

COUNTY OF POWHATAN, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025



COUNTY OF POWHATAN, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025



PREPARED BY:

**DEPARTMENT OF FINANCE
POWHATAN, VIRGINIA**

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INTRODUCTORY SECTION

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COUNTY OF POWHATAN, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS

BOARD OF SUPERVISORS

William (Bill) Donati, Jr, Chair
Mark Kinney, Vice Chair

Steve W. McClung

Robert Powers

Denise Morrissette

SCHOOL BOARD

Susan Smith, Chair
Jeanne Wade, Vice Chair

Vicki Hurt

Dr. James Taylor

Michele Ward

SOCIAL SERVICES BOARD

Sean Campbell, Chair

Vernell Straughter

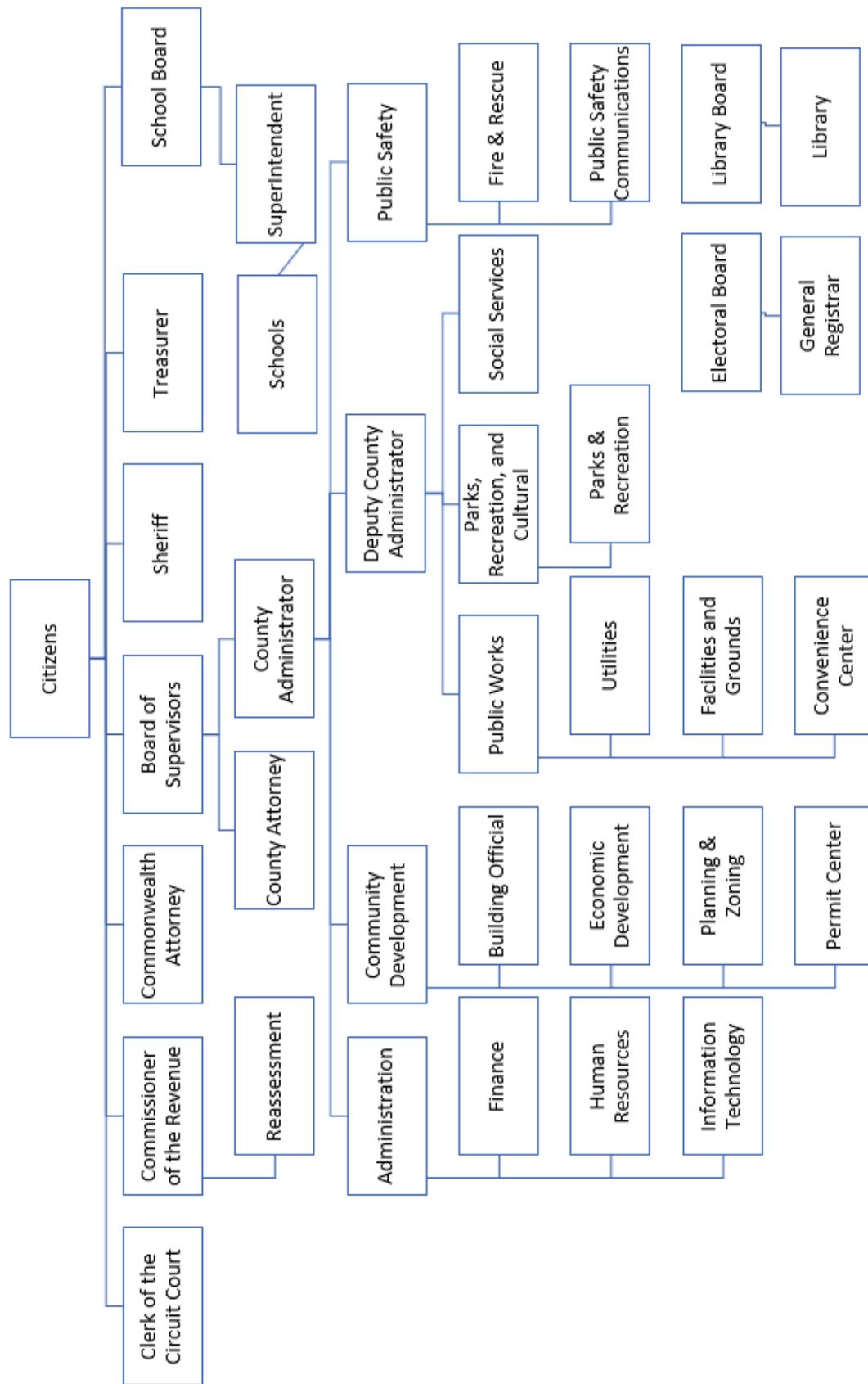
Connie Thompson
Lynne LaPierre

Lindia Cox

OTHER OFFICIALS

Clerk of the Circuit Court
Commonwealth's Attorney
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Commissioner of the Revenue
County Administrator
Director of Finance – County
Chief Financial Officer - Schools

Teresa H. Dobbins
Rob Cerullo
Rebecca Nunnally
Bradford Nunnally
Dr. Beth Teigen
Meghan Carroll
James B. Timberlake, II
William Hagy
Charla W. Schubert
Debbie Halloway



Board of Supervisors
William (Bill) Donati, Jr, Chair
Mark Kinney, Vice Chair
Steve McClung
Robert Powers
Denise Morrisette



County Administrator
William Hagy

The County Of
Powhatan

November 30, 2025

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

The Annual Comprehensive Financial Report of the County of Powhatan, Virginia, (the County) for the fiscal year ended June 30, 2025, is hereby submitted. The *Code of Virginia* requires that all local governments shall be audited annually with a report to the governing body by December 31. This report is published to fulfill that requirement.

As management, we assume full responsibility for the completeness and reliability of all the information contained in this report. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is established for this purpose. Because the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements.

The County's financial statements have been audited by Brown, Edwards & Company, LLP, a firm of licensed certified public accountants. The independent auditor has issued an unmodified opinion on the County's financial statements for the fiscal year ended June 30, 2025. The independent auditor's report is located at the front of the Financial Section of the Annual Comprehensive Financial Report.

Management's Discussion and Analysis (MD&A) is found immediately following the independent auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the County

Powhatan II lived from 1550 - 1618 and was the paramount Virginia Native American chief during the period of the founding of Jamestown in a land Europeans called "The New World". Jamestown (1607) had the distinction of being the first permanent English colony in the Americas. Chief Powhatan headed a tribal alliance of 32 Indian nations, known as the "Powhatan Confederacy". Its boundaries stretched from North Carolina to Washington, D.C., to the Eastern Shore region (approximately 16,000 square miles). He is popularly well-known to be the father of Pocahontas, the Pamunkey Indian child who supposedly saved the life of Captain John Smith. In early 1617 Powhatan went to the Tauxenent (Dogue) town of May-umps near the mouth of Virginia's Occoquan River. By May 1618 he died and his body may have remained with the Tauxenents until its transfer for burial in a sacred place in 1621. His interment site is believed to be in a large mound on the Pamunkey Reservation in King William County.

Profile of the County (Continued)

The first European settlers along the James River in the area west of present-day Chesterfield County were the French Huguenots in the early 1700's. Subsequently, the County was created by the Virginia General Assembly in 1777 and was named in honor of Chief Powhatan. The County of Powhatan, a community of 31,365 people and 272 square miles, is located in Virginia's Central Piedmont region between the Appomattox and James Rivers. Powhatan is twenty miles west of Richmond, the Commonwealth's capital city, and is within an easy two-hour drive to the Atlantic Ocean, Washington D.C., Colonial Williamsburg, and the Blue Ridge Mountains.



The governing body, a five-member Board of Supervisors elected by district for four-year terms, sets the policies for the County. The Board of Supervisors hires a County Administrator to act as Chief Administrative Officer. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and oversees the daily administration of the County. Powhatan County Public Schools (PCPS) is governed by a five-member School Board who are elected by district for four-year terms. The School Board hires the Superintendent who is the Chief Administrative Officer of PCPS. The County Treasurer, the Commissioner of the Revenue, the Commonwealth's Attorney, the Clerk of the Circuit Court and the Sheriff are elected at-large by the voters. The judges of the Circuit Court, General District Court, and the Juvenile and Domestic Relations Courts are appointed by the Virginia legislature.

The County provides a full range of municipal-type services including public safety (sheriff, fire, and EMS), health and social services, public improvements, planning, zoning and building inspections, recreation and cultural services, solid waste and recycling disposal, and general administrative services. The County also operates a public water system along the eastern portion of Andersen Highway and two wastewater treatment plants in the central and eastern parts of the County.

Profile of the County (Continued)

In accordance with the requirements of the Government Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the County is financially accountable. The discretely presented component units qualifying for inclusion in this report is Powhatan County Public Schools (PCPS) and Powhatan County Economic Development Authority. The discretely presented component units are reported separately in the financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operation and cash flows from those of the primary government.

The annual operating budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit their recommended budgets to the County Administrator in January. The County Administrator uses these recommendations as the starting point for developing his proposed budget. The County Administrator presents the proposed budget to the Board of Supervisors usually by the beginning of March. The School Board presents the proposed budget for PCPS to the Board of Supervisors by mid-March. The Board of Supervisors holds public work sessions in March and April to discuss the budget. The Board of Supervisors is required to hold a public hearing and adopt a budget by May 15 for the fiscal year beginning July 1. The County budget annually the following funds: General Fund, Social Services Fund, Children Services Act Fund, Capital Projects Fund, PEG Fund, Grants Fund, CVTA Fund, Fire and Rescue Fund, Utilities Fund, School Operating Fund and School Cafeteria Fund. PCPS budget is appropriated and controlled at the total budget level. The County's appropriated budget is legally controlled at the fund level. The Board of Supervisors must approve all transfers between funds. The County Administrator may make transfers of appropriations within a fund.

Local economy

The 2025 residential/commercial is 93% / 7%. For the fiscal year end (FYE) 2025, revenue from sales tax increased 5.2% over FYE 2024. The County's unemployment rate remained unchanged at 2.8% in FY 2025, which is lower than the state rate of 3.5% and lower than the national rate of 4.1%.

Long term financial planning

On June 22, 2016, Standard & Poor's affirmed the County's bond rating of AA+ and assigned a stable outlook. Standard & Poor's AA+ rating was based on their assessment of the county's strong economy, strong management conditions with what they considered "strong" financial policies and practices, very strong budgetary flexibility with a history of available reserves above 29% of expenditures, very strong liquidity, and very weak debt and contingent liabilities, which includes overall net debt at less than 3.8% of market value.

Relevant financial policies

The County believes that sound financial management principles require that sufficient funds be retained by the County to always provide a stable financial base. To retain this stable financial base, the County maintains an unassigned General Fund Balance sufficient to fund all cash flows of the County, to provide financial reserves for unanticipated expenditures and for revenue shortfalls. Policy guidelines have established this amount at a minimum of 15% of operating revenues of the same fiscal year net of transfers. The County has also established a capital maintenance reserve within its fund balance policy where any fund balance remaining over and above the assigned fund balances is to be maintained for non-recurring needs of the County. Only the Board of Supervisors can determine these needs and authorize the use of the capital reserve fund balance.

In addition, policies and procedures are being developed or revised periodically to provide better clarification, more detail of practice, and to strengthen documentation of management.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Powhatan for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the skill, effort, and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department. We wish to thank all county departments and Powhatan County Public Schools for their assistance in providing the data necessary to prepare this report. The Board of Supervisors are to be commended for their support in strategically planning and managing the fiscal policies of the County.

Respectfully submitted,



William Hagy
County Administrator



Charla W. Schubert
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Powhatan
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over



financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 21, 2025

County of Powhatan, Virginia

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2025

This section of the County of Powhatan (the "County") comprehensive annual financial report presents management's discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the transmittal letter, which can be found on pages iii-vi and with the County's basic financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the County, on a government-wide basis excluding component units, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$80,266,640 (*net position*). Of this amount, \$59,031,102 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position, excluding component units, increased by \$9,648,820, of which the governmental activities increased \$9,166,131 and business-type activities increased by \$482,689.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$59,731,419, an increase of \$8,411,741 in comparison with the prior year. The increase was due largely due to an increase in general property taxes, which grew as a result of a 8% increase in real estate assessments and an increase in the real estate tax rate of \$.06. The real estate growth was driven by the increase in real estate market values. Approximately 25% of this amount, \$15,137,218, is *available for spending* at the County's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,276,384 or 15% of total operating revenues of the general, school operating and school cafeteria funds (\$115,175,892). The County's policy is to maintain the general fund unassigned fund balance of 15% of operating revenues. General fund unassigned fund balance as a percent of operating revenues as calculated in accordance with the County's Unassigned Fund Balance Policy R-2015-62 of 15 percent is \$17,276,384. The County maintains a capital maintenance reserve for the County's capital needs. The County funds the capital maintenance reserve with fund balance in excess of the 15 percent policy less any budget carryforwards, nonspendable fund balance, transportation capital reserve, broadband capital investment reserve, economic incentive program, road construction and schools' capital maintenance reserve. The amount in the County capital maintenance reserve is \$9,987,548.

Overview of the Financial Statements

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

Overview of the Financial Statements (Continued)

Government-Wide financial statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances using the economic resources measurement focus and the accrual basis of accounting, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Additionally, to assess the overall financial health of the County one must also consider non-financial factors such as changes in the County's property tax base.

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

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

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board for which the County is financially accountable. Financial information for the *component units* are reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 16-18 of this report.

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*. These funds are reported on the modified accrual basis of accounting, this measures cash and other liquid assets that can be readily converted to cash.

The County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, County Capital Projects Fund and the Grants Fund, which are all considered to be major funds. Data for the other seven County funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Overview of the Financial Statements (Continued)

Fund financial statements (continued)

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic fund financial statements can be found on pages 19-22 of this report.

The County maintains one type of **Proprietary Fund**. The County uses *enterprise funds*, which are used to report the same functions presented as *business-type activities* in the government-wide financial statements, to account for its water and sewer utilities. The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on pages 26-27 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-132 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. It also provides information on the progress in funding its obligation to provide pension benefits and health insurance to its employees. Required supplementary information can be found on pages 133-148 of this report.

The combining statements referred to earlier with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 150 of this report.

Government-Wide Financial Analysis

An analysis of the County's financial position with a review of the Statement of Net Position and the Statement of Activities. These two statements report the County's net position and changes therein. It should be noted that the County's financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

As noted earlier, net position may serve over time as a useful indicator of a government's financial standing. In the case of the County, assets exceeded liabilities by \$80.3 million at the close of the most recent fiscal year. A portion of the County's net position (\$21,205,056, 26% of total) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

Unrestricted net position of \$59 million or 74% may be used to meet the County's ongoing obligations to citizens and creditors.

Government-wide Financial Analysis (Continued)

The following table reflects the condensed Summary of Net Position as presented in the government-wide financial statement:

	County of Powhatan, Virginia's Net Position							
	Governmental Activities		Business-type Activities		Primary Government Totals		Component Units	
	2025	2024	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 99,968,133	\$ 87,186,116	\$ 2,590,920	\$ 2,456,536	\$ 102,559,053	\$ 89,642,652	\$ 5,507,990	\$ 5,651,699
Capital assets	97,103,161	95,069,913	18,974,441	19,479,876	116,077,602	114,549,789	33,122,312	30,892,550
Total assets	\$ 197,071,294	\$ 182,256,029	\$ 21,565,361	\$ 21,936,412	\$ 218,636,655	\$ 204,192,441	\$ 38,630,302	\$ 36,544,249
Deferred outflows of resources:								
Pension contributions made subsequent to the measurement date	\$ 2,010,369	\$ 1,868,657	\$ 53,121	\$ 37,518	\$ 2,063,490	\$ 1,906,175	\$ 4,837,640	\$ 4,905,647
Difference between expected and actual experience and change in assumptions - pension	255,280	503,771	6,706	10,124	261,986	513,895	467,912	1,283,576
Other deferred outflows - pension	1,161,243	1,171,771	30,500	23,548	1,191,743	1,195,319	4,537,250	2,596,275
Deferred outflows - OPEB	1,112,674	1,259,625	39,535	33,491	1,152,209	1,293,116	4,096,957	5,488,999
Change in proportion - teacher cost sharing pool	-	-	-	-	-	-	184,238	286,608
Deferred amounts on bond refunding	802,554	930,673	513,620	564,845	1,316,174	1,495,518	-	-
Total deferred outflows of resources	\$ 5,342,120	\$ 5,734,497	\$ 643,482	\$ 669,526	\$ 5,985,602	\$ 6,404,023	\$ 14,123,997	\$ 14,561,105
Current liabilities	\$ 3,660,889	\$ 2,542,682	\$ 293,177	\$ 336,893	\$ 3,954,066	\$ 2,879,575	\$ 4,214,716	\$ 3,700,566
Long-term liabilities:								
Net pension liability	2,753,321	3,545,578	72,317	71,217	2,825,638	3,616,795	25,778,400	28,534,661
Other postemployment payable	2,707,722	2,728,296	75,930	56,638	2,783,652	2,784,934	9,875,079	10,711,319
Due within one year	7,885,244	7,423,129	918,328	950,536	8,803,572	8,373,665	204,786	216,080
Due in more than one year	86,074,794	82,756,833	10,735,766	12,019,977	96,810,560	94,776,810	7,062,983	2,433,545
Total liabilities	\$ 103,081,970	\$ 98,996,518	\$ 12,095,518	\$ 13,435,261	\$ 115,177,488	\$ 112,431,779	\$ 47,135,964	\$ 45,596,171
Deferred inflows of resources:								
Net difference between projected and actual investment earnings on pension plan investments	\$ 212,371	\$ 434,574	\$ 5,578	\$ 8,733	\$ 217,949	\$ 443,307	\$ 530,795	\$ 2,026,128
Difference between expected and actual experience pensions	905,171	355,844	23,775	7,144	928,946	362,988	3,858,473	1,141,269
Difference between expected and actual experience OPEB	1,730,259	1,952,019	64,941	54,128	1,795,200	2,006,147	4,136,034	4,788,523
Change in proportion - teacher cost sharing pool	-	-	-	-	-	-	1,246,793	996,244
Leases	408,262	529,119	-	-	408,262	529,119	-	-
Deferred gain on refunding	-	-	435,670	-	435,670	-	-	-
Deferred property taxes	25,392,102	24,205,304	-	-	25,392,102	24,205,304	-	-
Total deferred inflows of resources	\$ 28,648,165	\$ 27,476,860	\$ 529,964	\$ 70,005	\$ 29,178,129	\$ 27,546,865	\$ 9,772,095	\$ 8,952,164
Net position:								
Net investment in capital assets	\$ 13,342,907	\$ 9,714,105	\$ 7,426,479	\$ 6,493,489	\$ 20,769,386	\$ 16,207,594	\$ 33,122,312	\$ 30,892,550
Restricted	29,717	-	-	-	29,717	-	790,009	528,800
Unrestricted (deficit)	57,310,655	51,803,043	2,156,882	2,607,183	59,467,537	54,410,226	(38,066,081)	(41,632,925)
Total net position, as restated	\$ 70,683,279	\$ 61,517,148	\$ 9,583,361	\$ 9,100,672	\$ 80,266,640	\$ 70,617,820	\$ (4,153,760)	\$ (10,211,575)

Government-wide Financial Analysis (Continued)

The County's combined net position, which is the County's bottom line, increased by \$9,648,820 or 14% from the prior year. The change in the County's combined net position is a combination of an increase of \$9.1 million from the efforts of governmental activities and an increase of \$482,689 from the efforts of business-type activities. A significant portion of the increase from the efforts of the governmental activities can be attributed to an increase in collection of property taxes and local sales tax, as well as a reduction in spending across the County.

The School Board and Economic Development Authority (EDA) make up the County's component units. In FY 2025, the net position of the two component units' totals (\$4,153,760) compared to (\$10,150,889) in FY 2024, as restated. Powhatan County Public Schools, liabilities exceeded assets by \$4.7 million at the close of fiscal year 2025. The deficit is due to GASB Statements 68 and 75, which requires for the recording of the net pension liability and net other postemployment liabilities. The Powhatan County Public Schools net pension liability at June 30, 2025 is \$25,778,400 and net other post-employment benefits liability is \$9,875,079. The Commonwealth of Virginia requires that counties, as well as their financial dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public schools, for their component units. The capital assets of the Powhatan County Public Schools are jointly owned with the County. The County maintains ownership of the capital asset and as debt is paid a portion of the asset is transferred back to the component unit. The County also reports depreciation expense on these assets and as debt is paid a portion of the jointly owned assets are transferred back to the component unit. The EDA's assets exceeded its liabilities by \$535,984 at the close of fiscal year 2025. The increase is attributed to the transfer of land from the County in the amount of \$853,842.

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Government-wide Financial Analysis (Continued)

The statement of activities, which also uses the full accrual basis of accounting, illustrates the cost of governmental activities net of related revenues. It also shows the general revenue sources that fund governmental operations. The following table shows the revenue and expenses of government-wide activities:

County of Powhatan, Virginia's Statement of Activities								
	Governmental Activities		Business-type Activities		Primary Government		Component Units	
	2025	2024	2025	2024	Totals		2025	2024
					2025	2024		
Revenues:								
Program Revenues:								
Charges for Services	\$ 1,987,625	\$ 1,939,187	\$ 661,818	\$ 745,646	\$ 2,649,443	\$ 2,684,833	\$ 2,352,342	\$ 2,378,823
Operating Grants and Contributions	10,163,545	7,588,423	-	-	10,163,545	7,588,423	33,226,255	30,981,698
Capital Grants and Contributions	-	45,466	-	-	-	45,466	353,842	-
Property Taxes	62,324,284	55,585,672	-	-	62,324,284	55,585,672	-	-
Other local taxes	10,562,886	10,058,722	-	-	10,562,886	10,058,722	-	-
Grants and Contributions not restricted to specific programs	3,790,576	3,789,714	-	-	3,790,576	3,789,714	-	-
Other	1,130,559	937,224	47,846	18,240	1,178,405	955,464	864,188	973,921
Total revenues	\$ 89,959,475	\$ 79,944,408	\$ 709,664	\$ 763,886	\$ 90,669,139	\$ 80,708,294	\$ 36,796,627	\$ 34,334,442
Expenses:								
General government administration	\$ 6,654,150	\$ 6,191,203	\$ -	\$ -	\$ 6,654,150	\$ 6,191,203	\$ -	\$ -
Judicial administration	1,646,973	1,614,580	-	-	1,646,973	1,614,580	-	-
Public safety	16,935,136	17,102,140	-	-	16,935,136	17,102,140	-	-
Public works	3,597,435	3,699,885	2,828,862	2,352,765	6,426,297	6,052,650	-	-
Health and welfare	7,851,848	7,183,141	-	-	7,851,848	7,183,141	-	-
Education	34,399,145	35,338,587	-	-	34,399,145	35,338,587	62,232,383	69,594,885
Parks, recreation, and cultural	1,623,917	1,469,224	-	-	1,623,917	1,469,224	-	-
Community development	2,534,291	1,437,681	-	-	2,534,291	1,437,681	4,230	-
Interest and fiscal charges	2,948,562	2,493,039	-	-	2,948,562	2,493,039	-	-
Total expenses	\$ 78,191,457	\$ 76,529,480	\$ 2,828,862	\$ 2,352,765	\$ 81,020,319	\$ 78,882,245	\$ 62,236,613	\$ 69,594,885
Change in net position before transfers	\$ 11,768,018	\$ 3,414,928	\$ (2,119,198)	\$ (1,588,879)	\$ 9,648,820	\$ 1,826,049	\$ (25,439,986)	\$ (35,260,443)
Transfers	(2,601,887)	(1,863,417)	2,601,887	1,863,417	-	-	31,437,115	30,514,500
Change in net position	\$ 9,166,131	\$ 1,551,511	\$ 482,689	\$ 274,538	\$ 9,648,820	\$ 1,826,049	\$ 5,997,129	\$ (4,745,943)
Net position - beginning, as restated	61,517,148	59,965,637	9,100,672	8,826,134	70,617,820	68,791,771	(10,150,889)	(5,404,946)
Net position - ending	\$ 70,683,279	\$ 61,517,148	\$ 9,583,361	\$ 9,100,672	\$ 80,266,640	\$ 70,617,820	\$ (4,153,760)	\$ (10,150,889)

Governmental activities – For fiscal year ended June 30, 2025, revenues from governmental activities (not including Capital Projects) totaled \$89.9 million, which was an increase of \$1 million from the prior year. Real estate tax revenues, the County's largest revenue source, real estate billing of \$46.3 million. The County's

Government-wide Financial Analysis (Continued)

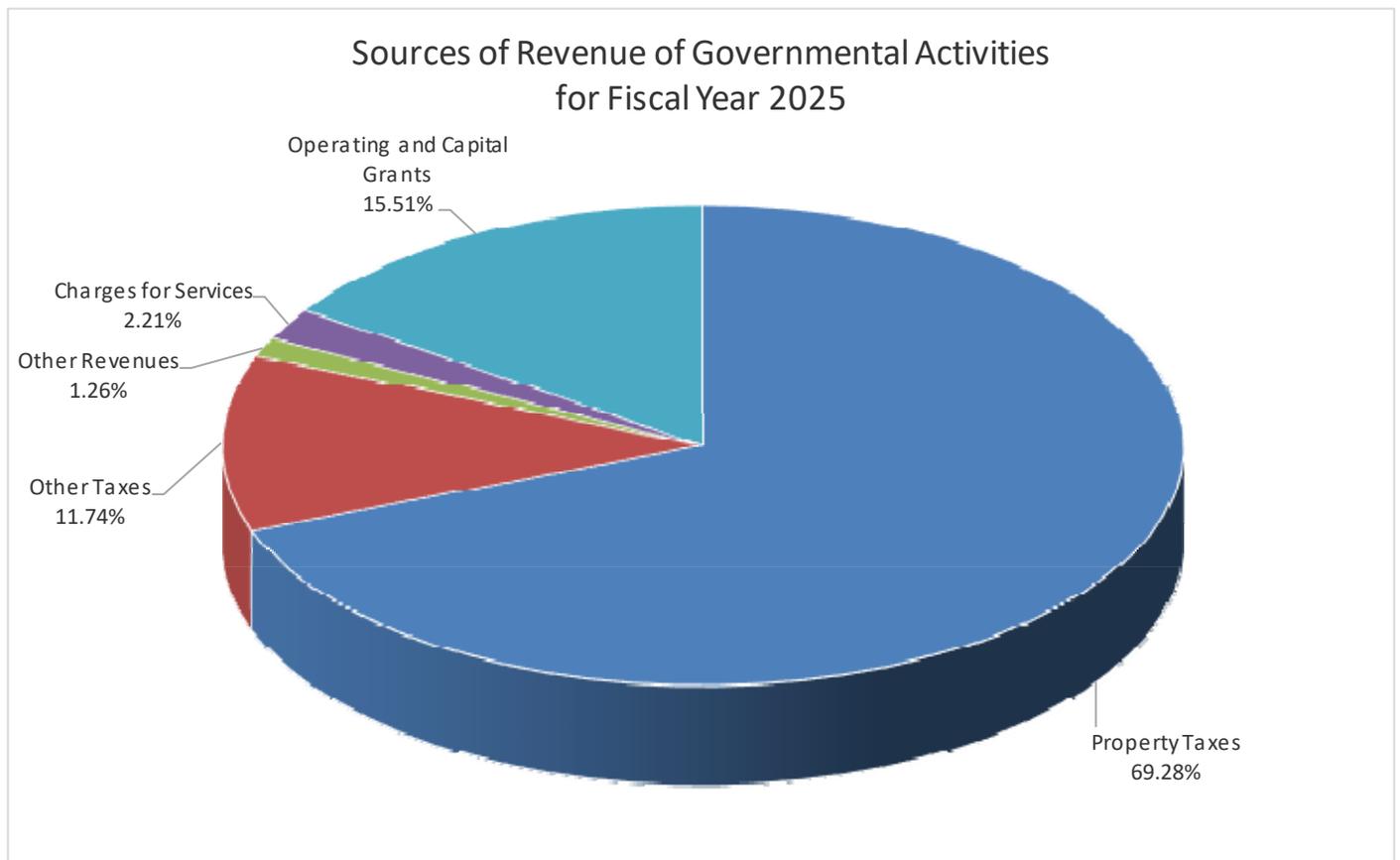
assessed real property tax base for fiscal year 2025 saw an increase of \$570 million. The increase is due to increase in value based on the sales study. The real estate tax rate increased from \$.69 to \$.75 for the tax year 2025.

In the General Fund, the County reported current year collections of \$18.3 million in personal property taxes, the County's second largest revenue source. Of that amount, \$3.02 million was received as reimbursement from the Commonwealth of Virginia. Under the provisions of the Personal Property Tax Relief Act (PPTRA), the state's share of local personal property taxes remains stable, which is attributed to the tax rate remaining at \$3.60.

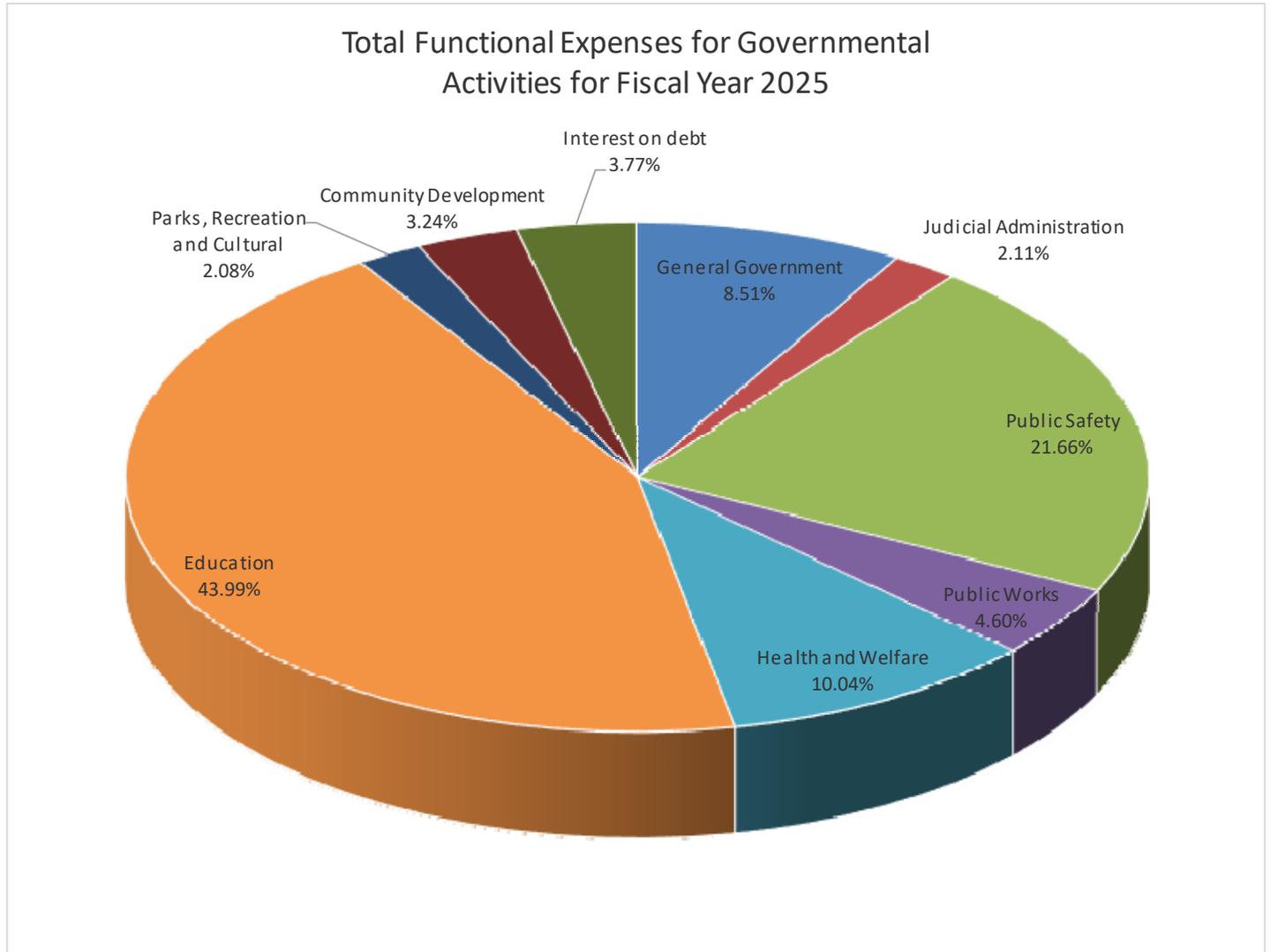
For the fiscal year ended June 30, 2025, expenses relating to governmental activities (not including Capital Projects) were \$1,349,191 less than planned. The decrease in spending can be contributed to conservative spending by all departments in the County as well as departmental staff vacancies.

