,351	1,911,594	3,500,678	42,590	72,355	912,291	874,780	-	11,517,324	28,807,963
2022-23	10,834,153	1,908,353	4,193,462	19,233	234,580	1,092,178	510,519	-	11,989,103	30,781,581
2023-24	10,775,516	1,985,502	3,581,928	21,817	102,460	798,772	1,457,637	-	10,392,440	29,116,072
2024-25	12,300,315	1,953,657	6,082,672	40,146	92,306	1,393,513	1,317,397	-	11,477,017	34,657,023

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.

Table 5

County of Charles City, Virginia  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1,3)	Current Tax Collections (1,3)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections	to Tax Levy		
2014-15	\$ 9,227,999	\$ 8,767,376	95.01%	\$ 391,118	\$ 9,158,494	99.25%	\$ 621,511	6.74%	
2015-16	9,195,464	9,002,438	97.90%	254,806	9,257,244	100.67%	577,152	6.28%	
2016-17	10,049,936	9,557,062	95.10%	267,367	9,824,429	97.76%	632,705	6.30%	
2017-18	10,273,578	9,607,203	93.51%	270,307	9,877,510	96.14%	724,278	7.05%	
2018-19	10,848,182	10,375,271	95.64%	166,133	10,541,404	97.17%	731,332	6.74%	
2019-20	11,027,752	10,417,869	94.47%	210,000	10,627,869	96.37%	943,550	8.56%	
2020-21	10,744,398	10,135,055	94.33%	378,203	10,513,258	97.85%	794,353	7.39%	
2021-22	11,032,844	10,185,873	92.32%	309,177	10,495,050	95.13%	985,276	8.93%	
2022-23	12,032,988	10,958,242	91.07%	342,475	11,300,717	93.91%	837,618	6.96%	
2023-24	12,467,619	10,912,784	87.53%	335,239	11,248,023	90.22%	1,243,087	9.97%	
2024-25	13,587,727	12,235,915	90.05%	531,215	12,767,130	93.96%	1,676,690	12.34%	

(1) Exclusive of penalties and interest. Includes Commonwealth of Virginia's reimbursement for personal property taxes and balances outstanding.

(2) Includes three most current delinquent tax years

(3) Does not include land redemptions.

Table 6

County of Charles City, Virginia  
 Assessed Value of Taxable Property  
 Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)	Total
2015-16	\$ 770,185,362	\$ 61,739,681	\$ 6,498,282	\$ 1,109,586	\$ 66,079,189	\$ 905,612,100
2016-17	800,468,341	70,476,897	4,302,865	1,038,516	82,706,970	958,993,589
2017-18	801,527,679	78,994,920	4,051,269	975,709	117,744,746	1,003,294,323
2018-19	790,919,731	77,480,198	3,696,329	1,230,421	134,975,217	1,008,301,896
2019-20	830,284,209	95,395,173	6,846,927	630,926	159,541,859	1,092,699,094
2020-21	837,044,296	99,423,465	2,562,799	578,835	138,562,359	1,078,171,754
2021-22	854,744,524	107,093,515	2,854,173	592,988	120,903,814	1,086,189,014
2022-23	1,047,957,514	116,113,287	3,556,368	2,370,288	167,880,544	1,337,878,001
2023-24	1,051,515,695	127,231,172	2,358,030	2,659,934	175,496,799	1,359,261,630
2024-25	1,086,823,998	148,501,340	2,275,764	3,295,967	174,311,584	1,415,208,653

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

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

Table 7

**County of Charles City, Virginia**  
**Property Tax Rates (1)**  
**Last Ten Fiscal Years**

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Merchant's Capital	Machinery and Tools
2015-16	\$ 0.72	\$ 0.72	\$ 3.75	\$ 2.80	\$ 3.00
2016-17	0.72	0.72	3.75	2.80	3.00
2017-18	0.76	0.76	3.75	2.80	3.00
2018-19	0.76	0.76	3.75	2.80	3.00
2019-20	0.76	0.76	3.75	2.80	3.00
2020-21	0.76	0.76	3.75	2.80	3.00
2021-22	0.76	0.76	3.75	2.80	3.00
2022-23	0.66	0.66	3.75	2.80	3.00
2023-24	0.66	0.66	3.75	2.80	3.00
2024-25	0.69	0.69	3.75	2.80	3.00

(1) Per \$100 of assessed value.

