

COUNTY OF PATRICK, VIRGINIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

COUNTY OF PATRICK, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
List of Elected and Appointed Officials	1

FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report	2-5
Management's Discussion and Analysis	6-13

Basic Financial Statements:

	<u>Exhibit</u>	<u>Page</u>
Government-wide Financial Statements:		
Statement of Net Position	1	14
Statement of Activities	2	15
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	16
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	4	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	5	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	19
Statement of Net Position - Proprietary Funds	7	20
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	8	21
Statement of Cash Flows - Proprietary Funds	9	22
Statement of Fiduciary Net Position - Fiduciary Funds	10	23
Statement of Changes in Fiduciary Net Position	11	24
Notes to Financial Statements		25-103

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
General Fund	12	104
Schedule of Changes in Net Pension Liability and Related Ratios:		
Primary Government	13	105
Component Unit - School Board (nonprofessional)	14	106
Schedule of Employer's Share of Net Pension Liability - VRS Teacher Retirement Plan	15	107
Schedule of Employer Contributions - Pension Plans	16	108
Notes to Required Supplementary Information - Pension Plans	17	109
Schedule of Changes in Total OPEB Liability and Related Ratios:		
Primary Government - Health Insurance	18	110
Component Unit - School Board - Health Insurance	19	111
Notes to Required Supplementary Information - Health Insurance	20	112
Schedule of Employers' Share of the Net OPEB Liability:		
Primary Government - Group Life Insurance (GLI) Plan	21	113
Component Unit - School Board (nonprofessional) - Group Life Insurance (GLI) Plan	22	114
Component Unit - School Board (professional) - Group Life Insurance (GLI) Plan	23	115
Schedule of Employer Contributions - Group Life Insurance (GLI) Plan	24	116
Notes to Required Supplementary Information - Group Life Insurance (GLI) Plan	25	117
Schedule of Changes in the Net OPEB Liability and Ratios:		
Primary Government - Health Insurance Credit (HIC) Plan	26	118
Component Unit - School Board - Health Insurance Credit (HIC) Plan	27	119
Schedule of Employer Contributions - Health Insurance Credit (HIC) Plan	28	120
Notes to Required Supplementary Information - Health Insurance Credit (HIC) Plan	29	121
Schedule of School Board's Share of the Net OPEB Liability:		
Teacher Employee Health Insurance Credit (HIC) Plan	30	122
Schedule of Employer Contributions - Teacher Employee Health Insurance Credit (HIC) Plan	31	123
Notes to Required Supplementary Information - Teacher Employee Health Insurance Credit (HIC) Plan	32	124

COUNTY OF PATRICK, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS (continued)

FINANCIAL SECTION (continued)

	<u>Exhibit</u>	<u>Page</u>
Other Supplementary Information:		
Combining and Individual Fund Financial Statements and Schedules:		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
Nonmajor Special Revenue Fund	33	125
Combining Statement of Fiduciary Net Position - Fiduciary Funds	34	126
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	35	127
Discretely Presented Component Unit - School Board:		
Balance Sheet	36	128
Statement of Revenues, Expenditures, and Changes in Fund Balances	37	129
Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual	38	130
Supporting Schedules:		
Schedule of Revenues - Budget and Actual - Governmental Funds	1	131-134
Schedule of Expenditures - Budget and Actual - Governmental Funds	2	135-138
Other Statistical Information:		
Government-wide Information:		
Government-wide Expenses by Function	1	139
Government-wide Revenues	2	140
Fund Information:		
General Governmental Expenditures by Function	3	141
General Governmental Revenues by Source	4	142
Property Tax Levies and Collections	5	143
Assessed Value of Taxable Property	6	144
Property Tax Rates	7	145
Ratios of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	8	146
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures	9	147

COMPLIANCE SECTION

	<u>Page</u>
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	148-149
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	150-152
Schedule of Expenditures of Federal Awards	153-154
Schedule of Findings and Questioned Costs	155
Summary Schedule of Prior Audit Findings	156

INTRODUCTORY SECTION

COUNTY OF PATRICK, VIRGINIA

BOARD OF SUPERVISORS

Andrew Overby, Vice-chair Doug Perry	Jonathan Wood, Chair	Clayton Kendrick, Jr. Steve Marshall
---	----------------------	---

COUNTY SCHOOL BOARD

Robert "Rob" Martin, Vice-chair Shannon Harrell	Amy Walker, Chair	Lester Harrell Walter Scott
--	-------------------	--------------------------------