Public education continues to be one of the County's highest priorities and commitments. The County contributed \$28.8 million to public education school operations and \$6.5 million toward debt payments relating to school projects for a total contribution of \$35.3 million.

The following graphs illustrate by source for governmental activities, as well as illustrating expenses for each of the functional areas of governmental activities:



Government-wide Financial Analysis (Continued)



Business-type activities increased the County’s net position by \$482,689 for fiscal year 2025. Similar to the changes in net position attributable to governmental activities, changes in business-type activity net position also result from the difference between revenues and expenses. Unlike governmental activities, which primarily rely on general tax revenue to finance operations, business-type activities are financed by fees charged for goods and services provided.

The County has one enterprise fund, which provides water and wastewater services to approximately 200 customers in the County. Like all business-type activities, the Utility Fund attempts to recover much of the operating expenses it incurs to meet service demands through user fees. The primary factors affecting the Utility Fund are:

- Efforts to make the fund self-supporting have been unsuccessful; however, the fund is showing improvements. The County recognizes the need to continue support of the fund through annual General Fund transfers. The budgeted transfer was \$2,236,887 in fiscal year 2025.

Financial Analysis of the County's Funds

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

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$59.7 million, an increase of \$8.4 million in comparison with the prior year. The \$8.4 million increase can be attributed to an increase of \$3.7 million in property tax collections, increases in all major revenue sources and the issuance of bonds.

At the end of the current fiscal year, the County's grants fund reported a fund balance of (\$2,139,166), an increase of \$2,654,251 in comparison with the prior year. The increase can be attributed to the recognition of deferred grant revenue of \$2,461,655. The negative fund balance is attributed to the deferred American Rescue Plan Act funds that have not been obligated but not spent at the end of FY 2025 in the amount of \$2,635,234.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$17.3 million, while total fund balance reached \$29.6 million. The Board of Supervisors adopted a fund balance policy to keep unassigned fund balance at a minimum of 15% of operating revenues of the same fiscal year. The fund balance in excess of 15% is assigned to capital maintenance reserve. In fiscal year 2025 the County's fund balance was 25.7% of fiscal year 2025 operating revenues. The excess fund balance of \$12.3 million is assigned to the capital maintenance needs of the County and Schools. The fund balance increased by \$1.3M. The increase can be contributed to the \$3.7M in additional property taxes collected and increase in other local revenues.

The County Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those reported by the Proprietary Fund. The County Capital Projects Fund has a fund balance of \$20.7 million, which \$9.35 million was restricted for bonded projects and financed purchases and \$11.3 million has been assigned for future capital projects. The fund balance increased from the prior year by \$1.9 million. The County completed several projects in FY 2025 from bonded funds and pay go funds transferred in prior years but issued \$11.3 million in new debt for planned future capital projects.

Proprietary funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Utility Fund at the end of the year amounted to \$2.2 million, which is an increase of \$482,689 from fiscal year 2024. The increase is largely in part to the pay down in debt and therefore a increase in net investment in capital assets. There was also an increase in water and sewer revenues due to an increase in the rates charged. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Total General Fund expenditures in fiscal year 2024 came in at \$1.3 million or 1.8% below the final amended budget. Local expenditures for Education were under budget by \$312,428.

General Fund revenues exceeded budget projections in fiscal year 2025 by \$3.2 million, which can be attributed to very conservative revenue forecasting, increase in real estate and personal property assessments and increase in the real estate tax rate by \$.06.

There was an increase of \$116,177 between the original General Fund budget and the final amended General Fund budget, and the major differences can be summarized as follows:

- An increase of \$116,177 can be attributed to various minor budget changes across multiple departments.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$116.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, and machinery and equipment.

The County does not own its own roads; therefore, roads are not included in the capital assets.

Major capital asset events during the current fiscal year included the following:

- The County completed the Softball concessions stand.
- The County continued work on the Fire Station #1 addition projects.
- The County purchased voting machines, several Sheriff's office and Administration vehicles, ambulances and fire apparatus

Capital assets, net of accumulated depreciation, are illustrated in the following table:

Capital Assets								
As of June 30, 2025 and 2024								
	Governmental Activities		Business-type Activities		Primary Government		Component Units	
					Totals			
	2025	2024	2025	2024	2025	2024	2025	2024
Land	\$ 1,594,939	\$ 2,448,781	\$ 859,030	\$ 859,030	\$ 2,453,969	\$ 3,307,811	\$ 1,772,693	\$ 918,851
Construction in progress	7,363,695	1,314,549	26,430	-	7,390,125	1,314,549	-	2,372,675
Buildings	16,024,094	14,721,948	17,626,448	18,174,637	33,650,542	32,896,585	421,314	-
Machinery & equipment	18,153,629	17,815,596	462,533	446,209	18,616,162	18,261,805	7,671,823	5,860,856
Lease assets	746,466	838,849	-	-	746,466	838,849	-	-
Subscription assets	5,941,756	6,556,991	-	-	5,941,756	6,556,991	3,429	52,800
Jointly owned assets	47,278,582	51,373,199	-	-	47,278,582	51,373,199	23,253,053	21,687,368
Total	<u>\$ 97,103,161</u>	<u>\$ 95,069,913</u>	<u>\$ 18,974,441</u>	<u>\$ 19,479,876</u>	<u>\$ 116,077,602</u>	<u>\$ 114,549,789</u>	<u>\$ 33,122,312</u>	<u>\$ 30,892,550</u>

Additional information on the County's capital assets can be found in Note 8 on pages 47-50 of this report.

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Capital Asset and Debt Administration (Continued)

Long-term debt: At the end of the current fiscal year, the County had a total outstanding debt of \$105.6 million and details are summarized in the following table:

Long-Term Debt								
As of June 30, 2025 and 2024								
	Governmental Activities		Business-type Activities		Primary Government Totals		Component Units	
	2025	2024	2025	2024	2025	2024	2025	2024
	Bonds Payable:							
General obligation bonds	\$ 11,098,757	\$ 12,936,878	\$ -	\$ -	\$ 11,098,757	\$ 12,936,878	\$ -	\$ -
Revenue bonds	68,045,000	61,651,000	11,065,000	12,325,000	79,110,000	73,976,000	-	-
Premium on bonds	5,402,827	4,907,442	560,912	613,116	5,963,739	5,520,558	-	-
Lease liability	807,322	888,594	-	-	807,322	888,594	-	-
Subscription liability	6,262,877	6,758,967	-	-	6,262,877	6,758,967	-	49,364
Financed purchases	1,094,906	1,560,232	-	-	1,094,906	1,560,232	-	-
Compensated absences	1,248,349	1,476,849	28,182	32,397	1,276,531	1,509,246	7,267,769	9,308,169
Total	\$ 93,960,038	\$ 90,179,962	\$ 11,654,094	\$ 12,970,513	\$ 105,614,132	\$ 103,150,475	\$ 7,267,769	\$ 9,357,533

Debt associated with governmental activities increased \$3.8 million, which is the net amount of pay down of principal during the year and the issuance of new lease revenue bonds. The debt associated with business-type activities decreased by \$1.3 million, which can be attributed to pay down of principal during the current year.

The County is not subject to a statutory debt limitation, but the County limits its debt to a net debt as a percentage of assessed value of taxable property which shall not exceed 4%. The County also limits its ratio of debt service as a percentage of governmental operating funds expenditures to 15%. The County's net tax supported debt as a percentage of assessed value was 1.35%, the net debt per capita ratio was \$3,235, and the debt payments percentage was 9.20%.

Additional information on the County's long-term debt can be found in Note 10 on pages 51-59.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County as of June 2025 was 2.8 percent, which is lower than the state rate (3.5 percent), but lower than the national rate (4.1 percent).
- Real property taxable assessed values increased 8 percent from January 1, 2024 to January 1, 2025 from \$5,744,146,992 to \$6,314,569,461 due to the County's general reassessment. The County anticipates the assessments to continue to increase due to sales and new construction and this will be taken into consideration in the development of the FY 2027 Budget, which is currently underway.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, County of Powhatan, 3834 Old Buckingham Road, Suite B, Powhatan VA 23139. General information relating to the County of Powhatan is available on the County's website <http://www.powhatanva.gov>.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2025

	Primary Government			Component Units	
	Governmental	Business-type	Total	School	EDA
	Activities	Activities		Board	
ASSETS					
Cash and cash equivalents (Note 3)	\$ 49,286,985	\$ 2,438,730	\$ 51,725,715	\$ 3,046,046	\$ 82,142
Receivables, net:					
Taxes (Note 5)	36,194,175	-	36,194,175	-	-
Accounts (Note 5)	306,445	151,425	457,870	89,034	-
Leases receivable (Note 10)	429,913	-	429,913	-	-
Due from component unit	500,000	-	500,000	-	-
Due from other governmental units (Note 6)	2,809,749	-	2,809,749	1,362,079	-
Inventories	-	-	-	138,680	-
Prepaid expenses	6,217	-	6,217	-	-
Restricted assets:					
Temporarily restricted:					
Investments (Note 3)	10,404,932	-	10,404,932	-	-
Net pension asset (Note 11)	-	-	-	790,009	-
Net OPEB Asset (Note 14)	29,717	765	30,482	-	-
Capital assets (Note 8):					
Nondepreciable	8,958,634	885,460	9,844,094	818,851	953,842
Depreciable, net	88,144,527	18,088,981	106,233,508	31,349,619	-
Total assets	\$ 197,071,294	\$ 21,565,361	\$ 218,636,655	\$ 37,594,318	\$ 1,035,984
DEFERRED OUTFLOWS OF RESOURCES					
Pension contributions made subsequent to the measurement date (Notes 11 & 12)	\$ 2,010,369	\$ 53,121	\$ 2,063,490	\$ 4,837,640	\$ -
Changes in assumptions - pension (Note 11 & 12)	255,280	6,706	261,986	467,912	-
Other deferred outflows -pension (Notes 11 & 12)	1,161,243	30,500	1,191,743	4,537,250	-
Deferred outflows - OPEB (Notes 13 and 14)	1,112,674	39,535	1,152,209	4,096,957	-
Change in proportion - teacher cost sharing pool (Note 12)	-	-	-	184,238	-
Deferred loss on bond refundings	802,554	513,620	1,316,174	-	-
	\$ 5,342,120	\$ 643,482	\$ 5,985,602	\$ 14,123,997	\$ -
LIABILITIES					
Accounts payable	\$ 2,539,641	\$ 181,236	\$ 2,720,877	\$ 525,407	\$ -
Accrued liabilities	234,481	-	234,481	2,972,289	-
Due to primary government	-	-	-	-	500,000
Retainage payable	146,939	-	146,939	-	-
Accrued interest payable	739,828	111,941	851,769	-	-
Unearned revenue	-	-	-	217,020	-
Long-term liabilities:					
Due within one year (Note 10)	7,885,244	918,328	8,803,572	204,786	-
Due in more than one year (Note 10)	86,074,794	10,735,766	96,810,560	7,062,983	-
Net pension liability (Notes 11 & 12)	2,753,321	72,317	2,825,638	25,778,400	-
Net other postemployment benefits liability (Notes 13, 14, 15 & 17)	2,707,722	75,930	2,783,652	9,875,079	-
Total liabilities	\$ 103,081,970	\$ 12,095,518	\$ 115,177,488	\$ 46,635,964	\$ 500,000
DEFERRED INFLOWS OF RESOURCES					
Difference between expected and actual experience - pension (Notes 11 & 12)	\$ 212,371	\$ 5,578	\$ 217,949	\$ 530,795	\$ -
Difference between expected and actual earnings on investments - Pensions (Notes 11 & 12)	905,171	23,775	928,946	3,858,473	-
Difference between expected and actual experience - OPEB (Notes 13 & 14)	1,730,259	64,941	1,795,200	4,136,034	-
Change in proportion - teacher cost sharing pool (Note 12)	-	-	-	1,246,793	-
Leases (Note 10)	408,262	-	408,262	-	-
Deferred gain on refunding (Note 10)	-	435,670	435,670	-	-
Deferred property taxes (Note 9)	25,392,102	-	25,392,102	-	-
	\$ 28,648,165	\$ 529,964	\$ 29,178,129	\$ 9,772,095	\$ -
NET POSITION					
Net investment in capital assets	\$ 13,342,907	\$ 7,426,479	\$ 20,769,386	\$ 32,168,470	\$ 953,842
Restricted for:					
Pension	-	-	-	790,009	-
OPEB	29,717	765	30,482	-	-
Unrestricted (deficit)	57,310,655	2,156,117	59,466,772	(37,648,223)	(417,858)
Total net position, as restated	\$ 70,683,279	\$ 9,583,361	\$ 80,266,640	\$ (4,689,744)	\$ 535,984

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

COUNTY OF POWHATAN, VIRGINIA

Statement of Activities
 For the Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 6,654,150	\$ -	\$ 2,922,256	\$ -
Judicial administration	1,646,973	225,739	791,014	-
Public safety	16,935,136	1,573,460	2,346,478	-
Public works	3,597,435	87,001	-	-
Health and welfare	7,851,848	-	3,763,328	-
Education	34,399,145	-	-	-
Parks, recreation, and cultural	1,623,917	66,439	227,063	-
Community development	2,534,291	34,986	113,406	-
Interest on long-term debt	2,948,562	-	-	-
Total governmental activities	\$ 78,191,457	\$ 1,987,625	\$ 10,163,545	\$ -
Business-type activities:				
Water and sewer	\$ 2,828,862	\$ 661,818	\$ -	\$ -
Total business-type activities	\$ 2,828,862	\$ 661,818	\$ -	\$ -
Total primary government	\$ 81,020,319	\$ 2,649,443	\$ 10,163,545	\$ -
COMPONENT UNITS:				
School Board	\$ 62,232,383	\$ 2,352,342	\$ 33,226,255	\$ -
Economic Development Authority	4,230	27,000	-	353,842
Total component units	\$ 62,236,613	\$ 2,379,342	\$ 33,226,255	\$ 353,842

General revenues:
 General property taxes
 Local sales and use tax
 Consumer utility tax
 Other local taxes
 Unrestricted revenues from use of money and property
 Miscellaneous
 Grants and contributions not restricted to specific programs
 Payment from Powhatan County
 Transfers (Note 7)
 Total general revenues and transfers
 Change in net position
 Net position - beginning, as restated (Note 21)
 Net position - ending

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

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	School Board	EDA	
\$ (3,731,894)	\$ -	\$ (3,731,894)	\$ -	\$ -	
(630,220)	-	(630,220)	-	-	
(13,015,198)	-	(13,015,198)	-	-	
(3,510,434)	-	(3,510,434)	-	-	
(4,088,520)	-	(4,088,520)	-	-	
(34,399,145)	-	(34,399,145)	-	-	
(1,330,415)	-	(1,330,415)	-	-	
(2,385,899)	-	(2,385,899)	-	-	
(2,948,562)	-	(2,948,562)	-	-	
<u>\$ (66,040,287)</u>	<u>\$ -</u>	<u>\$ (66,040,287)</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>\$ -</u>	<u>\$ (2,167,044)</u>	<u>\$ (2,167,044)</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>\$ -</u>	<u>\$ (2,167,044)</u>	<u>\$ (2,167,044)</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>\$ (66,040,287)</u>	<u>\$ (2,167,044)</u>	<u>\$ (68,207,331)</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ -	\$ -	(26,653,786)	\$ -	
-	-	-	-	376,612	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,653,786)</u>	<u>\$ 376,612</u>	
\$ 62,324,284	\$ -	\$ 62,324,284	\$ -	\$ -	
5,807,717	-	5,807,717	-	-	
645,910	-	645,910	-	-	
4,109,259	-	4,109,259	-	-	
719,498	-	719,498	24,329	2,104	
411,061	47,846	458,907	835,755	-	
3,790,576	-	3,790,576	-	-	
-	-	-	31,412,115	-	
(2,601,887)	2,601,887	-	-	-	
<u>\$ 75,206,418</u>	<u>\$ 2,649,733</u>	<u>\$ 77,856,151</u>	<u>\$ 32,272,199</u>	<u>\$ 2,104</u>	
\$ 9,166,131	\$ 482,689	\$ 9,648,820	\$ 5,618,413	\$ 378,716	
61,517,148	9,100,672	70,617,820	(10,308,157)	157,268	
<u>\$ 70,683,279</u>	<u>\$ 9,583,361</u>	<u>\$ 80,266,640</u>	<u>\$ (4,689,744)</u>	<u>\$ 535,984</u>	

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FUND FINANCIAL STATEMENTS

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Balance Sheet
 Governmental Funds
 June 30, 2025

	General	County Capital Projects	Grants Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 26,015,817	\$ 12,060,650	\$ 370,499	\$ 10,840,019	\$ 49,286,985
Receivables, net:					
Taxes	36,194,175	-	-	-	36,194,175
Accounts	194,047	-	-	112,398	306,445
Leases receivable	429,913	-	-	-	429,913
Due from other governmental units	1,906,818	-	174,139	728,792	2,809,749
Prepaid items	6,217	-	-	-	6,217
Restricted assets:					
Temporarily restricted:					
Investments	-	10,404,932	-	-	10,404,932
Total assets	<u>\$ 64,746,987</u>	<u>\$ 22,465,582</u>	<u>\$ 544,638</u>	<u>\$ 11,681,209</u>	<u>\$ 99,438,416</u>
LIABILITIES					
Accounts payable	\$ 806,451	\$ 1,655,003	\$ 44,868	\$ 33,319	\$ 2,539,641
Accrued liabilities	230,779	-	3,702	-	234,481
Retainage payable	-	146,939	-	-	146,939
Total liabilities	<u>\$ 1,037,230</u>	<u>\$ 1,801,942</u>	<u>\$ 48,570</u>	<u>\$ 33,319</u>	<u>\$ 2,921,061</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable/deferred revenue (Note 9)	\$ 33,742,440	\$ -	\$ 2,635,234	\$ -	\$ 36,377,674
Leases	408,262	-	-	-	408,262
Total deferred inflows of resources	<u>\$ 34,150,702</u>	<u>\$ -</u>	<u>\$ 2,635,234</u>	<u>\$ -</u>	<u>\$ 36,785,936</u>
FUND BALANCES:					
Nonspendable	\$ 6,217	\$ -	\$ -	\$ -	\$ 6,217
Restricted	-	9,350,376	-	10,884,686	20,235,062
Committed	-	-	-	763,204	763,204
Assigned	12,276,454	11,313,264	-	-	23,589,718
Unassigned	17,276,384	-	(2,139,166)	-	15,137,218
Total fund balances	<u>\$ 29,559,055</u>	<u>\$ 20,663,640</u>	<u>\$ (2,139,166)</u>	<u>\$ 11,647,890</u>	<u>\$ 59,731,419</u>
Total liabilities and fund balances	<u>\$ 64,746,987</u>	<u>\$ 22,465,582</u>	<u>\$ 544,638</u>	<u>\$ 11,681,209</u>	<u>\$ 99,438,416</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 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 \$ 59,731,419

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

Capital assets, cost	\$ 170,091,540	
Less: accumulated depreciation	<u>(72,988,379)</u>	97,103,161

Deferred inflows of resources (i.e. taxes levied) are not available to pay current period expenditures and, therefore, are deferred in the funds. 10,985,572

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources for employer contributions - pension	\$ 2,010,369	
Deferred outflows - pension	1,416,523	
Deferred inflows of resources for differences between expected and actual experience - pension	(212,371)	
Deferred inflows of resources for the net difference between projected and actual plan investments - pension	(905,171)	
Deferred outflows - OPEB	1,112,674	
Deferred inflows - OPEB	(1,730,259)	
Net other postemployment benefits liability	(2,707,722)	
Net Pension Liability	<u>(2,723,604)</u>	(3,739,561)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not accrued in the funds. 500,000

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

Bonds and loans payable	\$ (79,143,757)	
Bond issuance premium	(5,402,827)	
Deferred charge on refundings	802,554	
Interest payable	(739,828)	
Financed purchases obligations	(1,094,906)	
Subscription liability	(6,262,877)	
Lease liability	(807,322)	
Compensated absences	<u>(1,248,349)</u>	<u>(93,897,312)</u>

Net position of governmental activities \$ 70,683,279

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

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

	General	County Capital Projects	Grants Fund	Other Governmental Funds	Total
REVENUES					
General property taxes	\$ 60,582,333	\$ -	\$ -	\$ -	\$ 60,582,333
Other local taxes	7,767,119	-	-	2,795,767	10,562,886
Permits, privilege fees, and regulatory licenses	759,929	-	-	33,866	793,795
Fines and forfeitures	87,175	-	-	-	87,175
Revenue from the use of money and property	412,257	307,131	-	110	719,498
Charges for services	299,306	-	-	807,349	1,106,655
Miscellaneous	243,732	46,288	121,041	-	411,061
Intergovernmental revenues:					
Commonwealth	9,201,750	-	281,383	191,585	9,674,718
Federal	1,229,277	-	3,035,126	15,000	4,279,403
Total revenues	<u>\$ 80,582,878</u>	<u>\$ 353,419</u>	<u>\$ 3,437,550</u>	<u>\$ 3,843,677</u>	<u>\$ 88,217,524</u>
EXPENDITURES					
Current:					
General government administration	\$ 5,992,765	\$ 368,071	\$ 197,153	\$ -	\$ 6,557,989
Judicial administration	1,507,934	50,000	39,447	-	1,597,381
Public safety	14,199,478	5,190,223	266,154	968,869	20,624,724
Public works	3,101,758	451,107	-	-	3,552,865
Health and welfare	7,535,981	-	295,822	-	7,831,803
Education	28,795,132	4,237,563	-	-	33,032,695
Parks, recreation, and cultural	1,230,531	1,675,322	20,876	-	2,926,729
Community development	1,593,225	704,242	13,847	313,012	2,624,326
Debt service:					
Principal retirement	6,734,945	-	-	-	6,734,945
Interest and other fiscal charges	3,037,791	136,702	-	-	3,174,493
Total expenditures	<u>\$ 73,729,540</u>	<u>\$ 12,813,230</u>	<u>\$ 833,299</u>	<u>\$ 1,281,881</u>	<u>\$ 88,657,950</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 6,853,338</u>	<u>\$ (12,459,811)</u>	<u>\$ 2,604,251</u>	<u>\$ 2,561,796</u>	<u>\$ (440,426)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 281,620	\$ 3,298,000	\$ 50,000	\$ -	\$ 3,629,620
Transfers out	(5,949,887)	(281,620)	-	-	(6,231,507)
Issuance of bond proceeds	-	11,305,000	-	-	11,305,000
Premium on issuance of bonds	1,000,054	-	-	-	1,000,054
Redemption of refunded bonds	(8,596,000)	-	-	-	(8,596,000)
Proceeds of refunded bonds	7,745,000	-	-	-	7,745,000
Total other financing sources (uses)	<u>\$ (5,519,213)</u>	<u>\$ 14,321,380</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 8,852,167</u>
Net change in fund balances	\$ 1,334,125	\$ 1,861,569	\$ 2,654,251	\$ 2,561,796	\$ 8,411,741
Fund balances - beginning	28,224,930	18,802,071	(4,793,417)	9,086,094	51,319,678
Fund balances - ending	<u>\$ 29,559,055</u>	<u>\$ 20,663,640</u>	<u>\$ (2,139,166)</u>	<u>\$ 11,647,890</u>	<u>\$ 59,731,419</u>

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

Reconciliation of 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 \$ 8,411,741

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

Capital asset additions	\$	11,727,231	
Allocation of jointly owned assets, net		(2,616,983)	
Depreciation expense		<u>(5,515,540)</u>	3,594,708

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,741,951

Governmental funds report employer pension contributions as expenditures. However in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense.

Employer pension contributions	\$	2,010,369	
Pension expense		<u>(1,438,925)</u>	20,982

In the Statement of Activities, only the gain or loss on sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the property sold. (353,842)

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

Principal payments	\$	6,734,945	
Issuance of refunding bonds		(8,596,000)	
Principal payments on refunding bonds		7,745,000	
Issuance of bonds		(11,305,000)	
Premium on issuance of bonds		1,000,054	
Cost of Issuance		(149,054)	
Amortization of leases		(92,383)	
Amortization of subscriptions		(377,987)	
Amortization of deferred amounts on refunding		128,118	
Amortization of premium on bonds payable		<u>504,669</u>	(4,407,638)

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.

(Increase) decrease in compensated absences	\$	228,500	
(Increase) decrease in OPEB liability		15,269	
(Increase) decrease in interest payable		<u>(85,540)</u>	<u>158,229</u>

Change in net position of governmental activities \$ 9,166,131

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

Statement of Net Position
 Proprietary Fund
 June 30, 2025

	<u>Enterprise Fund</u>
	<u>Water &</u>
	<u>Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents (Note 3)	\$ 2,438,730
Accounts receivable, net of allowance for uncollectibles (Note 5)	151,425
Net OPEB Asset	765
Total current assets	<u>\$ 2,590,920</u>
Noncurrent assets (Note 8):	
Capital assets:	
Nondepreciable	\$ 885,460
Depreciable, net	18,088,981
Total noncurrent assets	<u>\$ 18,974,441</u>
Total assets	<u>\$ 21,565,361</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions made subsequent to the measurement date (Note 11)	\$ 53,121
Differences between expected and actual experience, difference between projected and actual earnings and changes in assumptions on pension plan investments - pension (Note 11)	30,500
Change in assumptions (Note 11)	6,706
Deferred Outflows - OPEB (Note 13)	39,535
Deferred amount on bond refunding	513,620
Total deferred outflows of resources	<u>\$ 643,482</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 181,236
Accrued interest payable	111,941
Compensated absences - current portion	2,818
Bonds payable - current portion	915,510
Total current liabilities	<u>\$ 1,211,505</u>
Noncurrent liabilities:	
Bonds payable - net of current portion	\$ 10,710,402
Compensated absences - net of current portion	25,364
Net pension liability	72,317
Other post-employment benefits payable	75,930
Total noncurrent liabilities	<u>\$ 10,884,013</u>
Total liabilities	<u>\$ 12,095,518</u>
DEFERRED INFLOWS OF RESOURCES	
Difference between expected and actual experience on pension (Note 11)	\$ 5,578
Net difference between projected and actual earnings on pension (Note 11)	23,775
Deferred Inflows - OPEB (Note 13)	64,941
Deferred gain on refunding (Note 10)	435,670
Total deferred inflows of resources	<u>\$ 529,964</u>
NET POSITION	
Net investment in capital assets	\$ 7,426,479
Unrestricted	2,156,882
Total net position	<u><u>\$ 9,583,361</u></u>

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

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

	<u>Enterprise Fund</u>
	<u>Water &</u>
	<u>Sewer</u>
OPERATING REVENUES	
Charges for services:	
Water and sewer revenues	\$ 618,868
Connection and reconnection fees	42,950
Miscellaneous	47,846
Total operating revenues	<u>\$ 709,664</u>
OPERATING EXPENSES	
Personal services	\$ 440,707
Fringe benefits	190,770
Contractual services	443,938
Other charges	639,049
Depreciation	625,711
Total operating expenses	<u>\$ 2,340,175</u>
Operating loss	<u>\$ (1,630,511)</u>
NONOPERATING EXPENSES	
Interest and fiscal charges	<u>\$ (488,687)</u>
Total nonoperating expenses	<u>\$ (488,687)</u>
Loss before contributions and transfers	<u>\$ (2,119,198)</u>
Transfers in	2,601,887
Change in net position	<u>\$ 482,689</u>
Total net position - beginning	9,100,672
Total net position - ending	<u><u>\$ 9,583,361</u></u>

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

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

	<u>Enterprise Fund</u>
	<u>Water &</u>
	<u>Sewer</u>
OPERATING ACTIVITIES	
Receipts from customers and users	\$ 711,559
Payments to suppliers	(1,115,912)
Payments to employees	(616,958)
Net cash used in operating activities	<u>\$ (1,021,311)</u>
NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	<u>\$ 2,601,887</u>
Net cash provided by noncapital financing activities	<u>\$ 2,601,887</u>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Additions to capital assets	\$ (120,276)
Issuance of bonds	3,590,000
Principal payments on bonds	(4,850,000)
Premium on issuance of bonds	882,967
Amortization of bond premiums	(499,501)
Issuance costs	(68,595)
Interest payments	<u>(375,568)</u>
Net cash used in capital and related financing activities	<u>\$ (1,440,973)</u>
Net increase in cash and cash equivalents	\$ 139,603
Cash and cash equivalents - beginning - including restricted	2,299,127
Cash and cash equivalents - ending - including restricted	<u><u>\$ 2,438,730</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (1,630,511)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	\$ 625,711
(Increase) decrease in accounts receivable	5,984
Increase (decrease) in accounts payable and accrued liabilities	(32,925)
Increase (decrease) in unearned revenue	(4,089)
Increase (decrease) in compensated absences and OPEB	19,080
Increase (decrease) Pension expense net of employer contributions	<u>(4,561)</u>
Total adjustments	<u>\$ 609,200</u>
Net cash used in operating activities	<u><u>\$ (1,021,311)</u></u>

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

Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2025

		<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$	389,078
Total assets	\$	<u>389,078</u>
NET POSITION		
Restricted for:		
Social Services clients	\$	42,384
Bond escrow		<u>346,694</u>
Total net position	\$	<u>389,078</u>

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

Statement of Changes in Fiduciary Net Position - Custodial Funds
 Year Ended June 30, 2025

	Custodial Funds
	<u> </u>
Additions:	
Member contributions	\$ 37,585
Performance bonds	<u>77,440</u>
Total additions	<u>\$ 115,025</u>
 Deductions:	
Payments made to welfare recipients	\$ 35,779
Repayment of performance bonds	<u>47,200</u>
Total deductions	<u>\$ 82,979</u>
 Change in fiduciary net position	 \$ 32,046
Total net position, beginning	<u>357,032</u>
Total net position, ending	<u><u>\$ 389,078</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County of Powhatan, Virginia (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, recreational activities, cultural events, education, and social services.

The financial statements of the County have been prepared in conformity with 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.