Table 8

**County of Charles City, Virginia**  
**Ratio of Net General Obligation Bonded Debt to**  
**Assessed Value and Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to		Net Bonded Debt per Capita
					Assessed Value	Assessed Value	
2015-16	7,256	\$ 905,612,100	\$ -	-	0.00%	\$ -	-
2016-17	7,256	958,993,589	-	-	0.00%	-	-
2017-18	7,256	1,003,294,323	2,500,000	2,500,000	0.25%	345	345
2018-19	7,256	1,008,301,896	2,500,000	2,500,000	0.25%	345	345
2019-20	7,256	1,092,699,094	2,246,000	2,246,000	0.21%	310	310
2020-21	6,773	1,078,171,754	1,986,400	1,986,400	0.18%	293	293
2021-22	6,773	1,078,171,754	1,721,000	1,721,000	0.16%	254	254
2022-23	6,773	1,337,878,001	1,449,700	1,449,700	0.11%	214	214
2023-24	6,773	1,359,261,630	1,172,400	1,172,400	0.09%	173	173
2024-25	6,773	1,415,208,653	888,900	888,900	0.06%	131	131

(1) Weldon Cooper Center for Public Service.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund l Excludes revenue bonds, financed purchase, and compensated absences.

*COMPLIANCE*

THIS PAGE LEFT BLANK INTENTIONALLY



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

---

**To the Honorable Members of the Board of Supervisors  
County of Charles City  
Charles City, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of County of Charles City Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County of Charles City, Virginia's basic financial statements and have issued our report thereon dated January 26, 2026.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as 2025-001 and 2025-002 that we consider to be material weaknesses.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Charles City, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as items 2025-003 and 2025-004.

### County of Charles City, Virginia's Response to Findings

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

### Purpose of This Report

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

*Robinson, Farnum, Cox Associates*  
Richmond, Virginia  
January 26, 2026



**Independent Auditors' 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 Charles City  
Charles City, Virginia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

In our opinion, County of Charles City, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

## Report on Internal Control over Compliance (Continued)

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
January 26, 2026

County of Charles City, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

Federal Grantor/State Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-Through Payments:			
Virginia Department of Social Services:			
Promoting Safe and Stable Families Program	93.556	0950124/0950125	\$ 15,709
Temporary Assistance for Needy Families	93.558	0400124/0400125	96,326
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500124/0500125	309
Title IV-E Prevention Program	93.472	1140124/1140125	2,786
Guardianship Assistance	93.090	1110124/1110125	127
Low Income Home Energy Assistance	93.568	0600424/0600425	20,243
Child Care Mandatory and Matching Funds of the Child Care Development Fund (CCDF Cluster)	93.596	0760124/0760125	19,946
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900124/0900125	344
Foster Care - Title IV-E	93.658	1100124/1100125	47,254
Adoption Assistance	93.659	1120124/1120125	29,308
Social Services Block Grant	93.667	1000124/1000125	111,182
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150124/9150125	750
Children's Health Insurance Program	93.767	0540124/0540125	1,761
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922153	73
Medical Assistance Program (Medicaid Cluster)	93.778	1200124/1200125	<u>149,906</u>
Total Department of Health and Human Services			<u>\$ 496,024</u>
Department of Agriculture:			
Pass-Through Payments:			
Virginia Department of Agriculture:			
Food Distribution (Child Nutrition Cluster)	10.555	11994/89034	\$ 36,052
Virginia Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555	11994/89034	229,792
Total ALN# 10.555			<u>\$ 265,844</u>
School Breakfast Program (Child Nutrition Cluster)	10.553	11994	\$ 133,963
Summer Food Service Program for Children (SFSPC) (Child Nutrition Cluster)	10.559	11994	<u>19,300</u>
Total Child Nutrition Cluster			\$ 419,107
Virginia Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010124/0010125/ 0040124/0040125	<u>189,009</u>
Total Department of Agriculture			<u>\$ 608,116</u>

