

COUNTY OF APPOMATTOX, VIRGINIA



ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2025

COUNTY OF APPOMATTOX, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

COUNTY OF APPOMATTOX, VIRGINIA

Board of Supervisors

John F. Hinkle, Chair

Alfred L. Jones, III
Samuel E. Carter

Ken W. Wolfskill
Trevor L. Hipps

School Board

Jason L. Wells, Chair

Bobby K. Waddell
Roger B. Stough

Wyatt K. Torrence
Gregory A. Smith

Board of Social Services

Susan Shutt
Margaret Wright
Tom Adams
Kevin Bailey

Carla Lewis
Anthony "Train" Johnson
Ken Wolfskill
Ashley Casalenuovo

Other Officials

Judge of the Circuit Court S. Anderson Nelson
Clerk of the Circuit Court Janet A. Hix
Judge of the General District Court Darrel Puckett
Judge of the Juvenile and Domestic Relations Court..... Marvin Dunkam
Commonwealth's Attorney Leslie M. "Les" Fleet
Commissioner of the Revenue Sara R. Henderson
Treasurer Victoria C. Phelps
Sheriff..... Donald D. Simpson
Superintendent of Schools Dr. Jason S. Tibbs
Director of Social Services Alisha Wright
County Administrator Susan M. Adams

COUNTY OF APPOMATTOX, VIRGINIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Appomattox
Appomattox, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Appomattox, 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, each major fund, and the aggregate remaining fund information of the County of Appomattox, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Appomattox, 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 23 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 24 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and 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 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 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 March 5, 2026, on our consideration of County of Appomattox, 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 Appomattox, 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 Appomattox, Virginia's internal control over financial reporting and compliance.

Richmond, Virginia
March 5, 2026

County of Appomattox, Virginia
Statement of Net Position
June 30, 2025

	Primary Government			Component Units	
	Governmental	Business-type	Total	School Board	EDA
	Activities	Activities			
ASSETS					
Cash and cash equivalents	\$ 31,850,965	\$ 60,723	\$ 31,911,688	\$ 4,735,951	\$ 75,943
Cash in custody of others	-	-	-	4,000	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	9,289,999	-	9,289,999	-	-
Accounts receivable	599,799	20,063	619,862	1,186	-
Due from other governmental units	2,440,379	-	2,440,379	1,598,239	-
Prepaid items	76,271	-	76,271	359,153	-
Lease receivable	27,339	-	27,339	-	-
Net pension asset	-	-	-	504,379	-
Capital assets (net of accumulated depreciation):					
Land	1,910,532	-	1,910,532	211,370	1,381,873
Buildings and improvements	15,981,706	-	15,981,706	16,125,897	-
Utility plant in service	-	4,227,089	4,227,089	-	-
Equipment	1,437,848	-	1,437,848	4,631,585	-
Lease equipment	11,232	-	11,232	1,571	-
Infrastructure	96,093	-	96,093	-	769,646
Construction in progress	3,756,128	-	3,756,128	-	-
Total assets	<u>\$ 67,478,291</u>	<u>\$ 4,307,875</u>	<u>\$ 71,786,166</u>	<u>\$ 28,173,331</u>	<u>\$ 2,227,462</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	\$ 67,081	\$ -	\$ 67,081	\$ -	\$ -
Pension related items	1,182,883	-	1,182,883	5,487,084	-
OPEB related items	80,637	-	80,637	676,105	-
Total deferred outflows of resources	<u>\$ 1,330,601</u>	<u>\$ -</u>	<u>\$ 1,330,601</u>	<u>\$ 6,163,189</u>	<u>\$ -</u>
Total assets and deferred inflows of resources	<u>\$ 68,808,892</u>	<u>\$ 4,307,875</u>	<u>\$ 73,116,767</u>	<u>\$ 34,336,520</u>	<u>\$ 2,227,462</u>
LIABILITIES					
Accounts payable	\$ 1,970,272	\$ 19,997	\$ 1,990,269	\$ 181,966	\$ -
Accrued liabilities	-	-	-	2,760,469	-
Accrued interest payable	38,380	-	38,380	-	-
Due to other governmental units	-	-	-	1,243,201	-
Unearned revenue	714,825	-	714,825	-	-
Long-term liabilities:					
Due within one year	2,289,422	-	2,289,422	213,473	-
Due in more than one year	18,435,311	-	18,435,311	18,788,007	-
Total liabilities	<u>\$ 23,448,210</u>	<u>\$ 19,997</u>	<u>\$ 23,468,207</u>	<u>\$ 23,187,116</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 7,636,344	\$ -	\$ 7,636,344	\$ -	\$ -
Lease related	26,733	-	26,733	-	-
Pension related items	781,656	-	781,656	2,333,395	-
OPEB related items	169,861	-	169,861	710,596	-
Total deferred inflows of resources	<u>\$ 8,614,594</u>	<u>\$ -</u>	<u>\$ 8,614,594</u>	<u>\$ 3,043,991</u>	<u>\$ -</u>
NET POSITION					
Net investment in capital assets	\$ 10,197,912	\$ 4,227,089	\$ 14,425,001	\$ 20,968,816	\$ 2,151,519
Restricted:					
Veterans wall of honor	3,038	-	3,038	-	-
Asset forfeiture	75,686	-	75,686	-	-
Courthouse maintenance	31,797	-	31,797	-	-
Courthouse security fund	29,400	-	29,400	-	-
Law library	6,227	-	6,227	-	-
Net pension asset	-	-	-	504,379	-
Unrestricted	26,402,028	60,789	26,462,817	(13,367,782)	75,943
Total net position	<u>\$ 36,746,088</u>	<u>\$ 4,287,878</u>	<u>\$ 41,033,966</u>	<u>\$ 8,105,413</u>	<u>\$ 2,227,462</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 68,808,892</u>	<u>\$ 4,307,875</u>	<u>\$ 73,116,767</u>	<u>\$ 34,336,520</u>	<u>\$ 2,227,462</u>

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Units		
	Expenses	Charges for Services	Operating		Governmental Activities	Primary Government		Total	School Board	EDA	
			Grants and Contributions	Capital Grants and Contributions		Business-type Activities					
PRIMARY GOVERNMENT:											
Governmental activities:											
General government administration	\$ 4,145,783	\$ -	\$ 367,967	\$ -	\$ (3,777,816)	\$ -	\$ (3,777,816)	\$ -	\$ -	\$ -	
Judicial administration	1,347,283	270,227	749,971	-	(327,085)	-	(327,085)	-	-	-	
Public safety	6,040,882	179,521	3,138,263	-	(2,723,098)	-	(2,723,098)	-	-	-	
Public works	2,252,654	114,913	40,131	-	(2,097,610)	-	(2,097,610)	-	-	-	
Health and welfare	5,132,615	-	3,817,736	-	(1,314,879)	-	(1,314,879)	-	-	-	
Education	8,819,047	-	-	3,218,953	(5,600,094)	-	(5,600,094)	-	-	-	
Parks, recreation, and cultural	651,179	32,137	118,684	-	(500,358)	-	(500,358)	-	-	-	
Community development	706,686	-	-	-	(706,686)	-	(706,686)	-	-	-	
Interest on long-term debt	580,889	-	424,350	-	(156,539)	-	(156,539)	-	-	-	
Total governmental activities	\$ 29,677,018	\$ 596,798	\$ 8,657,102	\$ 3,218,953	\$ (17,204,165)	\$ -	\$ (17,204,165)	\$ -	\$ -	\$ -	
Business-type activities:											
Sanitary District	\$ 345,903	\$ 261,504	\$ -	\$ -	\$ -	\$ (84,399)	\$ (84,399)	\$ -	\$ -	\$ -	
Total business-type activities	\$ 345,903	\$ 261,504	\$ -	\$ -	\$ -	\$ (84,399)	\$ (84,399)	\$ -	\$ -	\$ -	
Total primary government	\$ 30,022,921	\$ 858,302	\$ 8,657,102	\$ 3,218,953	\$ (17,204,165)	\$ -	\$ (17,204,165)	\$ -	\$ -	\$ -	
COMPONENT UNITS:											
School Board	\$ 35,160,932	\$ 155,102	\$ 27,992,128	\$ -	\$ -	\$ -	\$ -	\$ (7,013,702)	\$ -	\$ -	
Economic Development Authority	184,195	1,180	-	-	-	-	-	-	-	(183,015)	
Total component units	\$ 35,345,127	\$ 156,282	\$ 27,992,128	\$ -	\$ -	\$ -	\$ -	\$ (7,013,702)	\$ -	\$ (183,015)	
General revenues and transfers:											
General property taxes	\$ 16,367,987	\$ -	\$ -	\$ -	\$ 16,367,987	\$ -	\$ 16,367,987	\$ -	\$ -	\$ -	
Local sales and use taxes	2,057,980	-	-	-	2,057,980	-	2,057,980	-	-	-	
Consumer utility taxes	422,412	-	-	-	422,412	-	422,412	-	-	-	
Motor vehicle licenses	561,600	-	-	-	561,600	-	561,600	-	-	-	
Other local taxes	245,222	-	-	-	245,222	-	245,222	-	-	-	
Unrestricted revenues from use of money	1,136,147	-	-	-	1,136,147	-	1,136,147	7,604	188	-	
Miscellaneous	1,232,086	-	-	-	1,232,086	-	1,232,086	955,998	18,400	-	
Grants and contributions not restricted to specific programs	1,601,907	-	-	-	1,601,907	-	1,601,907	-	-	-	
Payment from Appomattox County	-	-	-	-	-	-	-	7,115,341	109,688	-	
Total general revenues	\$ 23,625,341	\$ -	\$ -	\$ -	\$ 23,625,341	\$ -	\$ 23,625,341	\$ 8,078,943	\$ 128,276	\$ -	
Change in net position	\$ 6,421,176	\$ -	\$ -	\$ -	\$ (84,399)	\$ -	\$ 6,336,777	\$ 1,065,241	\$ (54,739)	\$ -	
Net position - beginning	30,835,903	-	-	-	4,372,277	-	35,208,180	8,878,015	2,282,201	-	
Restatement	(510,991)	-	-	-	(510,991)	-	(510,991)	(1,837,843)	-	-	
Net position - beginning, as restated	30,324,912	-	-	-	4,372,277	-	34,697,189	7,040,172	2,282,201	-	
Net position - ending	\$ 36,746,088	\$ -	\$ 4,287,878	\$ -	\$ 41,033,966	\$ -	\$ 41,033,966	\$ 8,105,413	\$ 2,227,462	\$ -	

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

County of Appomattox, Virginia
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General Fund</u>	<u>County Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 29,314,655	\$ 1,891,230	\$ 645,080	\$ 31,850,965
Receivables (net of allowance for uncollectibles):				
Taxes receivable	9,289,999	-	-	9,289,999
Accounts receivable	590,063	-	9,736	599,799
Due from other governmental units	2,427,311	-	13,068	2,440,379
Prepaid items	76,271	-	-	76,271
Lease receivable	27,339	-	-	27,339
Total assets	<u>\$ 41,725,638</u>	<u>\$ 1,891,230</u>	<u>\$ 667,884</u>	<u>\$ 44,284,752</u>
LIABILITIES				
Accounts payable	\$ 1,479,122	\$ 491,150	\$ -	\$ 1,970,272
Unearned revenue	714,825	-	-	714,825
Total liabilities	<u>\$ 2,193,947</u>	<u>\$ 491,150</u>	<u>\$ -</u>	<u>\$ 2,685,097</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 9,218,306	\$ -	\$ -	\$ 9,218,306
Opioid settlement	231,508	-	-	231,508
Lease related	26,733	-	-	26,733
Total deferred inflows of resources	<u>\$ 9,476,547</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,476,547</u>
FUND BALANCES				
Nonspendable	\$ 76,877	\$ -	\$ -	\$ 76,877
Restricted	3,038	-	143,110	146,148
Committed	44,910	1,400,080	524,774	1,969,764
Unassigned	29,930,319	-	-	29,930,319
Total fund balances	<u>\$ 30,055,144</u>	<u>\$ 1,400,080</u>	<u>\$ 667,884</u>	<u>\$ 32,123,108</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,725,638</u>	<u>\$ 1,891,230</u>	<u>\$ 667,884</u>	<u>\$ 44,284,752</u>

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

County of Appomattox, 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	\$	32,123,108
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	\$ 54,792,237	
Accumulated depreciation	<u>(31,598,698)</u>	23,193,539
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$ 1,581,962	
Unavailable revenue - opioid settlement	<u>231,508</u>	1,813,470
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Deferred charge on refunding	\$ 67,081	
Pension related items	1,182,883	
OPEB related items	<u>80,637</u>	1,330,601
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:		
Bonds payable	\$ (13,026,666)	
Issuance premium	(24,347)	
Lease liabilities	(11,695)	
Compensated absences	(903,273)	
Net OPEB liabilities	(547,282)	
Net pension liability	(3,797,082)	
Landfill postclosure care liability	(2,414,388)	
Accrued interest payable	<u>(38,380)</u>	(20,763,113)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (781,656)	
OPEB related items	<u>(169,861)</u>	(951,517)
Net position of governmental activities		<u><u>\$ 36,746,088</u></u>

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

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

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 16,212,826	\$ -	\$ -	\$ 16,212,826
Other local taxes	3,287,214	-	-	3,287,214
Permits, privilege fees, and regulatory licenses	134,460	-	-	134,460
Fines and forfeitures	184,681	-	-	184,681
Revenue from the use of money and property	1,165,637	-	-	1,165,637
Charges for services	164,431	-	83,736	248,167
Miscellaneous	1,218,511	-	-	1,218,511
Recovered costs	201,189	-	-	201,189
Intergovernmental:				
Commonwealth	9,985,984	-	208,165	10,194,149
Federal	3,283,813	-	-	3,283,813
Total revenues	<u>\$ 35,838,746</u>	<u>\$ -</u>	<u>\$ 291,901</u>	<u>\$ 36,130,647</u>
EXPENDITURES				
Current:				
General government administration	\$ 4,128,410	\$ -	\$ -	\$ 4,128,410
Judicial administration	1,272,555	-	-	1,272,555
Public safety	7,218,767	-	53,490	7,272,257
Public works	2,103,360	-	-	2,103,360
Health and welfare	5,200,008	-	-	5,200,008
Education	7,042,497	943,217	-	7,985,714
Parks, recreation, and cultural	579,253	-	-	579,253
Community development	684,024	-	-	684,024
Capital projects	3,836,267	-	-	3,836,267
Debt service:				
Principal retirement	2,562,254	-	-	2,562,254
Interest and other fiscal charges	528,516	-	-	528,516
Total expenditures	<u>\$ 35,155,911</u>	<u>\$ 943,217</u>	<u>\$ 53,490</u>	<u>\$ 36,152,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 682,835</u>	<u>\$ (943,217)</u>	<u>\$ 238,411</u>	<u>\$ (21,971)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,371,994	\$ 102,712	\$ -	\$ 1,474,706
Transfers out	(102,712)	(1,032,128)	(339,866)	(1,474,706)
Total other financing sources (uses)	<u>\$ 1,269,282</u>	<u>\$ (929,416)</u>	<u>\$ (339,866)</u>	<u>\$ -</u>
Net change in fund balances	\$ 1,952,117	\$ (1,872,633)	\$ (101,455)	\$ (21,971)
Fund balances - beginning	28,103,027	3,272,713	769,339	32,145,079
Fund balances - ending	<u>\$ 30,055,144</u>	<u>\$ 1,400,080</u>	<u>\$ 667,884</u>	<u>\$ 32,123,108</u>

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

County of Appomattox, 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 \$ (21,971)

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

Capital asset additions	\$ 4,983,852	
Jointly owned asset allocation	(73,242)	
Depreciation expense	<u>(1,519,059)</u>	3,391,551

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

Property taxes	168,736
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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.