B. Financial Statement Presentation

Government-wide Financial Statements

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

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

Statement of Net Position

The statement of net position is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments report all capital assets in the government-wide statement of net position and report depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of a government is 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).

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

B. Financial Statement Presentation (Continued)

Statement of Activities (Continued)

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.

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. Governments provide budgetary comparison information in their financial statements, including the government's original budget with a comparison of final budget and actual results.

C. 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 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 Powhatan, Virginia (the primary government) and its component units. The discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the government.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

D. Individual Component Unit Disclosures

Discretely Presented Component Units

School Board

The School Board members are elected by the citizens of Powhatan 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 does not issue a separate financial report.

Economic Development Authority

The Powhatan County Economic Development Authority (EDA) is responsible for industrial and commercial development in the County. The Authority consists of six members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, as the County is involved in the day-to-day operations of the EDA, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2025. The Authority does not issue a separate financial report.

E. Other Related Organizations

James River Juvenile Detention Commission

The James River Juvenile Detention Commission is jointly governed by the localities of Goochland, Henrico, and Powhatan. The Commission is funded primarily through monthly fees paid by the member jurisdictions for operating support which is determined annually by the Commission. The County's annual fee for fiscal year 2025 was \$311,272.

Central Virginia Waste Management Authority

The Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, and Prince George, and the Cities of Colonial Heights, Hopewell, Petersburg, and Richmond, and the Town of Ashland provide financial support for the Authority, which is determined annually by the Board, and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints one or more members to the Board. No one locality contributes more than 50% of the Authority's funding or has oversight responsibility over its operations. The County has no equity interest in the Authority. During fiscal year 2013, the County executed and renewed 6 contracts with the CVWMA. The County's contribution for fiscal year 2025 was \$15,055.

Goochland-Powhatan Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization, and therefore, its operations are not included in the County's financial statements. The counties of Goochland and Powhatan provide the financial support for the Board, which is determined annually by the Board, and appoint its governing Board in which is vested the ability to execute contracts and to budget and expend funds. The County has no equity interest in the Board and made operating contributions of \$411,928 to the Board during fiscal year 2025.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Related Organizations (Continued)

Virginia Department of Health - Chesterfield Health District

The Chesterfield Health District includes the localities of Chesterfield, Powhatan, and Colonial Heights. The County makes an annual contribution for operating support, which is based on the needs of the Department and determined annually by the Board of Supervisors. The County's contribution for fiscal year 2025 was \$323,195.

Monacan Soil and Water Conservation District

The County entered into an agreement with the District to work together in the development of effective soil and water conservation programs. The County's contribution during fiscal year 2025 was \$48,510.

Piedmont Court Services

Piedmont Court Services is an agency dedicated to enhancing public safety, reducing crime, reinforcing offender accountability, promoting lawful and productive lifestyles among offenders, and assisting the Courts in managing offenders by utilizing evidence-based practices and principles and establishing collaborative community partnerships in order to promote offender self-efficacy and to reduce recidivism. The agency is jointly governed by the following localities: Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Powhatan, and Prince Edward. The County made no contribution during fiscal year 2025.

Richmond Regional Planning District

The Richmond Regional Planning District Commission is a regional planning agency with major emphasis in the areas of transportation, local technical assistance and information services including demographic, economic and geographic information systems. The Commission, which was formed by local governments on August 14, 1969 under the authority of the Virginia Area Development Act, which was revised and retitled as the Regional Cooperation Act in 1995, is comprised of elected officials and citizens who address mutual problems and work out solutions for the local governments which benefit from intergovernmental cooperation. Each county within the Richmond region is required to pay annual dues, which is based on estimated population. The County's dues for fiscal year 2025 were \$18,819.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Related Organizations (Continued)

Maggie L. Walker Governor’s School for Government and International Studies

The Maggie L. Walker Governor’s School for Government and International Studies provides broad-based educational opportunities that develop gifted students’ understanding of world cultures and languages, as well as their ability to lead, participate, and contribute in a rapidly changing global society. The Regional School Board is jointly governed by a representative from each of the following localities: the counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, King and Queen, New Kent, Powhatan, and Prince George and the cities of Hopewell, Petersburg, and Richmond. The County of Powhatan pays the school a set rate for each student that attends. The School Board’s contribution for fiscal year 2025 was \$122,400.

Appomattox Regional Governor’s School

The Appomattox Regional Governor’s School for the Arts and Technology provides gifted and talented students a differentiated and rigorous education, cultivates a supportive environment that inspires unique artistic and technological visions, promotes cultural tolerance, nurtures community partnerships, and produces active, engaged citizens. This school board is jointly governed by a representative from each of the following localities: the counties of Amelia, Charles City, Chesterfield, Dinwiddie, Powhatan, Prince George, Southampton, Surry and Sussex and the cities of Colonial Heights, Franklin, Hopewell, Petersburg, and Richmond. The County of Powhatan pays the school a set rate for each student that attends. The School Board’s contribution for fiscal year 2025 was \$63,000.

CodeRVA Regional School

The CodeRVA Regional School is an alternative program of studies that partners with private industry and institutions of higher education where students will graduate with a high school diploma and more than 400 hours of paid information technology work experience. The Regional School Board is jointly governed by a representative from each of the following localities: the counties of Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, New Kent, Powhatan, Prince George, and Sussex and the cities of Hopewell, Petersburg, and Richmond. The County of Powhatan pays a pro rata portion of operating costs based on the average of the percent of average daily membership (ADM) of the students of the respective school divisions in CodeRVA as of March 30th of the preceding year. The School Board’s contribution for fiscal year 2025 was \$44,000.

F. 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, which represent generally accepted accounting principles applicable to governmental units.

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

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 taxes, 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.

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 as soon as 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 most revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are for assets held by the government as an agent or custodian for individuals, private organizations, other governmental units, or other funds. Fiduciary funds utilize the accrual basis of accounting as described in the proprietary funds presentation. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are 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 deferred 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 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.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

G. Fund Financial Statements

Governmental Funds are those through which most governmental functions typically are financed. The County reports the following as major governmental funds:

The *General Fund* is the primary operating fund of the County. This fund is used to account for 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. The General Fund is considered a major fund for government-wide reporting purposes.

The *County Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The *Grants Fund* accounts for financial resources to be used for grants awarded to the County.

The **Proprietary Fund** 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. It distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's major proprietary fund is the *Water and Sewer Fund*.

The **Special Revenue Funds** account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administration action. Special Revenue Funds consist of the following funds: Cash Proffers, State Asset Forfeiture, Federal Asset Forfeiture, Fire and Rescue, Tourism and CVTA.

The **Fiduciary Funds** (Trust and Custodial Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. The custodial funds account for donations and support for welfare clients and bonds held in escrow to ensure that site improvements, roadway and erosion control performance is completed in accordance with developers site plans. If all requirements are met the bond is released. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value which approximates market; no investments are valued at cost.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

Interfund Receivables and Payables

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

Receivables

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.

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>
Livy	January 1	January 1
Due Date	June 5 / November 5	June 5 / November 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5-40
Utility plant in service	30-50
Machinery and equipment	3-20

Local governments in Virginia may have a tenancy in common with their school systems whenever the locality incurs a financial obligation, including right-to-use-leased assets, for school property which is payable over more than one fiscal year. The County reports this debt in its financial statements. The capital assets acquired by such debt are reported by the County until such time as the outstanding indebtedness is retired, at which time, the net book value is transferred to and reported by the Schools.

Lease and subscription assets are amortized over the shorter of the lease term or useful life of the underlying asset.

Compensated Absences

The County and School Board have policies to allow the accumulation and vesting of limited amounts of paid leave and sick leave until termination or retirement. Amounts of such absences are accrued when earned in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds when the amounts are due for payment.

Pensions and Other Post-Employment Benefits (OPEB)

For purposes of measuring all financial statement elements related to pension and OPEB plans, information about fiduciary net position of the County's Plans and the additions to/deductions from the County's Plan's net fiduciary position have been determined on the same basis as they were reported to 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.

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period of issuance. The face amounts of debt issued are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Prepaid Items

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

Prepaid expenditures in governmental funds are offset by a nonspendable fund balance.

Fund Net Position

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

Nonspendable – Amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, if applicable.

Restricted – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed – Amounts constrained to specific purposes by the County, using authority resolution; to be reported as committed, amounts cannot be used for any other purposes unless the same highest level of action is taken to remove or change the constraint.

Assigned – Amounts are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by County management based on governing body direction through adoption or amendment of the budget or through ordinance or resolution.

Unassigned – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The County Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Supervisors has provided otherwise in its commitment or assignment actions.

The Powhatan County Board of Supervisors adopted a minimum fund balance policy for the General Fund which requires the unassigned fund balance at June 30th to be at least 15 percent of operating revenues of the same fiscal year.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Net Position

Net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets represent capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Deferred Outflows and Inflows of Resources

In addition to assets, the statements which present financial position reports a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements which present financial position report a separate section for deferred inflows of resources. These items represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.

The County has the following items that qualify as deferred inflows or outflows:

- Deferred amount on refunding. A deferred charge on refunding is a deferred outflow which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in assumptions on pension or OPEB investments. This difference will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportion and differences between employer contributions and the proportionate share of employer contributions are reported as a deferred inflow or outflow, as appropriate.
- Unavailable revenue is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenue from property taxes and other receivable not collected within 60 days of year end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Unearned revenue related to the prepayment of taxes not due until the following year.
- Lease-related amounts are recognized at the inception of leases in which the County is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Leases

Lessee: The County is a lessee for noncancellable leases of equipment, buildings, infrastructure and land. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of the lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. The lease term should also include options that are likely to be used.

The County monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

Lessor: The County is a lessor for a noncancellable lease of tower space. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of the lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) discount rate, (2) lease term and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Leases (Continued)

The County monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease receivable and deferred inflows if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription Based Information Technology Arrangements (SBITA)

A SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. The County recognizes a subscription liability and a subscription asset in the government-wide financial statements.

At the commencement of the subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to subscriptions include how the County determines (1) the discount rate, (2) subscription term, and (3) subscription payments.

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The term includes the noncancellable period of the subscription. Payments included in the measurement of the subscription liability are composed of fixed payments and initial direct costs incurred. The subscription term should also include options that are likely to be used.

The County monitors changes in circumstances that would require a measurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

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. Actual results could differ from those estimates.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

I. Change in Accounting Principle

During 2025, the County and Schools adopted GASB Statement No. 101, *Compensated Absences*. This standard established new guidance for the recognition and measurement of compensated absences. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than to be used for time off or otherwise paid in cash or settled through noncash means. As stated in GASB Statement No. 100, *Accounting Changes and Error Corrections*, a change in accounting principle should be reported retroactively by restating net position for the cumulative effect of the change of the newly adopted accounting principle on prior periods. The County determined the cumulative effect on beginning net position was minimal and therefore, no restatement of the prior year net position was necessary. The schools determined the cumulative effect was significant enough for a restatement of beginning net position documented in Note 21.

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

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. 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.
4. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The Appropriations Ordinance is adopted at the fund level. Department Directors may transfer appropriations within a department within a fund. The County administrator may approve transfers of appropriations between departments within a fund. The appropriation for each fund can be revised through resolution by the Board of Supervisors.
6. Appropriations lapse on June 30, for all County units.
7. Cash Proffers, State Asset Forfeiture, Federal Asset Forfeiture, and Tourism funds do not have legally adopted budgets.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 3. Deposits and Investments

Deposits:

All deposits of the primary government and its discretely presented component unit are held in banks 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:

At June 30, all investments held by the County were in external investment pools which were considered to be cash and cash equivalents for purposes of presentation in the basic financial statements. Statutes authorize the County 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 Bank (World Bank), the Asian Development bank, the African Development Bank, "prime quality" commercial paper and certain

Note 3. Deposits and Investments (Continued)

corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

Pursuant to Sec. 2.1-234.7 of the *Code*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings and the carrying value of the position in LGIP and SNAP is the same value of the pool shares (i.e., the LGIP maintains a stable net asset value of \$1 per share in accordance with GASB 79).

Credit Risk Debt Securities:

The County's investment limits investments to those allowed by the *Code of Virginia*. The County may however restrict investments beyond the limits imposed by the *Code of Virginia* as such restrictions serve the purpose of further safeguarding County funds or are in the best interest of the County.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 38,611

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 3. Deposits and Investments (Continued)

Credit Risk Debt Securities: (Continued)

At June 30, the deposit and investment balances were as follows:

Deposits:	
Demand deposits	\$ 52,020,592
Demand Deposits - School Activity Funds	682,728
Certificates of deposit	2,500,000
Cash on hand	1,050
Investments:	
LGIP	38,611
SNAP	10,404,752
Trust	180
	<hr/>
Total deposits and investments	<u>\$ 65,647,913</u>

The deposits and investments are comprised as follows:

Cash and cash equivalents - Primary Government	\$ 49,286,985
Cash and cash equivalents - Component Unit - School Board	3,046,046
Cash and cash equivalents - Component Unit - EDA	82,142
Cash and cash equivalents - Enterprise Funds	2,438,730
Cash and cash equivalents - Custodial Funds	389,078
Restricted assets - Primary Government	
Investments	<hr/>
	10,404,932
Total deposits and investments	<u>\$ 65,647,913</u>

Restricted cash and cash equivalents is comprised of cash held for capital projects financed with debt proceeds.

Note 4. Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County has the following recurring fair value measurements as of June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
US Treasury Note	<u>\$ 10,404,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,404,932</u>
	<u>\$ 10,404,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,404,932</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 4. Fair Value Measurement (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

Note 5. Receivables

Receivables consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Taxes	\$ 37,091,396	\$ -	\$ 37,091,396
Less: allowance for uncollectible accounts	(897,221)	-	(897,221)
Net taxes receivable	<u>36,194,175</u>	<u>-</u>	<u>36,194,175</u>
Accounts Receivable, net of allowance	<u>306,445</u>	<u>151,425</u>	<u>457,870</u>
Total receivables, net	<u>\$ 36,500,620</u>	<u>\$ 151,425</u>	<u>\$ 36,652,045</u>

Taxes receivable represent the current and past four years of uncollected tax levies for personal property taxes and the current and past nineteen years for uncollected tax levies on real property. Governmental activities accounts receivable is comprised of amounts due for EMS billings and other local revenues. The allowances for uncollectible accounts is based on historical collection rates aging of receivable balances, and specific account analysis.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 6. Due from Other Governmental Units

Amounts due from other governments consist of the following:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
State sales tax	\$ -	\$ 1,049,720
OAA Cooperative grant	68,557	
Auto rental	8,815	-
Rolling stock tax	11,520	-
PSAP - training funds	5,000	-
Tobacco prevention	1,799	-
E-911 wireless funds	18,961	-
Comprehensive services	296,149	-
VPSA technology	-	24,670
VPA funds	61,275	-
CVTA Funds	728,792	-
Communication tax	89,168	-
Constitutional officer reimbursements	231,117	-
School resource officer grant	9,639	-
DMV revenue	3,385	-
Moped sales tax	6,097	-
Local sales tax	1,036,357	-
 Federal Government:		
School fund grants	-	212,832
School food	-	74,857
DMV funds	18,432	-
FEMA	74,679	-
Victim witness	8,295	-
LOLE - Byrne	3,200	-
TANF funds	2,472	-
VPA funds	126,040	-
 Total due from other governments	<u>\$ 2,809,749</u>	<u>\$ 1,362,079</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 7. Interfund Transfers

Interfund transfers consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 281,620	\$ 5,949,887
County Capital Projects Fund	3,298,000	281,620
Grants Fund	50,000	-
Proprietary Funds:		
Water and Sewer Fund	<u>2,601,887</u>	<u>-</u>
Total	<u>\$ 6,231,507</u>	<u>\$ 6,231,507</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget required to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds. Transfers from the General Fund are to fund capital projects and debt service in the water and sewer fund. The remaining transfers were from grant or special revenue funds to fund capital projects.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 8. Capital Assets

Capital asset activity for the year consists of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 2,448,781	\$ -	\$ 853,842	\$ 1,594,939
Construction in progress	1,314,549	6,469,103	419,957	7,363,695
Total capital assets not depreciated	\$ 3,763,330	\$ 6,469,103	\$ 1,273,799	\$ 8,958,634
Capital assets depreciated:				
Buildings	\$ 28,335,703	\$ 2,107,427	\$ -	\$ 30,443,130
Machinery and equipment	33,383,892	2,557,972	247,631	35,694,233
Jointly owned assets	90,732,891	1,012,686	4,571,624	87,173,953
Total capital assets depreciated	\$ 152,452,486	\$ 5,678,085	\$ 4,819,255	\$ 153,311,316
Less accumulated depreciation:				
Buildings	\$ 13,613,755	\$ 805,281	\$ -	\$ 14,419,036
Machinery and equipment	15,568,296	2,219,939	247,631	17,540,604
Jointly owned assets	39,359,692	2,490,320	1,954,641	39,895,371
Total accumulated depreciation	\$ 68,541,743	\$ 5,515,540	\$ 2,202,272	\$ 71,855,011
Capital assets depreciated, net	\$ 83,910,743	\$ 162,545	\$ 2,616,983	\$ 81,456,305
Lease assets:				
Land	\$ 677,423	\$ -	\$ -	\$ 677,423
Buildings and Improvement	69,958	-	-	69,958
Infrastructure	381,393	-	-	381,393
Total lease assets	\$ 1,128,774	\$ -	\$ -	\$ 1,128,774
Less: accumulated amortization				
Land	\$ 148,322	\$ 49,967	\$ -	\$ 198,289
Buildings and Improvement	34,980	13,992	-	48,972
Infrastructure	106,623	28,424	-	135,047
Total accumulated amortization	\$ 289,925	\$ 92,383	\$ -	\$ 382,308
Total lease assets being amortized, net	\$ 838,849	\$ (92,383)	\$ -	\$ 746,466
Subscription assets:				
Software	\$ 6,930,064	\$ -	\$ 237,248	\$ 6,692,816
Total subscription assets	\$ 6,930,064	\$ -	\$ 237,248	\$ 6,692,816
Less: accumulated amortization				
Software	\$ 373,073	\$ 377,987	\$ -	\$ 751,060
Total accumulated amortization	\$ 373,073	\$ 377,987	\$ -	\$ 751,060
Total lease/subscription assets being amortized, net	\$ 6,556,991	\$ (377,987)	\$ 237,248	\$ 5,941,756
Net capital assets	\$ 95,069,913	\$ 6,161,278	\$ 4,128,030	\$ 97,103,161

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 8. Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets not depreciated:				
Land	\$ 859,030	\$ -	\$ -	\$ 859,030
Construction in progress	-	26,430	-	26,430
Total capital assets not depreciated	<u>\$ 859,030</u>	<u>\$ 26,430</u>	<u>\$ -</u>	<u>\$ 885,460</u>
Capital assets depreciated:				
Utility plant in service	\$ 26,819,557	\$ -	\$ -	\$ 26,819,557
Machinery and equipment	848,041	93,846	-	941,887
Total capital assets depreciated	<u>\$ 27,667,598</u>	<u>\$ 93,846</u>	<u>\$ -</u>	<u>\$ 27,761,444</u>
Less accumulated depreciation:				
Utility plant in service	\$ 8,644,920	\$ 548,189	\$ -	\$ 9,193,109
Machinery and equipment	401,832	77,522	-	479,354
Total accumulated depreciation	<u>\$ 9,046,752</u>	<u>\$ 625,711</u>	<u>\$ -</u>	<u>\$ 9,672,463</u>
Capital assets depreciated, net	<u>\$ 18,620,846</u>	<u>\$ (531,865)</u>	<u>\$ -</u>	<u>\$ 18,088,981</u>
Net capital assets	<u>\$ 19,479,876</u>	<u>\$ (505,435)</u>	<u>\$ -</u>	<u>\$ 18,974,441</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
General government administration	\$ 221,257	\$ -	\$ 221,257
Judicial administration	126,121	-	126,121
Public safety	2,505,212	-	2,505,212
Public works	222,992	-	222,992
Health and welfare	36,835	-	36,835
Education	2,490,320	-	2,490,320
Parks, recreation, and cultural	361,237	-	361,237
Community Development	21,936	-	21,936
Water and sewer	-	625,711	625,711
Total depreciation expense - primary government	<u>\$ 5,985,910</u>	<u>\$ 625,711</u>	<u>\$ 6,611,621</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 8. Capital Assets (Continued)

Discretely Presented Component Unit - School Board

Capital asset activity for the School Board for the year consists of the following:

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>
Governmental Activities:							
Capital assets not depreciated:							
Land	\$ 818,851	\$	-	\$	-	\$	818,851
Construction in progress	<u>2,372,675</u>		<u>-</u>		<u>2,372,675</u>		<u>-</u>
Total capital assets not depreciated	<u>\$ 3,191,526</u>	\$	<u>-</u>	\$	<u>2,372,675</u>	\$	<u>818,851</u>
Capital assets depreciated:							
Jointly owned assets	\$ 38,303,192	\$	4,571,624	\$	-	\$	42,874,816
Buildings	-		451,408		-		451,408
Machinery and equipment	<u>8,428,962</u>		<u>2,568,151</u>		<u>-</u>		<u>10,997,113</u>
Total capital assets depreciated	<u>\$ 46,732,154</u>	\$	<u>7,591,183</u>	\$	<u>-</u>	\$	<u>54,323,337</u>
Less accumulated depreciation:							
Jointly owned assets	\$ 16,615,824	\$	3,005,939	\$	-	\$	19,621,763
Buildings	-		30,094		-		30,094
Machinery and equipment	<u>2,568,106</u>		<u>757,184</u>		<u>-</u>		<u>3,325,290</u>
Total accumulated depreciation	<u>\$ 19,183,930</u>	\$	<u>3,793,217</u>	\$	<u>-</u>	\$	<u>22,977,147</u>
Capital assets depreciated, net	<u>\$ 27,548,224</u>	\$	<u>3,797,966</u>	\$	<u>-</u>	\$	<u>31,346,190</u>
Subscription assets:							
Software	<u>\$ 148,115</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>148,115</u>
Total subscription assets	<u>\$ 148,115</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>148,115</u>
Less: accumulated amortization							
Software	<u>\$ 95,315</u>	\$	<u>49,371</u>	\$	<u>-</u>	\$	<u>144,686</u>
Total accumulated amortization	<u>\$ 95,315</u>	\$	<u>49,371</u>	\$	<u>-</u>	\$	<u>144,686</u>
Total lease assets being amortized, net	<u>\$ 52,800</u>	\$	<u>(49,371)</u>	\$	<u>-</u>	\$	<u>3,429</u>
Net capital assets	<u>\$ 30,792,550</u>	\$	<u>3,748,595</u>	\$	<u>2,372,675</u>	\$	<u>32,168,470</u>

School Board depreciation expense was charged to education in the amount of \$1,051,297. The remaining \$1,954,642 increase to accumulated depreciation is for depreciation taken on jointly owned assets and transferred to the Component Unit – School Board. The School Board amortization expense for SBITAs was charged to education in the amount of \$49,371.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 8. Capital Assets (Continued)

Discretely Presented Component Unit - Economic Development Authority

Capital asset activity for the EDA for the year consists of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 100,000	\$ 853,842	\$ -	\$ 953,842
Total capital assets not depreciated	\$ 100,000	\$ 853,842	\$ -	\$ 953,842
Net capital assets	\$ 100,000	\$ 853,842	\$ -	\$ 953,842

Note 9. Unavailable/Unearned Revenue

Governmental funds report unavailable/unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At year end, unavailable and unearned revenue were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes	\$ 10,985,572	\$ 22,488,678	\$ 33,474,250
Property taxes paid in advance	-	261,881	261,881
VJCCA Grant	-	6,309	6,309
ARPA Funding	-	2,635,234	2,635,234
Totals	\$ 10,985,572	\$ 25,392,102	\$ 36,377,674

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 10. Long-Term Liabilities

Changes in long-term liabilities consist of the following:

	Beginning Balance, Restated (Note 21)*	Increases	Decreases	Ending Balance	Within One Year
Governmental Activities:					
Incurred by County:					
Compensated absences payable	\$ 1,476,849	\$ -	\$ 228,500	\$ 1,248,349	\$ 124,835
Financed purchases	574,032	-	154,984	419,048	159,212
Lease revenue bonds	23,368,194	4,505,267	6,637,428	21,236,033	1,719,225
Lease liability	888,594	-	81,272	807,322	84,421
Subscription liability	6,758,967	-	496,090	6,262,877	290,071
Premium on bonds	1,564,228	581,731	185,644	1,960,315	180,836
Total incurred by County	<u>\$ 34,630,864</u>	<u>\$ 5,086,998</u>	<u>\$ 7,783,918</u>	<u>\$ 31,933,944</u>	<u>\$ 2,558,600</u>
Incurred by School Board:					
General obligation bonds	\$ 12,936,878	\$ -	\$ 1,838,121	\$ 11,098,757	\$ 1,676,369
Financed purchases	986,200	-	310,342	675,858	157,931
Lease revenue bonds	38,282,806	14,544,733	6,018,572	46,808,967	3,176,776
Premium on bonds	3,343,214	418,323	319,025	3,442,512	315,568
Total incurred by School Board	<u>\$ 55,549,098</u>	<u>\$ 14,963,056</u>	<u>\$ 8,486,060</u>	<u>\$ 62,026,094</u>	<u>\$ 5,326,644</u>
Total Governmental Activities	<u>\$ 90,179,962</u>	<u>\$ 20,050,054</u>	<u>\$ 16,269,978</u>	<u>\$ 93,960,038</u>	<u>\$ 7,885,244</u>
Business-Type Activities:					
Compensated absences payable	\$ 32,397	\$ -	\$ 4,215	\$ 28,182	\$ 2,818
Premium on bonds	613,116	429,896	482,100	560,912	45,510
Lease revenue bonds	12,325,000	3,590,000	4,850,000	11,065,000	870,000
Total Business-type Activities	<u>\$ 12,970,513</u>	<u>\$ 4,019,896</u>	<u>\$ 5,336,315</u>	<u>\$ 11,654,094</u>	<u>\$ 918,328</u>
Component Unit - School Board					
Compensated absences payable	\$ 9,308,169	\$ -	\$ 2,040,400	\$ 7,267,769	\$ 204,786
Subscription liability	49,364	-	49,364	-	-
Total Component Unit - School Board	<u>\$ 9,357,533</u>	<u>\$ -</u>	<u>\$ 2,089,764</u>	<u>\$ 7,267,769</u>	<u>\$ 204,786</u>

* Beginning balance restated for GASB 101 implementation for the School Board.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 10. Long-Term Liabilities (Continued)

Details of long-term indebtedness are as follows:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding</u>
Governmental Activities:					
Incurring by County:					
Lease revenue bonds					
EDA	3.50	05/2015	09/2031	\$ 8,584,200	\$ 3,589,200
EDA	2.00-5.00	07/2016	10/2037	15,321,750	11,682,350
VRA	1.953-3.047	10/2019	04/2034	2,150,000	1,625,000
VRA	5.125	7/2024	10/2034	4,505,267	4,339,483
					<u>\$ 21,236,033</u>
Financed purchases					
Fire Truck	2.02	08/2016	06/2027	\$ 700,000	\$ 113,905
Fire Truck	3.34	07/2018	07/2028	786,000	305,143
					<u>\$ 419,048</u>
Incurring by School Board:					
General obligation bonds					
VPSA Bond	4.96-5.27	07/2008	07/2028	\$ 6,350,705	\$ 1,440,757
School improvement bond	1.30	01/2021	01/2032	15,927,000	9,658,000
					<u>\$ 11,098,757</u>
Financed purchases					
School Buses	4.20	03/2024	03/2029	\$ 832,686	\$ 675,858
					<u>\$ 675,858</u>
Lease revenue bonds					
EDA	3.50	05/2015	09/2031	\$ 15,260,800	\$ 6,380,800
EDA	2.00-5.00	07/2016	10/2037	34,103,250	26,002,650
VRA	5.125	7/2024	10/2034	3,239,733	3,120,517
EDA	4.380	11/2024	09/2044	11,305,000	11,305,000
					<u>\$ 46,808,967</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 10. Long-Term Liabilities (Continued)

Details of long-term indebtedness are as follows: (Continued)

Business-Type Activities

Lease revenue bonds

VRA	3.125-5.125	05/2017	10/2037	\$	3,270,000	\$	2,665,000
VRA	1.951-3.047	10/2019	04/2034		6,415,000		4,835,000
VRA	5.13	7/2024	10/2036		3,590,000		<u>3,565,000</u>
Total Business-Type Activities						\$	<u><u>11,065,000</u></u>

Bond Refunding – On July 23, 2024, the County issued the 2024B Summer VRA Refunding Bonds to refund the VRA 2014C bonds and the 2018 bank loan. The amount refunded for the 2014C VRA was \$4,056,571.05 at an interest rate of 3.35% and the 2018 bank loan in the amount of \$8,913,492.42 at an interest rate of 3.27%. The refunding of these bonds created a savings of \$742,769. The details of the economic gain are as follows:

Date	Debt Service	Equity Contribution	Refunding Debt Service	3.301668% Savings
6/30/2025	1,194,914.74	408,438.62	728,063.33	58,412.79
6/30/2026	1,315,271.65	-	1,251,965.64	63,306.01
6/30/2027	1,132,876.34	-	1,074,550.01	58,326.33
6/30/2028	1,023,486.06	-	958,156.26	65,329.80
6/30/2029	1,018,228.21	-	953,556.26	64,671.95
6/30/2030	1,465,073.63	-	1,401,015.63	64,058.00
6/30/2031	1,472,418.59	-	1,409,509.39	62,909.20
6/30/2032	1,794,391.15	-	1,731,600.02	62,791.13
6/30/2033	1,779,604.39	-	1,712,415.64	67,188.75
6/30/2034	1,759,898.41	-	1,695,284.38	64,614.03
6/30/2035	1,744,519.88	-	1,679,950.00	64,569.88
6/30/2036	423,218.76	-	399,468.75	23,750.01
6/30/2037	422,834.38	-	399,993.75	22,840.63
Totals	<u>16,546,736.19</u>	<u>408,438.62</u>	<u>15,395,529.06</u>	<u>742,768.51</u>

New Debt Issuance – On November 26, 2024, the County issued lease revenue bonds in the amount of \$11,305,000. The bond issuance was to fund the replacement of Powhatan High School HVAC, Pocahontas Elementary School HVAC and the demolition of a portion of the Pocahontas Landmark Center.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 10. Long-Term Liabilities (Continued)

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

Year Ending June 30,	County		Schools			
	Lease Revenue Bonds		General Obligation Bonds		Lease Revenue and Refunding Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,719,225	\$ 768,673	\$ 1,676,369	\$ 190,560	\$ 3,176,776	\$ 1,722,849
2027	1,761,402	685,615	1,700,556	154,872	3,415,596	1,560,115
2028	1,813,382	600,209	1,726,672	119,034	3,625,617	1,386,331
2029	1,883,000	532,646	1,749,160	82,576	3,769,000	1,247,989
2030	2,180,449	476,184	1,395,000	55,198	4,019,552	1,142,889
2031-2035	9,674,475	1,198,935	2,851,000	55,731	17,024,526	3,671,066
2036-2040	2,204,100	100,487	-	-	7,966,900	1,405,147
2041-2045	-	-	-	-	3,811,000	431,890
Total	<u>\$ 21,236,033</u>	<u>\$ 4,362,749</u>	<u>\$ 11,098,757</u>	<u>\$ 657,971</u>	<u>\$ 46,808,967</u>	<u>\$ 12,568,276</u>

Business-type Activities

Year Ending June 30,	Lease Revenue and Refunding Bonds	
	Principal	Interest
2026	\$ 870,000	\$ 399,048
2027	900,000	367,062
2028	925,000	334,618
2029	955,000	302,277
2030	990,000	268,889
2031-2035	4,940,000	737,359
2036-2038	1,485,000	77,594
Total	<u>\$ 11,065,000</u>	<u>\$ 2,486,847</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 10. Long-Term Liabilities (Continued)

Financed Purchases

The assets acquired through finance purchasing are as follows:

	Governmental Activities
	<u> </u>
School Buses	\$ 1,012,686
Fire Trucks	2,114,587
Less: Accumulated depreciation	<u>(858,328)</u>
 Total	 <u>\$ 2,268,945</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Component Unit- School Board</u>
2026	\$ 170,634	\$ 186,369
2027	131,869	186,369
2028	93,105	186,369
2029	<u>46,552</u>	<u>186,369</u>
 Total minimum lease payments	 \$ 442,160	 \$ 745,476
Less: amount representing interest	<u>(23,112)</u>	<u>(69,618)</u>
 Present value of minimum lease payments	 <u>\$ 419,048</u>	 <u>\$ 675,858</u>

Leases

Lease Receivable

On September 1, 1999, the County entered into a 36 month lease as lessor for the use of radio tower space by T-Mobile. An initial lease receivable was recorded in the amount of \$99,683. As of June 30, 2025, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$2,798.41. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of June 30, 2025, was \$0 and the County recognized lease revenue of \$33,581 during the fiscal year.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 10. Long-Term Liabilities (Continued)

Leases (Continued)

Lease Receivable (Continued)

On July 1, 2024, the County entered into a 60 month lease as lessor for the use of radio tower space by Uniti Fiber. An initial lease receivable was recorded in the amount of \$95,902. As of June 30, 2025, the value of the lease receivable is \$95,211. The lessee is required to make monthly fixed payments of \$350.00. The lease has an interest rate of 4.013%. The value of the deferred inflow of resources as of June 30, 2025, was \$92,705 and the County recognized lease revenue of \$4,200 during the fiscal year. The lessee has 5 extensions option(s), each for 60 months.