County of Charles City, Virginia  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2025

Federal Grantor/State Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Homeland Security:			
Direct payments:			
Assistance to Firefighters Grant	97.044	N/A	\$ 201,905
Pass-Through Payments:			
Virginia Department of Emergency Management: Emergency Management Performance Grants	97.042	77501-52749	<u>9,381</u>
Total Department of Homeland Security			<u>\$ 211,286</u>
Department of Transportation:			
Pass-Through Payments:			
Virginia Department of Motor Vehicles: State and Community Highway Safety (Highway Safety Cluster)	20.600	5014310-605007	<u>\$ 12,656</u>
Total Department of Transportation			<u>\$ 12,656</u>
Department of Housing and Urban Development:			
Direct payments:			
Continuum of Care Program	14.267	N/A	<u>\$ 6,209</u>
Total Department of Housing and Urban Development			<u>\$ 6,209</u>
Department of Education:			
Direct payments:			
Indian Education Grants to Local Educational Agencies	84.060	N/A	\$ 16,355
Small, Rural School Achievement Program	84.358A	N/A	24,615
Pass-Through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies Special Education Cluster:	84.010	S010A200046/ S010A210046	355,298
Special Education - Grants to States	84.027	H027A200107/ H027A210107	\$ 226,721
Special Education - Preschool Grants	84.173	H173X210112/ H173A210112	<u>2,114</u>
Total Special Education Cluster			228,835
Career and Technical Education - Basic Grants to States	84.048	V048A210046	15,446
Supporting Effective Instruction State Grant	84.367	S367A200044	28,814
Student Support and Academic Enrichment Program	84.424	S424A190048	38,918
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	<u>8,076</u>
Total Department of Education			<u>\$ 716,357</u>
Department of the Treasury:			
Pass Through Payments:			
Virginia Department of Elections:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	\$ 4,025
Virginia Department of Education:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	56,806
Virginia Department of Accounts:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	<u>207,731</u>
Total ALN# 21.027			<u>\$ 268,562</u>
Total Department of the Treasury			<u>\$ 268,562</u>

County of Charles City, Virginia  
 Schedule of Expenditures of Federal Awards (Continued)  
 For the Year Ended June 30, 2025

Federal Grantor/State Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Defense:			
Direct Payments:			
Junior ROTC	12.u01	N/A	\$ 80,689
Troops to Teachers Grant Program	12.620	N/A	<u>4,306</u>
Total Department of Defense			<u>\$ 84,995</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,404,205</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

County of Charles City, Virginia

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

---

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received or disbursed.

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund \$ 1,120,658

Component Unit School Board:

School Operating Fund \$ 864,440

School Cafeteria Fund 419,107

Total component unit school board \$ 1,283,547

Total federal expenditures per basic financial statements \$ 2,404,205

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 2,404,205

Note 5 - De Minimis Cost Rate

The County did not elect to use the 15-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 6 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

County of Charles City, Virginia  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2025

---

**Section I-Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: unmodified  
 Internal control over financial reporting:  
 Material weakness(es) identified?   ✓   yes        no  
 Significant deficiency(ies) identified?        yes   ✓   none reported  
 Noncompliance material to financial statements noted?   ✓   yes        no

**Federal Awards**

Internal control over major programs:  
 Material weakness(es) identified?        yes   ✓   no  
 Significant deficiency(ies) identified?        yes   ✓   none reported

Type of auditors' report issued on compliance  
 for major programs: unmodified

Any findings disclosed that are required to be  
 reported in accordance with 2 CFR section 200.516(a)?        yes   ✓   no

Identification of major programs:

Assistance Listing Number(s)

10.553/10.555/10.559

10.561

84.010

Name of Federal Program or Cluster

Child Nutrition Cluster

State Administrative Matching Grants for the Supplemental

Nutrition Assistance Program

Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee?        yes   ✓   no

County of Charles City, Virginia  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2025

---

**Section II-Financial Statement Findings**

2025-001 (material weakness)

- Criteria:** Identification of material adjustments to the financial statements that were not detected by the entity's internal controls indicates that a material weakness exists.
- Condition:** The financial statements did not contain all necessary adjustments to reconcile to the entity's internal documents to comply with generally accepted accounting principles (GAAP).
- Effect:** There is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
- Cause:** Internal controls were not in place over financial reporting and year-end adjusting entries were not identified prior to the auditor's arrival to conduct the audit.
- Recommendation:** The County should implement steps and controls to improve its financial reporting process.
- Management's Response:** The County is taking corrective action for FY26.