SOCIAL SERVICES BOARD

Jeffrey Riffe Megan Stokes Joe Lanham	Alice Barnard Derina Scott Rhonda Pruitt
---	--

OTHER OFFICIALS

Clerk of the Circuit Court	Morgan Boothe
Commonwealth's Attorney.....	Dayna K. Bobbitt
Commissioner of the Revenue	Glenda Morse
Treasurer	Sandra K. Stone
Sheriff.....	Dan Smith
Superintendent of Schools.....	Jason A. Wood
Director of Social Services.....	Carol Craig
County Administrator.....	Elizabeth Simms
County Attorney.....	Jim Guynn

FINANCIAL SECTION



Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Patrick, Virginia
Stuart, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Patrick, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Patrick, Virginia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Patrick, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Authority/Board/Commission Name, 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 Principles

As described in Note 18 to the financial statements, in 2025, the County of Patrick, Virginia adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 17 to the financial statements, in 2025, the County of Patrick, Virginia restated beginning balances to reflect the requirements of GASB Statement No. 101 and correct lease assets and liabilities for a land lease not recorded in prior year.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of County of Patrick, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Patrick, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Patrick, Virginia's internal control over financial reporting and compliance.

Robinson, James, Cox Associates

Blacksburg, Virginia
December 5, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Patrick County, Virginia, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements that follow.

Financial Highlights

- The assets and deferred outflows of resources of the County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$26,005,448 (net position). Of this amount, \$16,897,053 was considered unrestricted.
- The assets and deferred outflows of resources of the County's business-type activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,690,536 (net position). Of this amount, \$264,614 was considered unrestricted.
- The assets and deferred outflows of resources of the School Board component unit exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$714,634 (net position).
- The assets of the EDA component unit exceeded its liabilities at the close of the fiscal year by \$3,117,881 (net position). Of this amount, \$1,465,281 was considered unrestricted.
- As of the close of the current fiscal year, the County reported combined ending fund balances of \$23,120,979. This is \$4,913,703 more than the prior fiscal year total fund balances. Of the current fiscal year fund balances, \$19,141,619 is considered unassigned, \$29,417 is considered non-spendable prepaid items, \$2,996,025 is considered restricted, and \$953,918 is considered assigned to specific funds.

When compared to the prior fiscal year, unassigned balances increased by \$3,598,770, non-spendable prepaid items increased by \$15,817, restricted balances increased by \$1,428,917, and assigned fund balances decreased by \$129,801. The increase in unassigned fund balances was due to a combination of increased tax and service revenue and a significant decrease in expenditures compared to FY2024.

- During the year, the County's governmental fund revenues exceeded expenditures by \$4,504,338, compared to \$30,846 in FY2024. This is the sixth year in a row Patrick County has seen a revenue surplus, continuing to grow reserves thereby helping to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures, and to help fund capital projects.

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 are comprised of three components:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

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

The Statement of Net Position (Exhibit 1) presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities (Exhibit 2) presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the Government-wide Financial Statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Patrick County's governmental activities include general government, courts, public safety, sanitation, social services, education, cultural events, and recreation. Public utilities consisting of water and sewer services are the county's only business-type activity.

The Government-wide Financial Statements include not only the County of Patrick, Virginia itself (known as the primary government), but also a PSA Water Fund and a PSA Sewer Fund (known as business-type activities) and a legally separate school board for which the County of Patrick is financially accountable. The financial statements also include the Economic Development Authority, a discretely presented component unit that the County of Patrick does not control, but which does share a significant financial relationship.

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

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance 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 (Exhibit 3) and the Governmental Funds

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit 5) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget (Exhibit 12).

Proprietary Funds - The County maintains two proprietary funds: The PSA Water Fund and the PSA Sewer Fund.

The PSA Water Fund and the PSA Sewer Fund account for activities similar to those found in the private sector. In fiscal year 2013, the PSA Fund revenue consisted of water service only. In fiscal year 2014, Patrick County completed the sewer line construction and began providing this service, thereby increasing its customer base and revenues. In fiscal year 2015, the PSA Fund was separated into the PSA Water Fund and the PSA Sewer Fund to designate revenues and expenditures to each of the separate services.

Fiduciary funds - Patrick County is the trustee, or fiduciary, for the County's agency funds and expendable trust funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position (Exhibit 10). The County excludes these activities from the Government-wide Financial Statements because the County cannot use these assets to finance its operations. The county has three fiduciary funds: Special Welfare, Dehart Cemetery, and Jail Inmate Fund.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison and presentation of combining financial statements for the discretely presented component units and the non-major funds.