Principal payments	\$ 2,562,254	
Change in landfill closure liability	<u>(133,765)</u>	2,428,489

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.

Amortization of bond premium	\$ 8,116	
Amortization of deferred charges on refunding	(67,082)	
Change in compensated absences	22,839	
Pension expense	458,110	
OPEB expense	25,795	
Change in accrued interest payable	<u>6,593</u>	454,371

Change in net position of governmental activities	<u>\$ 6,421,176</u>
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The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Statement of Net Position
Proprietary Fund
June 30, 2025

	Enterprise Fund
	Sanitary District
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 60,723
Accounts receivable, net of allowances for uncollectibles	20,063
Total current assets	\$ 80,786
Noncurrent assets:	
Capital assets:	
Utility plant in service	\$ 5,712,281
Accumulated depreciation	(1,485,192)
Total capital assets	\$ 4,227,089
Total noncurrent assets	\$ 4,227,089
Total assets	\$ 4,307,875
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 19,997
Total liabilities	\$ 19,997
NET POSITION	
Investment in capital assets	\$ 4,227,089
Unrestricted	60,789
Total net position	\$ 4,287,878

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

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

	Enterprise Fund
	Sanitary District
OPERATING REVENUES	
Miscellaneous	\$ 261,504
Total operating revenues	\$ 261,504
OPERATING EXPENSES	
Other supplies and expenses	\$ 231,658
Depreciation	114,245
Total operating expenses	\$ 345,903
Operating income (loss)	\$ (84,399)
Change in net position	\$ (84,399)
Net position - beginning	4,372,277
Net position - ending	\$ 4,287,878

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

County of Appomattox, Virginia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2025

	Enterprise Fund Sanitary District
CASH FLOWS FROM OPERATING ACTIVITIES	
Other receipts (payments)	\$ 258,280
Receipts for materials and supplies	(243,627)
Net cash provided by (used for) operating activities	\$ 14,653
Net increase (decrease) in cash and cash equivalents	\$ 14,653
Cash and cash equivalents - beginning	46,070
Cash and cash equivalents - ending	\$ 60,723
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (84,399)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 114,245
(Increase) decrease in accounts receivable	(3,224)
Increase (decrease) in accounts payable	(11,969)
Total adjustments	\$ 99,052
Net cash provided by (used for) operating activities	\$ 14,653

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

County of Appomattox, Virginia
 Statement of Fiduciary Net Position
 Fiduciary Fund
 June 30, 2025

	Custodial Fund
	Special Welfare
ASSETS	
Cash and cash equivalents	\$ 13,991
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	\$ 13,991
Total net position	\$ 13,991

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

County of Appomattox, Virginia
 Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 For the Year Ended June 30, 2025

	Custodial Fund
	Special Welfare
ADDITIONS	
Contributions	\$ 6,706
Investment earnings:	
Interest and dividends	13
Total additions	\$ 6,719
DEDUCTIONS	
Recipient payments	\$ 4,239
Total deductions	\$ 4,239
Net increase (decrease) in fiduciary net position	\$ 2,480
Net position, beginning	11,511
Net position, ending	\$ 13,991

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025

Note 1—Summary of Significant Accounting Policies:

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

The financial statements of the County of Appomattox, 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. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers 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, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of 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 Appomattox, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is both legally and substantively separate from the government.

B. Individual Component Unit 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 Appomattox County. The School Board is responsible for the operations of the County's School System within the County boundaries. 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 Board 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 Appomattox County is responsible for industrial and commercial development in the County. The Authority consists of members that are 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 does not issue a separate financial report.

C. Other Related Organizations Included in the County's Financial Report

None

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

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.

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 fund is 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, this fund is not incorporated into the government-wide statements.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

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

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

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

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 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 revenues is used principally to finance the operations of the Component Unit School Board.

Capital Projects Funds - The County Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The County also reports the County Capital Projects Fund as a major fund.

The County reports the following nonmajor governmental funds:

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The County Special Revenue Fund reports the following activities: Asset Forfeiture, E-911, Courthouse Security, Courthouse Maintenance, Jail Keep, Law Library and CSA.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

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

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

2. Proprietary Funds - accounts 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 - 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 Enterprise Fund consists of the Sanitary District Fund.

3. Fiduciary Fund - (Custodial Fund) - accounts for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. This fund includes amounts held for Special Welfare.
4. Component Unit

The Appomattox 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 Appomattox 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: - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

School Activity Funds - This fund accounts for and reports funds collected at the schools in connection with student athletes, clubs, various fundraising activities, and private donations.

School Special Revenue Fund - This fund accounts for and reports the operations of the School Board's food service and textbook programs. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

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

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 are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “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 \$164,906 at June 30, 2025 and is comprised solely of property taxes.

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	June 5/December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

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

H. Capital Assets (Continued)

As the County and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, 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, subscription assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Utility plant	50
Furniture, Vehicles, Office and Computer Equipment	5-20
Lease equipment	3-5
Buses	10
Infrastructure	5-10
Intangibles	5-20
Subscription assets	2-5

I. Leases and Subscription-Based IT Arrangements

The County has various lease assets and subscription-based IT arrangements (SBITAs) 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. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

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). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

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

I. Leases and Subscription-Based IT Arrangements (Continued)

Lessor

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

Subscriptions

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

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease or subscription 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 and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription 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 or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

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

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

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.

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 liability (asset), 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.

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

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.

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 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report 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, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, opioid, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

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

P. Fund Balance

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - 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;
- 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 resolution remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- 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).

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (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, are as follows:

	General Fund	Major Capital Projects Fund County Capital Projects Fund	Nonmajor Special Revenue Fund Other Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 76,271	\$ -	\$ -	\$ 76,271
Leases	606	-	-	606
Total Nonspendable Fund Balance	\$ 76,877	\$ -	\$ -	\$ 76,877
Restricted:				
Veterans wall of honor	\$ 3,038	\$ -	\$ -	\$ 3,038
Asset forfeiture	-	-	75,686	75,686
Courthouse maintenance	-	-	31,797	31,797
Courthouse security fund	-	-	29,400	29,400
Law library	-	-	6,227	6,227
Total Restricted Fund Balance	\$ 3,038	\$ -	\$ 143,110	\$ 146,148
Committed:				
Sports complex	\$ 44,876	\$ -	\$ -	\$ 44,876
Ballpark fund	34	-	-	34
Capital improvements	-	1,400,080	-	1,400,080
Jail keep fund	-	-	10	10
E-911	-	-	524,764	524,764
Total Committed Fund Balance	\$ 44,910	\$ 1,400,080	\$ 524,774	\$ 1,969,764
Unassigned	\$ 29,930,319	\$ -	\$ -	\$ 29,930,319
Total Fund Balances	\$ 30,055,144	\$ 1,400,080	\$ 667,884	\$ 32,123,108

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 March 30th, 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 2—Stewardship, Compliance, and Accounting: (Continued)

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 County Administrator 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, VPA Fund, and the County Capital Improvements Funds of the primary government and the School Operating Fund, School Cafeteria Fund, and School Capital Projects 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 County Capital Projects Fund, County Special Revenue Fund, and School Board Special Revenue Fund at 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 APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of 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 the Standard & Poor's rating scale. The County will minimize credit risk by limiting investments to the safest type of securities.

	<u>Fair Quality Ratings</u>	
	<u>AAAm</u>	
Local Government Investment Pool	\$	<u>22,215,444</u>
Total	\$	<u><u>22,215,444</u></u>

Interest Rate Risk

	<u>Investment Maturities (in years)</u>	
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$ <u>22,215,444</u>	\$ <u>22,215,444</u>
Total	\$ <u><u>22,215,444</u></u>	\$ <u><u>22,215,444</u></u>

External Investment Pools

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 4—Due to/from Other Governments:

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
Appomattox County School Board	\$ 1,243,201	\$ -
Commonwealth of Virginia:		
Local sales tax	359,770	-
Welfare	45,403	-
Rolling stock tax	44,579	-
Comprehensive services	379,947	-
State sales tax	-	589,503
Wireless grant	13,068	-
Auto rental tax	433	-
Constitutional officer reimbursements	168,322	-
Mobile home titling tax	34,641	-
Department of Forestry	32,507	-
Communications tax	58,335	-
Other state funds	-	271,858
Federal Government:		
School fund grants	-	736,878
Byrne JAG grant	3,090	-
Welfare	57,083	-
Total due from other governments	\$ <u>2,440,379</u>	\$ <u>1,598,239</u>

At June 30, 2025, amounts due to other local governments are as follows:

Other Local Governments:		
County of Appomattox	\$ <u>-</u>	\$ <u>1,243,201</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of 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:

Primary Government:

	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,316,010	\$ 694,522	\$ 100,000	\$ 1,910,532
Construction in progress	<u>60,193</u>	<u>3,695,935</u>	<u>-</u>	<u>3,756,128</u>
Total capital assets not subject to depreciation	<u>\$ 1,376,203</u>	<u>\$ 4,390,457</u>	<u>\$ 100,000</u>	<u>\$ 5,666,660</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 13,311,782	\$ 240,960	\$ -	\$ 13,552,742
Equipment	7,049,633	452,435	151,725	7,350,343
Lease equipment	71,974	-	43,895	28,079
Infrastructure	216,319	-	-	216,319
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	<u>26,332,157</u>	<u>-</u>	<u>164,279</u>	<u>26,167,878</u>
Total capital assets subject to depreciation	<u>\$ 48,792,081</u>	<u>\$ 693,395</u>	<u>\$ 359,899</u>	<u>\$ 49,125,577</u>
Accumulated depreciation:				
Buildings and improvements	\$ 8,923,147	\$ 314,555	\$ -	\$ 9,237,702
Equipment	5,637,138	427,082	151,725	5,912,495
Lease equipment	51,843	8,899	43,895	16,847
Infrastructure	111,794	8,432	-	120,226
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	<u>13,832,158</u>	<u>760,091</u>	<u>91,037</u>	<u>14,501,212</u>
Total accumulated depreciation	<u>\$ 30,366,296</u>	<u>\$ 1,519,059</u>	<u>\$ 286,657</u>	<u>\$ 31,598,698</u>
Total capital assets being depreciated, net	<u>\$ 18,425,785</u>	<u>\$ (825,664)</u>	<u>\$ 73,242</u>	<u>\$ 17,526,879</u>
Governmental activities capital assets, net	<u>\$ 19,801,988</u>	<u>\$ 3,564,793</u>	<u>\$ 173,242</u>	<u>\$ 23,193,539</u>
	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
Business-type activities:				
Capital assets not subject to depreciation:				
Utility plant in service	\$ 5,712,281	\$ -	\$ -	\$ 5,712,281
Total capital assets being depreciated	<u>\$ 5,712,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,712,281</u>
Accumulated depreciation:				
Utility plant in service	\$ 1,370,947	\$ 114,245	\$ -	\$ 1,485,192
Total accumulated depreciation	<u>\$ 1,370,947</u>	<u>\$ 114,245</u>	<u>\$ -</u>	<u>\$ 1,485,192</u>
Total capital assets being depreciated, net	<u>\$ 4,341,334</u>	<u>\$ (114,245)</u>	<u>\$ -</u>	<u>\$ 4,227,089</u>
Business-type capital assets, net	<u>\$ 4,341,334</u>	<u>\$ (114,245)</u>	<u>\$ -</u>	<u>\$ 4,227,089</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of 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>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 211,370	\$ -	\$ -	\$ 211,370
Construction in progress	<u>4,494,450</u>	<u>-</u>	<u>4,494,450</u>	<u>-</u>
Total capital assets not subject to depreciation	<u>\$ 4,705,820</u>	<u>\$ -</u>	<u>\$ 4,494,450</u>	<u>\$ 211,370</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 2,198,003	\$ 6,014,615	\$ -	\$ 8,212,618
Equipment	10,216,458	516,773	-	10,733,231
Lease equipment	8,431	-	-	8,431
Subscription asset	36,396	-	36,396	-
Jointly owned assets	<u>20,031,854</u>	<u>-</u>	<u>(164,279)</u>	<u>20,196,133</u>
Total capital assets subject to depreciation	<u>\$ 32,491,142</u>	<u>\$ 6,531,388</u>	<u>\$ (127,883)</u>	<u>\$ 39,150,413</u>
Accumulated depreciation:				
Buildings and improvements	\$ 861,878	\$ 229,072	\$ -	\$ 1,090,950
Equipment	5,383,851	717,795	-	6,101,646
Lease equipment	5,145	1,715	-	6,860
Subscription asset	24,956	11,440	36,396	-
Jointly owned assets	<u>10,522,637</u>	<u>578,230</u>	<u>(91,037)</u>	<u>11,191,904</u>
Total accumulated depreciation	<u>\$ 16,798,467</u>	<u>\$ 1,538,252</u>	<u>\$ (54,641)</u>	<u>\$ 18,391,360</u>
Total capital assets being depreciated, net	<u>\$ 15,692,675</u>	<u>\$ 4,993,136</u>	<u>\$ (73,242)</u>	<u>\$ 20,759,053</u>
Governmental activities capital assets, net	<u>\$ 20,398,495</u>	<u>\$ 4,993,136</u>	<u>\$ 4,421,208</u>	<u>\$ 20,970,423</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of 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 - Economic Development Authority:

	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
Business-type activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,381,873	\$ -	\$ -	\$ 1,381,873
Total capital assets not subject to depreciation	\$ 1,381,873	\$ -	\$ -	\$ 1,381,873
Capital assets subject to depreciation:				
Infrastructure	\$ 1,917,079	\$ -	\$ -	\$ 1,917,079
Total capital assets subject to depreciation	\$ 1,917,079	\$ -	\$ -	\$ 1,917,079
Accumulated depreciation:				
Infrastructure	\$ 1,100,903	\$ 46,530	\$ -	\$ 1,147,433
Total accumulated depreciation	\$ 1,100,903	\$ 46,530	\$ -	\$ 1,147,433
Total capital assets being depreciated, net	\$ 816,176	\$ (46,530)	\$ -	\$ 769,646
Business-type capital assets, net	<u>\$ 2,198,049</u>	<u>\$ (46,530)</u>	<u>\$ -</u>	<u>\$ 2,151,519</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government:

Governmental activities:

General government administration	\$	102,710
Judicial administration		132,968
Public safety		294,529
Public works		66,553
Health and welfare		31,052
Education		760,091
Parks, recreation and cultural		94,760
Community development		<u>36,396</u>

Total Governmental activities \$ 1,519,059

Business-type activities:

Sanitary District Fund \$ 114,245

Total Primary Government \$ 1,633,304

Component Unit School Board \$ 1,538,252

Component Unit Economic Development Authority \$ 46,530

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 6—Interfund Transfers and Obligations:

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:		
Governmental Funds:		
General Fund	\$ 1,371,994	\$ 102,712
County Special Revenue Fund	-	339,866
County Capital Projects Fund	<u>102,712</u>	<u>1,032,128</u>
Total Governmental Funds	<u>\$ 1,474,706</u>	<u>\$ 1,474,706</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.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 7—Long-Term Obligations:

Primary Government:

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

	Balance at July 1, 2024	Restatement	Balance at July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Governmental Activities:							
Incurred by County:							
Compensated absences*	\$ 415,121	\$ 510,991	\$ 926,112	\$ -	\$ 22,839	\$ 903,273	\$ 90,327
Direct borrowings:							
Lease revenue bonds	3,080,000	-	3,080,000	-	1,720,000	1,360,000	1,360,000
Issuance premium	32,463	-	32,463	-	8,116	24,347	-
Lease liabilities	20,616	-	20,616	-	8,921	11,695	5,762
Net OPEB liabilities	599,991	-	599,991	135,668	188,377	547,282	-
Net pension liability	4,771,212	-	4,771,212	2,690,942	3,665,072	3,797,082	-
Landfill postclosure care liability	2,280,623	-	2,280,623	133,765	-	2,414,388	-
Total incurred by County	<u>\$ 11,200,026</u>	<u>\$ 510,991</u>	<u>\$ 11,711,017</u>	<u>\$ 2,960,375</u>	<u>\$ 5,613,325</u>	<u>\$ 9,058,067</u>	<u>\$ 1,456,089</u>
Incurred by School Board:							
Direct placements:							
General obligation bonds	\$ 2,499,999	\$ -	\$ 2,499,999	\$ -	\$ 833,333	\$ 1,666,666	\$ 833,333
Direct borrowings:							
Lease revenue bonds	10,000,000	-	10,000,000	-	-	10,000,000	-
Total incurred by School Board	<u>\$ 12,499,999</u>	<u>\$ -</u>	<u>\$ 12,499,999</u>	<u>\$ -</u>	<u>\$ 833,333</u>	<u>\$ 11,666,666</u>	<u>\$ 833,333</u>
Total Governmental Activities	<u>\$ 23,700,025</u>	<u>\$ 510,991</u>	<u>\$ 25,504,972</u>	<u>\$ 2,960,375</u>	<u>\$ 6,446,658</u>	<u>\$ 20,724,733</u>	<u>\$ 2,289,422</u>

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Governmental Activities

Year Ending June 30,	County Obligations			
	Direct Borrowings		Lease Liabilities	
	Lease Revenue			
	Bonds			
	Principal	Interest	Principal	Interest
2026	\$ 1,360,000	\$ 31,280	\$ 5,762	\$ 264
2027	-	-	5,933	93
Total	\$ <u>1,360,000</u>	\$ <u>31,280</u>	\$ <u>11,695</u>	\$ <u>357</u>

Year Ending June 30,	School Obligations			
	Direct Placements		Direct Borrowings	
	General Obligation		Lease Revenue	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 833,333	\$ 450,000	\$ -	\$ 199,000
2027	833,333	450,000	-	199,000
2028	-	-	580,000	194,000
2029	-	-	595,000	178,038
2030	-	-	605,000	166,793
2031	-	-	615,000	155,358
2032	-	-	630,000	143,735
2033	-	-	640,000	131,828
2034	-	-	650,000	119,731
2035	-	-	665,000	107,446
2036	-	-	675,000	94,878
2037	-	-	690,000	82,121
2038	-	-	705,000	69,079
2039	-	-	715,000	55,755
2040	-	-	730,000	42,242
2041	-	-	745,000	28,444
2042	-	-	760,000	14,364
Total	\$ <u>1,666,666</u>	\$ <u>900,000</u>	\$ <u>10,000,000</u>	\$ <u>1,981,812</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations at June 30, 2025 are as follows:

Governmental Activities:

Incurred by County:

Direct Borrowings:

Lease Revenue Bonds:

\$7,110,000 refunding lease revenue bond issued May 5, 2016, payable in varying annual installments, interest at 2.30%, through May 1, 2026. \$ 1,360,000

Issuance premium \$ 24,347

Lease Liabilities:

\$28,079 copier lease issued July 1, 2022, payable in monthly installments, interest at 2.907%, through June 1, 2027. \$ 11,695

Total lease liabilities \$ 11,695

Net OPEB liabilities (payable by the general fund) \$ 547,282

Net pension liability \$ 3,797,082

Landfill postclosure care liability (payable by the general fund) \$ 2,414,388

Compensated absences (payable by the general fund) \$ 903,273

Total Incurred by County \$ 9,058,067

Incurred by School Board:

Direct Placements:

General Obligation bonds

\$10,000,000 school bond issued June 26, 2011, payable in varying amounts, interest at 0.00%, through June 1, 2027. \$ 1,666,666

Total General Obligation Bonds \$ 1,666,666

Lease Revenue Bonds:

\$10,000,000 lease revenue bond issued October 6, 2021, payable in varying annual installments, interest at 1.89%, through May 1, 2042. \$ 10,000,000

Total capital lease obligations \$ 10,000,000

Total Incurred by School Board \$ 11,666,666

Total Governmental Activities \$ 20,724,733

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

The County’s outstanding direct placements related to governmental activities of \$1,666,666 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

Discretely Presented Component Unit - School Board:

The following is a summary of long-term obligation transactions of the Component Unit School Board for the fiscal year ended June 30, 2025:

	Balance at July 1, 2024		Balance at July 1, 2024		Balance at June 30, 2025		Amounts Due Within One Year
		Restatement		Increases	Decreases		
Component Unit-School Board:							
Compensated absences*	\$ -	\$ 1,837,843	\$ 1,837,843	\$ 280,816	\$ -	\$ 2,118,659	\$ 211,866
Lease liability	3,341	-	3,341	-	1,734	1,607	1,607
Net pension liability	14,138,969	-	14,138,969	6,247,055	7,007,765	13,378,259	-
Net OPEB liabilities	3,683,727	-	3,683,727	757,972	938,744	3,502,955	-
Total Component Unit-School Board	\$ 17,826,037	\$ 1,837,843	\$ 19,663,880	\$ 7,285,843	\$ 7,948,243	\$ 19,001,480	\$ 213,473

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

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

Year Ending June 30	Lease Liability	
	Principal	Interest
2026	\$ 1,607	\$ 9
Total	\$ 1,607	\$ 9

Details of long-term obligations at June 30, 2025 are as follows:

Compensated absences	\$ 2,118,659
Net pension liability	13,378,259
Net OPEB liabilities (payable from the School Fund)	3,502,955

Lease Liability:

\$8,4311 postage machine lease issued July 1, 2021, payable in monthly installments, interest at 1.177%, through May 1, 2026.

	1,607
Long-term obligations incurred by the School Board (payable from the School Fund)	\$ 19,001,480

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 8—Deferred, Unavailable, and Unearned 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 reporting periods are deferred. Unavailable revenue totaling \$9,218,306 is comprised of the following:

	<u>Government-wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures.	\$ -	\$ 1,581,962
2nd half assessments due on December 5, 2025	7,169,405	7,169,405
Prepaid property taxes due on December 5, 2025, but paid in advance by the taxpayers.	<u>466,939</u>	<u>466,939</u>
Total deferred inflows of resources	<u>\$ 7,636,344</u>	<u>\$ 9,218,306</u>

The County reports unavailable revenue related to opioid settlement funds in the amount of \$169,861 as of June 30, 2025.

The County reports unearned revenue of \$714,825 as of June 30, 2025, which is all related to unspent ARPA funding.

Note 9—Commitments and Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

A memorandum of understanding was issued on April 12, 1999 between the County and the Town of Appomattox for the purchase of water rights. The Town entered into a financing agreement with the VRA and the County agreed to pay the Town 48.67% of the debt for the use of 146,000 gallons of water per day.

Note 10—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 11—Risk Management:

The County and the Component Unit School Board are 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 11—Risk Management: (Continued)

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. 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 Virginia Municipal Group 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 also participates with other localities in a public entity risk pool for their coverage of general liability and auto insurance with Virginia Municipal League and public officials' liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County pays an annual premium to the pools for general insurance through member premiums. The County continues to carry commercial insurance for all other risks of loss. The Component Unit School Board carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12—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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—Pension Plans: (Continued)

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

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 1.7% 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—Pension Plans: (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 pension plan:

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	95	30
Inactive members:		
Vested inactive members	23	4
Non-vested inactive members	25	16
Inactive members active elsewhere in VRS	<u>33</u>	<u>7</u>
Total inactive members	81	27
Active members	<u>100</u>	<u>31</u>
Total covered employees	<u><u>276</u></u>	<u><u>88</u></u>

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 15.92% 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 \$912,445 and \$875,060 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board’s contractually employer required contribution rate for nonprofessional employees for the year ended June 30, 2025 was 1.73% 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 \$16,164 and \$22,815 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—Pension Plans: (Continued)

Contributions (Continued)

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 \$21,055 and \$5,378 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 \$14,071 and \$3,689 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,943,775 and \$527,771 for the County and School Board, respectively, for the year ended June 30, 2025

Net Pension Liability (Asset)

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: (Continued)

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—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 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—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	\$ 30,940,639	\$ 26,169,427	\$ 4,771,212
Changes for the year:			
Service cost	\$ 609,487	\$ -	\$ 609,487
Interest	2,064,490	-	2,064,490
Differences between expected and actual experience	(33,060)	-	(33,060)
Contributions - employer	-	875,056	(875,056)
Contributions - employee	-	250,399	(250,399)
Net investment income	-	2,506,178	(2,506,178)
Benefit payments, including refunds			
Refund of employee contributions	(1,930,184)	(1,930,184)	-
Administrative expenses	-	(16,965)	16,965
Other changes	-	379	(379)
Net changes	\$ 710,733	\$ 1,684,863	\$ (974,130)
Balances at June 30, 2024	\$ 31,651,372	\$ 27,854,290	\$ 3,797,082

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—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	\$ 3,869,135	\$ 4,271,607	\$ (402,472)
Changes for the year:			
Service cost	\$ 64,774	\$ -	\$ 64,774
Interest	259,387	-	259,387
Differences between expected and actual experience	46,029	-	46,029
Contributions - employer	-	22,914	(22,914)
Contributions - employee	-	40,693	(40,693)
Net investment income	-	411,199	(411,199)
Benefit payments, including refunds			
Refund of employee contributions	(182,273)	(182,273)	-
Administrative expenses	-	(2,792)	2,792
Other changes	-	83	(83)
Net changes	\$ 187,917	\$ 289,824	\$ (101,907)
Balances at June 30, 2024	\$ 4,057,052	\$ 4,561,431	\$ (504,379)

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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 7,492,068	\$ 3,797,082	\$ 728,833
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (12,392)	\$ (504,379)	\$ (905,418)

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—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 \$454,331 and \$(47,870) 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	\$ 270,438	\$ 48,284	\$ 24,214	\$ 1,516
Change of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	733,372	-	121,027
Employer contributions subsequent to the measurement date	912,445	-	16,164	-
Total	\$ 1,182,883	\$ 781,656	\$ 40,378	\$ 122,543

\$912,445 and \$16,164 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	\$ (468,466)	\$ (85,636)
2027	250,579	35,984
2028	(139,838)	(23,283)
2029	(153,493)	(25,394)
Thereafter	-	-

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—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 Board were \$2,328,050 and \$2,403,750 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 \$73,420 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 \$71,815 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$8,193,866 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 \$13,378,259 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 0.14252% as compared to 0.13989% at June 30, 2023.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—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 \$1,467,867. 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	\$ 2,320,939	\$ 275,468
Change of assumptions	242,833	-
Net difference between projected and actual earnings on pension plan investments	-	1,841,526
Changes in proportion and differences between employer contributions and proportionate share of contributions	554,884	93,858
Employer contributions subsequent to the measurement date	<u>2,328,050</u>	<u>-</u>
Total	<u>\$ 5,446,706</u>	<u>\$ 2,210,852</u>

\$2,328,050 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2026	\$ (614,120)
2027	1,348,108
2028	304,595
2029	(130,779)
2030	-

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—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 standard rates

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—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):

	Teacher Employee Retirement Plan
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 APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 12—Pension Plans: (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)	\$ 24,854,183	\$ 13,378,259	\$ 3,979,842

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.

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 1,182,883	\$ 781,656	\$ 3,797,082	\$ 454,331	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	40,378	122,543	(504,379)	(47,870)
School Board Professional	-	-	-	-	5,446,706	2,210,852	13,378,259	1,467,867
Totals	<u>\$ 1,182,883</u>	<u>\$ 781,656</u>	<u>\$ 3,797,082</u>	<u>\$ 454,331</u>	<u>\$ 5,487,084</u>	<u>\$ 2,333,395</u>	<u>\$ 12,873,880</u>	<u>\$ 1,419,997</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions (Continued)

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 GLI Plan from the County were \$26,938 and \$29,002 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$77,001 and \$82,882 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 \$4,391 and \$4,826 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 \$233,451 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$667,098 and \$38,834, 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 0.02092% as compared to 0.02207% at June 30, 2023. At June 30, 2024, the Component Unit School Board professional and nonprofessional groups' proportion was 0.05978% and 0.00348%, respectively as compared to 0.05961% and 0.00364%, respectively at June 30, 2023.