On August 4, 2021, the County entered into a 60 month lease as lessor for the use of radio tower space by Verizon Wireless. An initial lease receivable was recorded of \$71,707. As of June 30, 2025, the value of the lease receivable is \$25,064. The lessee is required to make annual fixed payments of \$21,600. The lease has an interest rate of 0.8690%. The value of the deferred inflow of resources as of June 30, 2025, was \$15,616 and the County recognized lease revenue of \$21,600 during the fiscal year. The lessee has 4 extensions option(s), each for 60 months.

On July 1, 2024, the County entered into a 60 month lease as lessor for the use of radio tower space by Amelia County. An initial lease receivable was recorded in the amount of \$312,395. As of June 30, 2025, the value of the lease receivable is \$309,638. The lessee is required to make monthly fixed payments of \$1,400. The lease has an interest rate of 3.935%. The value of the deferred inflow of resources as of June 30, 2025, was \$299,941 and the County recognized lease revenue of \$14,000 during the fiscal year. The lessee has 4 extensions option(s), each for 60 months.

Annual lease receipts and amortization of deferred inflows:

Year	Ending	Governmental Activities	
		Leases	Deferred
June 30,		Receivable	Inflows
2026	\$	26,554	\$ 29,992
2027		8,886	16,926
2028		5,503	15,651
2029		5,723	15,651
2030		7,502	15,651
2031-2035		47,587	78,255
2036-2040		72,446	78,255
2041-2045		104,422	78,255
2046-2050		120,279	66,839
2051-2054		31,011	12,787
Total	\$	429,913	\$ 408,262

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 10. Long-Term Liabilities (Continued)

Leases (Continued)

Lease Payable

On January 31, 2020, the County entered into a 463-month lease as lessee for the use radio tower space. An initial lease liability was recorded in the amount of \$294,926. As of June 30, 2025, the value of the lease liability is \$288,845. The County is required to make monthly fixed payments of \$764. The lease has an interest rate of 2.583%. The value of the right to use asset as of June 30, 2025, of \$264,351 with accumulated amortization of \$7,644. The County has 1 extension option, each for 60 months.

On December 5, 2019, the County entered into a 120-month lease as lessee for the use radio tower space. An initial lease liability was recorded in the amount of \$145,311. As of June 30, 2025, the value of the lease liability is \$93,401. The County is required to make monthly fixed payments of \$1,162.17. The lease has an interest rate of .316%. The value of the right to use asset as of June 30, 2025, of \$87,540 with accumulated amortization of \$14,443. The County has 1 extension option, each for 60 months.

On January 24, 2020, the County entered into a 102-month lease as lessee for the use radio tower space. An initial lease liability was recorded in the amount of \$225,249. As of June 30, 2025, the value of the lease liability is \$139,161. The County is required to make monthly fixed payments of \$2,416. The lease has an interest rate of 1.527%. The value of the right to use asset as of June 30, 2025, of \$127,243 with accumulated amortization of \$27,880. The County has 2 extension option(s), each for 120 months.

On December 1, 2021, the County entered into a 60-month lease as lessee for the use of office space. An initial lease liability was recorded in the amount of \$69,958. As of June 30, 2025, the value of the lease liability is \$21,400. The County is required to make monthly fixed payments of \$1,200.00. The lease has an interest rate of 1.177%. The value of the right to use asset as of June 30, 2025, of \$20,987 with accumulated amortization of \$13,992. The County has 1 extension option, each for 12 months.

On March 1, 2009, the County entered into a 152-month lease as lessee for the use radio tower space. An initial lease liability was recorded in the amount of \$360,043. As of June 30, 2025, the value of the lease liability is \$264,515. The County is required to make monthly fixed payments of \$2,273.55. The lease has an interest rate of .727%. The value of the right to use asset as of June 30, 2025, of \$246,346 with accumulated amortization of \$28,424. The County has 2 extension option(s), each for 60 months.

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COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 10. Long-Term Liabilities (Continued)

Leases (Continued)

Lease Payable (Continued)

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 84,421	\$ 11,657
2027	80,456	10,779
2028	76,470	9,991
2029	79,767	9,189
2030	68,895	8,386
2031-2035	159,640	36,357
2036-2040	27,701	31,622
2041-2045	38,092	27,406
2046-2050	50,598	21,717
2051-2055	65,581	14,260
2056-2060	75,701	4,722
Total	\$ <u>807,322</u>	\$ <u>186,086</u>

Subscription Based Information Technology Arrangements

Subscription Liability

On August 1, 2022, the County entered into a 36-month lease as lessee for the use of a jury management system. An initial subscription liability was recorded in the amount of \$18,572. As of June 30, 2025, the value of the subscription liability is \$0. The County is required to make an annual fixed payment of \$6,325. The lease has an interest rate of 2.184%. The value of the subscription asset as of June 30, 2025, of \$516 with accumulated amortization of \$6,191.

On March 1, 2025, the County entered into a 24-month lease as lessee for the use of DebtBook. An initial subscription liability was recorded in the amount of \$40,838. As of June 30, 2025, the value of the subscription liability is \$26,838. The County is required to make an annual fixed payment of \$14,000. The lease has an interest rate of 2.872%. The value of the subscription asset as of June 30, 2025, of \$38,079 with accumulated amortization of \$4,760.

On November 5, 2019, the County entered into a 240-month lease beginning July 1, 2023 as lessee for the use of L3Harris Communications System. An initial subscription liability was recorded in the amount of \$6,883,934. As of June 30, 2025, the value of the subscription liability is \$6,236,039. The County is required to make an annual fixed payment of \$433,990. The lease has an interest rate of 2.52%. The value of the subscription asset as of June 30, 2025, of \$5,903,161 with accumulated amortization of \$367,036.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 10. Long-Term Liabilities (Continued)

Subscription Based Information Technology Arrangements (Continued)

Subscription Liability (Continued)

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

Year Ending June 30,	Governmental Activities	
	Subscriptions	
	Principal	Interest
2026	\$ 290,071	\$ 157,919
2027	297,427	150,563
2028	290,970	143,019
2029	298,303	135,687
2030	305,820	128,170
2031-2035	1,772,139	518,231
2036-2040	2,094,563	276,087
2041-2044	913,584	34,677
Total	\$ <u>6,262,877</u>	\$ <u>1,544,353</u>

On July 26, 2022, the Component Unit-School Board entered into a 36-month lease as lessee for the use of Microsoft. An initial subscription liability was recorded in the amount of \$148,115. As of June 30, 2025, the value of the subscription liability is \$0. The County is required to make an annual fixed payment of \$50,442. The lease has an interest rate of 2.184%. The value of the subscription asset as of June 30, 2025, of \$3,429 with accumulated amortization of \$3,429.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan

Plan Description

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

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COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

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. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1</p> <p>Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit, and average final compensation at retirement using a formula.</p>	<p>About Plan 2</p> <p>Same as Plan 1.</p>	<p>About the Hybrid Retirement Plan</p> <p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, service credit, and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members</p> <p>Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election</p> <p>VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members</p> <p>Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election</p> <p>Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members</p> <p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>*Non-Eligible Members</p> <p>Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Retirement Contributions</p> <p>Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions</p> <p>Same as Plan 1.</p>	<p>Retirement Contributions</p> <p>A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Service Credit</p> <p>Creditable service includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit</p> <p>Same as Plan 1.</p>	<p>Service Credit</p> <p><u>Defined Benefit Component:</u></p> <p>Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u></p> <p>Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting</p> <p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p><u>Defined Benefit Component:</u></p> <p>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u></p> <p>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>Vesting (Continued)</p> <p><u>Defined Contributions Component:</u> (Continued)</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required, except as governed by law.</p>
<p>Calculating the Benefit</p> <p>The basic benefit is determined using the average final compensation, service credit and plan multiplier.</p> <p>An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit</p> <p>See definition under Plan 1.</p>	<p>Calculating the Benefit</p> <p><u>Defined Benefit Component:</u></p> <p>See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u></p> <p>The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Average Final Compensation</p> <p>A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation</p> <p>A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation</p> <p>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier</p> <p>VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier</p> <p>VRS: Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier</p> <p><u>Defined Benefit Component:</u></p> <p>VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u></p> <p>Not applicable.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Normal Retirement Age</p> <p>VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age</p> <p>VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age</p> <p><u>Defined Benefit Component:</u></p> <p>VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility</p> <p>VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p>VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p><u>Defined Benefit Component:</u></p> <p>VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Reduced Retirement Eligibility</p> <p>VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>Political subdivisions hazardous duty employees: Age 50 with at least five years of service credit.</p>	<p>Earliest Reduced Retirement Eligibility</p> <p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p>Defined Benefit Component:</p> <p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component:</p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p>Eligibility:</p> <p>For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p>Eligibility:</p> <p>Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>Defined Benefit Component:</p> <p>Same as Plan 2.</p> <p>Defined Contribution Component:</p> <p>Not applicable.</p> <p>Eligibility:</p> <p>Same as Plan 1 and Plan 2.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><u>Eligibility:</u> (Continued)</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1 and Plan 2.</p>

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p>Exceptions to COLA Effective Dates: (Continued)</p> <ul style="list-style-type: none"> The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 		
<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased, or granted.</p>	<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.</p>	<p>Disability Coverage</p> <p>Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Purchase of Prior Service</p> <p>Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service</p> <p>Same as Plan 1.</p>	<p>Purchase of Prior Service</p> <p><u>Defined Benefit Component:</u></p> <p>Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <p><u>Defined Contribution Component:</u></p> <p>Not applicable.</p>

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 11. Defined Benefit Pension 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 pension plan:

	<u>County</u>	<u>School Board Non- Professional</u>
Inactive members or their beneficiaries currently receiving benefits	69	88
Inactive members:		
Vested inactive members	27	21
Non-vested inactive members	38	41
Inactive members active elsewhere in VRS	50	13
Total inactive members	<u>115</u>	<u>75</u>
Active members	<u>199</u>	<u>78</u>
Total covered employees	<u><u>383</u></u>	<u><u>241</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 and School Board Non-Professional Employee Plan's contractually required employer contribution rate for the year ended June 30, 2025, was 12.82% and 4.19% respectively, 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 \$2,063,490 and \$1,906,175 for the years ended June 30, 2025, and June 30, 2024, respectively. Contributions to the pension plan from the School Board Non-Professional Employee Plan were \$121,355 and \$82,108 for the years ended June 30, 2025, and June 30, 2024, respectively.

The define contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan members must contribute 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$53,589 and \$12,277 for County and School Board non-professional employees, respectively and 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 \$191,135 and \$30,693 for County and School Board non-professional employees, respectively for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$5,358,864 and \$1,227,709 for County and School Board non-professional employees, respectively for the year ended June 30, 2025.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Net Pension Liability/Asset

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability/asset determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Powhatan County, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, 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 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 expense, including inflation

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COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – General Employees (Continued)

Largest 10 – Non-LEOS:

Mortality rates: 20% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

All Others (Non 10 Largest) – Non-LEOS:

Mortality rates: 15% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

(Continued)

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – General Employees (Continued)

All Others (Non 10 Largest) – Non-LEOS: (Continued)

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, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-LEOS:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to Line of Duty Disability
- No change to Discount Rate

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to Line of Duty Disability
- No change to Discount Rate

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Political Subdivision 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 expense, including inflation

Largest 10 – LEOS:

Mortality rates: 70% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – Public Safety Employees (Continued)

Largest 10 – LEOS: (Continued)

Mortality Improvement:

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

All Others (Non 10 Largest) – LEOS:

Mortality rates: 45% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2010. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 –Hazardous Duty:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decreased withdrawal rates
- No change to disability rates
- No change to salary scale

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – Public Safety Employees (Continued)

Largest 10 –Hazardous Duty: (Continued)

- No change to Line of Duty Disability
- No change to Discount Rate

All Others (Non 10 Largest) – Hazardous Duty:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decreased withdrawal 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
- No change to disability rates
- No change to salary scale
- No change to Line of Duty Disability
- No change to Discount Rate

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – Public Safety Employees (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 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 Partnership	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%
	Inflation		2.50%
	*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 is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (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 is 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability - County

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at June 30, 2023	\$ 37,296,452	\$ 33,679,657	\$ 3,616,795
Changes for the year:			
Service cost	1,772,125	-	1,772,125
Interest	2,583,004	-	2,583,004
Difference between expected and actual experience	622,392	-	622,392
Contributions - employer	-	1,801,683	(1,801,683)
Contributions - employee	-	658,513	(658,513)
Net investment income	-	3,326,450	(3,326,450)
Benefit payments, including refunds of employee contributions	(1,603,707)	(1,603,707)	-
Administrative expense	-	(18,793)	18,793
Other changes	-	825	(825)
Net changes	<u>3,373,814</u>	<u>4,164,971</u>	<u>(791,157)</u>
Balances at June 30, 2024	<u>\$ 40,670,266</u>	<u>\$ 37,844,628</u>	<u>\$ 2,825,638</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Asset) – School Board Non-Professional Employee Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Balances at June 30, 2023	\$ 10,437,670	\$ 10,966,470	\$ (528,800)
Changes for the year:			
Service cost	193,023	-	193,023
Interest	700,545	-	700,545
Difference between expected and actual experience	69,096	-	69,096
Contributions - employer	-	71,815	(71,815)
Contributions - employee	-	103,863	(103,863)
Net investment income	-	1,055,183	(1,055,183)
Benefit payments, including refunds of employee contributions	(504,508)	(504,508)	-
Administrative expense	-	(7,198)	7,198
Other changes	-	210	(210)
Net changes	<u>458,156</u>	<u>719,365</u>	<u>(261,209)</u>
Balances at June 30, 2024	<u>\$ 10,895,826</u>	<u>\$ 11,685,835</u>	<u>\$ (790,009)</u>

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County net pension liability	\$ <u>8,602,829</u>	\$ <u>2,825,638</u>	\$ <u>(1,852,953)</u>
School Board Non-Professional net pension liability (asset)	\$ <u>480,186</u>	\$ <u>(790,009)</u>	\$ <u>(1,863,348)</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2025, the County recognized pension expense of \$1,606,611. At June 30, 2025, the political subdivision 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	\$ 1,191,743	\$ 217,949
Change in assumptions	261,986	-
Net difference between projected and actual earnings on pension plan investments	-	928,946
Employer contributions subsequent to the measurement date	<u>2,063,490</u>	<u>-</u>
Total	<u>\$ 3,517,219</u>	<u>\$ 1,146,895</u>

For the year ended June 30, 2025, the School Board Non-Professional Employee Plan recognized pension expense of \$2,205. At June 30, 2025, the political subdivision 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	\$ 65,061	\$ -
Net difference between projected and actual earnings on pension plan investments	-	310,061
Employer contributions subsequent to the measurement date	<u>121,355</u>	<u>-</u>
Total	<u>\$ 186,416</u>	<u>\$ 310,061</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

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

The \$2,063,490 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended 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 as follows:

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to Pension Expense</u>
2026	\$ (242,661)
2027	582,383
2028	99,245
2029	(132,133)
2030	-
Thereafter	-

The \$121,355 reported as deferred outflows of resources related to pensions resulting from the school non-professional's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to Pension Expense</u>
2026	\$ (209,676)
2027	89,731
2028	(59,799)
2029	(65,256)
2030	-
Thereafter	-

Pension Plan Data

Information about the VRS political subdivision retirement plan is also available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at www.varetire.org/media/shared/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.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool

General Information about the Teacher Cost Sharing Pool

Plan Description

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

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COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1</p> <p>Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit, and average final compensation at retirement using a formula.</p>	<p>About Plan 2</p> <p>Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit, and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan</p> <p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, service credit, and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>About the Hybrid Retirement Plan (Continued)</p> <ul style="list-style-type: none"> In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
<p>Eligible Members</p> <p>Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election</p> <p>VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members</p> <p>Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election</p> <p>Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members</p> <p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> School division employees. Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Retirement Contributions</p> <p>Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions</p> <p>Same as Plan 1.</p>	<p>Retirement Contributions</p> <p>A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Service Credit</p> <p>Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit</p> <p>Same as Plan 1.</p>	<p>Service Credit</p> <p><u>Defined Benefit Component:</u></p> <p>Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u></p> <p>Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting</p> <p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p><u>Defined Benefit Component:</u></p> <p>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u></p> <p>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>Vesting (Continued)</p> <p><u>Defined Contributions Component: (Continued)</u></p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required, except as governed by law.</p>
<p>Calculating the Benefit</p> <p>The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement plan, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit</p> <p>See definition under Plan 1.</p>	<p>Calculating the Benefit</p> <p><u>Defined Benefit Component:</u></p> <p>See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u></p> <p>The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Average Final Compensation</p> <p>A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation</p> <p>A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation</p> <p>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier</p> <p>The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for members is 1.70%.</p>	<p>Service Retirement Multiplier</p> <p>Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.</p>	<p>Service Retirement Multiplier</p> <p><u>Defined Benefit Component:</u></p> <p>The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p><u>Defined Contribution Component:</u></p> <p>Not applicable.</p>
<p>Normal Retirement Age</p> <p>Age 65.</p>	<p>Normal Retirement Age</p> <p>Normal Social Security retirement age.</p>	<p>Normal Retirement Age</p> <p><u>Defined Benefit Component:</u></p> <p>Same as Plan 2.</p> <p><u>Defined Contribution Component:</u></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Unreduced Retirement Eligibility</p> <p>Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p>Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p><u>Defined Benefit Component:</u></p> <p>Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p> <p><u>Defined Contribution Component:</u></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility</p> <p>VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p>	<p>Earliest Reduced Retirement Eligibility</p> <p>VRS: Age 60 with at least five years (60 months) of service credit.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p><u>Defined Benefit Component:</u></p> <p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p><u>Defined Contribution Component:</u></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u></p> <p>For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u></p> <p>Same as Plan 1.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p><u>Defined Benefit Component:</u></p> <p>Same as Plan 2.</p> <p><u>Defined Contribution Component:</u></p> <p>Not applicable.</p> <p><u>Eligibility:</u></p> <p>Same as Plan 1 and Plan 2.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1 and Plan 2.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continue)</p> <p><u>Exceptions to COLA Effective Dates: (Continued)</u></p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 		
<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage</p> <p>Employees of school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>Disability Coverage (Continued)</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p>Purchase of Prior Service</p> <p>Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service</p> <p>Same as Plan 1.</p>	<p>Purchase of Prior Service</p> <p><u>Defined Benefit Component:</u></p> <p>Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <p><u>Defined Contribution Component:</u></p> <p>Not applicable.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2025, was 14.21% of covered employee compensation. This was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$4,716,285 and \$4,823,539 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 \$104,766 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 \$216,917 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$10,476,664 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 \$25,778,400 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 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 0.27462% as compared to 0.28232% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$2,143,457. 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 include with the pension expense calculation.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

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

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	\$ 4,472,189	\$ 530,795
Change in assumptions	467,912	-
Net difference between projected and actual earnings on pension plan investments	-	3,548,412
Changes in proportion and differences between Employer contributions and proportionate share of contributions	184,238	1,246,793
Employer contributions subsequent to the measurement date	<u>4,716,285</u>	<u>-</u>
Total	<u>\$ 9,840,624</u>	<u>\$ 5,326,000</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

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

\$4,716,285 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to Pension Expense</u>
2026	\$ (1,947,254)
2027	1,952,322
2028	211,363
2029	(418,093)
2030	-
Thereafter	-

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 expense, including inflation

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Actuarial Assumptions (Continued)

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement:

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

The 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:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- 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.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No changes to disability rates
- No changes to salary scale
- No changes to discount rate

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (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)	Target 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 Partnership	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%		<u>7.07%</u>
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>7.07%</u>

* The above allocation provides a one-year 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.1%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (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 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. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be 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, 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.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total net 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
	<hr/>
Total Pension Liability	\$ 60,622,260
Plan Fiduciary Net Position	<hr/> 51,235,326
Employers' Net Pension Liability (Asset)	\$ <hr/> <hr/> 9,386,934
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.

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Board division's proportionate share of the VRS teacher employee retirement plan net pension liability	\$ <u>47,891,214</u>	\$ <u>25,778,400</u>	\$ <u>7,668,709</u>

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 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/media/shared/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 13. Other Postemployment Benefits Liability – Local Plan

Plan Provisions and Benefits

The County and School Board administers a single-employer defined healthcare plan for qualifying retired employees, their spouses and dependents. The plan’s benefit levels and employer contributions are governed by the County and School Board and can be amended by the County and School Board. The Plan provides for healthcare insurance coverage for eligible retirees, their spouses and dependents.

Plan Description

Covered full-time active employees who retire directly from the County with at least 5 years of service and attain the age of 50 prior to retirement are eligible to receive postretirement health care benefits. Retirees not eligible for Medicare may elect one of the following medical options which include medical, dental, and vision coverage: Key

(Continued)

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

Plan Description (Continued)

Advantage Expanded (PPO), Key Advantage 500 (PPO), or TLC High Deductible (PPO). Retirees who are eligible for Medicare may only elect the Medicare supplement provided by Key Advantage 65 and must pay 100% of the supplement less the health insurance credit. Retirees may elect to cover a spouse and dependents.

County retirees who have at least 15 years of service with the County receive a health insurance credit with the County. Retirees receive \$4 per year of County service per month, up to a maximum of \$120 per month for their elected medical coverage from the County. The retiree must pay the remainder of the premium. This benefit ended 12/31/2015. Those that are receiving this benefit are grandfathered in. All others get HIC of \$45 per month upon retirement. County retirees who have less than 15 years of service with the County must pay 100% of the premium cost. County membership in the plan at the time of the actuarial study consisted of 208 active members with total active covered payroll of \$14,026,000 and 12 retirees.

The Powhatan County Schools retirees who attain the age of 50 with at least 5 years of service are eligible to participate in the retiree medical plan. Retirees who are age 65 and older may only participate in the Medicare Supplement and must pay 100% of the cost. The School Board pays 100% of the premium cost for retirees' single coverage. Retirees pay 100% of any additional premium for spouse and dependent coverage. Schools membership in the plan at the time of the actuarial study consisted of 542 active members with total active covered payroll of \$26,696,000 and 48 retirees. There are no financial statements issued for the OPEB plan.

Employees Covered by Benefit Terms

As of the July 1, 2023 actuarial valuation, the following employees were covered by the benefit terms of the plan:

	<u>County</u>	<u>School Board</u>
Inactive members or their beneficiaries:		
Currently receiving benefits	12	48
	<u>12</u>	<u>48</u>
Total inactive members		
	12	48
	<u>12</u>	<u>48</u>
Active members	208	542
	<u>208</u>	<u>542</u>
Total	<u>220</u>	<u>590</u>

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

Total OPEB Liability

The County’s total OPEB liability of \$1,616,000 was measured as of July 1, 2024 and was determined based on an actuarial valuation performed as of July 1, 2024. The School Non-Professional employee’s total OPEB liability of \$5,321,000 was measured as of July 1, 2024, and was determined based on an actuarial valuation performed as of July 1, 2024.

Actuarial Assumptions and other inputs

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

	<u>County</u>	<u>School Board</u>
Inflation	4.09%	4.09%
Salary increases, including inflation	3.75%	3.75%
Healthcare cost trends rates*	6.25%	6.25%
* 6.50% for FY2024 and then decreasing .25% per year to an ultimate rate of 5.00%		

Mortality rates: RP-2010 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021. For county employees and non-teachers, a four year set forward in age for males and a two year setback in age for females is applied. For law enforcement officers, a two year setback in age for both males and females applied. For teachers a three year setback in age applied to males and a five year set back in age is applied to females.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period from July 1, 2023 through July 30, 2024. The actuarial cost method discount rate has been set equal to 4.09% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

Changes in the Total OPEB Liability

	<u>County</u>	<u>School Board</u>
Balances at July 1, 2024	\$ 1,627,000	\$ 5,692,000
Changes for the year:		
Service cost	77,000	89,000
Interest	65,000	210,000
Benefit changes	-	292,000
Difference between expected and actual experience	(118,000)	(267,000)
Assumption or other input changes	(19,000)	(12,000)
Contributions - employer	<u>(16,000)</u>	<u>(683,000)</u>
Net changes	<u>(11,000)</u>	<u>(371,000)</u>
Balances at June 30, 2025	<u>\$ 1,616,000</u>	<u>\$ 5,321,000</u>

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

The following presents the total OPEB liability of the County and School Board, as well as what the County and School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate:

	<u>County</u>			<u>School Board</u>		
	<u>1.00% Decrease (3.09%)</u>	<u>Current Discount Rate (4.09%)</u>	<u>1.00% Increase (5.09%)</u>	<u>1.00% Decrease (3.09%)</u>	<u>Current Discount Rate (4.09%)</u>	<u>1.00% Increase (5.09%)</u>
Total OPEB Liability	\$ <u>1,787,000</u>	\$ <u>1,616,000</u>	\$ <u>1,463,000</u>	\$ <u>5,590,000</u>	\$ <u>5,321,000</u>	\$ <u>5,058,000</u>

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

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

The following presents the total OPEB liability of County and School Board, as well as what the County and School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current healthcare cost trend rates:

	County			School Board		
	1.00% Decrease (5.25%)	Current Healthcare Cost Trend Rates Rate (6.25%)	1.00% Increase (7.25%)	1.00% Decrease (5.25%)	Current Healthcare Cost Trend Rates Rate (6.25%)	1.00% Increase (7.25%)
Total OPEB Liability	\$ 1,426,000	\$ 1,616,000	\$ 1,842,000	\$ 5,118,000	\$ 5,321,000	\$ 5,536,000

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

For the year ended June 30, 2025, the County and School Board employees recognized OPEB expense (credit) of (\$47,000) and \$942,000, respectively. At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	County		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 582,000	\$ (1,076,000)	\$ 2,007,000	\$ (2,144,000)
Change in assumptions	271,000	(578,000)	811,000	(1,201,000)
Employer contributions subsequent to the measurement date	10,728	-	520,421	-
Total	\$ 863,728	\$ (1,654,000)	\$ 3,338,421	\$ (3,345,000)

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

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

The \$10,728 and \$520,421 reported as deferred outflows of resources related to OPEB resulting from the County and School Board’s contributions, respectively subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>County Increase (Reduction) to OPEB Expense</u>	<u>School Board Increase (Reduction) to OPEB Expense</u>
2026	\$ (196,000)	\$ 183,000
2027	(190,000)	(47,000)
2028	(189,000)	(200,000)
2029	(172,000)	(419,000)
2030	(53,000)	(44,000)
Thereafter	(1,000)	-

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans

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

Plan Descriptions

Group Life Insurance Program

The Virginia Retirement System (VRS) Group Life Insurance Program is a multi-employer, cost-sharing plan. All full-time, salaried permanent teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment. This plan is 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 Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members’ paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

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

(Continued)

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Plan Descriptions (Continued)

Teacher Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) Teacher Health Insurance Credit Program is a multi-employer, cost-sharing plan. All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. This plan is 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 health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

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

The Group Life Insurance and Teacher Health Insurance programs are administered by the VRS along with pensions and other OPEB plans for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple-employer, cost sharing plans.