Notes to the statements also provide detailed information for post-employment benefits. These include the Line of Duty Act (Note 9), Health Insurance for both County and School Board employees (Note 10 and 11), Group Life Insurance (Note 12), and the Health Insurance Credit for both County employees and Teachers (Note 13 and 14). Note 15 provides an overall summary of the postemployment benefits for both the Primary Government and School Board.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a County's financial position. In the case of the of the County's Primary Government, assets and deferred outflows of resources exceed liabilities and deferred inflows by \$29,695,984 at the close of the fiscal year 2025. The Component Units (School & EDA) also closed the year with a surplus of \$3,832,515.

The largest component of the net position is unrestricted in the amount of \$17,161,667, or 57.8% of the Primary Government's total net position. This may be used to meet the County's ongoing obligations to citizens and creditors.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

The second largest portion of the County’s net position, \$9,070,282, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, and construction in progress), less any outstanding debt related to the acquisition of those assets. These capital assets are used 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.

The following table summarizes the Statement of Net Position as presented in the government-wide financial statement (Exhibit 1) for 2025 and 2024:

	Primary Government		Component Units (School & EDA)	
	2025	2024	2025	2024
Current assets	\$ 32,409,753	\$ 29,403,255	\$ 6,408,290	\$ 6,329,636
Capital assets	35,955,862	38,099,566	22,552,687	21,516,877
Total assets	<u>\$ 68,365,615</u>	<u>\$ 67,502,821</u>	<u>\$ 28,960,977</u>	<u>\$ 27,846,513</u>
Deferred outflows of resources	<u>\$ 3,954,998</u>	<u>\$ 3,351,535</u>	<u>\$ 6,833,882</u>	<u>\$ 6,718,344</u>
Current liabilities	\$ 1,532,110	\$ 3,635,218	\$ 3,710,820	\$ 3,584,864
Long-term liabilities	33,612,888	33,952,846	23,563,541	22,696,246
Total liabilities	<u>\$ 35,144,998</u>	<u>\$ 37,588,064</u>	<u>\$ 27,274,361</u>	<u>\$ 26,281,110</u>
Deferred inflows of resources	<u>\$ 7,479,631</u>	<u>\$ 7,572,535</u>	<u>\$ 4,687,983</u>	<u>\$ 3,624,269</u>
Net position				
Net investment in capital assets				
Restricted	\$ 9,070,282	\$ 9,910,945	\$ 22,121,854	\$ 21,483,735
Unrestricted	3,464,035	2,094,341	505,431	763,641
Total net position	<u>17,161,667</u>	<u>13,688,471</u>	<u>(18,794,770)</u>	<u>(17,581,252)</u>
	<u><u>\$ 29,695,984</u></u>	<u><u>\$ 25,693,757</u></u>	<u><u>\$ 3,832,515</u></u>	<u><u>\$ 4,666,124</u></u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following table summarizes the Statement of Activities as presented in the government-wide financial statement (Exhibit 2) for 2025 and 2024:

Statement of Activities:	Primary Government		Component Units (School & EDA)	
	2025	2024	2025	2024
Program revenues				
Charges for services	\$ 1,624,092	\$ 1,182,135	\$ 946,435	\$ 966,931
Operating grants and contributions	10,856,921	9,683,984	37,144,465	39,393,313
Capital grants and contributions	-	769,341	569,527	311,970
General revenues				
Property taxes	18,077,982	16,953,757	-	-
Other taxes	6,003,767	5,707,064	-	-
Revenue from use of money	601,099	784,771	35,284	46,728
Miscellaneous	298,571	760,406	589,070	526,469
Grants and contributions not restricted to specific programs	1,244,273	1,249,111	-	-
Total revenues	\$ 38,706,705	\$ 37,090,569	\$ 39,284,781	\$ 41,245,411
Expenses				
General government	\$ 1,678,605	\$ 1,633,951	\$ -	\$ -
Judicial administration	1,599,734	1,368,284	-	-
Public safety	11,161,590	9,517,108	-	-
PSA	248,874	237,731	-	-
Public works	2,154,172	2,164,574	-	-
Health and welfare	6,379,934	6,620,692	-	-
Education	8,061,999	10,838,204	37,645,332	37,051,400
Parks, recreation and cultural	610,145	637,811	-	-
Community development	1,258,802	1,527,465	110,498	275,960
Interest on long-term debt	1,136,459	1,176,933	-	-
Total expenses	\$ 34,290,314	\$ 35,722,753	\$ 37,755,830	\$ 37,327,360
Change in net position	\$ 4,416,391	\$ 1,367,816	\$ 1,528,951	\$ 3,918,051

The statement of activities illustrates the cost of governmental activities net of related revenues. It also shows the general revenue sources that fund governmental operations.