For the year ended June 30, 2025, the County recognized GLI OPEB expense of \$5,363. For the year ended June 30, 2025, the Component Unit School Board professional group recognized GLI OPEB expense of \$16,896. For the year ended June 30, 2025, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$491. 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.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the 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	\$ 36,821	\$ 5,702	\$ 105,217	\$ 16,295	\$ 6,125	\$ 949
Net difference between projected and actual earnings on GLI OPEB plan investments	-	19,677	-	56,229	-	3,273
Change of assumptions	1,331	11,569	3,802	33,060	221	1,925
Changes in proportionate share	13,028	13,459	25,340	13,553	1,770	2,272
Employer contributions subsequent to the measurement date	26,938	-	77,001	-	4,391	-
Total	\$ 78,118	\$ 50,407	\$ 211,360	\$ 119,137	\$ 12,507	\$ 8,419

\$26,938, \$77,001 and \$4,391, 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	\$ (9,781)	\$ (26,634)	\$ (1,431)
2027	5,506	18,157	953
2028	1,794	7,304	(174)
2029	1,709	5,728	37
2030	1,545	10,667	312
Thereafter	-	-	-

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers (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

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 APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees (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 APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (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 are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
Employers' Net GLI 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 APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—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:

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 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 13—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	\$ 363,046	\$ 233,451	\$ 128,755
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 1,037,424	\$ 667,098	\$ 367,923
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 60,392	\$ 38,834	\$ 21,418

GLI 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 APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 14—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:

	Component Unit School Board (nonprofessional)
Inactive members or their beneficiaries currently receiving benefits	13
Active members	38
Total covered employees	<u>51</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 Component Unit School Board's (nonprofessional) contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 0.57% 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 Component Unit School Board to the HIC Plan for nonprofessional employees were \$5,326 and \$5,094 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 14—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 APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 14—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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	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 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 14—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

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 91,811	\$ 53,015	\$ 38,796
Changes for the year:			
Service cost	\$ 615	\$ -	\$ 615
Interest	6,060	-	6,060
Assumption changes	-	-	-
Differences between expected and actual experience	(6,222)	-	(6,222)
Contributions - employer	-	5,095	(5,095)
Net investment income	-	5,009	(5,009)
Benefit payments	(5,292)	(5,292)	-
Administrative expenses	-	(69)	69
Net changes	\$ (4,839)	\$ 4,743	\$ (9,582)
Balances at June 30, 2024	\$ 86,972	\$ 57,758	\$ 29,214

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Sensitivity of the Component Unit School Board’s HIC Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the Component Unit School Board’s (nonprofessional) HIC Plan net HIC OPEB liability (asset) using the discount rate of 6.75%, as well as what the Component Unit School Board’s (nonprofessional) net HIC OPEB 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%)
Component Unit School Board (nonprofessional):			
Net HIC OPEB Liability	\$ 37,850	\$ 29,214	\$ 21,836

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 Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$4,111. At June 30, 2025, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board’s (nonprofessional) HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 271	\$ 4,555
Change in assumptions and differences between actual and expected contributions	4,133	-
Net difference between projected and actual earnings on HIC OPEB plan investments	-	1,142
Employer contributions subsequent to the measurement date	5,326	-
Total	\$ 9,730	\$ 5,697

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

\$5,326 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board’s (nonprofessional) 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	\$ 114
2027	(231)
2028	(889)
2029	(287)
2030	-
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Program is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <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 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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 \$198,236 and \$185,717 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the school division reported a liability of \$1,655,581 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan 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 Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan 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 0.14326% as compared to 0.14090% at June 30, 2023.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15—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)

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$137,700. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 78,437
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	5,889
Change in assumptions and differences between actual and expected contributions	28,521	-
Change in proportionate share	82,101	25,740
Employer contributions subsequent to the measurement date	<u>198,236</u>	<u>-</u>
Total	<u>\$ 308,858</u>	<u>\$ 110,066</u>

\$198,236 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	\$ (5,777)
2027	2,441
2028	2,108
2029	2,711
2030	(1,562)
Thereafter	635

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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 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 is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
		<u> </u>
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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15—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 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 15—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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division’s proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,882,809	\$ 1,655,581	\$ 1,462,985

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 APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan):

County and School Board

Plan Description

In addition to the pension and VRS OPEB benefits described in Notes 12 through 15, the County administers a single-employer defined benefit healthcare plan, The County of Appomattox Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension and VRS OPEB plans. The plan does not issue a publicly available financial report.

In addition to the pension and VRS OPEB benefits described in Notes 12 through 15, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Appomattox County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’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.

Postemployment benefits that are provided to eligible School Board 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 School Board 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	Component Unit School Board
Total active employees with coverage	98	303
Total retirees and spouses with coverage	4	4
Total	102	307

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$34,437 and \$46,785, respectively.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Total OPEB Liability

The County and School Board’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.

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	2.50% per year
Discount Rate	5.20% per year

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 2024; 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 2024; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2024; males 115% of rates; females 130% of rates.

Mortality rates for the School Board were based on the following actuarial assumptions:

Pre-Retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2024. 5% of deaths are assumed to be service related.

Post-Retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2024; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2024; 115% of rates for males and females.

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 20 Year Tax-Exempt Municipal Bond Yield of their respective measurement dates.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2024	\$ 335,303	\$ 1,178,993
Changes for the year:		
Service cost	24,121	50,484
Interest	13,642	47,408
Changes of assumptions	(34,437)	(117,872)
Benefit payments	(24,798)	(46,785)
Net changes	\$ (21,472)	\$ (66,765)
Balances at June 30, 2025	\$ 313,831	\$ 1,112,228

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

The following amounts present the total OPEB liability of the County and School Board, 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%)
Primary Government:			
Total OPEB liability	\$ 340,527	\$ 313,831	\$ 290,008
Component Unit School Board:			
Total OPEB liability	\$ 1,204,150	\$ 1,112,228	\$ 1,027,128

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

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

The following presents the total OPEB liability of the County and School Board, 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 (4.50% to 3.00%)	Healthcare Cost Trend (6.10% to 3.90%)	1% Increase (6.50% to 5.00%)
Primary Government:			
Total OPEB liability	\$ 297,977	\$ 335,303	\$ 379,303

	Rates		
	1% Decrease (7.20% to 2.90%)	Healthcare Cost Trend (6.20% to 3.90%)	1% Increase (9.20% to 4.90%)
Component Unit School Board:			
Total OPEB liability	\$ 1,040,746	\$ 1,178,993	\$ 1,341,160

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

For the year ended June 30, 2025, the County and the School Board recognized OPEB expense in the amount of \$20,581 and \$42,493. At June 30, 2024, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 65,333	\$ 103,145	\$ 217,971
Changes in assumptions	2,519	54,121	30,505	249,306
Total	\$ 2,519	\$ 119,454	\$ 133,650	\$ 467,277

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (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:

Year Ended June 30	Primary Government	Component Unit School Board
2026	\$ (45,045)	\$ (55,675)
2027	(45,045)	(56,770)
2028	(18,827)	(59,918)
2029	(8,018)	(67,261)
2030	-	(71,855)
Thereafter	-	(22,148)

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 17—Summary of Other Postemployment Benefit Plans:

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 13):								
County	\$ 78,118	\$ 50,407	\$ 233,451	\$ 5,363	\$ -	\$ -	\$ -	\$ -
School Board Professional	-	-	-	-	211,360	119,137	667,098	16,896
School Board Nonprofessional	-	-	-	-	12,507	8,419	38,834	491
School Board (nonprofessional) Health Insurance Credit Plan (Note 14)	-	-	-	-	9,730	5,697	29,214	4,111
Teacher Health Insurance Credit Plan (Note 15)	-	-	-	-	308,858	110,066	1,655,581	137,700
County Stand-Alone Plan (Note 16)	2,519	119,454	313,831	20,581	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	133,650	467,277	1,112,228	42,493
Totals	<u>\$ 80,637</u>	<u>\$ 169,861</u>	<u>\$ 547,282</u>	<u>\$ 25,944</u>	<u>\$ 676,105</u>	<u>\$ 710,596</u>	<u>\$ 3,502,955</u>	<u>\$ 201,691</u>

Note 18—Landfill Closure and Postclosure Costs:

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. In addition, the County participates in a Regional Landfill and is liable for its portion of closure and postclosure monitoring costs. In conjunction with both, an environmental engineering firm was engaged to devise a closure plan in accordance with federal and state regulations. The \$2,414,388 reported as landfill postclosure liability at June 30, 2025, represents the estimated liability for postclosure monitoring over the remaining twenty-seven years for the County Landfill and the closure and postclosure costs of the Regional Landfill. These amounts are based on what it would cost to perform all postclosure care in 2026. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 18—Landfill Closure and Postclosure Costs: (Continued)

The County has demonstrated financial assurance requirements for closure, postclosure care, and corrective action cost through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 19—Surety Bonds:

The Commonwealth of Virginia has established a Faithful Performance of Duty Bond Plan to cover the following positions:

	<u>Amount</u>
Division of Risk Management Surety:	
Commonwealth Funds	
Janet A. Hix, Clerk of the Circuit Court	\$ 115,430
Victoria C. Phelps, Treasurer	400,000
Sara R. Henderson, Commissioner of the Revenue	3,000
Donald D. Simpson, Sheriff	30,000
Utica Mutual Insurance Company-Surety:	
Clerk and Deputy Clerk of the School Board	10,000
Virginia Local Government Risk Management Plan:	
All Social Services Employees	1,000,000

Note 20—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 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 \$16,435.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2025 (Continued)

Note 21—Lease Receivable:

The County leases a building under the following contract. In fiscal year 2024, the County recognized lease revenue in the amount of \$29,490. A description of the lease is as follows:

<u>Lease Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Payment Frequency</u>	<u>Discount Rate</u>	<u>Receivable Balance</u>
Tower	7/1/2021	5/1/2026	Monthly	1.177%	\$ 27,339
Total					<u>\$ 27,339</u>

Note 22—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 23—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 24 below.

Note 24—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	\$ 30,835,903	\$ 8,878,015
Implementation of GASB 101:		
Restatement of compensated absences	(510,991)	(1,837,843)
Balance, July 1, 2024, as restated	<u>\$ 30,324,912</u>	<u>\$ 7,040,172</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
General property taxes	\$ 15,940,100	\$ 15,940,100	\$ 16,212,826	\$ 272,726
Other local taxes	2,909,000	2,909,000	3,287,214	378,214
Permits, privilege fees, and regulatory licenses	104,350	104,350	134,460	30,110
Fines and forfeitures	73,850	218,277	184,681	(33,596)
Revenue from the use of money and property	894,350	894,350	1,165,637	271,287
Charges for services	121,494	121,494	164,431	42,937
Miscellaneous	252,800	252,800	1,218,511	965,711
Recovered costs	160,392	160,392	201,189	40,797
Intergovernmental:				
Commonwealth	6,212,457	6,212,457	9,985,984	3,773,527
Federal	1,769,116	1,769,116	3,283,813	1,514,697
Total revenues	<u>\$ 28,437,909</u>	<u>\$ 28,582,336</u>	<u>\$ 35,838,746</u>	<u>\$ 7,256,410</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,715,797	\$ 4,181,326	\$ 4,128,410	\$ 52,916
Judicial administration	1,384,014	1,413,180	1,272,555	140,625
Public safety	5,785,428	7,431,201	7,218,767	212,434
Public works	2,217,038	2,261,080	2,103,360	157,720
Health and welfare	4,648,629	5,877,359	5,200,008	677,351
Education	7,637,428	7,637,441	7,042,497	594,944
Parks, recreation, and cultural	570,860	608,979	579,253	29,726
Community development	323,677	725,029	684,024	41,005
Capital projects	300,000	4,283,045	3,836,267	446,778
Debt service:				
Principal retirement	2,562,254	2,562,254	2,562,254	-
Interest and other fiscal charges	710,919	710,919	528,516	182,403
Total expenditures	<u>\$ 28,856,044</u>	<u>\$ 37,691,813</u>	<u>\$ 35,155,911</u>	<u>\$ 2,535,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (418,135)</u>	<u>\$ (9,109,477)</u>	<u>\$ 682,835</u>	<u>\$ 9,792,312</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 1,371,994	\$ 1,371,994
Transfers out	-	-	(102,712)	(102,712)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,269,282</u>	<u>\$ 1,269,282</u>
Net change in fund balances	\$ (418,135)	\$ (9,109,477)	\$ 1,952,117	\$ 11,061,594
Fund balances - beginning	418,135	9,109,477	28,103,027	18,993,550
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,055,144</u>	<u>\$ 30,055,144</u>

County of Appomattox, 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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 609,487	\$ 623,643	\$ 512,823	\$ 482,840
Interest	2,064,490	1,964,912	1,929,020	1,754,893
Changes of assumptions	-	-	-	1,060,035
Differences between expected and actual experience	(33,060)	706,630	(340,673)	427,972
Benefit payments	(1,930,184)	(1,681,418)	(1,679,102)	(1,638,709)
Net change in total pension liability	<u>\$ 710,733</u>	<u>\$ 1,613,767</u>	<u>\$ 422,068</u>	<u>\$ 2,087,031</u>
Total pension liability - beginning	30,940,639	29,326,872	28,904,804	26,817,773
Total pension liability - ending (a)	<u>\$ 31,651,372</u>	<u>\$ 30,940,639</u>	<u>\$ 29,326,872</u>	<u>\$ 28,904,804</u>
Plan fiduciary net position				
Contributions - employer	\$ 875,056	\$ 848,096	\$ 661,715	\$ 608,406
Contributions - employee	250,399	243,593	217,951	201,276
Net investment income	2,506,178	1,609,403	(17,396)	5,692,045
Benefit payments	(1,930,184)	(1,681,418)	(1,679,102)	(1,638,709)
Administrator charges	(16,965)	(16,139)	(16,278)	(14,573)
Other	379	648	591	533
Net change in plan fiduciary net position	<u>\$ 1,684,863</u>	<u>\$ 1,004,183</u>	<u>\$ (832,519)</u>	<u>\$ 4,848,978</u>
Plan fiduciary net position - beginning	26,169,427	25,165,244	25,997,763	21,148,785
Plan fiduciary net position - ending (b)	<u>\$ 27,854,290</u>	<u>\$ 26,169,427</u>	<u>\$ 25,165,244</u>	<u>\$ 25,997,763</u>
County's net pension liability - ending (a) - (b)	\$ 3,797,082	\$ 4,771,212	\$ 4,161,628	\$ 2,907,041
Plan fiduciary net position as a percentage of the total pension liability	88.00%	84.58%	85.81%	89.94%
Covered payroll	\$ 5,370,815	\$ 5,197,683	\$ 4,643,018	\$ 4,232,528
County's net pension liability as a percentage of covered payroll	70.70%	91.79%	89.63%	68.68%

Exhibit 13

	2020	2019	2018	2017	2016	2015
\$	500,159	\$ 470,340	\$ 467,473	\$ 471,974	\$ 475,356	\$ 449,518
	1,751,831	1,696,748	1,669,739	1,653,770	1,613,882	1,553,677
	-	709,716	-	(83,838)	-	-
	(566,682)	402,255	(234,652)	(392,868)	(158,308)	139,018
	(1,641,169)	(1,489,377)	(1,544,047)	(1,297,767)	(1,424,435)	(1,139,855)
\$	44,139	\$ 1,789,682	\$ 358,513	\$ 351,271	\$ 506,495	\$ 1,002,358
	26,773,634	24,983,952	24,625,439	24,274,168	23,767,673	22,765,315
\$	<u>26,817,773</u>	<u>26,773,634</u>	<u>24,983,952</u>	<u>24,625,439</u>	<u>24,274,168</u>	<u>23,767,673</u>
\$	557,249	\$ 548,381	\$ 516,585	\$ 535,438	\$ 591,434	\$ 594,544
	202,486	199,618	190,974	198,487	200,396	198,597
	416,575	1,372,961	1,487,792	2,246,866	319,618	841,298
	(1,641,169)	(1,489,377)	(1,544,047)	(1,297,767)	(1,424,435)	(1,139,855)
	(14,381)	(14,004)	(13,246)	(13,247)	(11,956)	(11,689)
	(477)	(863)	(1,304)	(1,991)	(137)	(177)
\$	(479,717)	\$ 616,716	\$ 636,754	\$ 1,667,786	\$ (325,080)	\$ 482,718
	21,628,502	21,011,786	20,375,032	18,707,246	19,032,326	18,549,608
\$	<u>21,148,785</u>	<u>21,628,502</u>	<u>21,011,786</u>	<u>20,375,032</u>	<u>18,707,246</u>	<u>19,032,326</u>
\$	5,668,988	\$ 5,145,132	\$ 3,972,166	\$ 4,250,407	\$ 5,566,922	\$ 4,735,347
	78.86%	80.78%	84.10%	82.74%	77.07%	80.08%
\$	4,195,538	\$ 4,099,959	\$ 3,923,417	\$ 4,059,748	\$ 4,017,722	\$ 4,031,328
	135.12%	125.49%	101.24%	104.70%	138.56%	117.46%