Health Insurance Credit Program

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

As of the June 30, 2024, actuarial valuation, the following employees were covered by the benefit terms of the Health Insurance Credit Program:

	<u>County</u>	<u>School Board</u>
Inactive members or their beneficiaries receiving benefits	8	21
Inactive members:		
Vested inactive members	4	-
Total inactive members	12	21
Active members	96	78
Total covered employees	108	99

(Continued)

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023 (General Employee HIC program) and June 30, 2023 (GLI and Teacher HIC Program). The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

General Employee Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee compensation.
June 30, 2025 Contribution	\$71,040
June 30, 2024 Contribution	\$75,570

Teacher Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee compensation.
June 30, 2025 Contribution	\$12,273
June 30, 2024 Contribution	\$12,354

(Continued)

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions (Continued)

School Board Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee compensation.
June 30, 2025 Contribution	\$149,245
June 30, 2024 Contribution	\$155,205

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2025 Contribution	\$380,179
June 30, 2024 Contribution	\$350,303

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COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions (Continued)

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.05% of covered employee compensation.
June 30, 2025 Contribution	\$3,575
June 30, 2024 Contribution	\$16,992

School Board Non-Professional Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	1.06% of covered employee compensation.
June 30, 2025 Contribution	\$27,532
June 30, 2024 Contribution	\$24,196

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

The net OPEB liabilities were measured as of June 30, 2024 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations 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 OPEB liabilities, except for LODA, were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

	County	School Board	Teachers
June 30, 2025 proportionate share of liability	\$613,199	\$100,321	\$1,258,760
June 30, 2024 proportion	0.05495%	0.00899%	0.11280%
June 30, 2023 proportion	0.05064%	0.00944%	0.11892%
June 30, 2025 expense	\$43,881	\$2,358	\$1,651

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

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

Teacher Health Insurance Credit Program

June 30, 2025 proportionate share of liability	\$3,122,792
June 30, 2024 proportion	0.27022%
June 30, 2023 proportion	0.27894%
June 30, 2025 expense	\$180,089

General Employee Health Insurance Credit Program

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (asset) (a)-(b)
Balances at June 30, 2023	\$ 87,031	\$ 86,891	\$ 140
Changes for the year:			
Service cost	3,937	-	3,937
Interest	6,069	-	6,069
Difference between expected and actual experience	(14,506)	-	(14,506)
Assumption changes	-	-	-
Contributions - employer	-	17,016	(17,016)
Net investment income	-	9,240	(9,240)
Benefit payments	(2,127)	(2,127)	-
Administrative expenses	-	(133)	133
Other changes	-	(1)	1
Net changes	<u>(6,627)</u>	<u>23,995</u>	<u>(30,622)</u>
Balances at June 30, 2024	<u>\$ 80,404</u>	<u>\$ 110,886</u>	<u>\$ (30,482)</u>

In addition, for the year ended June 30, 2025, the County recognized OPEB expense (income) of (\$5,489) related to the General Employee Health Insurance Credit Program.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

School Board Non-Professional Employee Health Insurance Credit Program

Changes in net OPEB liability of the School Board Non-Professional Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2023	\$ 161,333	\$ 60,581	\$ 100,752
Changes for the year:			
Service cost	1,960	-	1,960
Interest	10,810	-	10,810
Difference between expected and actual experience	(10,231)	-	(10,231)
Assumption changes	-	-	-
Contributions - employer	-	24,220	(24,220)
Net investment income	-	6,969	(6,969)
Benefit payments	(6,285)	(6,285)	-
Administrative expenses	-	(104)	104
Net changes	(3,746)	24,800	(28,546)
Balances at June 30, 2024	\$ <u>157,587</u>	\$ <u>85,381</u>	\$ <u>72,206</u>

In addition, for the year ended June 30, 2025, the School Board recognized OPEB expense (income) of (\$16,582) related to the School Board Non-Professional Employee Health Insurance Credit Program.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

At June 30, 2025, the County and Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	County		Teachers		Schools Non-professional	
	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	\$ 96,716	\$ 14,978	\$ 198,535	\$ 30,747	\$ 15,823	\$ 2,451
Change in assumptions	3,495	30,389	7,175	62,382	572	4,972
Net difference between projected and actual earnings on						
OPEB plan investments	-	51,686	-	106,100	-	8,456
Changes in proportion	97,684	444	12,009	114,374	12,836	12,931
Employer contributions subsequent to the measurement date	71,040	-	149,245	-	12,273	-
Total	\$ 268,935	\$ 97,497	\$ 366,964	\$ 313,603	\$ 41,504	\$ 28,810

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 147,950
Change in assumptions	53,797	-
Net difference between projected and actual earnings on		
OPEB plan investments	-	11,108
Changes in proportion	29,761	218,449
Employer contributions subsequent to the measurement date	380,179	-
Total	\$ 463,737	\$ 377,507

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 4,214	\$ 41,722
Change in assumptions	11,746	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,981
Employer contributions subsequent to the measurement date	<u>3,575</u>	<u>-</u>
Total	<u>\$ 19,535</u>	<u>\$ 43,703</u>

School Board Non-Professional Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 69,899
Change in assumptions	3,567	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,215
Employer contributions subsequent to the measurement date	<u>27,532</u>	<u>-</u>
Total	<u>\$ 31,099</u>	<u>\$ 71,114</u>

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Group Life Insurance Program

The deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	County Increase (Reduction) to OPEB Expense	Teachers Increase (Reduction) to OPEB Expense	Schools Non-professional Increase (Reduction) to OPEB Expense
2026	\$ 306	\$ (81,279)	(3,448)
2027	36,126	531	3,699
2028	25,605	(15,479)	943
2029	21,031	(8,125)	(1,515)
2030	17,329	8,468	743
Thereafter	-	-	-

Teacher Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2026	\$ (72,741)
2027	(52,649)
2028	(59,384)
2029	(50,877)
2030	(39,803)
Thereafter	(18,495)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General and School Board Non-Professional Employee Health Insurance Credit Program

<u>Year Ending June 30,</u>	<u>County</u> <u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>	<u>School Board</u> <u>Non-Professional</u> <u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>
2026	\$ (9,434)	\$ (25,401)
2027	(6,976)	(25,891)
2028	(7,012)	(14,830)
2029	(3,271)	(1,425)
2030	(740)	-
Thereafter	(310)	-

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, 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%
Teachers	3.50-5.95%
Healthcare cost trend rates:	
Under age 65	7.25-4.25%
Ages 65 and older	6.50-4.25%

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

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Net OPEB Liabilities

The net OPEB liabilities represent each program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	\$ 4,196,055	\$ 1,478,105
Plan fiduciary net position	3,080,133	322,457
Employers' net OPEB liability (asset)	<u>\$ 1,115,922</u>	<u>\$ 1,155,648</u>
Plan fiduciary net position as a percentage of total OPEB liability	73.41%	21.82%

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

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	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 Partnership	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%		<u>7.07%</u>
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>7.07%</u>

* The above allocation provides for a one-year return of 7.07%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.5%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2024, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of 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 OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability - County	\$ 953,604	\$ 613,199	\$ 338,197
GLI Net OPEB liability - Teachers	1,957,535	1,258,760	694,241
GLI Net OPEB liability - Schools Non-professional	156,013	100,321	55,330
Teacher HIC Net OPEB liability	3,551,394	3,122,792	2,759,513
HIC Net OPEB liability - Schools Non-professional	89,875	72,206	57,204
General Employee HIC Net OPEB liability (asset)	(20,181)	(30,482)	(39,039)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/media/shared/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 POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 15. Summary of Pension and Other Post-Employment Benefits Elements

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Deferred outflows of resources - pensions:				
Difference between expected and actual experience - VRS	\$ 1,161,243	\$ 30,500	\$ 1,191,743	\$ 4,537,250
Changes in assumptions - VRS	255,280	6,706	261,986	467,912
Changes in proportions - VRS	-	-	-	184,238
Employer contributions subsequent to the measurement date - VRS	2,010,369	53,121	2,063,490	4,837,640
	<u>3,426,892</u>	<u>90,327</u>	<u>3,517,219</u>	<u>10,027,040</u>
Total deferred outflows of resources - pensions	\$ <u>3,426,892</u>	\$ <u>90,327</u>	\$ <u>3,517,219</u>	\$ <u>10,027,040</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Deferred outflows of resources - OPEB:				
Difference between expected and actual experience:				
Local plan	\$ 560,433	\$ 21,567	\$ 582,000	\$ 2,007,000
VRS GLI	94,185	2,531	96,716	214,358
VRS HIC	4,108	106	4,214	-
Changes in assumptions				
Local plan	260,958	10,042	271,000	811,000
VRS GLI	3,404	91	3,495	7,747
VRS HIC	11,451	295	11,746	57,364
Changes in proportional share				
VRS GLI	95,128	2,556	97,684	24,845
VRS HIC	-	-	-	29,761
Employer contributions subsequent to the measurement date				
Local plan	10,331	397	10,728	375,654
VRS GLI	69,192	1,859	71,051	161,518
VRS HIC	3,484	91	3,575	407,710
	<u>1,112,674</u>	<u>39,535</u>	<u>1,152,209</u>	<u>4,096,957</u>
Total deferred outflows of resources - OPEB	\$ <u>1,112,674</u>	\$ <u>39,535</u>	\$ <u>1,152,209</u>	\$ <u>4,096,957</u>

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 15. Summary of Pension and Other Post-Employment Benefits Elements (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
VRS Pension Asset				
VRS	\$ -	\$ -	\$ -	\$ 790,009
VRS HIC	29,717	765	30,482	-
Total net pension asset	<u>\$ 29,717</u>	<u>\$ 765</u>	<u>\$ 30,482</u>	<u>\$ 790,009</u>
Net Pension Liability				
VRS	\$ 2,753,321	\$ 72,317	\$ 2,825,638	\$ 25,778,400
Total net pension liability	<u>\$ 2,753,321</u>	<u>\$ 72,317</u>	<u>\$ 2,825,638</u>	<u>\$ 25,778,400</u>
Net OPEB Liability				
Local plan	\$ 1,556,115	\$ 59,885	\$ 1,616,000	\$ 5,321,000
VRS GLI	597,153	16,046	613,199	1,359,081
VRS HIC	-	-	-	3,194,998
LODA	554,454	-	554,454	-
Total net OPEB liability	<u>\$ 2,707,722</u>	<u>\$ 75,931</u>	<u>\$ 2,783,653</u>	<u>\$ 9,875,079</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Deferred inflows of resources - pensions:				
Difference between expected and actual experience - VRS	\$ 212,371	\$ 5,578	\$ 217,949	\$ 530,795
Changes in proportion - VRS	-	-	-	1,246,793
Net difference between projected and actual earnings on plan investments - VRS	905,171	23,775	928,946	3,858,473
Total deferred inflows of resources - pensions	<u>\$ 1,117,542</u>	<u>\$ 29,353</u>	<u>\$ 1,146,895</u>	<u>\$ 5,636,061</u>

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 15. Summary of Pension and Other Post-Employment Benefits Elements (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Deferred inflows of resources - OPEB:				
Difference between expected and actual experience:				
Local plan	\$ 1,036,127	\$ 39,873	\$ 1,076,000	\$ 2,144,000
VRS GLI	14,586	392	14,978	33,198
VRS HIC	40,674	1,048	41,722	217,849
Changes in assumptions				
Local plan	556,581	21,419	578,000	1,201,000
VRS GLI	29,594	795	30,389	67,354
Net difference between projected and actual earnings on OPEB plan investments				
VRS GLI	50,334	1,352	51,686	114,556
VRS HIC	1,932	49	1,981	12,323
Changes in proportional share				
VRS GLI	431	13	444	127,305
VRS HIC	-	-	-	218,449
Total deferred inflows of resources - OPEB	<u>\$ 1,730,259</u>	<u>\$ 64,941</u>	<u>\$ 1,795,200</u>	<u>\$ 4,136,034</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Pension expense				
VRS	\$ 1,565,493	\$ 41,118	\$ 1,606,611	\$ 2,145,662
Total pension expense	<u>\$ 1,565,493</u>	<u>\$ 41,118</u>	<u>\$ 1,606,611</u>	<u>\$ 2,145,662</u>
OPEB expense				
Local plan	\$ 45,258	\$ 1,742	\$ 47,000	\$ 942,000
VRS GLI	42,184	1,134	43,318	4,009
VRS HIC	5,351	138	5,489	163,507
LODA	(3,992)	-	(3,992)	-
Total OPEB expense	<u>\$ 88,801</u>	<u>\$ 3,014</u>	<u>\$ 91,815</u>	<u>\$ 1,109,516</u>

COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 16. Commitments and Contingencies

Federal programs

Federal programs in which the County and discretely presented component unit participate may be subject to audit by the Federal Government, which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Construction Contracts Outstanding

The following construction contracts were outstanding at June 30, 2025:

Fund	Project	Contractor	Contract Amount	Amount Remaining
Capital Projects Fund	Fire Station 1	Daniel & Company	\$ 4,002,668	\$ 1,210,823

Note 17. Line of Duty Act Liability (LODA)

The County covers LODA through insurance with VACorp. They do not have an OPEB liability for current safety employees. However, prior to starting coverage with VACorp, an officer died in the line of duty and his spouse and child were grandfathered into the original State LODA plan. The County pays approximately \$8,000/year currently for health insurance for the two individuals. The spouse's insurance will be paid until she dies while the child is covered until he reaches age 26 (unless he meets the requirements as an incapacitated dependent child). The following is the calculated liability for the County at June 30, 2025:

Annual premiums paid by County for spouse:	\$ 14,232
Annual premiums paid by County for child:	9,708
Years remaining for spouse: Approximately	33
Years remaining for child: Born July 2003	4
Annual increase in health insurance costs:	6.0%
Present value of total estimated liability at 6/30/25	<u>\$ 554,454</u>

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 18. Risk Management

The County and 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 insurances.

The County and School Board are members of the Virginia Municipal Group Self Insurance Association for workers' compensation. Each Association member jointly and severally agrees to assume, pay, and discharge any liability. Virginia Municipal Group contributions and assessments are based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims 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 and School Board carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

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COUNTY OF POWHATAN, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
June 30, 2025**

Note 19. Fund Balances

Fund Balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds.

	General Fund	County Capital Projects	Grants Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 6,217	\$ -	\$ -	\$ -	\$ 6,217
Total nonspendable	<u>\$ 6,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,217</u>
Restricted for:					
Cash proffers	\$ -	\$ -	\$ -	\$ 1,483,625	\$ 1,483,625
State asset forfeiture	-	-	-	22,291	22,291
Federal asset forfeiture	-	-	-	88	88
Tourism	-	-	-	213,648	213,648
Fire and rescue	-	-	-	171,506	171,506
CVTA	-	-	-	8,993,528	8,993,528
Capital projects	-	9,350,376	-	-	9,350,376
Total restricted	<u>\$ -</u>	<u>\$ 9,350,376</u>	<u>\$ -</u>	<u>\$ 10,884,686</u>	<u>\$ 20,235,062</u>
Committed for:					
Fire and rescue	\$ -	\$ -	\$ -	\$ 763,204	\$ 763,204
Total committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,204</u>	<u>\$ 763,204</u>
Assigned for:					
Capital maintenance reserve	\$ 10,329,254	\$ -	\$ -	\$ -	\$ 10,329,254
Capital maintenance reserve - Schools	667,155	-	-	-	667,155
Road Construction	1,100,000	-	-	-	1,100,000
PCAA	32,967	-	-	-	32,967
PEG	116,914	-	-	-	116,914
FY26 Carryforwards	30,164	-	-	-	30,164
Capital projects	-	11,313,264	-	-	11,313,264
Total assigned	<u>\$ 12,276,454</u>	<u>\$ 11,313,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,589,718</u>
Unassigned	17,276,384	-	(2,139,166)	-	15,137,218
Total fund balance	<u>\$ 29,559,055</u>	<u>\$ 20,663,640</u>	<u>\$ (2,139,166)</u>	<u>\$ 11,647,890</u>	<u>\$ 59,731,419</u>

Note 20. Local Choice Insurance Plan

The County's employees are covered by a professionally administered risk sharing program which provides health coverage for employees of the County on a cost-reimbursement basis. Dependents are covered by the program provided they pay a premium to the County. Under the program, the County's health insurance claims are separately rated from other groups, and the County's claims experience is factored into the premiums assessed in subsequent periods. However, gains and losses resulting from the County's claims experience are not settled directly with the County but instead are shared by the pool. If the County were to exit the risk pool, it could be assessed a settlement charge that would not exceed any net loss resulting from the County's most recent claims experience. The County has no plans to exit the pool.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 21. Restatement of Beginning Net Assets

The following is the restatement of beginning net assets:

	Component Unit School Board
As reported June 30, 2024:	
Total net position	\$ (3,600,249)
Adjustments for June 30, 2024 items:	
Compensated Absences - GASB 101	<u>(6,707,908)</u>
As restated July 1, 2024	
Total net position	<u>\$ (10,308,157)</u>

Note 22. Subsequent Events

On November 13, 2025, the County issued the 2025 Lease/Purchase agreement with Bank of America. The amount issued was \$6,850,000 at an interest rate of 3.93%. The proceeds will be used to purchase school buses, fire apparatus, an ambulance, HVAC at Pocohontas Elementary School and heater replacement and roof repairs at Powhatan High School.

Note 23. New Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective.

In April 2024, the GASB issued **Statement No. 103**, Financial Reporting Model Improvements. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 57,910,600	\$ 57,910,600	\$ 60,582,333	\$ 2,671,733
Other local taxes	7,465,000	7,465,000	7,767,119	302,119
Permits, privilege fees, and regulatory licenses	705,450	705,450	759,929	54,479
Fines and forfeitures	92,000	92,000	87,175	(4,825)
Revenue from the use of money and property	316,135	316,135	412,257	96,122
Charges for services	210,730	210,730	299,306	88,576
Miscellaneous	125,000	160,840	243,732	82,892
Intergovernmental revenues:				
Commonwealth	9,267,971	9,299,925	9,201,750	(98,175)
Federal	1,227,343	1,226,653	1,229,277	2,624
Total revenues	<u>\$ 77,320,229</u>	<u>\$ 77,387,333</u>	<u>\$ 80,582,878</u>	<u>\$ 3,195,545</u>
EXPENDITURES				
Departmental:				
General government administration	\$ 5,984,681	\$ 6,077,344	\$ 5,992,765	\$ 84,579
Judicial administration	1,578,354	1,578,191	1,507,934	70,257
Public safety	15,213,100	14,767,104	14,199,478	567,626
Public works	3,470,739	3,440,488	3,101,758	338,730
Health and welfare	7,518,012	7,520,098	7,535,981	(15,883)
Education	29,107,560	29,107,560	28,795,132	312,428
Parks, recreation, and cultural	1,241,475	1,288,404	1,230,531	57,873
Community development	1,877,574	1,787,773	1,593,225	194,548
Debt service:				
Principal retirement	6,546,686	6,918,184	6,734,945	183,239
Interest and other fiscal charges	2,424,373	2,593,585	3,037,791	(444,206)
Total expenditures	<u>\$ 74,962,554</u>	<u>\$ 75,078,731</u>	<u>\$ 73,729,540</u>	<u>\$ 1,349,191</u>
Excess of revenues over expenditures	<u>\$ 2,357,675</u>	<u>\$ 2,308,602</u>	<u>\$ 6,853,338</u>	<u>\$ 4,544,736</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 281,620	\$ 281,620	\$ -
Transfers out	(5,539,887)	(5,949,887)	(5,949,887)	-
Payment for refunding of bonds	-	-	(8,596,000)	(8,596,000)
Issuance of refunding bonds	-	-	7,745,000	7,745,000
Premium on refunding bonds	-	-	1,000,054	1,000,054
Total other financing uses	<u>\$ (5,539,887)</u>	<u>\$ (5,668,267)</u>	<u>\$ (5,519,213)</u>	<u>\$ 149,054</u>
Net change in fund balances	\$ (3,182,212)	\$ (3,359,665)	\$ 1,334,125	\$ 4,693,790
Fund balances - beginning	3,182,212	3,641,285	28,224,930	24,583,645
Fund balances - ending	<u>\$ -</u>	<u>\$ 281,620</u>	<u>\$ 29,559,055</u>	<u>\$ 29,277,435</u>

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

	Grants Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ 121,008	\$ 121,041	\$ 33
Intergovernmental revenues:				
Commonwealth	49,540	333,176	281,383	(51,793)
Federal	295,350	6,354,159	3,035,126	(3,319,033)
Total revenues	<u>\$ 344,890</u>	<u>\$ 6,808,343</u>	<u>\$ 3,437,550</u>	<u>\$ (3,370,793)</u>
EXPENDITURES				
General government administration	\$ 50,000	\$ 541,597	\$ 197,153	\$ 344,444
Judicial administration	-	55,043	39,447	15,596
Public safety	-	1,025,000	266,154	758,846
Health and welfare	295,350	354,454	295,822	58,632
Parks, recreation, and cultural	49,540	73,755	20,876	52,879
Community development	-	15,077	13,847	1,230
Total expenditures	<u>\$ 394,890</u>	<u>\$ 2,064,926</u>	<u>\$ 833,299</u>	<u>\$ 1,231,627</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (50,000)</u>	<u>\$ 4,743,417</u>	<u>\$ 2,604,251</u>	<u>\$ (2,139,166)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total other financing sources and (uses)	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 4,793,417	\$ 2,654,251	\$ (2,139,166)
Fund balances - beginning	-	(4,793,417)	(4,793,417)	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,139,166)</u>	<u>\$ (2,139,166)</u>

COUNTY OF POWHATAN, VIRGINIA

Required Supplementary Information
 Schedule of Changes in Net Pension Liability and Related Ratios - Primary Government
 For the Year Ended June 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability				
Service Cost	\$ 1,772,125	\$ 1,596,013	\$ 1,220,652	\$ 1,160,493
Interest on total pension liability	2,583,004	2,322,046	2,187,325	1,909,425
Changes of assumptions	-	-	-	1,269,622
Difference between expected and actual experience	622,392	1,258,886	(460,026)	(240,822)
Benefit payments, including refunds of employee contributions	(1,603,707)	(1,370,321)	(1,284,577)	(1,120,077)
Net change in total pension liability	3,373,814	3,806,624	1,663,374	2,978,641
Total pension liability - beginning	<u>37,296,452</u>	<u>33,489,828</u>	<u>31,826,454</u>	<u>28,847,813</u>
Total pension liability - ending	<u>\$ 40,670,266</u>	<u>\$ 37,296,452</u>	<u>\$ 33,489,828</u>	<u>\$ 31,826,454</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,801,683	\$ 1,529,668	\$ 1,153,391	\$ 1,007,475
Contributions - employee	658,513	560,244	498,530	433,964
Net investment income	3,326,450	2,050,304	(43,693)	6,585,873
Benefit payments, including refunds of employee contributions	(1,603,707)	(1,370,321)	(1,284,577)	(1,120,077)
Administrative expenses	(18,793)	(19,363)	(18,746)	(15,630)
Other changes	825	835	727	629
Net change in plan fiduciary net position	4,164,971	2,751,367	305,632	6,892,234
Plan fiduciary net position - beginning	<u>33,679,657</u>	<u>30,928,290</u>	<u>30,622,658</u>	<u>23,730,424</u>
Plan fiduciary net position - ending	<u>\$ 37,844,628</u>	<u>\$ 33,679,657</u>	<u>\$ 30,928,290</u>	<u>\$ 30,622,658</u>
Net pension liability (asset) - ending	<u>\$ 2,825,638</u>	<u>\$ 3,616,795</u>	<u>\$ 2,561,538</u>	<u>\$ 1,203,796</u>
Plan fiduciary net position as a percentage of total pension liability	<u>93%</u>	<u>90%</u>	<u>92%</u>	<u>96%</u>
Covered payroll	<u>\$ 14,108,850</u>	<u>\$ 11,921,178</u>	<u>\$ 10,460,754</u>	<u>\$ 9,090,483</u>
Net pension liability (asset) as a percentage of covered payroll	<u>20%</u>	<u>30%</u>	<u>24%</u>	<u>13%</u>

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

Primary Government					
Plan Year					
2020	2019	2018	2017	2016	2015
\$ 1,106,645	\$ 1,003,655	\$ 1,052,239	\$ 1,077,603	\$ 1,011,102	\$ 1,009,871
1,714,336	1,620,934	1,521,621	1,330,100	1,254,963	1,149,909
-	845,212	-	(204,552)	-	-
1,136,432	(222,879)	(339,577)	1,129,320	(475,334)	30,886
<u>(1,014,350)</u>	<u>(996,748)</u>	<u>(634,313)</u>	<u>(558,600)</u>	<u>(876,075)</u>	<u>(503,722)</u>
2,943,063	2,250,174	1,599,970	2,773,871	914,656	1,686,944
25,904,750	23,654,576	22,054,606	19,280,735	18,366,079	16,679,135
<u>\$ 28,847,813</u>	<u>\$ 25,904,750</u>	<u>\$ 23,654,576</u>	<u>\$ 22,054,606</u>	<u>\$ 19,280,735</u>	<u>\$ 18,366,079</u>
\$ 963,905	\$ 909,590	\$ 854,608	\$ 849,179	\$ 935,300	\$ 873,339
437,004	405,242	386,863	416,611	470,695	344,134
440,244	1,450,135	1,440,147	2,058,465	288,843	672,630
(1,014,350)	(996,748)	(634,313)	(558,600)	(876,075)	(503,722)
(14,436)	(13,553)	(11,708)	(10,985)	(9,363)	(8,366)
<u>(535)</u>	<u>(915)</u>	<u>(1,314)</u>	<u>(1,870)</u>	<u>(120)</u>	<u>(144)</u>
811,832	1,753,751	2,034,283	2,752,800	809,280	1,377,871
22,918,592	21,164,841	19,130,558	16,377,758	15,568,478	14,190,607
<u>\$ 23,730,424</u>	<u>\$ 22,918,592</u>	<u>\$ 21,164,841</u>	<u>\$ 19,130,558</u>	<u>\$ 16,377,758</u>	<u>\$ 15,568,478</u>
<u>\$ 5,117,389</u>	<u>\$ 2,986,158</u>	<u>\$ 2,489,735</u>	<u>\$ 2,924,048</u>	<u>\$ 2,902,977</u>	<u>\$ 2,797,601</u>
<u>82%</u>	<u>88%</u>	<u>89%</u>	<u>87%</u>	<u>85%</u>	<u>85%</u>
<u>\$ 9,048,217</u>	<u>\$ 8,484,602</u>	<u>\$ 7,984,093</u>	<u>\$ 7,834,118</u>	<u>\$ 7,376,776</u>	<u>\$ 6,919,350</u>
<u>57%</u>	<u>35%</u>	<u>31%</u>	<u>37%</u>	<u>39%</u>	<u>40%</u>

COUNTY OF POWHATAN, VIRGINIA

Required Supplementary Information
 Schedule of Changes in Net Pension Liability and Related Ratios - Component Unit School Board
 For the Year Ended June 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability				
Service Cost	\$ 193,023	\$ 201,650	\$ 171,636	\$ 162,871
Interest on total pension liability	700,545	657,847	642,126	594,860
Changes of assumptions	-	-	-	350,298
Difference between expected and actual experience	69,096	261,221	(156,681)	(120,292)
Benefit payments, Including refunds of employee contributions	<u>(504,508)</u>	<u>(454,564)</u>	<u>(453,812)</u>	<u>(464,464)</u>
Net change in total pension liability	458,156	666,154	203,269	523,273
Total pension liability - beginning	10,437,670	9,771,516	9,568,247	9,044,974
Total pension liability - ending	<u>\$ 10,895,826</u>	<u>\$ 10,437,670</u>	<u>\$ 9,771,516</u>	<u>\$ 9,568,247</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 71,815	\$ 71,196	\$ 91,510	\$ 76,319
Contributions - employee	103,863	101,190	101,584	83,764
Net investment income	1,055,183	677,003	(9,107)	2,375,399
Benefit payments, including refunds of employee contributions	(504,508)	(454,564)	(453,812)	(464,464)
Administrative expenses	(7,198)	(6,839)	(6,810)	(6,045)
Other changes	<u>210</u>	<u>272</u>	<u>249</u>	<u>223</u>
Net change in plan fiduciary net position	719,365	388,258	(276,386)	2,065,196
Plan fiduciary net position - beginning	10,966,470	10,578,212	10,854,598	8,789,402
Plan fiduciary net position - ending	<u>\$ 11,685,835</u>	<u>\$ 10,966,470</u>	<u>\$ 10,578,212</u>	<u>\$ 10,854,598</u>
Net pension liability (asset) - ending	<u>\$ (790,009)</u>	<u>\$ (528,800)</u>	<u>\$ (806,696)</u>	<u>\$ (1,286,351)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>107%</u>	<u>105%</u>	<u>108%</u>	<u>113%</u>
Covered payroll	<u>\$ 2,285,194</u>	<u>\$ 1,946,505</u>	<u>\$ 1,264,377</u>	<u>\$ 1,044,605</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-35%</u>	<u>-27%</u>	<u>-64%</u>	<u>-123%</u>

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

PCPS Nonprofessional Employees						
Plan Year						
2020	2019	2018	2017	2016	2015	
\$ 165,072	\$ 166,505	\$ 164,926	\$ 168,494	\$ 182,662	\$ 183,962	
577,057	572,581	557,441	546,388	528,752	509,997	
-	238,399	-	36,426	-	-	
(8,079)	(98,308)	(18,469)	(146,382)	(41,345)	(65,172)	
<u>(476,125)</u>	<u>(543,705)</u>	<u>(431,522)</u>	<u>(462,531)</u>	<u>(373,734)</u>	<u>(347,988)</u>	
257,925	335,472	272,376	142,395	296,335	280,799	
8,787,049	8,451,577	8,179,201	8,036,806	7,740,471	7,459,672	
<u>\$ 9,044,974</u>	<u>\$ 8,787,049</u>	<u>\$ 8,451,577</u>	<u>\$ 8,179,201</u>	<u>\$ 8,036,806</u>	<u>\$ 7,740,471</u>	
\$ 64,753	\$ 65,899	\$ 73,999	\$ 76,154	\$ 117,830	\$ 124,813	
79,919	79,570	82,097	83,622	85,763	90,842	
169,504	569,118	618,226	938,490	134,511	348,309	
(476,125)	(543,705)	(431,522)	(462,531)	(373,734)	(347,988)	
(5,941)	(5,938)	(5,459)	(5,606)	(4,931)	(4,833)	
<u>(198)</u>	<u>(358)</u>	<u>(546)</u>	<u>(826)</u>	<u>(57)</u>	<u>(75)</u>	
(168,088)	164,586	336,795	629,303	(40,618)	211,068	
8,957,490	8,792,904	8,456,109	7,826,806	7,867,424	7,656,356	
<u>\$ 8,789,402</u>	<u>\$ 8,957,490</u>	<u>\$ 8,792,904</u>	<u>\$ 8,456,109</u>	<u>\$ 7,826,806</u>	<u>\$ 7,867,424</u>	
<u>\$ 255,572</u>	<u>\$ (170,441)</u>	<u>\$ (341,327)</u>	<u>\$ (276,908)</u>	<u>\$ 210,000</u>	<u>\$ (126,953)</u>	
<u>97%</u>	<u>102%</u>	<u>104%</u>	<u>103%</u>	<u>97%</u>	<u>102%</u>	
<u>\$ 1,074,136</u>	<u>\$ 1,243,923</u>	<u>\$ 1,398,335</u>	<u>\$ 1,519,194</u>	<u>\$ 1,620,015</u>	<u>\$ 1,733,491</u>	
<u>24%</u>	<u>-14%</u>	<u>-24%</u>	<u>-18%</u>	<u>13%</u>	<u>-7%</u>	

Schedule of Pension Contributions
For the Year Ended June 30, 2025

<u>Year Ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Primary Government					
2025	\$ 2,063,490	\$ 2,063,490	-	\$ 16,095,865	12.82%
2024	1,906,175	1,906,175	-	14,098,930	13.52%
2023	1,611,743	1,611,743	-	11,921,178	13.52%
2022	1,213,447	1,213,447	-	10,460,754	11.60%
2021	1,054,496	1,054,496	-	9,090,483	11.60%
2020	1,014,305	1,014,305	-	9,048,217	11.21%
2019	951,124	951,124	-	8,484,602	11.21%
2018	882,086	882,086	-	7,984,093	11.05%
2017	864,102	864,102	-	7,834,118	11.03%
2016	942,707	942,707	-	7,376,776	12.78%
PCPS - Nonprofessional Employees					
2025	\$ 121,355	\$ 121,355	-	\$ 2,896,301	4.19%
2024	82,108	82,108	-	1,992,913	4.12%
2023	80,196	80,196	-	1,946,505	4.12%
2022	100,518	100,518	-	1,264,377	7.95%
2021	83,052	83,052	-	1,044,605	7.95%
2020	69,547	69,547	-	1,074,136	6.47%
2019	65,938	65,938	-	1,243,923	5.30%
2018	78,457	78,457	-	1,398,335	5.61%
2017	80,743	80,743	-	1,519,194	5.31%
2016	122,674	122,674	-	1,620,015	7.57%

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

Schedule of Employer's Share of Net Pension Liability
 VRS Teacher Retirement Plan
 For the Year Ended June 30, 2025