Financial Analysis of the County's Funds

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 County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds (which consists of the General Fund and the Nonmajor Asset Forfeiture Fund) reported combined ending fund balances of \$23,120,979. Of this total, \$29,417, or 0.13%, constitutes non-spendable amounts for prepaid items, 12.96% of the total amount, \$2,996,025, constitutes restricted fund balance, and 4.13% of the total amount, \$953,918, constitutes assigned fund balance. Both restricted and assigned fund balances are available only for specific purposes as directed by external parties such as grantors, laws or legislation. The remaining balance, \$19,141,619, or 82.78%, is unassigned, meaning there are no restrictions placed on the funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The General Fund is the operating fund of the County. At the end of the current fiscal year, total fund balance of the General Fund was \$22,944,636. Of this amount, \$19,141,619 was considered unassigned.

Total governmental fund revenues for the fiscal year ended June 30, 2025, increased \$1,432,094 and expenditures decreased \$3,041,398 over fiscal year ended June 30, 2024.

The following table summarizes the County's governmental funds revenues for 2025 and 2024.

Revenues:	Governmental Funds	
	2025	2024
General Fund:		
From local sources:		
General property taxes	\$ 17,599,809	\$ 16,840,275
Other local taxes	6,003,767	5,707,064
Permits, fees & licenses	106,560	99,655
Court fines & forfeitures	22,931	19,411
Use of money & property	630,060	793,055
Charges for services	1,232,267	880,470
Miscellaneous	357,794	523,265
Recovered costs	1,531,506	1,590,610
Total revenue from local sources	27,484,694	26,453,805
From the Commonwealth:		
Noncategorical aid	1,138,796	1,103,208
Shared expenses	4,257,940	4,045,548
State welfare funds	951,197	854,311
Children's services	1,534,020	2,089,403
Grants	711,408	500,162
Total from the Commonwealth	8,593,361	8,592,632
From the Federal Government:		
Noncategorical aid	105,477	145,903
Federal welfare funds	1,811,814	1,710,963
Grants	1,586,750	1,246,671
Total from the Federal Gov't	3,504,041	3,103,537
Asset Forfeiture Fund:	8,947	8,975
Total governmental fund revenues	\$ 39,591,043	\$ 38,158,949

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following table summarizes the County's governmental funds expenditures for 2025 and 2024.

Expenditures:	Governmental Funds	
	2025	2024
General Fund:		
Board of supervisors	\$ 52,622	\$ 116,847
General & financial administration	1,879,519	1,739,209
Board of elections	293,782	240,148
Courts	898,857	772,561
Commonwealth Attorney	732,558	664,517
Law enforcement & traffic control	5,176,799	5,091,649
Fire & rescue services	2,359,339	2,141,746
Correction & detention	3,019,287	3,030,785
Building inspections	226,024	130,893
Other public safety	539,836	438,519
Sanitation & waste removal	917,731	893,751
Maintenance of buildings and grounds	1,140,777	1,056,454
Health & welfare	6,360,812	6,764,891
Education	6,321,247	9,595,819
Parks, recreation & cultural	614,295	643,963
Community development	994,935	1,640,545
Accrued leave balances	-	-
Capital projects	695,068	374,688
Debt service	2,861,496	2,789,776
Asset Forfeiture Fund	1,721	1,342
Total Expenditures	<u>\$ 35,086,705</u>	<u>\$ 38,128,103</u>

General Fund Budgetary Highlights

There were differences between the original budget and the final amended budget for the current year. Schedule 1 and Schedule 2 provide the details of any differences.

Capital Assets and Debt Administration

Capital Assets - The County's investment in capital assets for its governmental funds as of June 30, 2025, amounts to \$32,529,940 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. Investment in capital assets for business-type activities amounts to \$3,425,922 (net of accumulated depreciation). Capital asset activity for the school board component as of June 30, 2025, amounts to \$20,900,087 (net of accumulated depreciation). Patrick County Public Schools continue to make much needed improvements to their facilities using the revenue from the additional 1% sales tax fund.