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

	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 64,774	\$ 70,006	\$ 62,333	\$ 66,361
Interest	259,387	250,426	238,854	223,236
Changes of assumptions	-	-	-	48,336
Differences between expected and actual experience	46,029	(10,990)	30,187	6,017
Benefit payments	(182,273)	(160,637)	(174,581)	(175,214)
Net change in total pension liability	<u>\$ 187,917</u>	<u>\$ 148,805</u>	<u>\$ 156,793</u>	<u>\$ 168,736</u>
Total pension liability - beginning	3,869,135	3,720,330	3,563,537	3,394,801
Total pension liability - ending (a)	<u>\$ 4,057,052</u>	<u>\$ 3,869,135</u>	<u>\$ 3,720,330</u>	<u>\$ 3,563,537</u>
Plan fiduciary net position				
Contributions - employer	\$ 22,914	\$ 22,514	\$ 23,228	\$ 22,185
Contributions - employee	40,693	46,956	37,098	34,722
Net investment income	411,199	263,194	(3,300)	924,290
Benefit payments	(182,273)	(160,637)	(174,581)	(175,214)
Administrator charges	(2,792)	(2,639)	(2,646)	(2,353)
Other	83	106	96	87
Net change in plan fiduciary net position	<u>\$ 289,824</u>	<u>\$ 169,494</u>	<u>\$ (120,105)</u>	<u>\$ 803,717</u>
Plan fiduciary net position - beginning	4,271,607	4,102,113	4,222,218	3,418,501
Plan fiduciary net position - ending (b)	<u>\$ 4,561,431</u>	<u>\$ 4,271,607</u>	<u>\$ 4,102,113</u>	<u>\$ 4,222,218</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (504,379)	\$ (402,472)	\$ (381,783)	\$ (658,681)
Plan fiduciary net position as a percentage of the total pension liability	112.43%	110.40%	110.26%	118.48%
Covered payroll	\$ 893,735	\$ 857,811	\$ 798,712	\$ 746,899
School Division's net pension liability (asset) as a percentage of covered payroll	-56.43%	-46.92%	-47.80%	-88.19%

Exhibit 14

	2020	2019	2018	2017	2016	2015
\$	63,328	\$ 75,941	\$ 74,166	\$ 66,645	\$ 73,359	\$ 76,215
	222,138	213,298	203,493	197,717	197,119	189,111
	-	90,656	-	(46,624)	-	-
	(95,522)	22,650	3,610	1,431	(124,790)	(19,255)
	(172,139)	(145,315)	(137,096)	(136,196)	(138,104)	(125,249)
\$	17,805	\$ 257,230	\$ 144,173	\$ 82,973	\$ 7,584	\$ 120,822
	3,376,996	3,119,766	2,975,593	2,892,620	2,885,036	2,764,214
\$	<u>3,394,801</u>	<u>3,376,996</u>	<u>3,119,766</u>	<u>2,975,593</u>	<u>2,892,620</u>	<u>2,885,036</u>
\$	25,059	\$ 23,651	\$ 29,202	\$ 28,969	\$ 50,808	\$ 51,385
	33,461	30,898	34,319	33,843	33,523	34,024
	66,111	220,303	234,152	351,265	49,925	128,667
	(172,139)	(145,315)	(137,096)	(136,196)	(138,104)	(125,249)
	(2,296)	(2,224)	(2,044)	(2,059)	(1,819)	(1,778)
	(77)	(138)	(207)	(311)	(21)	(24)
\$	(49,881)	\$ 127,175	\$ 158,326	\$ 275,511	\$ (5,688)	\$ 87,025
	3,468,382	3,341,207	3,182,881	2,907,370	2,913,058	2,826,033
\$	<u>3,418,501</u>	<u>3,468,382</u>	<u>3,341,207</u>	<u>3,182,881</u>	<u>2,907,370</u>	<u>2,913,058</u>
\$	(23,700)	\$ (91,386)	\$ (221,441)	\$ (207,288)	\$ (14,750)	\$ (28,022)
	100.70%	102.71%	107.10%	106.97%	100.51%	100.97%
\$	711,305	\$ 637,408	\$ 702,216	\$ 691,800	\$ 683,214	\$ 686,311
	-3.33%	-14.34%	-31.53%	-29.96%	-2.16%	-4.08%

County of Appomattox, Virginia
 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

Exhibit 15

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
(1)	(2)	(3)	(4)	(5)	(6)
2024	0.14252%	\$ 13,378,259	\$ 15,348,544	87.16%	84.52%
2023	0.13989%	14,138,969	14,053,555	100.61%	82.45%
2022	0.14098%	13,422,140	13,204,360	101.65%	82.61%
2021	0.13341%	10,356,748	11,861,520	87.31%	85.46%
2020	0.13340%	19,417,569	11,757,108	165.16%	71.47%
2019	0.13512%	17,782,560	11,387,590	156.16%	73.51%
2018	0.13959%	16,416,000	11,333,992	144.84%	74.81%
2017	0.13894%	17,087,000	10,982,510	155.58%	72.92%
2016	0.13510%	18,933,000	10,301,199	183.79%	68.28%
2015	0.13890%	17,482,000	10,326,956	169.29%	70.68%

County of Appomattox, Virginia
Schedule of Employer Contributions
Pension Plans
For the Years Ended June 30, 2016 through June 30, 2025

Exhibit 16

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	\$ 912,445	\$ 912,445	\$ -	5,731,440	15.92%
2024	875,060	875,060	-	5,370,815	16.29%
2023	848,128	848,128	-	5,197,683	16.32%
2022	661,715	661,715	-	4,643,018	14.25%
2021	608,339	608,339	-	4,232,528	14.37%
2020	557,702	557,702	-	4,195,538	13.29%
2019	548,381	548,381	-	4,099,959	13.38%
2018	516,585	516,585	-	3,923,417	13.17%
2017	535,438	535,438	-	4,059,748	13.19%
2016	591,434	591,434	-	4,017,722	14.72%
Component Unit School Board (nonprofessional)					
2025	\$ 16,164	\$ 16,164	\$ -	934,349	1.73%
2024	22,815	22,815	-	893,735	2.55%
2023	22,405	22,405	-	857,811	2.61%
2022	23,228	23,228	-	798,712	2.91%
2021	22,185	22,185	-	746,899	2.97%
2020	25,060	25,060	-	711,305	3.52%
2019	23,652	23,652	-	637,408	3.71%
2018	29,202	29,202	-	702,216	4.16%
2017	28,969	28,969	-	691,800	4.19%
2016	50,808	50,808	-	683,214	7.44%
Component Unit School Board (professional)					
2025	\$ 2,328,050	\$ 2,328,050	\$ -	16,383,179	14.21%
2024	2,403,750	2,403,750	-	15,348,544	15.66%
2023	2,208,195	2,208,195	-	14,053,555	15.71%
2022	2,094,416	2,094,416	-	13,204,360	15.86%
2021	1,887,412	1,887,412	-	11,861,520	15.91%
2020	1,773,070	1,773,070	-	11,757,108	15.08%
2019	1,731,640	1,731,640	-	11,387,590	15.21%
2018	1,805,165	1,805,165	-	11,333,992	15.93%
2017	1,581,020	1,581,020	-	10,982,510	14.40%
2016	1,432,522	1,432,522	-	10,301,199	13.91%

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

County of Appomattox, Virginia
Notes to Required Supplementary Information
Pension Plans
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

County of Appomattox, Virginia
 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	0.02092% \$	233,451 \$	5,370,815	4.35%	73.41%
2023	0.02207%	264,688	5,197,683	5.09%	69.30%
2022	0.02130%	256,954	4,643,018	5.53%	67.21%
2021	0.02050%	238,676	4,232,528	5.64%	67.45%
2020	0.02039%	340,276	4,195,538	8.11%	52.64%
2019	0.02093%	340,587	4,102,670	8.30%	52.00%
2018	0.02063%	313,000	3,923,417	7.98%	51.22%
2017	0.02202%	331,000	4,062,369	8.15%	48.86%
Component Unit School Board (nonprofessional):					
2024	0.00348% \$	38,834 \$	893,735	4.35%	73.41%
2023	0.00364%	43,655	857,811	5.09%	69.30%
2022	0.00370%	44,190	798,712	5.53%	67.21%
2021	0.00360%	42,147	746,899	5.64%	67.45%
2020	0.00346%	57,741	711,305	8.12%	52.64%
2019	0.00325%	52,886	637,408	8.30%	52.00%
2018	0.00369%	56,000	702,216	7.97%	51.22%
2017	0.00375%	56,000	691,800	8.09%	48.86%
Component Unit School Board (professional):					
2024	0.05978% \$	667,098 \$	15,348,544	4.35%	73.41%
2023	0.05961%	714,911	14,041,741	5.09%	69.30%
2022	0.06060%	729,442	13,177,106	5.54%	67.21%
2021	0.05750%	668,874	11,861,520	5.64%	67.45%
2020	0.05713%	953,406	11,757,108	8.11%	52.64%
2019	0.05833%	949,184	11,433,421	8.30%	52.00%
2018	0.05960%	906,000	11,333,992	7.99%	51.22%
2017	0.05954%	896,000	10,982,510	8.16%	48.86%

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

County of Appomattox, Virginia
 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	\$ 26,938	\$ 26,938	-	\$ 5,731,440	0.47%
2024	29,002	29,002	-	5,370,815	0.54%
2023	28,067	28,067	-	5,197,683	0.54%
2022	25,072	25,072	-	4,643,018	0.54%
2021	22,856	22,856	-	4,232,528	0.54%
2020	21,817	21,817	-	4,195,538	0.52%
2019	21,334	21,334	-	4,102,670	0.52%
2018	20,402	20,402	-	3,923,417	0.52%
2017	21,124	21,124	-	4,062,369	0.52%
2016	19,285	19,285	-	4,017,722	0.48%
Component Unit School Board (nonprofessional):					
2025	\$ 4,391	\$ 4,391	-	\$ 934,349	0.47%
2024	4,826	4,826	-	893,735	0.54%
2023	4,632	4,632	-	857,811	0.54%
2022	4,313	4,313	-	798,712	0.54%
2021	4,033	4,033	-	746,899	0.54%
2020	3,699	3,699	-	711,305	0.52%
2019	3,315	3,315	-	637,408	0.52%
2018	3,652	3,652	-	702,216	0.52%
2017	3,597	3,597	-	691,800	0.52%
2016	3,279	3,279	-	683,214	0.48%
Component Unit School Board (professional):					
2025	\$ 77,001	\$ 77,001	-	\$ 16,383,179	0.47%
2024	82,882	82,882	-	15,348,544	0.54%
2023	75,825	75,825	-	14,041,741	0.54%
2022	71,156	71,156	-	13,177,106	0.54%
2021	64,052	64,052	-	11,861,520	0.54%
2020	61,137	61,137	-	11,757,108	0.52%
2019	59,454	59,454	-	11,433,421	0.52%
2018	58,937	58,937	-	11,333,992	0.52%
2017	57,109	57,109	-	10,982,510	0.52%
2016	49,446	49,446	-	10,301,199	0.48%

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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

County of Appomattox, Virginia
 Schedule of Changes in the Component Unit School Board (nonprofessional) Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total HIC OPEB Liability								
Service cost	\$ 615	\$ 723	\$ 783	\$ 1,134	\$ 1,315	\$ 1,476	\$ 1,441	\$ 1,437
Interest	6,060	5,934	4,972	4,970	4,678	4,206	4,074	4,093
Changes in benefit terms	-	-	-	-	2,534	-	-	-
Changes of assumptions	-	-	12,944	631	-	1,675	-	(2,766)
Differences between expected and actual experience	(6,222)	97	732	(1,495)	1,573	6,722	441	-
Benefit payments	(5,292)	(4,259)	(5,977)	(6,011)	(5,534)	(4,190)	(3,946)	(2,127)
Net change in total HIC OPEB liability	\$ (4,839)	\$ 2,495	\$ 13,454	\$ (771)	\$ 4,566	\$ 9,889	\$ 2,010	\$ 637
Total HIC OPEB Liability - beginning	91,811	89,316	75,862	76,633	72,067	62,178	60,168	59,531
Total HIC OPEB Liability - ending (a)	\$ 86,972	\$ 91,811	\$ 89,316	\$ 75,862	\$ 76,633	\$ 72,067	\$ 62,178	\$ 60,168
Plan fiduciary net position								
Contributions - employer	\$ 5,095	\$ 4,890	\$ 4,553	\$ 4,257	\$ 2,845	\$ 2,550	\$ 3,230	\$ 3,183
Net investment income	5,009	2,935	78	10,325	828	2,575	2,803	4,035
Benefit payments	(5,292)	(4,259)	(5,977)	(6,011)	(5,534)	(4,190)	(3,946)	(2,127)
Administrator charges	(69)	(70)	(85)	(118)	(77)	(56)	(66)	(66)
Other	-	116	2,139	-	-	(3)	(200)	200
Net change in plan fiduciary net position	\$ 4,743	\$ 3,612	\$ 708	\$ 8,453	\$ (1,938)	\$ 876	\$ 1,821	\$ 5,225
Plan fiduciary net position - beginning	53,015	49,403	48,695	40,242	42,180	41,304	39,483	34,258
Plan fiduciary net position - ending (b)	\$ 57,758	\$ 53,015	\$ 49,403	\$ 48,695	\$ 40,242	\$ 42,180	\$ 41,304	\$ 39,483
School Division's net HIC OPEB liability - ending (a) - (b)	\$ 29,214	\$ 38,796	\$ 39,913	\$ 27,167	\$ 36,391	\$ 29,887	\$ 20,874	\$ 20,685
Plan fiduciary net position as a percentage of the total HIC OPEB liability	66.41%	57.74%	55.31%	64.19%	52.51%	58.53%	66.43%	65.62%
Covered payroll	\$ 893,735	\$ 857,811	\$ 798,712	\$ 746,899	\$ 711,305	\$ 637,408	\$ 702,216	\$ 691,800
School Division's net HIC OPEB liability as a percentage of covered payroll	3.27%	4.52%	5.00%	3.64%	5.12%	4.69%	2.97%	2.99%

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 Appomattox, Virginia
 Schedule of Employer Contributions
 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	\$ 5,326	\$ 5,326	\$ -	\$ 934,349	0.57%
2024	5,094	5,094	-	893,735	0.57%
2023	4,890	4,890	-	857,811	0.57%
2022	4,553	4,553	-	798,712	0.57%
2021	4,257	4,257	-	746,899	0.57%
2020	2,845	2,845	-	711,305	0.40%
2019	2,550	2,550	-	637,408	0.40%
2018	3,230	3,230	-	702,216	0.46%
2017	3,182	3,182	-	691,800	0.46%
2016	2,733	2,733	-	683,214	0.40%