2025-002 (material weakness)

- Criteria:** Property tax receivables should be reconciled on a monthly basis.
- Condition:** The property tax levy was initially recorded incorrectly by the Commissioner of Revenue. Additionally, the subsidiary reports for property tax receivables are not being reconciled to the amounts recorded in the accounting system by the Treasurer's Office.
- Effect:** The taxes receivable amounts in the accounting system do not agree or reconcile to the amounts on the subsidiary reports.
- Cause:** There is no process in place to ensure that tax receivable balances are reconciled on a routine basis (monthly).
- Recommendation:** The County should implement steps and controls to improve its recording of the tax levy and monthly reconciliation processes.
- Management's Response:** The County is taking corrective action for FY26.

**Section III-Federal Award Findings and Questioned Costs**

None

County of Charles City, Virginia  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2025

---

**Section IV-Commonwealth of Virginia Findings and Questioned Costs**

2025-003

**Criteria:** Except as otherwise provided in § [58.1-2609](#), the equalized assessed valuation of the property of any public service corporation or other person with property assessed pursuant to this chapter in any taxing district shall be made by application of the local assessment ratio prevailing in such taxing district for other real estate as most recently determined and published by the Department of Taxation.

**Condition:** The property tax levy performed by the Commissioner of Revenues for public service corporations did not utilize assessed values as provided by the State Corporation Commission.

**Effect:** The tax levied for public service corporations was incorrect.

**Cause:** Internal controls were not in place to ensure that the levy was calculated utilizing the correct assessed values.

**Recommendation:** The Commissioner of Revenue should ensure that the assessed valued utilized on the public service corporation levy agrees with amounts provided by the State Corporation Commission.

**Management's Response:** The County is taking corrective action for FY26.

2025-004

**Criteria:** Upon receipt of the quarterly public depositor report, as outlined in [1VAC75-20-110](#), public depositors shall notify the State Treasurer of any unresolved discrepancy between the information provided and the public depositors' records. Additionally, public depositors shall verify and confirm to the Department of the Treasury their account balances as reported by the "Public Fund Accounts" search feature on the Department of the Treasury's website after the end of each quarter to ensure their public funds accounts are being properly reported to the Treasury Board by their qualified public depositories.

**Condition:** The balances in all official bank accounts held by the Treasurer, Director of Finance, or other Constitutional Officers were not verified to what was reported on the Virginia Department of the Treasury's SPDA website.

**Effect:** The County's accounts were not properly reflected as being verified on a quarterly basis.

**Cause:** Internal controls were not in place to ensure that the bank balances of the County were confirmed on the Virginia Department of the Treasury's SPDA website on a quarterly basis.

**Recommendation:** The Treasurer should login to the Virginia Department of the Treasury's SPDA website quarterly to confirm all bank balances of the County.

**Management's Response:** The County is taking corrective action for FY26.

County of Charles City, Virginia  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2025

---

**Findings - Financial Statement Audit:**

2024-001

*Condition:*

The financial statements did not contain all necessary adjustments to reconcile to the entity's internal documents to comply with generally accepted accounting principles (GAAP).

*Recommendation:*

The County should implement steps and controls to improve its financial reporting process.

*Current Status:*

Finding 2024-001 is repeated in the current year as 2025-001.

2024-002

*Condition:*

The bank reconciliation included outstanding checks that were also recorded as accounts payable as of June 30, 2024. Additionally, there were transactions that were on the bank reconciliation that were not also posted to the funds.

*Recommendation:*

The County should implement steps and controls to improve its year-end bank reconciliation process and rectify any accounting system problems.

*Current Status:*

Corrective action was taken in FY25.

THIS PAGE LEFT BLANK INTENTIONALLY