Additional information on the County of Patrick's capital assets can be found in Note 16 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Long-term Obligations - At the end of the current fiscal year, the County had total debt outstanding as follows:

Governmental Activities:	
General Obligation Bonds	\$ 16,977,996
Lease Revenue Bonds	9,454,000
Bond Premiums	932,873
Literary Loans	300,000
Lease liabilities	645,556
Compensated Absences	1,871,905
Net Pension Liability	2,476,783
Net OPEB Liabilities	953,775
Total	<u>\$ 33,612,888</u>

Additional information on the County of Patrick's long-term debt can be found in Note 6 of this report.

Long-Term Obligations - Component Unit-School Board

Lease liabilities	\$ 12,374
Compensated absences	3,333,780
Net pension liability	13,797,855
Net OPEB liabilities	6,202,713
Total	<u>\$ 23,563,541</u>

Additional information on the long-term obligations for the School Board Component Unit can be found in Note 7 of this report.

Economic Factors

The June 2024 unemployment rate for the County of Patrick, Virginia was 4.2%, which is an increase of 0.5% from the June 2024 rate.

The latest estimate by the University of Virginia Weldon Cooper Center for Public Service is a population of 16,985 dated July 1, 2024, reflects a decrease of 3.5% from the 2020 U.S. Census. Population projections indicate a further decrease to 16,179 in 2030.

Finally, according to a Bureau of Labor Statistics report, over the 12 months ended June 2025, the Consumer Price Index increased 2.7 %.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, PO Box 466, Stuart, Virginia 24171.

Basic Financial Statements

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

	Primary Government			Component Unit School Board	Component Unit EDA
	Governmental	Business-type	Total		
	Activities	Activities			
ASSETS					
Cash and cash equivalents	\$ 21,132,254	\$ 260,732	\$ 21,392,986	\$ 2,376,923	\$ 393,777
Cash in custody of others	-	-	-	623,462	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	5,843,692	-	5,843,692	-	-
Other local taxes	277,241	-	277,241	-	-
Accounts receivable	973,178	24,698	997,876	90,354	-
Due from component units	1,760,667	-	1,760,667	-	-
Due from other governmental units	1,918,649	-	1,918,649	1,051,198	-
Inventories	-	-	-	89,010	-
Prepaid items	212,069	6,573	218,642	682,168	8,141
Inventory: Industrial sites held for resale	-	-	-	-	1,064,400
Net pension asset	-	-	-	28,857	-
Capital assets (net of accumulated depreciation):					
Land	1,197,264	-	1,197,264	769,576	104,605
Buildings and improvements	29,582,504	-	29,582,504	11,689,551	1,547,995
Machinery and equipment	950,354	-	950,354	7,393,771	-
Infrastructure	-	3,425,922	3,425,922	-	-
Construction in progress	132,669	-	132,669	616,349	-
Right to use assets:					
Subscription asset	-	-	-	418,459	-
Lease - Machinery, equipment, and vehicles	667,149	-	667,149	12,381	-
Total assets	<u>\$ 64,647,690</u>	<u>\$ 3,717,925</u>	<u>\$ 68,365,615</u>	<u>\$ 25,842,059</u>	<u>\$ 3,118,918</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	\$ 1,424,845	\$ -	\$ 1,424,845	\$ -	\$ -
Pension related items	2,300,569	-	2,300,569	5,408,149	-
OPEB related items	229,584	-	229,584	1,425,733	-
Total deferred outflows of resources	<u>\$ 3,954,998</u>	<u>\$ -</u>	<u>\$ 3,954,998</u>	<u>\$ 6,833,882</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ 687,064	\$ 2,354	\$ 689,418	\$ 48,767	\$ 1,037
Accrued wages	72,243	-	72,243	1,451,349	-
Estimate of incurred but not reported health claims	231,576	-	231,576	-	-
Accrued interest payable	413,838	-	413,838	-	-
Due to component unit	-	-	-	-	-
Due to primary government	-	-	-	1,760,667	-
Customer deposits	-	25,035	25,035	-	-
Unearned revenue	100,000	-	100,000	449,000	-
Long-term liabilities:					
Due within one year	3,269,878	-	3,269,878	2,564,110	-
Due in more than one year	30,343,010	-	30,343,010	20,999,431	-
Total liabilities	<u>\$ 35,117,609</u>	<u>\$ 27,389</u>	<u>\$ 35,144,998</u>	<u>\$ 27,273,324</u>	<u>\$ 1,037</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 6,045,019	\$ -	\$ 6,045,019	\$ -	\$ -
Pension related items	1,218,940	-	1,218,940	2,664,047	-
OPEB related items	215,672	-	215,672	2,023,936	-
Total deferred inflows of resources	<u>\$ 7,479,631</u>	<u>\$ -</u>	<u>\$ 7,479,631</u>	<u>\$ 4,687,983</u>	<u>\$ -</u>
NET POSITION					
Net investment in capital assets	\$ 5,644,360	\$ 3,425,922	\$ 9,070,282	\$ 20,469,254	\$ 1,652,600
Restricted					
School construction	2,216,294	-	2,216,294	-	-
Asset forfeiture	176,343	-	176,343	-	-
Transient occupancy	299,933	-	299,933	-	-
Future pension costs	-	-	-	28,857	-
School cafeteria	-	-	-	476,574	-
Opioid abatement	771,465	-	771,465	-	-
Unrestricted (deficit)	16,897,053	264,614	17,161,667	(20,260,051)	1,465,281
Total net position	<u>\$ 26,005,448</u>	<u>\$ 3,690,536</u>	<u>\$ 29,695,984</u>	<u>\$ 714,634</u>	<u>\$ 3,117,881</u>