County of Appomattox, Virginia
Notes to Required Supplementary Information
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, 2022, 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 Appomattox, Virginia
 Schedule of School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 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	0.14326%	\$ 1,655,581	\$ 15,348,544	10.79%	21.82%
2023	0.14090%	1,707,372	14,053,555	12.15%	17.90%
2022	0.14166%	1,769,399	13,202,772	13.40%	15.08%
2021	0.13412%	1,721,523	11,861,520	14.51%	13.15%
2020	0.13410%	1,749,487	11,757,108	14.88%	9.95%
2019	0.13574%	1,776,969	11,385,577	15.61%	8.97%
2018	0.14009%	1,779,000	11,329,816	15.70%	8.08%
2017	0.13916%	1,765,000	10,982,510	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 Appomattox, 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	\$ 198,236	\$ 198,236	-	\$ 16,383,179	1.21%
2024	185,717	185,717	-	15,348,544	1.21%
2023	170,048	170,048	-	14,053,555	1.21%
2022	159,754	159,754	-	13,202,772	1.21%
2021	143,524	143,524	-	11,861,520	1.21%
2020	141,085	141,085	-	11,757,108	1.20%
2019	136,627	136,627	-	11,385,577	1.20%
2018	139,357	139,357	-	11,329,816	1.23%
2017	121,906	121,906	-	10,982,510	1.11%
2016	109,193	109,193	-	10,301,199	1.06%

County of Appomattox, Virginia
Notes to Required Supplementary Information
Teacher 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, 2022 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 Appomattox, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
 Primary Government
 For the Years Ended June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 24,121	\$ 27,649	\$ 23,225	\$ 28,040	\$ 33,924	\$ 19,159	\$ 15,214	\$ 15,344
Interest	13,642	14,100	13,525	12,455	12,887	13,494	14,716	14,042
Economic/demographic gains or losses	-	(25,458)	-	(142,721)	-	21,600	-	-
Changes in assumptions	(34,437)	(20,690)	5,951	(41,163)	2,018	177,733	9,521	(7,559)
Benefit payments	(24,798)	(37,576)	(48,131)	(44,754)	(54,035)	(44,211)	(32,104)	(35,237)
Net change in total OPEB liability	\$ (21,472)	\$ (41,975)	\$ (5,430)	\$ (188,143)	\$ (5,206)	\$ 187,775	\$ 7,347	\$ (13,410)
Total OPEB liability - beginning	335,303	377,278	382,708	570,851	576,057	388,282	380,935	394,345
Total OPEB liability - ending	\$ 313,831	\$ 335,303	\$ 377,278	\$ 382,708	\$ 570,851	\$ 576,057	\$ 388,282	\$ 380,935
Covered-employee payroll	\$ 5,175,280	\$ 5,175,280	\$ 4,469,890	\$ 4,469,890	\$ 4,507,498	\$ 4,114,208	\$ 3,346,229	\$ 3,346,229
County's total OPEB liability (asset) as a percentage of covered-employee payroll	6.06%	6.48%	8.44%	8.56%	12.66%	14.00%	11.60%	11.38%

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

County of Appomattox, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Component Unit School Board
For the Year Ended June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 50,484	\$ 62,279	\$ 72,039	\$ 92,936	\$ 88,881	\$ 72,662	\$ 63,532	\$ 64,290
Interest	47,408	56,220	52,361	29,478	28,617	39,400	39,938	36,560
Economic/demographic gains or losses	-	(300,223)	-	196,997	-	3,506	-	-
Changes in assumptions	(117,872)	(102,111)	(13,270)	(127,436)	4,939	82,185	31,842	(23,861)
Benefit payments	(46,785)	(30,077)	(50,187)	(63,291)	(50,041)	(39,539)	(61,628)	(69,314)
Net change in total OPEB liability	\$ (66,765)	\$ (313,912)	\$ 60,943	\$ 128,684	\$ 72,396	\$ 158,214	\$ 73,684	\$ 7,675
Total OPEB liability - beginning	1,178,993	1,492,905	1,431,962	1,303,278	1,230,882	1,072,668	998,984	991,309
Total OPEB liability - ending	\$ 1,112,228	\$ 1,178,993	\$ 1,492,905	\$ 1,431,962	\$ 1,303,278	\$ 1,230,882	\$ 1,072,668	\$ 998,984
Covered-employee payroll	\$ 13,601,864	\$ 13,601,864	\$ 12,593,032	\$ 12,593,032	\$ 11,799,379	\$ 11,799,379	\$ 10,522,346	\$ 10,522,346
School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	8.18%	8.67%	11.86%	11.37%	11.05%	10.43%	10.19%	9.49%

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

County of Appomattox, Virginia
 Notes to Required Supplementary Information - Primary Government
 For the Year Ended June 30, 2025

Valuation Date: 7/1/2023
 Measurement Date: 6/30/2025

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 level % of salary
Discount Rate	5.20%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.10% graded down to 3.90% over 48 years
Salary Increase Rates	The salary increase rate was 2.50% per annum
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for pre-retirement participants was calculated using the RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males and females setback 1 year. The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; female's setback 1 year with 1.5% increase compounded from ages 70 to 85. The mortality rates for disabled retirees was calculated using the RP-2014 Disability Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

County of Appomattox, Virginia
 Notes to Required Supplementary Information - Component Unit School Board
 For the Year Ended June 30, 2025

Valuation Date: 7/1/2023
 Measurement Date: 6/30/2025

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 level % of salary
Discount Rate	5.20%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.20% graded down to 3.90% over 48 years
Salary Increase Rates	The salary increase rate was 2.50% per annum
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for pre-retirement participants was calculated using the RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020. The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 65 to 90; female's setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90. The mortality rates for disabled retirees was calculated using the RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

County of Appomattox, Virginia
 County Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Education	\$ -	\$ 2,041,523	\$ 943,217	1,098,306
Total expenditures	<u>\$ -</u>	<u>\$ 2,041,523</u>	<u>\$ 943,217</u>	<u>\$ 1,098,306</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (2,041,523)</u>	<u>\$ (943,217)</u>	<u>\$ 1,098,306</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 102,712	\$ 102,712
Transfers out	-	-	(1,032,128)	(1,032,128)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (929,416)</u>	<u>\$ (929,416)</u>
Net change in fund balances	\$ -	\$ (2,041,523)	\$ (1,872,633)	\$ 168,890
Fund balances - beginning	-	2,041,523	3,272,713	1,231,190
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400,080</u>	<u>\$ 1,400,080</u>

County of Appomattox, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2025

	County Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 83,736	\$ 83,736
Intergovernmental:				
Commonwealth	68,000	68,000	208,165	140,165
Total revenues	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 291,901</u>	<u>\$ 223,901</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ 53,490	\$ (53,490)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,490</u>	<u>\$ (53,490)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 238,411</u>	<u>\$ 170,411</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (339,866)	\$ (339,866)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (339,866)</u>	<u>\$ (339,866)</u>
Net change in fund balances	\$ 68,000	\$ 68,000	\$ (101,455)	\$ (169,455)
Fund balances - beginning	(68,000)	(68,000)	769,339	837,339
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 667,884</u>	<u>\$ 667,884</u>

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

	School Operating Fund	School Special Revenue Fund	School Activity Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,762,469	\$ 1,576,991	\$ 396,491	\$ 4,735,951
Cash in custody of others	-	4,000	-	4,000
Receivables (net of allowance for uncollectibles):				
Accounts receivable	1,186	-	-	1,186
Due from other governmental units	1,423,981	174,258	-	1,598,239
Prepaid items	359,153	-	-	359,153
Total assets	<u>\$ 4,546,789</u>	<u>\$ 1,755,249</u>	<u>\$ 396,491</u>	<u>\$ 6,698,529</u>
LIABILITIES				
Accounts payable	\$ 181,966	\$ -	\$ -	\$ 181,966
Accrued liabilities	2,760,469	-	-	2,760,469
Due to other governmental units	1,243,201	-	-	1,243,201
Total liabilities	<u>\$ 4,185,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,185,636</u>
FUND BALANCES				
Nonspendable	\$ 359,153	\$ -	\$ -	\$ 359,153
Committed	-	1,755,249	396,491	2,151,740
Unassigned	2,000	-	-	2,000
Total fund balances	<u>\$ 361,153</u>	<u>\$ 1,755,249</u>	<u>\$ 396,491</u>	<u>\$ 2,512,893</u>

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

Total fund balances per above	\$ 2,512,893
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, cost	\$ 39,361,783
Accumulated depreciation	<u>(18,391,360)</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Net pension asset	504,379
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 5,487,084
OPEB related items	<u>676,105</u>
Long-term liabilities 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:	
Lease liability	\$ (1,607)
Compensated absences	(2,118,659)
Net pension liability	(13,378,259)
Net OPEB liabilities	<u>(3,502,955)</u>
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (2,333,395)
OPEB related items	<u>(710,596)</u>
Net position of governmental activities	<u>\$ 8,105,413</u>

County of Appomattox, 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	School Special Revenue Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 7,604	\$ -	\$ -	\$ 7,604
Charges for services	42,230	112,872	-	155,102
Miscellaneous	354,122	-	601,876	955,998
Recovered costs	99,195	-	-	99,195
Intergovernmental:				
Local government	7,042,099	-	-	7,042,099
Commonwealth	24,555,467	48,427	-	24,603,894
Federal	1,747,055	1,641,179	-	3,388,234
Total revenues	<u>\$ 33,847,772</u>	<u>\$ 1,802,478</u>	<u>\$ 601,876</u>	<u>\$ 36,252,126</u>
EXPENDITURES				
Current:				
Education	\$ 33,975,370	\$ 1,973,348	\$ 583,613	\$ 36,532,331
Debt service:				
Principal retirement	1,734	-	-	1,734
Interest and other fiscal charges	30	-	-	30
Total expenditures	<u>\$ 33,977,134</u>	<u>\$ 1,973,348</u>	<u>\$ 583,613</u>	<u>\$ 36,534,095</u>
Net change in fund balances	\$ (129,362)	\$ (170,870)	\$ 18,263	\$ (281,969)
Fund balances - beginning	490,515	1,926,119	378,228	2,794,862
Fund balances - ending	<u>\$ 361,153</u>	<u>\$ 1,755,249</u>	<u>\$ 396,491</u>	<u>\$ 2,512,893</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:				
Net change in fund balances - total governmental funds - per above				\$ (281,969)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.				
Capital asset additions			\$ 2,036,938	
Jointly owned asset allocation			73,242	
Depreciation expense			<u>(1,538,252)</u>	571,928
The issuance of long-term obligations 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.				
Principal payments				1,734
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.				
Pension expense			\$ 924,315	
OPEB expense			130,049	
Change in compensated absences			<u>(280,816)</u>	773,548
Change in net position of governmental activities				<u>\$ 1,065,241</u>

County of Appomattox, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 School Operating Fund - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2025

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 6,000	\$ 6,000	\$ 7,604	\$ 1,604
Charges for services	68,000	68,000	42,230	(25,770)
Miscellaneous	15,000	15,000	354,122	339,122
Recovered costs	36,000	36,000	99,195	63,195
Intergovernmental:				
Local government	7,637,043	7,637,043	7,042,099	(594,944)
Commonwealth	24,729,984	28,181,348	24,555,467	(3,625,881)
Federal	1,398,038	1,440,846	1,747,055	306,209
Total revenues	<u>\$ 33,890,065</u>	<u>\$ 37,384,237</u>	<u>\$ 33,847,772</u>	<u>\$ (3,536,465)</u>
EXPENDITURES				
Current:				
Education	\$ 33,890,065	\$ 37,384,237	\$ 33,975,370	\$ 3,408,867
Debt service:				
Principal retirement	-	-	1,734	(1,734)
Interest and other fiscal charges	-	-	30	(30)
Total expenditures	<u>\$ 33,890,065</u>	<u>\$ 37,384,237</u>	<u>\$ 33,977,134</u>	<u>\$ 3,407,103</u>
Net change in fund balances	\$ -	\$ -	\$ (129,362)	\$ (129,362)
Fund balances - beginning	-	-	490,515	490,515
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361,153</u>	<u>\$ 361,153</u>

County of Appomattox, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 School Special Revenue Fund - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2025

	School Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 25,000	\$ 25,000	\$ 112,872	\$ 87,872
Intergovernmental:				
Commonwealth	48,428	48,428	48,427	(1)
Federal	1,391,759	1,832,752	1,641,179	(191,573)
Total revenues	<u>\$ 1,465,187</u>	<u>\$ 1,906,180</u>	<u>\$ 1,802,478</u>	<u>\$ (103,702)</u>
EXPENDITURES				
Current:				
Education	\$ 1,465,187	\$ 1,906,180	\$ 1,973,348	\$ (67,168)
Total expenditures	<u>\$ 1,465,187</u>	<u>\$ 1,906,180</u>	<u>\$ 1,973,348</u>	<u>\$ (67,168)</u>
Net change in fund balances	\$ -	\$ -	\$ (170,870)	\$ (170,870)
Fund balances - beginning	-	-	1,926,119	1,926,119
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,755,249</u>	<u>\$ 1,755,249</u>

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

ASSETS

Current assets:

Cash and cash equivalents	\$ 75,943
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Noncurrent assets:

Capital assets:

Land	\$ 1,381,873
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Infrastructure	1,917,079
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Accumulated depreciation	(1,147,433)
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Total capital assets	<u>\$ 2,151,519</u>
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Total noncurrent assets	<u>\$ 2,151,519</u>
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Total assets	<u>\$ 2,227,462</u>
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NET POSITION

Investment in capital assets	\$ 2,151,519
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Unrestricted	75,943
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Total net position	<u><u>\$ 2,227,462</u></u>
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County of Appomattox, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2025

OPERATING REVENUES

Charges for services:

Rent	\$ 1,180
Contributions from local governments	109,688
Miscellaneous	18,400
Total operating revenues	\$ 129,268

OPERATING EXPENSES

Other supplies and expenses	\$ 9,577
EDA grant	128,088
Depreciation	46,530
Total operating expenses	\$ 184,195

Operating income (loss)	\$ (54,927)
-------------------------	-------------

NONOPERATING REVENUES (EXPENSES)

Investment income	\$ 188
Total nonoperating revenues (expenses)	\$ 188

Change in net position	\$ (54,739)
------------------------	-------------

Net position - beginning	2,282,201
Net position - ending	\$ 2,227,462

County of Appomattox, 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	\$ 129,268
Payments for operating activities	(137,665)
	(8,397)

Net cash provided by (used for) operating activities	\$ (8,397)
--	------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	\$ 188
-----------------	--------

Net cash provided by (used for) investing activities	\$ 188
--	--------

Net increase (decrease) in cash and cash equivalents	\$ (8,209)
--	------------

Cash and cash equivalents - beginning	84,152
---------------------------------------	--------

Cash and cash equivalents - ending	\$ 75,943
------------------------------------	-----------