<u>Year Ended June 30</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2025	0.275% \$	25,778,400 \$	29,022,497	88.82%	84.52%
2024	0.282%	28,534,661	27,872,310	102.38%	82.45%
2023	0.291%	27,670,668	26,774,988	103.35%	82.61%
2022	0.287%	22,259,129	24,975,511	89.12%	85.46%
2021	0.290%	42,218,623	25,214,305	167.44%	71.47%
2020	0.294%	38,721,024	24,561,677	157.65%	73.51%
2019	0.294%	34,534,000	23,585,619	146.42%	74.81%
2018	0.304%	37,423,000	23,588,547	158.65%	72.92%
2017	0.303%	42,437,000	23,418,848	181.21%	68.28%
2016	0.307%	38,762,000	23,305,103	166.32%	70.68%
2015	0.307%	37,098,000	22,897,138	162.02%	51.73%

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

Schedule of Pension Contributions
 VRS Teacher Retirement Plan
 For the Year Ended June 30, 2025

Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 4,716,285	\$ 4,716,285	-	\$ 33,189,902	14.21%
2024	4,823,539	4,823,539	-	29,022,497	16.62%
2023	4,632,378	4,632,378	-	27,872,310	16.62%
2022	4,450,003	4,450,003	-	26,774,988	16.62%
2021	4,150,930	4,150,930	-	24,975,511	16.62%
2020	3,953,603	3,953,603	-	25,214,305	15.68%
2019	3,851,271	3,851,271	-	24,561,677	15.68%
2018	3,852,280	3,852,280	-	23,585,619	16.33%
2017	3,458,081	3,458,081	-	23,588,547	14.66%
2016	3,292,690	3,292,690	-	23,418,848	14.06%
2015	3,379,240	3,379,240	-	23,305,103	14.50%

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

Required Supplementary Information
 Schedule of Employer's Share of Net OPEB Liability
 For the Year Ended June 30, 2025

Entity Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System - Health Insurance Credit - Teachers					
2025	0.2702%	\$ 3,122,792	\$ 29,022,497	10.76%	21.82%
2024	0.2789%	3,379,128	27,872,310	12.12%	17.90%
2023	0.2868%	3,582,016	26,774,988	13.38%	15.08%
2022	0.2831%	3,633,142	24,975,511	14.55%	13.15%
2021	0.2873%	3,747,484	25,214,305	14.86%	9.95%
2020	0.2919%	3,820,600	24,561,677	15.56%	8.97%
2019	0.2912%	3,697,000	23,585,619	15.67%	8.08%
2018	0.3021%	3,833,000	23,588,547	16.25%	7.04%
Virginia Retirement System - Group Life Insurance - General Employees					
2025	0.5495%	\$ 613,199	\$ 14,108,850	4.35%	73.41%
2024	0.0508%	607,332	11,921,178	5.09%	69.30%
2023	0.0481%	579,291	10,460,754	5.54%	67.21%
2022	0.0441%	512,862	9,090,483	5.64%	67.45%
2021	0.0440%	733,788	9,048,217	8.11%	52.64%
2020	0.0433%	704,281	8,484,602	8.30%	52.00%
2019	0.0420%	639,000	7,984,093	8.00%	51.22%
2018	0.0425%	639,000	7,834,118	8.16%	48.86%
Virginia Retirement System - Group Life Insurance - Teachers					
2025	0.1128%	\$ 1,258,760	\$ 29,022,497	4.34%	73.41%
2024	0.1189%	1,426,224	27,872,310	5.12%	69.30%
2023	0.1234%	1,485,855	26,774,988	5.55%	67.21%
2022	0.1218%	1,418,432	24,975,511	5.68%	67.45%
2021	0.1230%	2,051,834	25,214,305	8.14%	52.64%
2020	0.1253%	2,039,127	24,561,677	8.30%	52.00%
2019	0.1242%	1,886,000	23,585,619	8.00%	51.22%
2018	0.1293%	1,946,000	23,588,547	8.25%	48.86%
Virginia Retirement System - Group Life Insurance - Schools					
2025	0.0899%	\$ 100,321	\$ 1,992,913	5.03%	73.41%
2024	0.0094%	113,215	1,946,505	5.82%	69.30%
2023	0.0103%	123,420	1,264,377	9.76%	67.21%
2022	0.0088%	102,340	1,044,605	9.80%	67.45%
2021	0.0083%	138,013	1,074,136	12.85%	52.64%
2020	0.0086%	139,782	1,243,923	11.24%	52.00%
2019	0.0090%	136,000	1,398,335	9.73%	51.22%
2018	0.0094%	140,000	1,519,194	9.22%	48.86%

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

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

Required Supplementary Information
 Schedule of OPEB Contributions
 For the Year Ended June 30, 2025

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Health Insurance Credit - Teachers					
2025	\$380,179	\$380,179	\$ -	\$33,189,902	1.15%
2024	350,303	350,303	-	29,022,497	1.21%
2023	336,486	336,486	-	27,872,310	1.21%
2022	323,421	323,421	-	26,774,988	1.21%
2021	301,816	301,816	-	24,975,511	1.21%
2020	302,269	302,269	-	25,214,305	1.20%
2019	294,152	294,152	-	24,561,677	1.20%
2018	289,819	289,819	-	23,585,619	1.23%
Virginia Retirement System - Health Insurance Credit - School Board					
2025	\$27,532	\$27,532	\$ -	\$2,896,301	0.95%
2024	24,196	24,196	-	1,992,913	1.21%
2023	23,364	23,364	-	1,946,505	1.20%
2022	23,350	23,350	-	1,264,377	1.85%
2021	19,073	19,073	-	1,044,605	1.83%
Virginia Retirement System - Health Insurance Credit - General Employees					
2025	\$3,575	\$3,575	\$ -	\$15,050,843	0.02%
2024	16,992	16,992	-	14,098,930	0.12%
2023	14,101	14,101	-	11,921,178	0.12%
2022	12,524	12,524	-	10,460,754	0.12%
2021	10,715	10,715	-	9,090,483	0.12%
2020	8,968	8,968	-	9,048,217	0.10%
2019	8,411	8,411	-	8,484,602	0.10%
2018	8,381	8,381	-	7,984,093	0.10%
Virginia Retirement System - Group Life Insurance - General Employees					
2025	\$71,040	\$71,040	\$ -	\$15,050,843	0.47%
2024	75,570	75,570	-	14,098,930	0.54%
2023	63,898	63,898	-	11,921,178	0.54%
2022	56,070	56,070	-	10,460,754	0.54%
2021	48,752	48,752	-	9,090,483	0.54%
2020	47,418	47,418	-	9,048,217	0.52%
2019	44,461	44,461	-	8,484,602	0.52%
2018	41,901	41,901	-	7,984,093	0.52%
Virginia Retirement System - Group Life Insurance - Teachers					
2025	\$149,245	\$149,245	\$ -	\$33,189,902	0.45%
2024	155,205	155,205	-	29,022,497	0.53%
2023	150,121	150,121	-	27,872,310	0.54%
2022	143,876	143,876	-	26,774,988	0.54%
2021	134,342	134,342	-	24,975,511	0.54%
2020	132,632	131,577	1,055	25,214,305	0.52%
2019	128,858	128,377	481	24,561,677	0.52%
2018	123,755	123,755	-	23,585,619	0.52%
Virginia Retirement System - Group Life Insurance - Schools					
2025	\$12,273	\$12,273	\$ -	\$2,896,301	0.42%
2024	12,354	12,354	-	1,992,913	0.62%
2023	11,915	11,915	-	1,946,505	0.61%
2022	11,955	11,955	-	1,264,377	0.95%
2021	9,733	9,733	-	1,044,605	0.93%
2020	8,923	8,923	-	1,107,431	0.81%
2019	8,798	9,279	(481)	1,243,923	0.75%
2018	9,068	9,068	-	1,398,335	0.65%
Local Plan - Schools					
2025	\$683,000	\$683,000	\$ -	\$26,696,000	2.56%
2024	654,000	654,000	-	26,696,000	2.45%
2023	1,088,000	1,088,000	-	29,543,000	3.68%
2022	576,000	576,000	-	29,543,000	1.95%
2021	533,000	533,000	-	24,503,000	2.18%
2020	311,000	311,000	-	24,503,000	1.27%
2019	655,000	655,000	-	23,245,000	2.82%
2018	655,000	655,000	-	23,053,000	2.84%

Required Supplementary Information
 Schedule of OPEB Contributions
 For the Year Ended June 30, 2025

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Local Plan - General Employees					
2025	\$16,000	\$16,000	\$ -	\$14,026,000	0.11%
2024	15,000	15,000	-	14,026,000	0.11%
2023	74,000	74,000	-	10,549,000	0.70%
2022	89,000	89,000	-	10,549,000	0.84%
2021	21,000	21,000	-	8,566,000	0.25%
2020	4,000	4,000	-	8,566,000	0.05%
2019	15,000	15,000	-	7,523,000	0.20%
2018	15,000	15,000	-	7,468,000	0.20%

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, therefore only eight years are available.

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

Required Supplementary Information
 Schedule of Changes in Net OPEB Liability and Related Ratios
 For the Year Ended June 30, 2025

	Plan Year 2024			Plan Year 2023			Plan Year 2022					
	Primary Government	Schools		Primary Government	Schools		Primary Government	Schools				
	VRS Health Insurance Credit General Employees	Schools Local Plan	VRS Health Insurance Credit School Board Employees	VRS Health Insurance Credit General Employees	Schools Local Plan	VRS Health Insurance Credit School Board Employees	VRS Health Insurance Credit General Employees	Schools Local Plan	VRS Health Insurance Credit School Board Employees			
Total OPEB Liability												
Service cost	\$ 77,000	\$ 3,937	\$ 1,960	\$ 118,000	\$ 4,165	\$ 830,000	\$ 2,051	\$ 147,000	\$ 5,393	\$ 1,021,000	\$ 2,807	
Interest on total OPEB liability	65,000	6,069	210,000	10,810	7,920	729,000	17,136	48,000	5,708	345,000	16,250	
Changes in benefit terms	-	-	292,000	-	-	(11,977,000)	-	-	-	-	-	
Difference between expected and actual experience	(118,000)	(14,506)	(267,000)	(10,251)	(37,162)	(1,075,000)	(106,706)	832,000	7,037	3,839,000	(6,126)	
Changes in assumptions	(19,000)	-	(12,000)	(29,000)	-	(47,000)	-	(812,000)	18,305	(2,345,000)	8,425	
Other changes	-	-	-	-	-	-	-	-	-	-	-	
Benefit payments	(16,000)	(2,127)	(683,000)	(6,285)	(2,112)	(654,000)	(5,928)	(74,000)	(2,784)	(1,088,000)	(5,009)	
Net change in total OPEB liability	(11,000)	(6,627)	(371,000)	(3,746)	(27,189)	(904,000)	(93,447)	141,000	33,669	1,772,000	14,347	
Total OPEB liability - beginning	\$ 1,627,000	\$ 87,031	\$ 5,692,000	\$ 161,333	\$ 114,220	\$ 19,241,000	\$ 254,780	\$ 2,390,000	\$ 80,561	\$ 17,469,000	\$ 240,433	
Total OPEB liability - ending	\$ 1,616,000	\$ 80,404	\$ 5,321,000	\$ 157,587	\$ 87,031	\$ 5,692,000	\$ 161,333	\$ 2,531,000	\$ 114,220	\$ 19,241,000	\$ 254,780	
Plan Fiduciary Net Position												
Contributions - employer	\$ 16,000	\$ 17,016	\$ 683,000	\$ 24,220	\$ 15,000	\$ 14,111	\$ 654,000	\$ 23,364	\$ 74,000	\$ 12,524	\$ 1,088,000	\$ 23,350
Contributions - employee	-	-	-	-	-	-	-	-	-	-	-	-
Net investment income	-	9,240	-	6,969	-	4,732	-	3,253	-	(98)	-	(418)
Benefit payments	(16,000)	(2,127)	(683,000)	(6,285)	(15,000)	(2,112)	(654,000)	(74,000)	(2,784)	(1,088,000)	(5,009)	
Administrative expenses	-	(133)	-	(104)	-	(123)	(91)	-	(130)	-	(82)	
Other	-	(1)	-	-	-	113	-	-	2,087	-	380	
Net change in plan fiduciary net position	\$ -	\$ 23,895	\$ -	\$ 24,800	\$ -	\$ 16,721	\$ -	\$ 20,618	\$ -	\$ 11,599	\$ 18,221	
Plan fiduciary net position - beginning	\$ -	\$ 86,281	\$ -	\$ 60,581	\$ -	\$ 70,170	\$ -	\$ 39,963	\$ -	\$ 56,571	\$ 21,742	
Plan fiduciary net position - ending	\$ -	\$ 110,886	\$ -	\$ 85,381	\$ -	\$ 86,891	\$ -	\$ 60,581	\$ -	\$ 70,170	\$ 39,963	
Net OPEB liability - ending	\$ 1,616,000	\$ (30,482)	\$ 5,321,000	\$ 72,206	\$ 1,627,000	\$ 140	\$ 5,692,000	\$ 100,752	\$ 2,531,000	\$ 44,050	\$ 19,241,000	\$ 214,817
Plan fiduciary net position as a percentage of total OPEB liability	0%	135%	0%	54%	0%	100%	0%	38%	0%	61%	0%	16%
Covered payroll	\$ 14,026,000	\$ 14,098,930	\$ 26,696,000	\$ 1,992,913	\$ 14,026,000	\$ 11,921,178	\$ 26,696,000	\$ 1,946,505	\$ 10,549,000	\$ 10,460,754	\$ 29,543,000	\$ 1,264,377
Net OPEB liability as a percentage of covered payroll	12%	0%	20%	4%	12%	0%	21%	5%	24%	0%	65%	17%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report. This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) is the first year for this presentation, therefore only eight years available.

Required Supplementary Information
 Schedule of Changes in Net OPEB Liability and Related Ratios
 For the Year Ended June 30, 2025

	Plan Year 2021			Plan Year 2020			Plan Year 2019		
	Primary Government	Schools	Schools	Primary Government	Schools	Schools	Primary Government	Schools	Schools
	VRS Health Insurance Credit General Employees	VRS Health Insurance Credit School Board Employees	VRS Health Insurance Credit School Board Employees	VRS Health Insurance Credit General Employees	VRS Health Insurance Credit School Board Employees	VRS Health Insurance Credit School Board Employees	VRS Health Insurance Credit General Employees	VRS Health Insurance Credit School Board Employees	VRS Health Insurance Credit School Board Employees
Total OPEB Liability									
Service cost	\$ 132,000	\$ 3,691	\$ 747,000	\$ 107,000	\$ 3,109	\$ 695,000	\$ -	\$ 2,923	\$ 688,000
Interest on total OPEB liability	57,000	5,316	400,000	61,000	5,451	442,000	-	71,000	5,553
Changes in benefit terms	-	-	-	-	-	-	215,693	-	-
Difference between expected and actual experience	(243,000)	(7,120)	(910,000)	74,000	(7,978)	711,000	-	(303,000)	(6,717)
Changes in assumptions	287,000	1,300	1,959,000	178,000	6,900	829,000	-	118,000	2,096
Other changes	-	-	-	-	-	-	-	-	-
Benefit payments	(688,000)	(2,751)	(576,000)	(21,000)	(2,430)	(533,000)	-	(4,000)	(2,308)
Total OPEB liability - beginning	\$ 144,000	\$ 436	\$ 1,620,000	\$ 24,740	\$ 399,000	\$ 2,054,000	\$ 215,693	\$ 1,000	\$ 1,487
Total OPEB liability - ending	\$ 2,246,000	\$ 80,125	\$ 15,849,000	\$ 2,156,933	\$ 1,847,000	\$ 13,795,000	\$ 81,973	\$ 1,846,000	\$ 80,486
Total OPEB liability - ending	\$ 2,390,000	\$ 80,561	\$ 17,469,000	\$ 2,246,000	\$ 80,125	\$ 15,849,000	\$ 215,693	\$ 1,847,000	\$ 81,973
Plan Fiduciary Net Position									
Contributions - employer	\$ 89,000	\$ 10,715	\$ 576,000	\$ 19,059	\$ 21,000	\$ 533,000	\$ -	\$ 4,000	\$ 8,411
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	(89,000)	(2,751)	(576,000)	(21,000)	(2,430)	(533,000)	-	(4,000)	(2,308)
Benefit payments	-	(158)	-	(85)	(76)	-	-	-	(44)
Administrative expenses	-	-	-	-	-	-	-	-	(2)
Other	-	19,248	-	21,742	7,188	-	-	-	7,984
Net change in plan fiduciary net position	\$ -	\$ 39,323	\$ -	\$ -	\$ 32,165	\$ -	\$ -	\$ -	\$ 24,211
Plan fiduciary net position - beginning	\$ -	\$ 58,571	\$ -	\$ 21,742	\$ 39,323	\$ -	\$ -	\$ -	\$ 32,165
Plan fiduciary net position - ending	\$ 2,390,000	\$ 21,990	\$ 17,469,000	\$ 2,246,000	\$ 40,802	\$ 15,849,000	\$ 215,693	\$ 1,847,000	\$ 49,808
Net OPEB liability - ending									
Plan fiduciary net position as a percentage of total OPEB liability	0%	73%	0%	0%	49%	0%	0%	0%	39%
Covered payroll	\$ 10,549,000	\$ 9,090,483	\$ 29,543,000	\$ 1,044,605	\$ 9,048,217	\$ 24,503,000	\$ 1,074,136	\$ 8,566,000	\$ 3,449,198
Net OPEB liability as a percentage of covered payroll	23%	0%	59%	21%	0%	65%	20%	22%	1%

The plan years above are reported in the entity's financial statement plan year 2017 information was presented in the entity's fiscal year. This schedule is intended to show information for 10 years. Since this presentation, therefore only eight years available.

Required Supplementary Information
 Schedule of Changes in Net OPEB Liability and Related Ratios
 For the Year Ended June 30, 2025

	Plan Year 2018			Plan Year 2017		
	Primary Government	Schools	Primary Government	Schools	Schools	
	Local Plan	Schools Local Plan	Local Plan	Employees	Local Plan	
Total OPEB Liability						
Service cost	\$ 131,000	\$ 3,018	\$ 126,000	\$ 3,968	\$ 678,000	\$ 678,000
Interest on total OPEB liability	67,000	4,962	61,000	4,684	441,000	441,000
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(84,000)	2,428	(247,000)	-	-	-
Changes in assumptions	(18,000)	-	(635,000)	(3,405)	-	-
Other changes	(15,000)	(1,604)	(655,000)	(985)	(655,000)	(655,000)
Benefit payments						
	81,000	8,604	(376,000)	4,262	484,000	484,000
Net change in total OPEB liability	\$ 1,765,000	\$ 71,682	\$ 1,593,000	\$ 67,420	\$ 12,036,000	\$ 12,036,000
Total OPEB liability - beginning	\$ 1,846,000	\$ 80,486	\$ 1,765,000	\$ 71,682	\$ 12,500,000	\$ 12,500,000
Total OPEB liability - ending						
	\$ 15,000	\$ 8,381	\$ 15,000	\$ 8,147	\$ 695,000	\$ 695,000
Plan Fiduciary Net Position						
Contributions - employer	-	-	-	-	-	-
Contributions - employee	-	1,355	-	1,341	-	-
Net investment income	(15,000)	(1,604)	(15,000)	(985)	(655,000)	(655,000)
Benefit payments	-	(40)	-	(32)	-	-
Administrative expenses	-	(42)	-	42	-	-
Other	-	(42)	-	-	-	-
Net change in plan fiduciary net position	\$ -	\$ 8,050	\$ -	\$ 8,513	\$ -	\$ -
Plan fiduciary net position - beginning	\$ -	\$ 16,161	\$ -	\$ 7,648	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ 24,211	\$ -	\$ 16,161	\$ -	\$ -
Net OPEB liability - ending	\$ 1,846,000	\$ 56,275	\$ 1,765,000	\$ 55,521	\$ 12,500,000	\$ 12,500,000
Plan fiduciary net position as a percentage of total OPEB liability	0%	30%	0%	23%	0%	0%
Covered payroll	\$ 7,523,000	\$ 3,235,075	\$ 23,245,000	\$ 2,963,264	\$ 23,053,000	\$ 23,053,000
Net OPEB liability as a percentage of covered payroll	25%	2%	52%	24%	2%	54%

The plan years above are reported in the entity's financial statement plan year 2017 information was presented in the entity's fiscal year. This schedule is intended to show information for 10 years. Since this presentation, therefore only eight years available.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION June 30, 2025

Note 1. Changes of Benefit Terms

Pension

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

Other Postemployment Benefits (OPEB)

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

Note 2. Changes of Assumptions

The following changes in actuarial assumptions were made effective 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:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 –Hazardous Duty/Public Safety Employees:

- Update mortality table to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No changes to salary scales.
- No change to line of duty rates.
- No change to discount rate.

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

- Update mortality table to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scales.
- No change to line of duty rates.
- No change to discount rate.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION June 30, 2025

Note 2. Changes of Assumptions (Continued)

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No changes to salary scales.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scales.
- No change to line of duty rates.
- No change to discount rate.

Note 3. Budgetary Statements

The State of Virginia requires all local governments prepare, approve, adopt and execute an annual budget. The budgeting process is based on estimates of revenues and expenditures. The County budgets are prepared on a modified-accrual basis of accounting in accordance with generally accepted accounting principles.

The County maintains budgetary controls to ensure compliance with legal provisions in the appropriated budget approved by the Board of Supervisors. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the fund level and thus the budget to actual comparison is presented at this level. Amounts that do not fall under function control are categorized as nondepartmental even though they may relate to a particular function.

OTHER SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 307,131	\$ 307,131
Miscellaneous	-	46,288	46,288	-
Intergovernmental revenues:				
Federal	-	900,173	-	(900,173)
Total revenues	\$ -	\$ 946,461	\$ 353,419	\$ (593,042)
EXPENDITURES				
General government administration	\$ 568,000	\$ 4,570,844	\$ 368,071	\$ 4,202,773
Judicial administration	-	50,000	50,000	-
Public safety	1,371,000	8,903,037	5,190,223	3,712,814
Public works	656,000	2,593,906	451,107	2,142,799
Education	1,856,000	14,284,045	4,237,563	10,046,482
Parks, recreation, and cultural	32,000	3,302,796	1,675,322	1,627,474
Community development	-	1,864,609	704,242	1,160,367
Debt service:				
Interest and other fiscal charges		131,363	136,702	(5,339)
Total expenditures	\$ 4,483,000	\$ 35,700,600	\$ 12,813,230	\$ 22,887,370
Excess (deficiency) of revenues over expenditures	\$ (4,483,000)	\$ (34,754,139)	\$ (12,459,811)	\$ 22,294,328
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,888,000	\$ 3,298,000	\$ 3,298,000	\$ -
Transfers out	-	(281,620)	(281,620)	-
Issuance of bonds	-	11,305,000	11,305,000	-
Proceeds from capital leases	1,595,000	1,631,754	-	(1,631,754)
Total other financing sources and (uses)	\$ 4,483,000	\$ 15,953,134	\$ 14,321,380	\$ (1,631,754)
Net change in fund balances	\$ -	\$ (18,801,005)	\$ 1,861,569	\$ 20,662,574
Fund balances - beginning	-	18,801,005	18,802,071	1,066
Fund balances - ending	\$ -	\$ -	\$ 20,663,640	\$ 20,663,640

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2025

	Special Revenue Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 10,840,019
Receivables, net:	
Accounts	112,398
Due from other governmental units	<u>728,792</u>
Total assets	<u>\$ 11,681,209</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ <u>33,319</u>
Total liabilities	<u>\$ 33,319</u>
Fund balances:	
Restricted	\$ 10,884,686
Committed	<u>763,204</u>
Total fund balances	<u>\$ 11,647,890</u>
Total liabilities and fund balances	<u>\$ 11,681,209</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2025

	Special Revenue Funds
	<u> </u>
REVENUES	
Other local taxes	\$ 2,795,767
Permits, privilege fees, and regulatory licenses	33,866
Revenue from the use of money and property	110
Charges for services	807,349
Intergovernmental revenues:	
Commonwealth	191,585
Federal	15,000
Total revenues	<u>\$ 3,843,677</u>
 EXPENDITURES	
Public safety	\$ 968,869
Community development	313,012
Total expenditures	<u>\$ 1,281,881</u>
 Excess (deficiency) of revenues over expenditures	 <u>\$ 2,561,796</u>
 Net change in fund balances	 \$ 2,561,796
Fund balances - beginning	9,086,094
Fund balances - ending	<u><u>\$ 11,647,890</u></u>

COUNTY OF POWHATAN, VIRGINIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2025

	<u>Cash Proffers Fund</u>	<u>State Asset Forfeiture Fund</u>	<u>Federal Asset Forfeiture Fund</u>
ASSETS			
Cash and cash equivalents	\$ 1,483,625	\$ 23,008	\$ 88
Receivables, net:			
Accounts	-	-	-
Due from other governmental units	-	-	-
Total assets	<u>\$ 1,483,625</u>	<u>\$ 23,008</u>	<u>\$ 88</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 717	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 717</u>	<u>\$ -</u>
Fund balances:			
Restricted	\$ 1,483,625	\$ 22,291	\$ 88
Committed	-	-	-
Total fund balances	<u>\$ 1,483,625</u>	<u>\$ 22,291</u>	<u>\$ 88</u>
Total liabilities and fund balances	<u>\$ 1,483,625</u>	<u>\$ 23,008</u>	<u>\$ 88</u>

Exhibit 25

<u>Tourism Fund</u>	<u>Fire and Rescue Fund</u>	<u>CVTA Fund</u>	<u>Total</u>
\$ 208,205	\$ 860,357	\$ 8,264,736	\$ 10,840,019
5,443	106,955	-	112,398
-	-	728,792	728,792
<u>\$ 213,648</u>	<u>\$ 967,312</u>	<u>\$ 8,993,528</u>	<u>\$ 11,681,209</u>
\$ -	\$ 32,602	\$ -	\$ 33,319
\$ -	\$ 32,602	\$ -	\$ 33,319
\$ 213,648	\$ 171,506	\$ 8,993,528	\$ 10,884,686
-	763,204	-	763,204
<u>\$ 213,648</u>	<u>\$ 934,710</u>	<u>\$ 8,993,528</u>	<u>\$ 11,647,890</u>
<u>\$ 213,648</u>	<u>\$ 967,312</u>	<u>\$ 8,993,528</u>	<u>\$ 11,681,209</u>

COUNTY OF POWHATAN, VIRGINIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2025

	<u>Cash Proffers Fund</u>	<u>State Asset Forfeiture Fund</u>	<u>Federal Asset Forfeiture Fund</u>
REVENUES			
Other local taxes	\$ -	\$ -	\$ -
Permits, privilege fees, and regulatory licenses	33,866	-	-
Revenue from the use of money and property	-	-	1
Charges for services	-	-	-
Intergovernmental revenues:			
Commonwealth	-	-	-
Federal	-	-	-
Total revenues	<u>\$ 33,866</u>	<u>\$ -</u>	<u>\$ 1</u>
EXPENDITURES			
Public safety	\$ -	\$ 8,559	\$ 127
Community development	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ 8,559</u>	<u>\$ 127</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 33,866</u>	<u>\$ (8,559)</u>	<u>\$ (126)</u>
Net change in fund balances	\$ 33,866	\$ (8,559)	\$ (126)
Fund balances - beginning	1,449,759	30,850	214
Fund balances - ending	<u>\$ 1,483,625</u>	<u>\$ 22,291</u>	<u>\$ 88</u>

Exhibit 26

<u>Tourism Fund</u>	<u>Fire and Rescue Fund</u>	<u>CVTA Fund</u>	<u>Total</u>
\$ 43,697	\$ -	\$ 2,752,070	\$ 2,795,767
-	-	-	33,866
-	109	-	110
-	807,349	-	807,349
-	191,585	-	191,585
15,000	-	-	15,000
<u>\$ 58,697</u>	<u>\$ 999,043</u>	<u>\$ 2,752,070</u>	<u>\$ 3,843,677</u>
\$ -	\$ 960,183	-	\$ 968,869
-	-	313,012	313,012
<u>\$ -</u>	<u>\$ 960,183</u>	<u>\$ 313,012</u>	<u>\$ 1,281,881</u>
<u>\$ 58,697</u>	<u>\$ 38,860</u>	<u>\$ 2,439,058</u>	<u>\$ 2,561,796</u>
\$ 58,697	\$ 38,860	\$ 2,439,058	\$ 2,561,796
154,951	895,850	6,554,470	9,086,094
<u>\$ 213,648</u>	<u>\$ 934,710</u>	<u>\$ 8,993,528</u>	<u>\$ 11,647,890</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2025

	Fire and Rescue Fund				CVTA Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,122,000	\$ 2,122,000	\$ 2,752,070	\$ 630,070
Revenue from the use of money and property	-	-	109	109	-	-	-	-
Charges for services	650,000	650,000	807,349	157,349	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Intergovernmental revenues:								
Commonwealth	136,000	191,585	191,585	-	-	5,000,000	-	(5,000,000)
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ 786,000	\$ 841,585	\$ 999,043	\$ 157,458	\$ 2,122,000	\$ 7,122,000	\$ 2,752,070	\$ (4,369,930)
EXPENDITURES								
Public safety	\$ 786,000	\$ 1,052,669	\$ 960,183	\$ 92,486	\$ -	\$ -	\$ -	\$ -
Community development	-	-	-	-	167,288	5,167,288	313,012	4,854,276
Total expenditures	\$ 786,000	\$ 1,052,669	\$ 960,183	\$ 92,486	\$ 167,288	\$ 5,167,288	\$ 313,012	\$ 4,854,276
Excess (deficiency) of revenues over expenditures	\$ -	\$ (211,084)	\$ 38,860	\$ 249,944	\$ 1,954,712	\$ 1,954,712	\$ 2,439,058	\$ 484,346
OTHER FINANCING USES								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-	-	-	-
Total other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ (211,084)	\$ 38,860	\$ 249,944	\$ 1,954,712	\$ 1,954,712	\$ 2,439,058	\$ 484,346
Fund balances - beginning	-	211,084	895,850	684,766	-	-	6,554,470	6,554,470
Fund balances - ending	\$ -	\$ -	\$ 934,710	\$ 934,710	\$ 1,954,712	\$ 1,954,712	\$ 8,993,528	\$ 7,038,816

Combining Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2025

	<u>Custodial Funds</u>		
	<u>Special Welfare</u>	<u>Bond Escrow</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 42,384	\$ 346,694	\$ 389,078
Total assets	<u>\$ 42,384</u>	<u>\$ 346,694</u>	<u>\$ 389,078</u>
NET POSITION			
Restricted for:			
Social Services clients	\$ 42,384	\$ -	\$ 42,384
Bond escrow	-	346,694	346,694
Total net position	<u>\$ 42,384</u>	<u>\$ 346,694</u>	<u>\$ 389,078</u>

Combining Statement of Changes in Fiduciary Net Position - Custodial
 Year Ended June 30, 2025

	<u>Special Welfare</u>	<u>Bond Escrow</u>	<u>Total</u>
Additions:			
Member contributions	\$ 37,585	\$ -	\$ 37,585
Performance bonds	-	77,440	77,440
Total additions	<u>\$ 37,585</u>	<u>\$ 77,440</u>	<u>\$ 115,025</u>
Deductions:			
Payments made to welfare recipients	\$ 35,779	\$ -	\$ 35,779
Repayment of performance bonds	-	47,200	47,200
Total deductions	<u>\$ 35,779</u>	<u>\$ 47,200</u>	<u>\$ 82,979</u>
Change in fiduciary net position	\$ 1,806	\$ 30,240	\$ 32,046
Total net position, beginning	40,578	316,454	357,032
Total net position, ending	<u><u>\$ 42,384</u></u>	<u><u>\$ 346,694</u></u>	<u><u>\$ 389,078</u></u>

**DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD**

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Combining Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2025

	<u>School Operating Fund</u>	<u>School Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,285,431	\$ 760,615	\$ 3,046,046
Receivables (net of allowance for uncollectibles):			
Accounts receivable	89,034	-	89,034
Due from other governmental units	1,287,222	74,857	1,362,079
Inventories	88,618	50,062	138,680
Total assets	<u>\$ 3,750,305</u>	<u>\$ 885,534</u>	<u>\$ 4,635,839</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 522,151	\$ 3,256	\$ 525,407
Accrued liabilities	2,922,516	49,773	2,972,289
Deferred revenue	217,020	-	217,020
Total liabilities	<u>\$ 3,661,687</u>	<u>\$ 53,029</u>	<u>\$ 3,714,716</u>
Fund balances:			
Nonspendable:			
Inventories	\$ 88,618	\$ 50,062	\$ 138,680
Committed	-	682,728	682,728
Assigned	-	99,715	99,715
Total fund balances	<u>\$ 88,618</u>	<u>\$ 832,505</u>	<u>\$ 921,123</u>
Total liabilities and fund balances	<u>\$ 3,750,305</u>	<u>\$ 885,534</u>	<u>\$ 4,635,839</u>

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

Total fund balances per above \$ 921,123

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 32,168,470

Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources for 2025 employer contributions - pension	\$ 4,837,640	
Deferred outflows of resources due to changes in proportion and differences between employer contributions and proportionate share of contributions - pension	184,238	
Deferred inflows of resources for the difference between expected and actual experience on pension	(530,795)	
Deferred outflows for change in assumptions - pension	467,912	
Other deferred outflows - pension	4,537,250	
Deferred inflows - projected and actual earnings - pension	(3,858,473)	
Deferred inflows of resources due to changes in proportion and differences between employer contributions and proportionate share of contributions - teacher cost sharing pension plan	(1,246,793)	
Deferred Inflows - OPEB	(4,136,034)	
Deferred outflows - OPEB	4,096,957	
Net other postemployment benefits liability	(9,875,079)	
Net pension asset	790,009	
Net pension liability	<u>(25,778,400)</u>	(30,511,568)

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

Compensated absences (7,267,769)

Net position of governmental activities \$ (4,689,744)

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 Funds	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 23,292	\$ 1,037	\$ 24,329
Charges for services	425,273	1,927,069	2,352,342
Miscellaneous	234,285	601,470	835,755
Intergovernmental revenues:			
Local government	28,795,132	-	28,795,132
Commonwealth	30,182,362	-	30,182,362
Federal	2,213,799	830,094	3,043,893
Total revenues	<u>\$ 61,874,143</u>	<u>\$ 3,359,670</u>	<u>\$ 65,233,813</u>
EXPENDITURES			
Current:			
Education	\$ 61,783,970	\$ 3,843,343	\$ 65,627,313
Debt service:			
Principal retirement	49,364	-	49,364
Interest and other fiscal charges	1,078	-	1,078
Total expenditures	<u>\$ 61,834,412</u>	<u>\$ 3,843,343</u>	<u>\$ 65,677,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 39,731</u>	<u>\$ (483,673)</u>	<u>\$ (443,942)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 24,574	\$ 24,574
Transfers out	(24,574)	-	(24,574)
Total other financing sources and uses	<u>\$ (24,574)</u>	<u>\$ 24,574</u>	<u>\$ -</u>
Net change in fund balances	\$ 15,157	\$ (459,099)	\$ (443,942)
Fund balances - beginning	73,461	1,291,604	1,365,065
Fund balances - ending	<u>\$ 88,618</u>	<u>\$ 832,505</u>	<u>\$ 921,123</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	\$ (443,942)
--	--------------

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

Capital asset additions	\$ 646,884	
Depreciation expense	(787,278)	
Allocation of jointly owned assets, net	<u>1,565,685</u>	1,425,290

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

49,364

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

Employer pension contributions	\$ 4,837,640	
Pension expense	755,514	
Employer OPEB contributions	944,882	
OPEB expense	<u>(3,990,735)</u>	2,547,301

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.