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Charges for Services		Capital Grants and Contributions		Governmental Activities		Primary Government Business-type Activities		Component Units	
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Total	Total	School Board	EDA			
PRIMARY GOVERNMENT:										
Governmental activities:										
General government administration	\$ 1,678,605	\$ 8,999	\$ 687,429	\$ -	\$ (982,177)	\$ -	\$ (982,177)	\$ -	\$ -	\$ -
Judicial administration	1,599,734	53,995	815,677	-	(730,062)	-	(730,062)	-	-	-
Public safety	11,161,590	775,895	4,662,451	-	(5,723,244)	-	(5,723,244)	-	-	-
Public works	2,154,172	564,612	180,699	-	(1,408,861)	-	(1,408,861)	-	-	-
Health and welfare	6,379,934	-	4,318,131	-	(2,061,803)	-	(2,061,803)	-	-	-
Education	8,061,999	-	-	-	(8,061,999)	-	(8,061,999)	-	-	-
Parks, recreation, and cultural	610,145	31,835	55,455	-	(522,855)	-	(522,855)	-	-	-
Community development	1,258,802	-	137,079	-	(1,121,723)	-	(1,121,723)	-	-	-
Interest on long-term debt	1,136,459	-	-	-	(1,136,459)	-	(1,136,459)	-	-	-
Total governmental activities	\$ 34,041,440	\$ 1,435,336	\$ 10,856,921	\$ -	\$ (21,749,183)	\$ -	\$ (21,749,183)	\$ -	\$ -	\$ -
Business-type activities:										
Public Service Authority	\$ 248,874	\$ 188,756	\$ -	\$ -	\$ -	\$ (60,118)	\$ (60,118)	\$ -	\$ -	\$ -
Total primary government	\$ 34,290,314	\$ 1,624,092	\$ 10,856,921	\$ -	\$ (21,749,183)	\$ (60,118)	\$ (21,809,301)	\$ -	\$ -	\$ -
COMPONENT UNITS:										
School Board	\$ 37,645,332	\$ 942,608	\$ 29,092,466	\$ 568,269	\$ -	\$ -	\$ -	\$ (7,041,989)	\$ -	\$ -
EDA	110,498	3,827	-	1,258	\$ -	\$ -	\$ -	\$ (7,041,989)	\$ -	\$ (105,413)
Total component units	\$ 37,755,830	\$ 946,435	\$ 29,092,466	\$ 569,527	\$ -	\$ -	\$ -	\$ (7,041,989)	\$ -	\$ (105,413)
General revenues:										
General property taxes		\$ 18,077,982			\$ 18,077,982		\$ 18,077,982		\$ -	\$ -
Other local taxes:										
Local sales and use taxes			3,684,387				3,684,387			
Consumers' utility taxes			414,198				414,198			
Gross receipts			3,326				3,326			
Cigarette taxes			36,996				36,996			
Consumption taxes			54,140				54,140			
Motor vehicle licenses			468,393				468,393			
Bank stock taxes			11,214				11,214			
Taxes on recordation and wills			119,081				119,081			
Transient occupancy taxes			796,766				796,766			
Food and beverage taxes			415,266				415,266			
Unrestricted revenues from use of money			601,099				601,099		17,846	34
Miscellaneous			298,571				298,571		589,036	
Contribution from Patrick County, Virginia									8,051,999	
Grants and contributions not restricted to specific programs			1,244,273				1,244,273			
Transfers			20,585				20,585			
Total general revenues and transfers		\$ 26,246,277	\$ (20,585)		\$ 26,225,692		\$ 26,225,692		\$ 8,658,473	\$ 17,880
Change in net position		\$ 4,497,094	\$ (80,703)		\$ 4,416,391		\$ 4,416,391		\$ 1,616,484	\$ (87,533)
Net position - beginning, as previously reported		21,922,518	3,771,239	25,693,757			25,693,757		1,548,310	3,117,814
Restatements		(414,164)	-	(414,164)			(414,164)		(2,450,160)	87,600
Total net position - beginning, as restated		21,508,354	3,771,239	25,279,593			25,279,593		(901,850)	3,205,414
Net position - ending		\$ 26,005,448	\$ 3,690,536	\$ 29,695,984			\$ 29,695,984		\$ 714,634	\$ 3,117,881