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

Operating income (loss)	\$ (54,927)
-------------------------	-------------

Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

Depreciation	46,530
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Total adjustments	\$ 46,530
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Net cash provided by (used for) operating activities	\$ (8,397)
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County of Appomattox, 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 Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 9,000,000	\$ 9,000,000	\$ 9,365,777	\$ 365,777
Real and personal public service corporation taxes	925,600	925,600	663,640	(261,960)
Personal property taxes	5,459,000	5,459,000	5,501,193	42,193
Machinery and tools taxes	150,500	150,500	183,697	33,197
Merchant's capital taxes	130,000	130,000	139,443	9,443
Penalties	165,000	165,000	206,389	41,389
Interest	110,000	110,000	152,687	42,687
Total general property taxes	<u>\$ 15,940,100</u>	<u>\$ 15,940,100</u>	<u>\$ 16,212,826</u>	<u>\$ 272,726</u>
Other local taxes:				
Local sales and use taxes	\$ 1,750,000	\$ 1,750,000	\$ 2,057,980	\$ 307,980
Consumers' utility taxes	390,000	390,000	422,412	32,412
Consumption tax	43,000	43,000	48,029	5,029
Gross receipts	11,000	11,000	8,518	(2,482)
Motor vehicle licenses	550,000	550,000	561,600	11,600
Taxes on recordation and wills	150,000	150,000	168,658	18,658
Hotel and motel room taxes	15,000	15,000	20,017	5,017
Total other local taxes	<u>\$ 2,909,000</u>	<u>\$ 2,909,000</u>	<u>\$ 3,287,214</u>	<u>\$ 378,214</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 3,500	\$ 3,500	\$ 2,846	\$ (654)
Permits and other licenses	100,850	100,850	131,614	30,764
Total permits, privilege fees, and regulatory licenses	<u>\$ 104,350</u>	<u>\$ 104,350</u>	<u>\$ 134,460</u>	<u>\$ 30,110</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 73,850	\$ 218,277	\$ 184,681	\$ (33,596)
Total fines and forfeitures	<u>\$ 73,850</u>	<u>\$ 218,277</u>	<u>\$ 184,681</u>	<u>\$ (33,596)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 830,000	\$ 830,000	\$ 1,101,591	\$ 271,591
Revenue from use of property	64,350	64,350	64,046	(304)
Total revenue from use of money and property	<u>\$ 894,350</u>	<u>\$ 894,350</u>	<u>\$ 1,165,637</u>	<u>\$ 271,287</u>
Charges for services:				
Sheriff's fees	\$ 794	\$ 794	\$ 709	\$ (85)
Charges for Commonwealth's Attorney	1,600	1,600	1,810	210
Charges for sanitation and waste removal	95,600	95,600	114,913	19,313
Charges for other protection	13,500	13,500	14,862	1,362
Charges for library	-	-	14,608	14,608
Sports complex	10,000	10,000	17,529	7,529
Total charges for services	<u>\$ 121,494</u>	<u>\$ 121,494</u>	<u>\$ 164,431</u>	<u>\$ 42,937</u>

County of Appomattox, 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 Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 252,800	\$ 252,800	\$ 908,118	\$ 655,318
Carver Price legacy building	-	-	285,000	285,000
Opioid Revenue	-	-	25,393	25,393
Total miscellaneous	<u>\$ 252,800</u>	<u>\$ 252,800</u>	<u>\$ 1,218,511</u>	<u>\$ 965,711</u>
Recovered costs:				
Town recoveries	\$ 157,892	\$ 157,892	\$ 163,361	\$ 5,469
Town fire protection	2,500	2,500	2,500	-
Comprehensive services and social services	-	-	35,328	35,328
Total recovered costs	<u>\$ 160,392</u>	<u>\$ 160,392</u>	<u>\$ 201,189</u>	<u>\$ 40,797</u>
Total revenue from local sources	<u>\$ 20,456,336</u>	<u>\$ 20,600,763</u>	<u>\$ 22,568,949</u>	<u>\$ 1,968,186</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 75,000	\$ 75,000	\$ 93,330	\$ 18,330
EMS vehicles	18,596	18,596	19,361	765
Rolling stock tax	39,000	39,000	45,263	6,263
Auto rental tax	5,500	5,500	2,056	(3,444)
Additional tax on deeds	40,000	40,000	46,856	6,856
Communications tax	400,000	400,000	365,554	(34,446)
Personal property tax relief funds	1,023,637	1,023,637	1,023,637	-
Total noncategorical aid	<u>\$ 1,601,733</u>	<u>\$ 1,601,733</u>	<u>\$ 1,596,057</u>	<u>\$ (5,676)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 426,921	\$ 426,921	\$ 420,063	\$ (6,858)
Sheriff	1,036,237	1,036,237	1,001,059	(35,178)
Commissioner of revenue	157,913	157,913	154,898	(3,015)
Treasurer	136,172	136,172	135,928	(244)
Registrar/electoral board	66,585	66,585	77,141	10,556
Clerk of the Circuit Court	261,424	261,424	276,941	15,517
Total shared expenses	<u>\$ 2,085,252</u>	<u>\$ 2,085,252</u>	<u>\$ 2,066,030</u>	<u>\$ (19,222)</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 954,759	\$ 954,759	\$ 712,662	\$ (242,097)
Comprehensive services act	1,261,860	1,261,860	2,068,502	806,642
Fire programs fund	63,413	63,413	72,179	8,766
Library grant	78,336	78,336	86,177	7,841

County of Appomattox, 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 Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Department of forestry grant	\$ 20,000	\$ 20,000	\$ 32,507	\$ 12,507
Victim witness grant	65,100	65,100	27,134	(37,966)
Litter control grant	17,004	17,004	14,994	(2,010)
Virginia domestic violence victims fund	45,000	45,000	45,000	-
Road side clean up	15,000	15,000	17,637	2,637
Circuit court preservation	-	-	15,183	15,183
Health department incentive	5,000	5,000	2,319	(2,681)
Jury/witness	-	-	10,650	10,650
School construction grant	-	-	3,218,953	3,218,953
Total other categorical aid	<u>\$ 2,525,472</u>	<u>\$ 2,525,472</u>	<u>\$ 6,323,897</u>	<u>\$ 3,798,425</u>
Total categorical aid	<u>\$ 4,610,724</u>	<u>\$ 4,610,724</u>	<u>\$ 8,389,927</u>	<u>\$ 3,779,203</u>
Total revenue from the Commonwealth	<u>\$ 6,212,457</u>	<u>\$ 6,212,457</u>	<u>\$ 9,985,984</u>	<u>\$ 3,773,527</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 5,786	\$ 5,786	\$ 5,850	\$ 64
Total noncategorical aid	<u>\$ 5,786</u>	<u>\$ 5,786</u>	<u>\$ 5,850</u>	<u>\$ 64</u>
Categorical aid:				
Federal interest rate subsidy	\$ 417,375	\$ 417,375	\$ 424,350	\$ 6,975
Public assistance and welfare administration	1,338,455	1,338,455	999,065	(339,390)
Comprehensive services act	-	-	35,188	35,188
Emergency management performance	7,500	7,500	7,500	-
Victim witness grant	-	-	32,592	32,592
ARPA funding	-	-	1,709,163	1,709,163
Byrne JAG grant	-	-	70,105	70,105
Total categorical aid	<u>\$ 1,763,330</u>	<u>\$ 1,763,330</u>	<u>\$ 3,277,963</u>	<u>\$ 1,514,633</u>
Total revenue from the federal government	<u>\$ 1,769,116</u>	<u>\$ 1,769,116</u>	<u>\$ 3,283,813</u>	<u>\$ 1,514,697</u>
Total General Fund	<u>\$ 28,437,909</u>	<u>\$ 28,582,336</u>	<u>\$ 35,838,746</u>	<u>\$ 7,256,410</u>

County of Appomattox, 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 Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Court costs- law library	\$ -	\$ -	\$ 3,696	\$ 3,696
Courthouse security fees	-	-	72,195	72,195
Courthouse maintenance fees	-	-	7,845	7,845
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,736</u>	<u>\$ 83,736</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,736</u>	<u>\$ 83,736</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Wireless grant	\$ 68,000	\$ 68,000	\$ 193,456	\$ 125,456
Forfeited assets	-	-	14,709	14,709
Total categorical aid	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 208,165</u>	<u>\$ 140,165</u>
Total revenue from the Commonwealth	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 208,165</u>	<u>\$ 140,165</u>
Total County Special Revenue Fund	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 291,901</u>	<u>\$ 223,901</u>
Total Primary Government	<u>\$ 28,505,909</u>	<u>\$ 28,650,336</u>	<u>\$ 36,130,647</u>	<u>\$ 7,480,311</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 6,000	\$ 6,000	\$ 7,604	\$ 1,604
Total revenue from use of money and property	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 7,604</u>	<u>\$ 1,604</u>
Charges for services:				
Charges for education	\$ 68,000	\$ 68,000	\$ 42,230	\$ (25,770)
Total charges for services	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 42,230</u>	<u>\$ (25,770)</u>

County of Appomattox, 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 Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 354,122	\$ 339,122
Total miscellaneous	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 354,122</u>	<u>\$ 339,122</u>
Recovered costs:				
Tuition - other localities	\$ 36,000	\$ 36,000	\$ 99,195	\$ 63,195
Total recovered costs	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ 99,195</u>	<u>\$ 63,195</u>
Total revenue from local sources	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 503,151</u>	<u>\$ 378,151</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ 7,637,043	\$ 7,637,043	\$ 7,042,099	\$ (594,944)
Total revenues from local governments	<u>\$ 7,637,043</u>	<u>\$ 7,637,043</u>	<u>\$ 7,042,099</u>	<u>\$ (594,944)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,317,646	\$ 3,317,646	\$ 3,363,641	\$ 45,995
Basic school aid	10,981,211	10,981,211	10,981,211	-
English as a second language	80,516	80,516	80,516	-
Gifted and talented	103,885	103,885	103,885	-
Special education	1,144,570	1,144,570	1,118,785	(25,785)
Textbook payment	264,067	264,067	264,067	-
ISAEF	8,027	8,027	8,027	-
Vocational education	656,291	656,291	656,291	-
School fringes	1,911,159	1,911,159	1,911,159	-
Foster children	24,831	24,831	24,831	-
Special education foster care	-	-	25,785	25,785
Career and technical education	-	-	10,994	10,994
Early reading intervention	64,169	64,169	64,169	-
Remedial Ed-Summer School	146,420	146,420	146,420	-
Homebound	13,710	13,710	13,710	-
VA preschool initiative payments	329,131	329,131	329,131	-
SOL Algebra readiness	46,776	46,776	46,776	-
K-3 initiative	519,942	519,942	519,942	-
Compensation supplement	426,885	426,885	426,885	-

County of Appomattox, 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 Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
At risk payments	\$ 843,885	\$ 843,885	\$ 2,516,932	\$ 1,673,047
Technology grant	154,000	154,000	154,000	-
Hold harmless for rebench	-	-	-	-
Supplemental lottery	735,919	735,919	735,919	-
Mentor teachers	949	949	949	-
Project graduation	3,944	3,944	3,944	-
Supplemental in lieu of sales tax	515,452	515,452	515,452	-
All In Implementation	929,427	929,427	-	(929,427)
Other state aid	1,507,172	4,958,536	532,046	(4,426,490)
Total categorical aid	<u>\$ 24,729,984</u>	<u>\$ 28,181,348</u>	<u>\$ 24,555,467</u>	<u>\$ (3,625,881)</u>
Total revenue from the Commonwealth	<u>\$ 24,729,984</u>	<u>\$ 28,181,348</u>	<u>\$ 24,555,467</u>	<u>\$ (3,625,881)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 611,602	\$ 611,602	\$ 612,914	\$ 1,312
Vocational education	52,696	52,696	48,396	(4,300)
Title II Part A	90,017	90,017	122,206	32,189
Title IV, Part A	46,114	46,114	412,553	366,439
Title VIB	560,228	603,036	524,683	(78,353)
ESSER	-	-	449	449
ARPA	-	-	16,128	16,128
School based health	18,338	18,338	-	(18,338)
Preschool grant	19,043	19,043	9,726	(9,317)
Total categorical aid	<u>\$ 1,398,038</u>	<u>\$ 1,440,846</u>	<u>\$ 1,747,055</u>	<u>\$ 306,209</u>
Total revenue from the federal government	<u>\$ 1,398,038</u>	<u>\$ 1,440,846</u>	<u>\$ 1,747,055</u>	<u>\$ 306,209</u>
Total School Operating Fund	<u>\$ 33,890,065</u>	<u>\$ 37,384,237</u>	<u>\$ 33,847,772</u>	<u>\$ (3,536,465)</u>
School Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 25,000	\$ 25,000	\$ 112,872	\$ 87,872
Total revenue from local sources	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 112,872</u>	<u>\$ 87,872</u>

County of Appomattox, 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 Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Special Revenue Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 48,428	\$ 48,428	\$ 48,427	\$ (1)
Total revenue from the Commonwealth	<u>\$ 48,428</u>	<u>\$ 48,428</u>	<u>\$ 48,427</u>	<u>\$ (1)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	1,391,759	1,664,209	\$ 1,472,636	\$ (191,573)
Commodities	-	168,543	168,543	-
Total categorical aid	<u>\$ 1,391,759</u>	<u>\$ 1,832,752</u>	<u>\$ 1,641,179</u>	<u>\$ (191,573)</u>
Total revenue from the federal government	<u>\$ 1,391,759</u>	<u>\$ 1,832,752</u>	<u>\$ 1,641,179</u>	<u>\$ (191,573)</u>
Total School Special Revenue Fund	<u>\$ 1,465,187</u>	<u>\$ 1,906,180</u>	<u>\$ 1,802,478</u>	<u>\$ (103,702)</u>
School Activity Funds:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 601,876	\$ 601,876
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,876</u>	<u>\$ 601,876</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,876</u>	<u>\$ 601,876</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 35,355,252</u>	<u>\$ 39,290,417</u>	<u>\$ 36,252,126</u>	<u>\$ (3,038,291)</u>