Decrease in compensated absences	<u>2,040,400</u>
Change in net position of governmental activities	<u>\$ 5,618,413</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 School Operating Fund
 For the Year Ended June 30, 2025

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 39,000	\$ 39,000	\$ 23,292	\$ (15,708)
Charges for services	321,000	321,000	425,273	104,273
Miscellaneous	134,150	134,150	234,285	100,135
Intergovernmental revenues:				
Local government	29,107,560	29,107,560	28,795,132	(312,428)
Commonwealth	30,183,997	30,991,381	30,182,362	(809,019)
Federal	1,632,646	2,063,196	2,213,799	150,603
Total revenues	<u>\$ 61,418,353</u>	<u>\$ 62,656,287</u>	<u>\$ 61,874,143</u>	<u>\$ (782,144)</u>
EXPENDITURES				
Current:				
Education	\$ 61,418,353	\$ 62,656,287	\$ 61,783,970	\$ 872,317
Debt service:				
Principal retirement	-	-	49,364	(49,364)
Interest and other fiscal charges	-	-	1,078	(1,078)
Total expenditures	<u>\$ 61,418,353</u>	<u>\$ 62,656,287</u>	<u>\$ 61,834,412</u>	<u>\$ 821,875</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,731</u>	<u>\$ 39,731</u>
OTHER FINANCING USES				
Transfers out	\$ -	\$ -	\$ (24,574)	\$ (24,574)
Total other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,574)</u>	<u>\$ (24,574)</u>
Net change in fund balances	\$ -	\$ -	\$ 15,157	\$ 15,157
Fund balances - beginning	-	-	73,461	73,461
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,618</u>	<u>\$ 88,618</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds - Discretely Presented Component Unit
 June 30, 2025

	<u>School Food Fund</u>	<u>School Activity Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 77,887	\$ 682,728	\$ 760,615
Due from other governmental units	74,857	-	74,857
Inventories	50,062	-	50,062
Total assets	<u>\$ 202,806</u>	<u>\$ 682,728</u>	<u>\$ 885,534</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,256	\$ -	\$ 3,256
Accrued liabilities	49,773	-	49,773
Total liabilities	<u>\$ 53,029</u>	<u>\$ -</u>	<u>\$ 53,029</u>
Fund balances:			
Nonspendable:			
Inventories	\$ 50,062	\$ -	\$ 50,062
Committed	-	682,728	682,728
Assigned	99,715	-	99,715
Total fund balances	<u>\$ 149,777</u>	<u>\$ 682,728</u>	<u>\$ 832,505</u>
Total liabilities and fund balances	<u>\$ 202,806</u>	<u>\$ 682,728</u>	<u>\$ 885,534</u>

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

	<u>School Cafeteria Fund</u>	<u>School Grants Fund</u>	<u>School Activity Fund</u>	<u>Total</u>
REVENUES				
Revenue from the use of money and property	\$ 1,037	\$ -	\$ -	\$ 1,037
Charges for services	736,754	-	1,190,315	1,927,069
Miscellaneous	-	-	601,470	601,470
Intergovernmental revenues:				
Federal	788,916	41,178	-	830,094
Total revenues	<u>\$ 1,526,707</u>	<u>\$ 41,178</u>	<u>\$ 1,791,785</u>	<u>\$ 3,359,670</u>
EXPENDITURES				
Education	<u>\$ 1,973,524</u>	<u>\$ 104,272</u>	<u>\$ 1,765,547</u>	<u>\$ 3,843,343</u>
Total expenditures	<u>\$ 1,973,524</u>	<u>\$ 104,272</u>	<u>\$ 1,765,547</u>	<u>\$ 3,843,343</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (446,817)</u>	<u>\$ (63,094)</u>	<u>\$ 26,238</u>	<u>\$ (483,673)</u>
OTHER FINANCING USES				
Transfers in	<u>\$ 24,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,574</u>
Total other financing uses	<u>\$ 24,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,574</u>
Net change in fund balances	\$ (422,243)	\$ (63,094)	\$ 26,238	\$ (459,099)
Fund balances - beginning	572,020	63,094	656,490	1,291,604
Fund balances - ending	<u>\$ 149,777</u>	<u>\$ -</u>	<u>\$ 682,728</u>	<u>\$ 832,505</u>

COUNTY OF POWHATAN, VIRGINIA

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 1,180	\$ 1,180	\$ 1,037	\$ (143)
Charges for services	140,000	140,000	736,754	596,754
Intergovernmental revenues:				
Commonwealth	13,405	13,405	-	(13,405)
Federal	1,498,632	1,498,632	788,916	(709,716)
Total revenues	<u>\$ 1,653,217</u>	<u>\$ 1,653,217</u>	<u>\$ 1,526,707</u>	<u>\$ (126,510)</u>
EXPENDITURES				
Current:				
Education	\$ 1,653,217	\$ 1,941,117	\$ 1,973,524	\$ (32,407)
Total expenditures	<u>\$ 1,653,217</u>	<u>\$ 1,941,117</u>	<u>\$ 1,973,524</u>	<u>\$ (32,407)</u>
Excess of expenditures over revenues	<u>\$ -</u>	<u>\$ (287,900)</u>	<u>\$ (446,817)</u>	<u>\$ (158,917)</u>
OTHER FINANCING SOURCES				
Transfers in	\$ -	\$ -	\$ 24,574	\$ 24,574
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,574</u>	<u>\$ 24,574</u>
Net change in fund balances	\$ -	\$ (287,900)	\$ (422,243)	\$ (134,343)
Fund balances - beginning	-	287,900	572,020	284,120
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,777</u>	<u>\$ 149,777</u>

School Grants Fund				Variance with Final Budget Positive (Negative)
Budgeted Amounts		Actual		
Original	Final			
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	98,454	41,178		(57,276)
<u>\$ -</u>	<u>\$ 98,454</u>	<u>\$ 41,178</u>	<u>\$</u>	<u>(57,276)</u>
\$ -	\$ 98,454	\$ 104,272	\$	(5,818)
\$ -	\$ 98,454	\$ 104,272	\$	(5,818)
\$ -	\$ -	\$ (63,094)	\$	(63,094)
\$ -	\$ -	\$ -	\$	-
\$ -	\$ -	\$ -	\$	-
\$ -	\$ -	\$ (63,094)	\$	(63,094)
		63,094		63,094
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>-</u>

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**DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY**

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

ASSETS

Current assets:

Cash and cash equivalents	\$ 82,142
Total current assets	<u>\$ 82,142</u>

Noncurrent assets:

Capital assets:

Land	\$ 953,842
Total noncurrent assets	<u>\$ 953,842</u>
Total assets	<u>\$ 1,035,984</u>

LIABILITIES

Noncurrent liabilities:

Due to primary government	\$ 500,000
Total noncurrent liabilities	<u>\$ 500,000</u>
Total liabilities	<u>\$ 500,000</u>

NET POSITION

Net investment in capital assets	\$ 953,842
Unrestricted	<u>(417,858)</u>
Total net position	<u>\$ 535,984</u>

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

OPERATING REVENUES

Charges for services:

Contributions from local governments	\$	25,000
Miscellaneous		2,000
Total operating revenues	\$	<u>27,000</u>

OPERATING EXPENSES

Other charges	\$	4,230
Total operating expenses	\$	<u>4,230</u>
Operating income (loss)	\$	<u>22,770</u>

NONOPERATING REVENUES (EXPENSES)

Interest earnings	\$	2,104
Income before contributions and transfers		<u>24,874</u>
Capital contributions	\$	353,842
Change in net position	\$	<u>378,716</u>
Total net position - beginning		157,268
Total net position - ending	\$	<u><u>535,984</u></u>

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for miscellaneous items	\$ 2,000
Receipts for local government contributions	25,000
Payments for operating activities	<u>(4,230)</u>
Net cash used in operating activities	<u>\$ 22,770</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Additions to capital assets	\$ (853,842)
Capital Contribution	<u>853,842</u>
Net cash provided (used) by capital and related financing activities	<u>\$ -</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	\$ 2,104
Net cash provided by investing activities	<u>\$ 2,104</u>

Net decrease in cash and cash equivalents	\$ 24,874
Cash and cash equivalents - beginning	<u>57,268</u>
Cash and cash equivalents - ending	<u>\$ 82,142</u>

Reconciliation of operating loss to net cash used by operating activities:

Operating loss	\$ 22,770
Net cash used in operating activities	<u>\$ 22,770</u>

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the County of Powhatan, Virginia's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Table</u>
Financial Trends These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	1-4
Revenue Capacity These tables contain information to help the reader assess the factors affecting the County's ability to generate revenues through property, sales taxes, and other means.	5-8
Debt Capacity These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	9-11
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparison over time and with other governments.	12-14
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	15-16

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

County of Powhatan, Virginia
Net Position by Component
Last Ten Fiscal Years
 (accrual basis of accounting)
 Unaudited

Table 1

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	\$ 13,342,907	\$ 9,714,105	\$ 9,269,806	\$ 8,198,560	\$ 7,482,537	\$ 4,791,306	\$ 390,493	\$ 8,923,387	\$ 4,734,695	\$ 973,723
Restricted	29,717	-	-	2,211,309	-	-	-	81,367	158,598	321,055
Unrestricted	57,310,655	51,803,043	50,695,831	39,985,592	27,879,687	18,286,063	15,681,310	10,541,242	13,425,357	15,376,342
Total governmental activities net position	\$ 70,683,279	\$ 61,517,148	\$ 59,965,637	\$ 50,395,461	\$ 35,362,224	\$ 23,077,369	\$ 16,071,803	\$ 19,545,996	\$ 18,318,650	\$ 16,671,120
Business-type activities										
Net investment in capital assets	\$ 7,426,479	\$ 6,493,489	\$ 6,878,162	\$ 6,521,718	\$ 5,809,458	\$ 5,600,088	\$ 5,927,158	\$ 3,707,241	\$ 2,745,687	\$ 2,364,754
Restricted	765	-	-	-	-	-	-	-	-	-
Unrestricted	2,156,117	2,607,183	1,947,972	2,015,562	1,804,858	1,610,471	1,169,052	905,237	973,944	975,370
Total business-type activities net position	\$ 9,583,361	\$ 9,100,672	\$ 8,826,134	\$ 8,537,280	\$ 7,614,316	\$ 7,210,559	\$ 7,096,210	\$ 4,612,478	\$ 3,719,631	\$ 3,340,124
Primary Government										
Net investment in capital assets	\$ 20,769,386	\$ 16,207,594	\$ 16,147,968	\$ 14,720,278	\$ 13,291,995	\$ 10,391,394	\$ 6,317,651	\$ 12,630,628	\$ 7,480,382	\$ 3,338,477
Restricted	30,482	-	-	2,211,309	-	-	-	81,367	158,598	321,055
Unrestricted	59,466,772	54,410,226	52,643,803	42,001,154	29,684,545	19,896,534	16,850,362	11,446,479	14,399,301	16,351,712
Total Primary government net position	\$ 80,266,640	\$ 70,617,820	\$ 68,791,771	\$ 58,932,741	\$ 42,976,540	\$ 30,287,928	\$ 23,168,013	\$ 24,158,474	\$ 22,038,281	\$ 20,011,244

Note: GASB Statement No. 75 as adopted in fiscal year 2018. Information for previous years is unavailable.

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities										
General government administration	\$ 6,654,150	\$ 6,191,203	\$ 5,318,059	\$ 4,482,953	\$ 7,738,202	\$ 4,048,390	\$ 3,443,815	\$ 3,138,027	\$ 3,387,951	\$ 3,328,472
Judicial administration	1,646,973	1,614,580	1,485,251	1,356,321	1,360,939	1,266,314	1,142,211	1,106,339	875,808	1,003,570
Public safety	16,935,136	17,102,140	14,828,899	13,574,246	11,289,757	10,940,144	10,372,753	9,340,671	8,623,661	7,886,373
Public works	3,597,435	3,699,885	2,807,458	2,582,620	2,616,404	2,245,378	4,351,097	2,437,663	2,444,844	2,063,389
Health and welfare	7,851,848	7,183,141	6,267,296	5,578,307	5,174,537	4,785,157	4,553,531	4,630,373	4,250,646	4,645,176
Education	34,399,145	35,338,587	31,412,737	29,820,818	26,778,187	25,649,391	31,265,269	26,750,913	25,587,129	24,668,341
Parks, Recreation and cultural	1,623,917	1,469,224	1,095,549	1,019,595	741,691	781,264	748,581	724,464	1,430,798	896,021
Community development	2,534,291	1,437,681	1,966,462	1,235,356	1,082,578	1,077,207	1,042,770	839,715	975,494	888,803
Interest and other fiscal charges	2,948,562	2,493,039	2,416,724	2,537,193	2,186,672	2,902,678	3,651,825	3,457,468	4,479,930	2,279,924
Total governmental activities	\$ 78,191,457	\$ 76,529,480	\$ 67,598,435	\$ 62,187,409	\$ 58,968,967	\$ 53,695,923	\$ 60,571,852	\$ 52,425,633	\$ 52,056,261	\$ 47,660,069
Business-type activities										
Water and Sewer	\$ 2,828,862	\$ 2,352,765	\$ 2,374,677	\$ 2,105,052	\$ 2,204,421	\$ 2,839,736	\$ 2,500,998	\$ 2,409,265	\$ 2,584,881	\$ 2,381,909
Total business-type activities	\$ 2,828,862	\$ 2,352,765	\$ 2,374,677	\$ 2,105,052	\$ 2,204,421	\$ 2,839,736	\$ 2,500,998	\$ 2,409,265	\$ 2,584,881	\$ 2,381,909
Total primary government expenses	\$ 81,020,319	\$ 78,882,245	\$ 69,973,112	\$ 64,292,461	\$ 61,173,388	\$ 56,535,659	\$ 63,072,850	\$ 54,834,898	\$ 54,641,142	\$ 50,041,978
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ -	\$ -	\$ 75,168	\$ 176,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial administration	225,739	243,631	238,171	160,599	208,154	211,306	246,764	223,978	228,999	171,772
Public safety	1,573,460	1,469,931	1,698,586	1,655,142	1,715,285	1,696,250	1,482,363	1,417,962	1,239,297	1,111,495
Public works	87,001	90,011	84,923	107,328	75,391	46,513	81,171	65,587	55,006	47,508
Parks, recreation and cultural	66,439	32,912	26,441	21,526	2,081	17,751	20,354	21,787	19,165	17,658
Community development	34,986	102,702	264,540	289,664	192,934	250,090	203,708	165,573	192,732	461,414
Operating grants and contributions	10,163,545	7,588,423	6,464,118	4,251,534	10,676,544	6,030,863	5,058,728	4,961,763	4,723,745	4,761,155
Capital Grants and contributions	-	45,466	2,694,013	1,591,227	70,000	-	101,639	636,597	-	32,161
Total governmental activities	\$ 12,151,170	\$ 9,573,076	\$ 11,545,960	\$ 8,253,334	\$ 12,940,389	\$ 8,252,773	\$ 7,194,727	\$ 7,493,247	\$ 6,458,944	\$ 6,603,163
Business-type activities										
Charges for services:										
Water and Sewer	\$ 661,818	\$ 745,646	\$ 781,483	\$ 862,259	\$ 585,590	\$ 608,843	\$ 640,352	\$ 595,446	\$ 465,893	\$ 329,569
Capital grants and contributions	-	-	-	440,000	-	88,000	1,999,558	333,797	-	300,000
Total business-type activities	\$ 661,818	\$ 745,646	\$ 781,483	\$ 1,302,259	\$ 585,590	\$ 696,843	\$ 2,639,910	\$ 929,243	\$ 465,893	\$ 629,569
Total primary government revenues	\$ 12,812,988	\$ 10,318,722	\$ 12,327,443	\$ 9,555,593	\$ 13,525,979	\$ 8,949,616	\$ 9,834,637	\$ 8,422,490	\$ 6,924,837	\$ 7,232,732

County of Powhatan, Virginia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue										
Governmental activities	\$ (66,040,287)	\$ (66,956,404)	\$ (56,052,475)	\$ (53,934,075)	\$ (46,028,578)	\$ (45,443,150)	\$ (53,377,125)	\$ (44,932,386)	\$ (45,597,317)	\$ (41,056,906)
Business-type activities	(2,167,044)	(1,607,119)	(1,593,194)	(802,793)	(1,618,831)	(2,142,893)	138,912	(1,480,022)	(2,093,988)	(1,601,743)
Total primary government net expense	\$ (68,207,331)	\$ (68,563,523)	\$ (57,645,669)	\$ (54,736,868)	\$ (47,647,409)	\$ (47,586,043)	\$ (53,238,213)	\$ (46,412,408)	\$ (47,691,305)	\$ (42,658,649)

General Revenues and Other Changes in Net Position

Governmental Activities:										
Taxes										
Property taxes	\$ 62,324,284	\$ 55,585,672	\$ 53,122,542	\$ 56,676,166	\$ 46,528,921	\$ 42,858,105	\$ 41,283,660	\$ 39,678,897	\$ 39,416,185	\$ 36,470,425
Other local taxes	10,562,886	10,058,722	9,380,952	9,467,027	9,381,449	6,785,681	5,961,295	5,746,070	5,527,619	5,049,536
Investment earnings	719,498	531,062	471,556	338,283	194,869	464,783	567,025	482,100	282,759	241,763
Miscellaneous	411,061	406,162	723,535	291,814	384,983	547,535	354,793	323,649	346,297	359,404
Non-categorical aid from the Commonwealth	3,790,576	3,789,714	3,803,171	3,899,906	3,839,879	4,041,223	4,077,493	4,090,925	4,117,081	4,176,115
Transfers	(2,601,887)	(1,863,417)	(1,879,105)	(1,712,286)	(2,016,668)	(2,253,109)	(2,341,334)	(2,422,675)	(2,445,094)	(2,599,883)
Total governmental activities	\$ 75,206,418	\$ 68,507,915	\$ 65,622,651	\$ 68,960,910	\$ 58,313,433	\$ 52,444,218	\$ 49,902,932	\$ 47,898,966	\$ 47,244,847	\$ 43,697,360

Business-type activities

Investment earnings	\$ 47,846	\$ 18,240	2,943	13,471	5,920	3,843	3,486	2,397	28,399	5,210
Miscellaneous	-	-	-	-	-	-	-	-	66	2
Transfers	2,601,887	1,863,417	1,879,105	1,712,286	2,016,668	2,253,109	2,341,334	2,422,675	2,445,094	2,599,883
Total business-type activities	\$ 2,649,733	\$ 1,881,657	\$ 1,882,048	\$ 1,725,757	\$ 2,022,588	\$ 2,257,242	\$ 2,344,820	\$ 2,425,138	\$ 2,473,495	\$ 2,605,093
Total primary government	\$ 77,856,151	\$ 70,389,572	\$ 67,504,699	\$ 70,686,667	\$ 60,336,021	\$ 54,701,460	\$ 52,247,752	\$ 50,324,104	\$ 49,718,342	\$ 46,302,453

Changes in Net Position

Governmental activities	\$ 9,166,131	\$ 1,551,511	\$ 9,570,176	\$ 15,026,835	\$ 12,284,855	\$ 7,001,068	\$ (3,474,193)	\$ 2,966,580	\$ 1,647,530	\$ 2,640,454
Business-type activities	482,689	274,538	288,854	922,964	403,757	114,349	2,483,732	945,116	379,507	1,003,350
Total primary government	\$ 9,648,820	\$ 1,826,049	\$ 9,859,030	\$ 15,949,799	\$ 12,688,612	\$ 7,115,417	\$ (990,461)	\$ 3,911,696	\$ 2,027,037	\$ 3,643,804

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund										
Nonspendable	\$ 6,217	\$ 10,849	\$ 205,448	\$ 4,537	\$ 1,349	\$ 3,739	\$ 1,533	\$ 81,688	\$ 1,969	\$ 3,532
Assigned	12,276,454	11,956,977	10,045,962	12,362,084	14,876,340	6,850,502	4,295,622	3,590,713	4,476,293	3,570,902
Unassigned	17,276,384	16,257,104	16,163,376	14,485,730	13,950,906	13,037,130	12,450,049	12,031,431	11,767,232	11,370,950
Total general fund	\$ 29,559,055	\$ 28,224,930	\$ 26,414,786	\$ 26,852,351	\$ 28,828,595	\$ 19,891,371	\$ 16,747,204	\$ 15,703,832	\$ 16,245,494	\$ 14,945,384
All other governmental funds										
Nonspendable, reported in:										
Grants funds	\$ -	\$ 28,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:										
Capital projects funds	9,350,376	2,692,275	2,304,516	2,211,309	8,795,524	13,957,819	17,930,464	17,752,884	42,809,069	-
Grants funds	-	-	-	-	83,654	-	-	-	-	-
Special revenue funds	10,884,686	8,401,328	4,937,405	4,355,497	2,941,382	959,143	778,276	622,264	609,938	1,154,183
Committed for:										
Special revenue funds	763,204	684,766	969,943	862,687	621,988	493,552	346,094	292,691	73,812	174,737
Assigned for:										
Capital projects	11,313,264	16,109,796	17,448,484	7,025,320	434,343	1,979,397	-	-	-	2,099,137
Unassigned, reported in:										
Capital projects funds	(2,139,166)	(4,821,927)	(3,436,615)	(766,599)	-	-	2,836,404	(1,395,958)	(352,397)	-
Grants funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 30,172,364	\$ 23,094,748	\$ 22,223,733	\$ 13,688,214	\$ 12,876,891	\$ 17,389,911	\$ 21,891,238	\$ 17,271,881	\$ 43,140,422	\$ 3,428,057
Total fund balances	\$ 59,731,419	\$ 51,319,678	\$ 48,638,519	\$ 40,540,565	\$ 41,705,486	\$ 37,281,282	\$ 38,638,442	\$ 32,975,713	\$ 59,385,916	\$ 18,373,441

Table 4

**County of Powhatan, Virginia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years**
(Modified accrual basis of accounting)
Unaudited

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
General property taxes	\$ 60,582,333	\$ 56,855,859	\$ 53,215,804	\$ 48,154,889	\$ 46,429,541	\$ 42,741,454	\$ 41,583,636	\$ 39,648,166	\$ 39,177,351	\$ 36,848,788
Other local taxes	10,562,886	10,058,722	9,456,120	9,643,341	9,381,449	6,785,681	5,961,295	5,746,071	5,527,619	5,049,536
Permits, privilege fees and licenses	793,795	863,629	1,306,948	1,226,595	1,311,869	1,306,569	1,056,937	966,725	806,460	1,014,230
Fines and Forfeitures	87,175	91,633	94,859	91,716	119,160	122,886	151,244	144,612	163,083	102,778
Revenue from use of money & property	719,498	531,062	471,556	207,095	194,869	464,783	567,025	482,100	282,759	241,763
Charges for services	1,106,655	983,925	910,854	915,948	762,816	792,455	826,179	783,550	765,656	692,839
Miscellaneous	411,061	406,162	723,535	291,814	384,983	547,535	354,793	323,649	346,297	359,404
Intergovernmental:										
Commonwealth of Virginia	9,674,718	9,207,565	10,214,666	8,138,598	7,797,274	7,733,325	7,805,434	8,277,653	7,518,564	7,685,397
Federal Government	4,279,403	2,216,038	2,746,636	1,604,069	6,789,149	2,338,761	1,432,426	1,411,632	1,322,262	1,284,034
Total revenues	\$ 88,217,524	\$ 81,214,595	\$ 79,140,978	\$ 70,274,065	\$ 73,171,110	\$ 62,833,449	\$ 59,738,969	\$ 57,784,158	\$ 55,910,051	\$ 53,278,769
Expenditures										
General government administration	\$ 6,557,989	\$ 6,131,086	\$ 5,386,395	\$ 4,691,701	\$ 8,272,557	\$ 4,125,429	\$ 3,513,818	\$ 3,337,273	\$ 3,487,696	\$ 3,202,111
Judicial administration	1,597,381	1,476,639	1,407,292	1,366,357	1,218,811	1,173,748	1,050,052	3,215,046	922,934	921,530
Public Safety	20,624,724	15,752,482	13,980,355	17,503,735	15,732,560	13,017,867	12,309,044	10,602,508	9,009,393	8,048,386
Public works	3,552,865	4,316,380	3,335,526	3,477,035	2,996,961	2,731,401	2,690,480	3,864,509	2,867,888	2,196,038
Health and welfare	7,831,803	7,164,517	6,239,887	5,571,246	5,228,724	4,766,253	4,527,283	4,603,678	4,491,257	4,773,276
Education	33,032,695	30,803,664	26,772,889	25,249,328	23,419,578	23,560,273	27,898,229	45,667,822	36,076,976	22,857,727
Community development	2,624,326	1,409,745	2,023,798	1,524,592	592,626	1,990,759	1,040,054	637,865	1,240,664	884,335
Parks, recreation and cultural	2,926,729	1,412,865	958,278	1,262,532	1,023,841	1,077,634	586,062	831,338	987,254	718,560
Capital projects	-	-	1,509	19,328	-	-	-	549	-	617
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	6,734,945	6,350,926	6,141,502	5,962,468	5,433,060	5,616,782	5,231,381	4,949,677	4,756,685	4,184,966
Interest and other fiscal charges	3,174,493	2,684,401	2,916,488	3,104,780	3,416,638	4,469,463	4,029,854	4,061,420	4,675,569	2,405,523
Total Expenditures	\$ 88,657,950	\$ 77,502,705	\$ 69,163,919	\$ 69,733,102	\$ 67,335,356	\$ 62,529,609	\$ 62,876,257	\$ 81,771,685	\$ 68,516,933	\$ 51,131,926
Revenues over (under) expenditures	\$ (440,426)	\$ 3,711,890	\$ 9,977,059	\$ 540,963	\$ 5,835,754	\$ 303,840	\$ (3,137,288)	\$ (23,987,527)	\$ (12,606,882)	\$ 2,146,843
Other financing sources (uses)										
Transfers in	\$ 3,629,620	\$ 8,052,279	\$ 12,216,294	\$ 9,733,449	\$ 1,418,196	\$ 2,609,338	\$ 1,944,338	\$ 2,684,130	\$ 2,545,726	\$ 4,169,095
Transfers out	(6,231,507)	(9,915,696)	(14,095,399)	(11,445,735)	(3,434,864)	(4,862,447)	(4,285,672)	(5,106,805)	(4,990,820)	(6,768,978)
Proceeds from financed purchases	-	832,686	-	-	599,718	-	1,578,350	-	700,000	584,170
Issuance of bonds	11,305,000	-	-	-	15,927,000	597,510	9,563,000	-	49,425,000	-
Bond issuance premium	1,000,054	-	-	-	(178,000)	-	-	-	5,939,451	-
Payments to refunding escrow agent	-	-	-	-	(15,749,000)	-	-	-	-	-
Issuance of lease financing	-	-	-	838,473	-	-	-	-	-	-
Payment on leases	-	-	-	(838,473)	-	-	-	-	-	-
Redemption of refunded bonds	(8,596,000)	-	-	-	-	-	-	-	-	-
Proceeds of refunded bonds	7,745,000	-	-	-	-	-	-	-	-	-
Issuance of SBITA financing	-	6,883,834	44,230	-	-	-	-	-	-	-
Payment on SBITAs	-	(6,883,834)	(44,230)	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 8,852,167	\$ (1,030,731)	\$ (1,879,105)	\$ (1,712,286)	\$ (1,416,950)	\$ (1,655,599)	\$ 8,800,016	\$ (2,422,675)	\$ 53,619,357	\$ (2,015,713)
Net change in fund balances	\$ 8,411,741	\$ 2,681,159	\$ 8,097,954	\$ (1,171,323)	\$ 4,418,804	\$ (1,351,759)	\$ 5,662,728	\$ (26,410,202)	\$ 41,012,475	\$ 131,130
Debt service as a percentage of noncapital expenditures	12.88%	12.02%	13.50%	14.71%	14.90%	18.20%	17.15%	17.17%	18.13%	13.83%

**Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2025			Fiscal Year 2016		
	Percentage of Total County		Rank	Percentage of Total County		Rank
	Taxable Assessed Value	Taxable Assessed Value		Taxable Assessed Value	Taxable Assessed Value	
Artistry At Winterfield	\$ 65,453,800	0.96%	1	\$ -	0.00%	
Berk & Alp LLC	17,300,000	0.25%	2	-	0.00%	
Walmart	14,183,500	0.21%	3	9,474,500	0.28%	2
Powhatan Shoppes at South Creek	8,102,500	0.12%	4	5,694,500	0.17%	4
AWN Union Street LLC	6,230,600	0.09%	5	-	0.00%	
The Reeds Landing Corp	6,031,600	0.09%	6	-	0.00%	8
Colony Land Investments LLC	5,769,500	0.08%	7	-	0.00%	
Scott Timberland Co LP	5,453,700	0.08%	8	-	0.00%	
CCE Charlottesville LLC	5,408,600	0.08%	9	-	0.00%	
Cole FG Powhatan VA LLC	4,957,200	0.07%	10	-	0.00%	
Carnes, W.S. et al	-	0.00%		10,059,600	0.29%	1
Milhaus Coproation	-	0.00%		6,418,400	0.19%	3
American Timberlands	-	0.00%		5,523,100	0.16%	5
Sanders, Donald & Teresa	-	0.00%		5,514,300	0.16%	6
Anderson, Tamara & Delores Ransom	-	0.00%		5,490,500	0.16%	7
Goddard, LLC	-	0.00%		5,308,100	0.15%	9
South Creek Properties	-	0.00%		5,119,400	0.15%	10
	\$ 138,891,000	2.04%		\$ 58,602,400	1.70%	

Source: Powhatan County Assessor

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Taxes levied for the fiscal year		Total adjusted levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	(original levy)	Adjustments		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2025	\$ 64,206,783	\$ (1,248,769)	\$ 62,958,014	\$ 29,411,198	45.81%	\$ -	29,411,198	46.72%
2024	53,696,645	1,968,402	55,665,047	25,863,631	48.17%	28,195,373	54,059,004	97.11%
2023	51,239,590	2,500,173	53,739,763	24,275,475	47.38%	28,603,211	52,878,686	98.40%
2022 (1)	65,176,473	2,739,196	67,915,669	39,916,123	61.24%	27,324,917	67,241,040	99.01%
2021	46,397,758	(306,032)	46,091,726	39,090,337	84.25%	6,697,729	45,788,066	99.34%
2020	39,465,437	1,399,185	40,864,622	33,535,555	84.97%	7,157,197	40,692,752	99.58%
2019	38,841,290	1,360,227	40,201,517	33,885,007	87.24%	6,312,015	40,197,022	99.99%
2018	40,262,459	247,520	40,509,979	34,046,398	84.56%	6,459,301	40,505,699	99.99%
2017	37,761,947	685,033	38,446,980	32,985,684	87.35%	5,505,474	38,491,158	100.11%
2016	35,202,596	634,837	35,837,433	30,591,755	86.90%	5,283,477	35,875,232	100.11%

Source: Treasurer's Office and Commissioner of the Revenue

(1) In FY2022, the County did a short year for real estate and therefore the levy had an extra 6 months of a normal levy in order for the real estate levies to revert back to a calendar year tax year

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

Fiscal Year	Real Estate	Less: Tax-Exempt Property (2)	Total Taxable Assessed Value Real Estate	Direct Tax Rate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Service (3)	Total
2025	\$ 6,672,494,700	\$357,925,239	\$6,314,569,461	0.75	\$483,483,832	\$ 21,329,474	\$ -	\$ 6,819,382,767
2024	6,444,416,273	367,922,700	6,076,493,573	0.69	478,241,706	21,968,071	120,682,729	6,697,386,079
2023	6,144,545,473	358,929,500	5,785,615,973	0.69	449,373,084	17,089,840	115,263,037	6,367,341,934
2022	4,864,307,400	329,154,800	4,535,152,600	0.77	490,464,480	19,745,090	104,192,167	5,149,554,337
2021	4,379,883,500	328,274,425	4,051,609,075	0.85	377,504,062	31,432,110	105,153,403	4,565,698,650
2020	3,854,983,400	334,508,375	3,520,475,025	0.88	319,259,251	12,452,345	111,818,049	3,964,004,670
2019	3,770,803,200	332,508,550	3,438,294,650	0.88	325,965,234	11,078,665	105,919,123	3,881,257,672
2018	3,648,382,900	328,081,450	3,320,301,450	0.885	311,016,713	29,452,658	99,314,822	3,760,085,643
2017	3,608,906,400	328,439,700	3,280,466,700	0.90	293,254,816	10,716,720	100,109,095	3,684,547,331
2016	3,358,068,300	310,856,450	3,047,211,850	0.90	284,396,673	9,111,300	97,808,766	3,438,528,589

Source: Commissioner of Revenue Department

Notes:

Real property is the County's primary local source revenue. Assessment information also included above for other property taxes.

- (1) Tax rate per \$100 of assessed value of real property. See Table 6 for other tax rates.
- (2) Source, Real Estate Assessments from Commissioner of Revenue.
- (3) Public Service Corporation property assessments performed by the State Corporation Commission.

**Direct Property Tax Rates
Last Ten Fiscal Years**

Tax Year	Public Service		Machinery & Tools	Personal Property
	Real Estate	Personal Property		
2025	0.69/0.75	3.60	3.60	3.60
2024	0.69	3.60	3.60	3.60
2023	0.69/0.77	3.60	3.60	3.60
2022	0.77/0.79	3.60	3.60	3.60
2021	0.79/0.85	3.60	3.60	3.60
2020	0.88	3.60	3.60	3.60
2019	0.88	3.60	3.60	3.60
2018	0.885	3.60	3.60	3.60
2017	0.90	3.60	3.60	3.60
2016	0.90	3.60	3.60	3.60

Notes: Per \$100 assessed value. There are no overlapping property tax rates with other governments.

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	State Literary Loans	Financed Purchases	Leases	SBITAs	Revenue Bonds	Revenue Bonds				
2025	\$ 11,098,757	\$ -	\$ 1,094,906	\$ 807,322	\$ 6,262,877	\$ 73,447,827	\$ 12,061,582	\$ 104,773,271	*	\$ 3,235	
2024	12,936,878	-	1,560,232	888,594	6,758,967	66,558,442	12,938,116	101,641,229	*	3,200	
2023	14,751,130	-	1,063,289	972,823	24,905	70,979,197	13,815,412	101,606,756	0.071%	3,239	
2022	16,914,314	-	1,505,204	1,037,710	-	74,834,534	14,676,721	108,968,483	0.063%	3,579	
2021	19,054,287	-	1,937,959	-	-	78,810,054	15,512,536	115,314,836	0.056%	3,802	
2020	20,871,963	-	1,630,626	-	-	82,596,056	16,329,043	121,427,688	0.050%	4,066	
2019	22,931,149	-	2,065,820	-	-	85,752,035	17,145,426	127,894,430	0.046%	4,313	
2018	24,773,645	250,000	912,548	-	-	79,428,022	18,014,546	123,378,761	0.046%	4,230	
2017	26,583,521	500,000	1,230,787	-	-	82,525,574	16,853,248	127,693,130	0.043%	4,465	
2016	28,386,157	750,000	810,956	-	-	30,111,820	17,403,438	77,462,371	0.065%	2,724	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
* 2023 and 2024 information not yet available.

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

Fiscal Year Ended June 30	Population	General Bonded Debt Outstanding Governmental Activities		Net Bonded Debt to Assessed Value	Per Capita
		Assessed Taxable Value (1)	Gross Bonded Debt (2)		
2025	32,392	\$ 6,819,382,767	\$ 11,098,757	0.16%	\$ 343
2024	31,766	6,697,386,079	12,936,878	0.19%	407
2023	31,365	6,367,341,934	14,751,130	0.23%	470
2022	30,445	5,149,554,337	16,914,314	0.33%	556
2021	30,333	4,565,698,650	19,054,287	0.42%	628
2020	29,867	3,964,004,670	20,871,963	0.53%	699
2019	29,652	3,881,257,672	22,931,149	0.59%	773
2018	29,166	3,760,085,643	25,023,645	0.67%	858
2017	28,601	3,684,547,331	27,083,521	0.74%	947
2016	28,442	3,438,528,589	29,136,157	0.85%	1,024

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Assessed taxable value is combination of real and other personal property per Table 7.

(2) Includes all long-term general obligation debt and bonded anticipation notes.

Excludes revenue bonds, financed purchases, and compensated absences.

**Debt Management Ratios
Last Ten Fiscal Years**

Policy (1)	15.00%	4.00%
Fiscal Year	Debt Service To Expenditures (2)	Net Tax Supported Debt To Assessed Value (3)
2025	9.20%	1.35%
2024	9.70%	1.32%
2023	10.61%	1.49%
2022	11.19%	1.97%
2021	11.23%	2.37%
2020	13.25%	2.86%
2019	13.17%	3.06%
2018	13.20%	3.02%
2017	13.11%	3.23%
2016	11.17%	2.16%

(1) Policy was 12% and 4.50% prior to FY 2016

(2) Expenditures are made up of the General fund, Other Governmental funds, School Operating fund, School Cafeteria fund, Water and Sewer fund less transfers to the School Fund. Includes all debt from Table 9 less premiums.

(3) Assessed taxable value is combination of real and other personal property per Table 7.

**Demographic and Economic Statistics
Last Ten Years**

Fiscal Year	Population	Total Personal Income*	Per Capita Personal Income*	Unemployment Rate %	School Enrollment
2025	32,392	*	*	2.80%**	4,081
2024	31,766	*	*	2.30%	4,215
2023	31,365	2,311,760,000	72,006	2.60%	4,307
2022	30,445	2,153,278,000	68,174	2.50%	4,230
2021	30,333	1,968,005,040	64,787	3.00%	4,076
2020	29,867	1,820,154,714	60,942	4.80%	4,247
2019	29,652	1,739,149,104	58,652	2.60%	4,227
2018	29,166	1,669,666,002	57,247	2.90%	4,222
2017	28,601	1,573,369,611	55,011	3.50%	4,208
2016	28,442	1,436,036,580	50,490	3.50%	4,312

n/a - information is not yet available

Source: Bureau of Economic Analysis, Department of Labor Statistics, Weldon Cooper Center

* 2024 and 2025 information not yet available.

** 2025 represents average unemployment from available data (January through July 2025)

**Principal Employers
Current Year and Nine Years Ago**

Employer	2025			2016		
	Employees	Rank	% of Total Employment**	Employees	Rank	% of Total Employment**
Powhatan County School Board	500-999	1	N/A	500-999	1	N/A
Deep Meadow Correctional Center	250-499	2	N/A	250-499	4	N/A
County of Powhatan	250-499	3	N/A	100-249	6	N/A
Mid Atlantic Steel Erector Inc	250-499	4	N/A	100-249	7	N/A
Walmart	250-499	5	N/A	100-249	5	N/A
Food Lion	100-249	6	N/A	100-249	8	N/A
2150 Management Co.	100-249	7	N/A			N/A
Express Wash Operations, LLC	50-99	8	N/A			N/A
Catholic Diocese of Richmond	50-99	9	N/A			N/A
Colony Construction	50-99	10	N/A			N/A
Virginia Department of Juvenile Justice	-		N/A	250-499	2	N/A
Powhatan Correctional Center	-		N/A	250-499	3	N/A
Anderson Merchandisers, LLC	-		N/A	50-99	9	N/A
Moslow Wood Products	-		N/A	50-99	10	N/A

Source: Virginia Employment Commission

* Quarterly Census of Employment and Wages (QCEW)

Data for 2025: Community Profile

Data for 2015: 1st Quarter 2016

**The Virginia Employment Commission is precluded from disclosing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act - Title V of Public Law 107-347.

**Full-Time County Employees by Position
Last Ten Fiscal Years**

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County Administration										
County Administrator	1	1	1	1	1	1	1	1	1	1
Deputy County Administrator	2	1	2	2	-	-	-	-	-	1
Deputy Clerk	1	1	1	1	1	1	1	1	1	1
Executive Associate	-	-	-	-	-	-	-	-	1	1
Outreach Coordinator	1	-	-	-	-	-	-	-	-	-
Total County Administrator	5	3	4	4	2	2	2	2	3	4
Assessment										
Assessment Technician	1	1	-	-	-	-	-	-	-	-
Chief Deputy Assessor	1	1	-	-	-	-	-	-	-	-
Real Estate Appraiser	2	2	-	-	-	-	-	-	-	-
Total Assessment	4	4	-	-	-	-	-	-	-	-
Finance										
Director of Finance	1	1	1	1	1	1	1	1	1	1
HR and Accounting Analyst	-	-	-	-	-	-	-	1	1	1
Budget Manager	1	1	1	1	1	-	-	-	-	-
Budget Accountant	-	-	-	-	-	1	1	-	-	-
Accountant	1	1	1	1	1	1	1	1	1	1
Accounting Analyst	1	1	1	1	1	1	1	1	1	1
Grants & Procurement Coordinator	1	1	-	-	-	-	-	-	-	-
Purchasing Agent	-	-	1	-	-	-	-	-	-	-
Total Finance	5	5	5	4	4	4	4	4	4	4
Human Resources										
Director of Human Resources	1	1	1	1	1	1	1	1	1	1
HR Analyst	1	1	1	1	1	1	1	-	-	-
Total Human Resources	2	2	2	2	2	2	1	1	1	1
Information Technology										
Director of IT	1	1	1	1	1	1	1	1	1	1
IT Network Manager	1	1	1	1	1	1	1	-	-	-
IT Systems Administrator	-	-	-	-	-	-	-	1	1	1
IT Specialist	1	1	-	-	-	-	-	-	-	-
Communications and IT Specialist	1	1	1	1	1	1	1	1	1	-
IT Technician	1	1	1	1	-	-	-	-	-	1
GIS Coordinator	1	1	1	1	1	1	1	1	1	1
Total Information Technology	6	6	5	5	4	4	4	4	4	4
County Attorney										
County Attorney	1	-	-	-	-	-	-	-	-	-
Paralegal	-	-	-	-	-	-	-	1	1	1
Total County Attorney	1	-	-	-	-	-	-	1	1	1
Public Works										
Director of Public Works	1	-	-	1	1	1	1	1	1	1
Office Manager	1	1	1	1	1	1	1	1	1	1
Recreation Program Coordinator	-	-	-	-	-	1	1	1	1	1

**Full-Time County Employees by Position (Continued)
Last Ten Fiscal Years**

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Works										
Facilities and Grounds Manager	-	-	1	1	1	1	1	1	1	1
Director of Facilities and Grounds	-	1	-	-	-	-	-	-	-	-
Administrative Assistant Public Works	-	-	1	1	1	1	1	1	1	1
Facilities Supervisor	1	1	1	1	1	1	1	1	1	1
Grounds Supervisor	1	1	1	1	1	1	1	1	1	1
Maintenance Worker III	3	5	3	3	3	2	2	2	2	2
Maintenance Worker II	4	4	5	5	5	5	4	4	4	4
Maintenance Worker I	1	1	1	-	-	-	-	-	-	-
Capital Projects Manager	1	-	-	-	-	-	-	-	-	-
Assistant Director of Utilities	1	1	-	-	-	-	-	-	-	-
Utilities Manager	-	-	1	1	1	1	1	1	1	1
Utilities Operations Superintendent	1	1	1	1	1	1	1	1	1	1
Utilities Operator	3	3	3	3	3	3	3	3	3	3
Utilities Maintenance Technician	-	-	-	-	-	-	-	1	1	1
Utilities Billing Specialist	1	1	1	1	-	-	-	-	-	-
Convenience Center Supervisor	1	1	1	1	1	1	1	1	1	1
Convenience Center Lead Operator	1	1	1	1	1	1	1	1	1	1
Convenience Center Operator	1	2	2	2	2	2	2	2	2	2
Floater	1	1	1	-	-	-	-	-	-	-
Total Public Works	23	25	25	24	23	23	22	23	23	23
Commonwealth's Attorney										
Commonwealth's Attorney	1	1	1	1	1	1	1	1	1	1
Deputy Commonwealth's Attorney	1	1	1	1	1	1	1	1	1	1
Assistant Commonwealth's Attorney	1	1	1	1	1	1	1	1	-	-
Administrative Associate	1	1	1	1	1	1	1	1	1	1
Total Commonwealth's Attorney	4	4	4	4	4	4	4	4	3	3
Commissioner of the Revenue										
Commissioner of the Revenue	1	1	1	1	1	1	1	1	1	1
Chief Deputy Commissioner	1	1	1	1	1	1	1	1	1	1
Deputy COR I	-	1	1	-	-	-	-	-	-	-
Deputy COR II	2	1	1	2	2	3	3	3	3	3
Deputy COR III	2	3	3	3	3	2	2	2	2	2
Deputy COR IV	1	-	-	-	-	-	-	-	-	-
Total Commissioner of Revenue	7	7	7	7	7	7	7	7	7	7
Economic Development										
Director of Economic Development	1	-	-	-	-	-	-	-	1	-
Assistant County Administrator	-	-	-	1	1	1	1	1	-	-
Economic Development Assistant	1	1	-	-	-	-	-	-	-	-
Economic Development Program Manager	-	1	1	1	1	1	1	1	-	-
Total Economic Development	2	2	1	2	2	2	2	2	1	-

Full-Time County Employees by Position (Continued)
Last Ten Fiscal Years

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fire Administration										
Fire & Rescue Chief	1	1	1	1	1	1	1	1	1	1
Deputy Fire Chief	1	1	1	1	-	-	-	-	-	-
EMS Captain	1	-	-	-	-	-	-	-	-	-
Administrative Associate - Fire and Rescue	-	-	-	-	-	1	1	1	1	1
Lieutenant	3	3	3	3	2	2	2	-	-	-
Firefighter/EMT	19	16	16	13	10	10	6	6	6	-
Total Fire Administration	25	21	21	18	13	14	10	8	8	2
Library										
Library Director	1	1	1	1	1	1	1	1	1	1
Librarian	2	1	1	1	1	1	1	1	1	-
Library Systems Technician	1	1	1	1	1	1	1	1	1	1
Senior Library Clerk	-	1	-	-	-	-	-	-	-	-
Library Administrative Coordinator	1	1	1	1	1	1	1	1	1	1
Total Library	5	5	4	3						
Planning and Community Development										
Director of Community Development	-	-	-	-	-	-	-	-	1	-
Planning Director	1	1	1	1	1	1	1	1	-	-
Community Development Technician	-	2	2	2	2	2	2	1	1	-
Principal Planner	1	1	1	1	1	1	1	1	1	-
Planning and Zoning Manager	-	-	-	-	-	-	-	-	-	1
Environmental Coordinator	1	1	1	1	1	1	1	1	1	1
Zoning Administrator	-	-	-	-	-	-	-	-	-	1
Planner I	1	1	1	1	1	1	1	1	1	1
Planner II	1	1	1	1	1	1	1	1	1	-
Code Enforcement Officer	1	-	-	-	-	-	-	-	-	-
Erosion and Sediment Inspector	-	-	-	-	-	-	-	-	-	1
Planning/Zoning Technician	-	-	-	-	-	-	-	-	-	1
GIS Coordinator	-	-	-	-	-	-	-	-	-	1
Building Official	1	1	1	1	1	1	1	1	1	1
Building Inspector	2	2	2	2	2	2	2	2	2	2
Building Plan Reviewer	2	2	1	1	1	1	1	1	1	1
Permit Center Manager	1	1	1	1	-	-	-	-	-	-
Permit Center Technician	2	-	-	-	-	-	-	-	-	1
Commercial Inspector/Reviewer	-	-	1	1	-	-	-	-	-	-
Total Planning and Community Development	14	13	13	13	11	11	11	10	10	12

**Full-Time County Employees by Position (Continued)
Last Ten Fiscal Years**

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Registrar										
Director of Elections	1	1	1	1	1	1	1	1	1	1
Assistant Registrar	1	1	1	1	1	1	-	-	-	-
Absentee Coordinator	1	-	-	-	-	-	-	-	-	-
Total Registrar	3	2	2	2	2	2	1	1	1	1
Treasurer										
Treasurer	1	1	1	1	1	1	1	1	1	1
Deputy Treasurer II	2	2	1	1	1	1	1	1	1	3
Deputy Treasurer III	2	3	4	4	4	4	4	4	4	2
Deputy Treasurer IV	1	-	-	-	-	-	-	-	-	-
Chief Deputy Treasurer	1	1	1	1	1	1	1	1	1	1
Total Treasurer	7									
Comprehensive Services										
Children's Service Act Coordinator	1	1	1	1	1	1	1	1	1	1
Children's Services Program Assistant	1	1	-	-	-	-	-	-	-	-
Children's Services Compliance Specialist	1	1	-	-	-	-	-	-	-	-
Children's Services Fiscal Specialist	1	1	-	-	-	-	-	-	-	-
Total Comprehensive Services	4	4	1							
Clerk of the Circuit Court										
Clerk of the Circuit Court	1	1	1	1	1	1	1	1	1	1
Chief Deputy Clerk	1	1	1	1	1	1	1	1	1	1
Deputy Clerk II	4	3	3	3	3	3	3	3	3	3
Deputy Clerk	-	1	-	-	-	-	-	-	-	-
Total Clerk of the Circuit Court	6	6	5							
Parks and Recreation										
Director of Parks and Recreation	1	1	1	-	-	-	-	-	-	-
Athletics Coordinator	1	1	-	-	-	-	-	-	-	-
Office Manager	1	1	-	-	-	-	-	-	-	-
Recreation Programmer	1	1	-	-	-	-	-	-	-	-
Parks Maintenance Worker III	3	-	-	-	-	-	-	-	-	-
Total Parks and Recreation	7	4	1	-						
Sheriff										
Executive Assistant	1	1	1	1	1	1	1	1	1	1
Administrative Services Assistant	1	1	-	-	-	-	-	-	-	-
Civil Clerk II	-	1	1	1	1	1	1	1	1	1
Sergeant	8	9	11	11	10	8	10	7	7	8
Lieutenant	3	2	2	2	2	2	2	1	1	1
First Sergeant	3	2	-	-	-	-	-	-	1	-
Deputy	18	15	20	20	18	17	13	23	22	22
Corporal	11	12	5	5	5	6	6	-	-	-
Chief Deputy	1	1	1	1	1	1	1	1	1	1
Captain	1	1	1	1	1	1	1	1	1	1
Sheriff Systems Technician	1	1	1	1	1	1	1	1	1	1
Crime Analyst	1	1	1	1	1	1	1	1	1	1
Senior Detective	-	-	-	-	-	1	1	1	-	-
Detective	2	2	2	2	2	2	3	4	4	4
Sheriff	1	1	1	1	1	1	1	1	1	1
Total Sheriff	52	50	47	47	44	43	42	43	42	42

**Full-Time County Employees by Position (Continued)
Last Ten Fiscal Years**

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety Communications										
Director of Public Safety Communications	1	1	1	1	1	1	1	1	1	-
Public Safety Communications Operations Mgr	1	1	1	1	1	1	1	1	1	-
Public Safety Communications Officers	10	10	10	9	9	9	9	12	11	11
Communications Supervisor	4	4	4	4	4	2	2	-	-	1
Audit & Compliance Supervisor	1	1	1	1	-	-	-	-	-	-
Total Communications	17	17	17	16	15	13	13	14	13	12
Victim Witness										
Victim Witness Coordinator	1	1	1	1	1	1	1	1	1	1
Total Victim Witness Coordinator	1	1	1	1	1	1	1	1	1	1
Animal Control										
Sergeant-Animal Control	1	1	1	1	1	1	1	1	1	1
Corporal - Animal Control	1	-	1	1	1	1	-	-	-	-
Deputy-Animal Control	1	2	1	1	1	1	2	2	3	3
Animal Control Technician	2	2	1	1	1	1	1	1	1	1
Total Animal Control	5	5	4	4	4	4	4	4	5	5
Total full-time positions	205	193	176	170	155	153	145	146	144	138
Per 1,000 population	7	6.43	5.87	5.67	5.17	5.10	5.18	5.21	5.14	4.93

Source: Powhatan County Human Resources Department

Operating Indicators by Function
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Sheriffs Office (1)										
Traffic citations	1,754	1,864	1,404	1,408	1,548	2,227	2,322	2,236	2,712	2,076
Criminal arrests	458	418	413	394	325	432	729	933	961	825
Calls for service	23,350	24,698	24,114	22,451	21,077	23,725	24,343	23,762	24,568	17,610
Calls dispatched	23,350	24,698	24,114	22,451	21,077	23,725	24,343	23,762	24,568	17,610
Calls dispatched for traffic	1074	768	679	747	833	715	806	979	888	842
Criminal warrants served	1085	891	972	877	875	1,128	1,030	1,146	1,022	1,035
Civil warrants and traffic notices	6,592	7,641	5,785	5,987	7,329	8,096	10,009	12,046	13,358	13,062
Fire and Rescue (2)										
Calls dispatched for fire/rescue	4,181	3,725	3,460	3,528	3,069	3,030	3,186	3,366	3,569	3,280
Community Development (3)										
Site plans reviewed	15	10	8	14	9	9	13	13	8	6
Rezoning Cases	5	9	16	13	10	6	10	10	13	24
CUP's	7	5	4	10	7	7	10	9	6	10
Subdivisions	15	4	3	6	7	7	8	9	7	3
Inspections	7,329	7,807	8,682	8,560	8,406	9,095	8,261	7,266	7,432	6,226
Refuse Collection (4)										
Refuse collected (tons per year)	6,102	6,194	6,166	6,457	6,807	6,495	6,682	6,611	6,673	6,562
Number of refuse sites	1	1	1	1	1	1	1	1	1	1
Recyclables Collected (tons per year)	1,546	1,233	1,666	1,472	1,394	1,099	1,088	1,068	1,051	1,027
Parks, recreation and cultural (5)										
Tournaments - Baseball	-	-	-	-	-	-	1	-	1	2
Tournaments - Softball	-	3	3	3	2	8	8	7	5	6
Tournaments - Disc Golf	-	-	-	1	1	1	-	1	1	2
Special Olympics Tournaments	2	2	2	2	-	1	2	2	2	2
Benefit Tournaments	1	-	-	-	-	-	2	2	2	2
School Tournaments	-	1	1	-	-	-	-	1	1	1
School Camps	1	-	-	-	-	-	1	1	1	1
League Tournaments	-	2	2	3	5	3	3	4	4	2
League Camps	1	3	3	3	4	5	7	8	7	6
Trail Runs	1	1	1	1	-	1	2	1	1	1
Leagues/Organizations	16	11	11	12	12	12	12	12	12	10
League Players	2,781	2,616	2,616	3,732	3,472	3,490	3,502	3,510	3,340	2,290
Library (6)										
Materials circulated	151,652	145,061	137,557	121,813	83,777	87,296	105,029	100,741	104,288	104,262
Library patrons - registered borrowers	19,615	18,817	18,005	17,036	15,959	15,508	14,930	13,980	13,372	21,067
Education (7)										
Total employees	648	637	637	622	616	613	606	633	634	637
Teachers	355	330	335	337	318	318	316	318	317	313
Students	4,108	4,214	4,307	4,230	4,076	4,247	4,227	4,222	4,208	4,312
Finance/Administration (8)										
Checks processed	5,349	5,705	5,755	3,656	5,106	5,068	4,980	5,211	5,260	5,761

* Information not available

Sources

- (1) Sheriff's Office
- (2) Fire and Rescue Department
- (3) Building Inspections and Planning Department
- (4) Department of Public Works
- (5) Recreation Department
- (6) Library
- (7) Powhatan County Public Schools
- (8) Department of Finance

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Sheriff's Office (1)										
Patrol vehicles	70	69	69	57	56	52	52	52	48	47
Fire and Rescue (2)										
Companies	6	6	6	6	6	6	6	6	6	6
Stations	8	8	8	8	8	8	8	8	8	8
Rescue Vehicles	7	9	9	9	9	8	10	10	10	11
Fire Apparatus	41	40	39	39	36	35	35	36	37	32
Parks and recreation (3)										
Parks maintained	2	1	1	1	1	1	1	1	1	1
Sports complexes maintained	3	3	3	3	3	3	3	3	-	-
Park/Complex acreage	233	233	233	233	233	233	233	233	212	212
Trails (miles)	2	2	2	2	2	2	2	2	2	2
Fields Maintained	27	27	27	27	27	27	27	27	27	25
Library (4)										
Facilities	1	1	1	1	1	1	1	1	1	1
Public Utilities (5)										
Water										
Daily average consumption (gallons)	191,686	145,605	160,901	151,575	158,145	165,003	207,002	188,586	206,510	171,224
Connections	147	146		136	127	121	113	107	103	96
Sewer										
Average daily sewage treatment Dutoy	48	63	57	43	48	43	44	46	43	48
Average daily sewage treatment Fighting Creek (thousands of gallons)	43	45	35	35	42	30	40	34	31	39
Connections	335	335	305	310	242	235	207	194	180	164
Education - Number of Schools (6)										
Elementary Schools	3	3	3	3	3	3	3	3	3	3
Jr High Schools	-	-	-	-	-	-	-	-	-	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
Public Works (7)										
Buildings	26	25	25	25	25	25	24	24	24	23
Parking lots	21	21	21	21	21	21	20	19	19	18
Pump Stations/Cell Towers	4	4	3	3	8	8	8	8	8	8
Water Tank	2	2	2	2	2	2	2	2	1	1

* Information not available

Sources

- (1) Sheriff's Office
- (2) Fire and Rescue Department
- (3) Recreation Department
- (4) Library
- (5) Department of Public Works
- (6) Powhatan County Public Schools
- (7) Department of Public Works

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COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Powhatan, Virginia (the “County”), 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, and have issued our report thereon dated November 21, 2025.

Report on Internal Control over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 21, 2025

COUNTY OF POWHATAN, VIRGINIA

SUMMARY OF COMPLIANCE MATTERS

June 30, 2025

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants as shown below:

STATE COMPLIANCE MATTERS

Code of Virginia:

Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Sheriff Internal Controls
Comprehensive Services Act
Uniform Disposition of Unclaimed Property Act

State Agency Requirements:

Education
Social Services
Fire Programs Aid to Localities
Opioid Abatement Funds

County of Powhatan, Virginia
Schedule of Findings and Responses
June 30, 2025

A – Findings – Financial Statement Audit

None

B – Findings – Commonwealth of Virginia

None

COUNTY OF POWHATAN

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