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

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

	<u>General</u>	<u>Nonmajor Asset Forfeiture</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 20,808,356	176,343	\$ 20,984,699
Receivables (net of allowance for uncollectibles)			
Taxes receivable	5,843,692	-	5,843,692
Other local taxes	277,241	-	277,241
Accounts receivable	973,178	-	973,178
Due from component unit	1,760,667	-	1,760,667
Due from other governmental units	1,918,649	-	1,918,649
Prepaid items	29,417	-	29,417
Total assets	<u>\$ 31,611,200</u>	<u>\$ 176,343</u>	<u>\$ 31,787,543</u>
LIABILITIES			
Accounts payable	\$ 687,064	\$ -	\$ 687,064
Accrued liabilities	72,243	-	72,243
Unearned revenue	100,000	-	100,000
Total liabilities	<u>\$ 859,307</u>	<u>\$ -</u>	<u>\$ 859,307</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - opioid settlements	\$ 468,010	\$ -	\$ 468,010
Unavailable revenue - property taxes	7,299,785	-	7,299,785
Unavailable revenue - EMS billings	39,462	-	39,462
Total deferred inflows of resources	<u>\$ 7,807,257</u>	<u>\$ -</u>	<u>\$ 7,807,257</u>
FUND BALANCES			
Nonspendable - prepaid items	\$ 29,417	\$ -	\$ 29,417
Restricted:			
Opioid abatement	303,455	-	303,455
School construction	2,216,294	-	2,216,294
Asset Forfeiture	-	176,343	176,343
Transient Occupancy	299,933	-	299,933
Assigned:			
Law Library	26,289	-	26,289
Courthouse Maintenance	28,146	-	28,146
Courthouse Security	36,384	-	36,384
Fire Programs	117,466	-	117,466
Four for Life	65,917	-	65,917
Spay and Neuter	925	-	925
Fire and Rescue Equipment	11,818	-	11,818
Capital Depreciation	214,832	-	214,832
Skate Park	22,445	-	22,445
Broadband	205,035	-	205,035
Bob White Covered Bridge	34,950	-	34,950
Sheriff/Jail	189,711	-	189,711
Unassigned	19,141,619	-	19,141,619
Total fund balances	<u>\$ 22,944,636</u>	<u>\$ 176,343</u>	<u>\$ 23,120,979</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,611,200</u>	<u>\$ 176,343</u>	<u>\$ 31,787,543</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 23,120,979

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

Land	\$ 1,197,264	
Buildings and improvements	29,582,504	
Machinery and equipment	950,354	
Intangible right-to-use assets: Machinery, equipment, and vehicles	667,149	
Construction in progress	132,669	32,529,940

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

Unavailable revenue - opioid settlements	\$ 468,010	
Unavailable revenue - property taxes	1,254,766	1,762,238

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 98,631

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

Deferred charge on refunding	\$ 1,424,845	
Pension related items	2,300,569	
OPEB related items	229,584	3,954,998

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

Bond premiums	\$ (932,873)	
Accrued interest payable	(413,838)	
Compensated absences	(1,871,905)	
Net pension liability	(2,476,783)	
Net OPEB liabilities	(953,775)	
Lease liabilities	(645,556)	
Literary loans	(300,000)	
Lease revenue bonds	(9,454,000)	
General obligation bonds	(16,977,996)	(34,026,726)

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

Pension related items	\$ (1,218,940)	
OPEB related items	(215,672)	(1,434,612)