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

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 290,334	\$ 1,870,191	\$ 1,850,216	\$ 19,975
Total legislative	<u>\$ 290,334</u>	<u>\$ 1,870,191</u>	<u>\$ 1,850,216</u>	<u>\$ 19,975</u>
General and financial administration:				
County administrator	\$ 476,597	\$ 478,866	\$ 473,386	\$ 5,480
Legal services	99,200	104,238	104,238	-
Commissioner of revenue	431,130	439,248	420,210	19,038
Independent auditor	72,200	74,360	76,560	(2,200)
Treasurer	388,930	419,169	419,169	-
Assessor and reassessment	300,000	83,640	83,640	-
Information technology	404,076	404,391	397,208	7,183
Total general and financial administration	<u>\$ 2,172,133</u>	<u>\$ 2,003,912</u>	<u>\$ 1,974,411</u>	<u>\$ 29,501</u>
Board of elections:				
Electoral board and officials	\$ 63,405	\$ 117,166	\$ 117,166	\$ -
Registrar	189,925	190,057	186,617	3,440
Total board of elections	<u>\$ 253,330</u>	<u>\$ 307,223</u>	<u>\$ 303,783</u>	<u>\$ 3,440</u>
Total general government administration	<u>\$ 2,715,797</u>	<u>\$ 4,181,326</u>	<u>\$ 4,128,410</u>	<u>\$ 52,916</u>
Judicial administration:				
Courts:				
Circuit court	\$ 30,946	\$ 41,026	\$ 38,109	\$ 2,917
General district court	4,573	4,573	4,199	374
Special Magistrates	1,438	1,438	646	792
Court services unit	181,772	181,772	71,309	110,463
Juvenile and domestic relations court	7,300	7,300	4,059	3,241
Witness advocate grant	70,000	71,825	71,825	-
VA domestic victim grant	101,581	101,581	97,485	4,096
Clerk of the circuit court	395,652	410,835	402,528	8,307
Total courts	<u>\$ 793,262</u>	<u>\$ 820,350</u>	<u>\$ 690,160</u>	<u>\$ 130,190</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 590,752	\$ 592,830	\$ 582,395	\$ 10,435
Total commonwealth's attorney	<u>\$ 590,752</u>	<u>\$ 592,830</u>	<u>\$ 582,395</u>	<u>\$ 10,435</u>
Total judicial administration	<u>\$ 1,384,014</u>	<u>\$ 1,413,180</u>	<u>\$ 1,272,555</u>	<u>\$ 140,625</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,836,447	\$ 3,599,013	\$ 3,489,050	\$ 109,963
DARE	500	3,829	3,329	500
Total law enforcement and traffic control	<u>\$ 2,836,947</u>	<u>\$ 3,602,842</u>	<u>\$ 3,492,379</u>	<u>\$ 110,463</u>

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

Schedule 2
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire department	\$ 284,913	\$ 693,679	\$ 685,169	\$ 8,510
Ambulance and rescue services	79,758	80,523	72,796	7,727
Forestry service	10,000	10,616	10,616	-
Total fire and rescue services	<u>\$ 374,671</u>	<u>\$ 784,818</u>	<u>\$ 768,581</u>	<u>\$ 16,237</u>
Correction and detention:				
Sheriff	\$ 992,671	\$ 993,683	\$ 993,683	\$ -
Total correction and detention	<u>\$ 992,671</u>	<u>\$ 993,683</u>	<u>\$ 993,683</u>	<u>\$ -</u>
Inspections:				
Building	\$ 116,491	\$ 119,186	\$ 102,663	\$ 16,523
Total inspections	<u>\$ 116,491</u>	<u>\$ 119,186</u>	<u>\$ 102,663</u>	<u>\$ 16,523</u>
Other protection:				
Animal control	\$ 358,180	\$ 380,163	\$ 361,345	\$ 18,818
E-911	1,105,968	1,550,009	1,499,956	50,053
Medical examiner	500	500	160	340
Total other protection	<u>\$ 1,464,648</u>	<u>\$ 1,930,672</u>	<u>\$ 1,861,461</u>	<u>\$ 69,211</u>
Total public safety	<u>\$ 5,785,428</u>	<u>\$ 7,431,201</u>	<u>\$ 7,218,767</u>	<u>\$ 212,434</u>
Public works:				
Sanitation and waste removal:				
Refuse collection	\$ 1,183,587	\$ 1,236,621	\$ 1,158,359	\$ 78,262
Tire security	46,904	29,904	29,904	-
Road side clean-up	16,648	20,204	19,629	575
Total sanitation and waste removal	<u>\$ 1,247,139</u>	<u>\$ 1,286,729</u>	<u>\$ 1,207,892</u>	<u>\$ 78,837</u>
Maintenance of general buildings and grounds:				
General properties	\$ 969,899	\$ 974,351	\$ 895,468	\$ 78,883
Total maintenance of general buildings and grounds	<u>\$ 969,899</u>	<u>\$ 974,351</u>	<u>\$ 895,468</u>	<u>\$ 78,883</u>
Total public works	<u>\$ 2,217,038</u>	<u>\$ 2,261,080</u>	<u>\$ 2,103,360</u>	<u>\$ 157,720</u>
Health and welfare:				
Health:				
Local health department	\$ 120,000	\$ 120,000	\$ 120,000	\$ -
Total health	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>
Mental health and mental retardation:				
Central VA Community Services	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Central VA Commission on Aging	70,410	70,410	70,410	-
Total mental health and mental retardation	<u>\$ 72,910</u>	<u>\$ 72,910</u>	<u>\$ 72,910</u>	<u>\$ -</u>

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

Schedule 2
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 2,668,708	\$ 2,757,675	\$ 2,010,246	\$ 747,429
Comprehensive services act	1,787,011	2,926,774	2,926,774	-
Tax relief for the elderly	-	-	70,078	(70,078)
Total welfare	<u>\$ 4,455,719</u>	<u>\$ 5,684,449</u>	<u>\$ 5,007,098</u>	<u>\$ 677,351</u>
Total health and welfare	<u>\$ 4,648,629</u>	<u>\$ 5,877,359</u>	<u>\$ 5,200,008</u>	<u>\$ 677,351</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 385	\$ 398	\$ 398	\$ -
Contribution to County School Board	7,637,043	7,637,043	7,042,099	594,944
Total education	<u>\$ 7,637,428</u>	<u>\$ 7,637,441</u>	<u>\$ 7,042,497</u>	<u>\$ 594,944</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 194,062	\$ 194,162	\$ 164,522	\$ 29,640
Sports complex	32,500	44,293	44,207	86
Total parks and recreation	<u>\$ 226,562</u>	<u>\$ 238,455</u>	<u>\$ 208,729</u>	<u>\$ 29,726</u>
Cultural enrichment:				
Contributions	\$ 19,500	\$ 19,500	\$ 19,500	\$ -
Total cultural enrichment	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ -</u>
Library:				
Public library	\$ 324,798	\$ 351,024	\$ 351,024	\$ -
Total library	<u>\$ 324,798</u>	<u>\$ 351,024</u>	<u>\$ 351,024</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 570,860</u>	<u>\$ 608,979</u>	<u>\$ 579,253</u>	<u>\$ 29,726</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 184,845	\$ 190,934	\$ 190,934	\$ -
Tourism	20,000	20,000	14,620	5,380
Economic development	46,034	441,297	429,711	11,586
Total planning and community development	<u>\$ 250,879</u>	<u>\$ 652,231</u>	<u>\$ 635,265</u>	<u>\$ 16,966</u>

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

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 72,798	\$ 72,798	\$ 48,759	\$ 24,039
Total cooperative extension program	<u>\$ 72,798</u>	<u>\$ 72,798</u>	<u>\$ 48,759</u>	<u>\$ 24,039</u>
Total community development	<u>\$ 323,677</u>	<u>\$ 725,029</u>	<u>\$ 684,024</u>	<u>\$ 41,005</u>
Capital projects:				
County capital projects	\$ 300,000	\$ 4,283,045	\$ 3,836,267	\$ 446,778
Total capital projects	<u>\$ 300,000</u>	<u>\$ 4,283,045</u>	<u>\$ 3,836,267</u>	<u>\$ 446,778</u>
Debt service:				
Principal retirement	\$ 2,562,254	\$ 2,562,254	\$ 2,562,254	\$ -
Interest and other fiscal charges	710,919	710,919	528,516	182,403
Total debt service	<u>\$ 3,273,173</u>	<u>\$ 3,273,173</u>	<u>\$ 3,090,770</u>	<u>\$ 182,403</u>
Total General Fund	<u>\$ 28,856,044</u>	<u>\$ 37,691,813</u>	<u>\$ 35,155,911</u>	<u>\$ 2,535,902</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Public Safety:				
Sheriff:				
Asset forfeiture	\$ -	\$ -	\$ 53,490	\$ (53,490)
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,490</u>	<u>\$ (53,490)</u>
Total County Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,490</u>	<u>\$ (53,490)</u>
Capital Projects Fund:				
County Capital Projects Fund:				
Education:				
Capital projects:				
School capital projects	\$ -	\$ 2,041,523	\$ 943,217	\$ 1,098,306
Total capital projects	<u>\$ -</u>	<u>\$ 2,041,523</u>	<u>\$ 943,217</u>	<u>\$ 1,098,306</u>
Total County Capital Projects Fund	<u>\$ -</u>	<u>\$ 2,041,523</u>	<u>\$ 943,217</u>	<u>\$ 1,098,306</u>
Total Primary Government	<u>\$ 28,856,044</u>	<u>\$ 39,733,336</u>	<u>\$ 36,152,618</u>	<u>\$ 3,580,718</u>

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

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,324,217	\$ 1,324,217	\$ 1,338,889	\$ (14,672)
Instruction costs	24,905,708	28,658,152	26,064,109	2,594,043
Pupil transportation	2,435,450	2,435,450	1,908,204	527,246
Operation and maintenance of school plant Facilities	3,871,566	2,964,354	2,858,794	105,560
	1,353,124	2,002,064	1,805,374	196,690
Total education	<u>\$ 33,890,065</u>	<u>\$ 37,384,237</u>	<u>\$ 33,975,370</u>	<u>\$ 3,408,867</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 1,734	\$ (1,734)
Interest and other fiscal charges	-	-	30	(30)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,764</u>	<u>\$ (1,764)</u>
Total School Operating Fund	<u>\$ 33,890,065</u>	<u>\$ 37,384,237</u>	<u>\$ 33,977,134</u>	<u>\$ 3,407,103</u>
School Special Revenue Fund:				
Education:				
School food services	\$ 1,465,187	\$ 1,737,637	\$ 1,804,805	\$ (67,168)
Commodities	-	168,543	168,543	-
Total education	<u>\$ 1,465,187</u>	<u>\$ 1,906,180</u>	<u>\$ 1,973,348</u>	<u>\$ (67,168)</u>
Total School Special Revenue Fund	<u>\$ 1,465,187</u>	<u>\$ 1,906,180</u>	<u>\$ 1,973,348</u>	<u>\$ (67,168)</u>
School Activity Funds:				
Education:				
Instruction	\$ -	\$ -	\$ 583,613	\$ (583,613)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,613</u>	<u>\$ (583,613)</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,613</u>	<u>\$ (583,613)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 35,355,252</u>	<u>\$ 39,290,417</u>	<u>\$ 36,534,095</u>	<u>\$ 2,756,322</u>



**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 Appomattox
Appomattox, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County of Appomattox, Virginia's basic financial statements and have issued our report thereon dated March 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Appomattox, 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 Appomattox, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Appomattox, 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 a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

County of Appomattox, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on County of Appomattox, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Appomattox, 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.

Richmond, Virginia
March 5, 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 Appomattox
Appomattox, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Appomattox, 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 Appomattox, Virginia's major federal programs for the year ended June 30, 2025. County of Appomattox, 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 Appomattox, Virginia's 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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.

Richmond, Virginia
March 5, 2026

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

Federal Grantor/State Pass - Through Grantor/ Program 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:			
Title VI-E Prevention Program	93.472	1140124/1140125	\$ 3,367
Guardianship Assistance	93.090	1110124/1110125	165
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950124/0950125	7,698
Temporary Assistance for Needy Families	93.558	0400124/0400125	128,873
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500124/0500125	332
Low-Income Home Energy Assistance	93.568	0600424/0600425	25,121
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760124/0760125	25,042
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900124/0900125	450
Chafee Education and Training Vouchers Program	93.599	9160124/9160125	646
Foster Care - Title IV-E	93.658	1100124/1100125	101,120
Adoption Assistance	93.659	1120124/1120125	204,489
Social Services Block Grant	93.667	1000124/1000125	144,294
John H. Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	9150124/9150125	4,444
Children's Health Insurance Program	93.767	0540124/0540125	2,178
Medicaid Cluster:			
Medical Assistance Program	93.778	1200124/1200125	176,965
Total Department of Health and Human Services			<u>\$ 825,184</u>
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Agriculture:			
Child Nutrition Cluster:			
Food Distribution	10.555	17901-45707	<u>\$ 168,543</u>
Virginia Department of Education:			
National School Lunch Program	10.555	17901-40623	1,024,517
Total CFDA# 10.555			<u>\$ 1,193,060</u>
School Breakfast Program	10.553	17901-40591	<u>448,120</u> \$ 1,641,180
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010124/0010125	209,069
Total Department of Agriculture			<u>\$ 1,850,249</u>
Department of Treasury:			
Direct Payments:			
COVID-19 - Local Assistance and Tribal Consistency Fund	21.032	N/A	\$ 51,528
Pass Through Payments:			
Virginia Department of Accounts:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	Unknown	\$ 1,607,037
Virginia Department of Criminal Justice Service:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Unknown	17,659
Virginia Department of Elections:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Unknown	32,939
Total AL# 21.027			<u>1,657,635</u>
Total Department of Treasury			<u>\$ 1,709,163</u>
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	13-01142LO12	\$ 70,105
Crime Victim Assistance	16.575	36001-46000	32,592
Total Department of Justice			<u>\$ 102,697</u>

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Services:			
Emergency Management Performance Grants	97.042	77501-52749	\$ 7,500
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	17901-42901	\$ 612,914
Special Education Cluster:			
Special Education Grants to States	84.027	17901-43071	\$ 524,683
Special Education Preschool Grants	84.173	17901-62521	9,726 534,409
Career and Technical Education: Basic Grants to States	84.048	17901-61095	48,396
Student Support and Academic Enrichment Program	84.424	17901-60281	412,553
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	17901-60177	16,576
Supporting Effective Instruction State Grants	84.367	17901-61480	122,206
Total Department of Education			\$ 1,747,054
Total Expenditures of Federal Awards			\$ 6,241,847

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

County of Appomattox, 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 the County of Appomattox, 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 the County of Appomattox, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the County of Appomattox, 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 the commodities received and 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	\$ 3,283,813
Total primary government	\$ <u>3,283,813</u>
Component Unit - School Board:	
School Operating Fund	\$ 1,747,055
School Cafeteria Fund	1,641,179
Total component unit School Board	\$ <u>3,388,234</u>
Total federal expenditures per basic financial statements	\$ 6,672,047
Less: Federal interest rate subsidy not included in Schedule of Expenditures of Federal Awards	(424,350)
Less: Payment in Lieu of Taxes	<u>(5,850)</u>
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ <u><u>6,241,847</u></u>

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - De Minimis Cost Rate

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

Note 7 - Loan Balances

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

County of Appomattox, 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:
 a. Material weakness(es) identified? ✓ yes no
 b. Significant deficiency(ies) identified? yes ✓ none reported

Noncompliance material to financial statements noted? ✓ yes no

Federal Awards

Internal control over major programs:
 a. Material weakness(es) identified? yes ✓ no
 b. 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)
 21.027

Name of Federal Program or Cluster
 COVID-19 - Coronavirus State and Local Fiscal Recovery Fund

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

Auditee qualified as low-risk auditee? ✓ yes no

County of Appomattox, 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: Bank reconciliations should be completed for all bank and investment accounts on a monthly basis. The reconciliations should be completed in a timely manner after month end.

Condition: The County did not complete bank reconciliations in a timely manner during the year. The June 2025 bank reconciliations were not completed until October 29, 2025.

Effect: There is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented by the entity's internal controls over financial reporting.

Cause: Internal controls were not in place to ensure that bank reconciliations are completed in a timely manner.

Recommendation: The County should implement procedures to ensure that monthly bank reconciliations are prepared and reviewed within thirty days,

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

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Findings

None