Net position of governmental activities \$ 26,005,448

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

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

	<u>General</u>	<u>Nonmajor Asset Forfeiture</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 17,599,809	\$ -	\$ 17,599,809
Other local taxes	6,003,767	-	6,003,767
Permits, privilege fees, and regulatory licenses	106,560	-	106,560
Fines and forfeitures	22,931	-	22,931
Revenue from the use of money and property	630,060	5,155	635,215
Charges for services	1,232,267	-	1,232,267
Miscellaneous	357,794	-	357,794
Recovered costs	1,531,506	-	1,531,506
Intergovernmental:			
Commonwealth	8,593,361	3,792	8,597,153
Federal	3,504,041	-	3,504,041
Total revenues	<u>\$ 39,582,096</u>	<u>\$ 8,947</u>	<u>\$ 39,591,043</u>
EXPENDITURES			
Current:			
General government administration	\$ 2,225,923	\$ -	\$ 2,225,923
Judicial administration	1,631,415	-	1,631,415
Public safety	11,321,285	1,721	11,323,006
Public works	2,058,508	-	2,058,508
Health and welfare	6,360,812	-	6,360,812
Education	6,321,247	-	6,321,247
Parks, recreation, and cultural	614,295	-	614,295
Community development	994,935	-	994,935
Capital projects	695,068	-	695,068
Debt service:			
Principal retirement	1,650,108	-	1,650,108
Interest and other fiscal charges	1,211,388	-	1,211,388
Total expenditures	<u>\$ 35,084,984</u>	<u>\$ 1,721</u>	<u>\$ 35,086,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,497,112</u>	<u>\$ 7,226</u>	<u>\$ 4,504,338</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 106,745	\$ -	\$ 106,745
Transfers out	-	(19,525)	(19,525)
Issuance of leases	322,145	-	322,145
Total other financing sources (uses)	<u>\$ 428,890</u>	<u>\$ (19,525)</u>	<u>\$ 409,365</u>
Net change in fund balances	\$ 4,926,002	\$ (12,299)	\$ 4,913,703
Fund balances - beginning	18,018,634	188,642	18,207,276
Fund balances - ending	<u>\$ 22,944,636</u>	<u>\$ 176,343</u>	<u>\$ 23,120,979</u>

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

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

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

Net change in fund balances - total governmental funds	\$	4,913,703
<p>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 detail of items supporting this adjustment:</p>		
Capital outlays	\$	665,160
Depreciation expense	<u>(1,835,359)</u>	(1,170,199)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.</p>		
Contribution of school assets as debt balances were paid completely		(925,744)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Increase (decrease) in unavailable revenue - tax revenue	\$	478,173
Increase (decrease) in unavailable revenue - opioid settlement	<u>(59,223)</u>	458,412
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of, premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
<p>Issuance of debt:</p>		
Lease liabilities	\$	(322,145)
<p>Principal repayments:</p>		
General obligation bonds and lease revenue bonds	1,408,294	
Literary loans	75,000	
Lease liabilities	<u>166,814</u>	1,327,963
<p>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.</p>		
Change in compensated absences	\$	(614,850)
Amortization of bond premium	146,817	
Amortization of deferred amount on refunding	(101,774)	
Change in accrued interest payable	29,886	
Change in net pension liability and related deferred items	640,908	
Change in net OPEB liabilities and related deferred items	<u>(37,203)</u>	63,784
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.</p>		
		(170,825)
Change in net position of governmental activities	<u>\$</u>	<u>4,497,094</u>

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

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

	Public Service Authority			Internal Service Fund
	Water Fund	Sewer Fund	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 228,107	\$ 32,625	\$ 260,732	\$ 147,555
Accounts receivables, net of allowances for uncollectibles	20,174	4,524	24,698	-
Due from other funds	1,632	-	1,632	-
Prepaid expenses	6,573	-	6,573	182,652
Total current assets	<u>\$ 256,486</u>	<u>\$ 37,149</u>	<u>\$ 293,635</u>	<u>\$ 330,207</u>
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Infrastructure	\$ 1,321,759	\$ 2,104,163	\$ 3,425,922	\$ -
Total noncurrent assets	<u>\$ 1,321,759</u>	<u>\$ 2,104,163</u>	<u>\$ 3,425,922</u>	<u>\$ -</u>
Total assets	<u>\$ 1,578,245</u>	<u>\$ 2,141,312</u>	<u>\$ 3,719,557</u>	<u>\$ 330,207</u>
LIABILITIES				
Current liabilities:				
Estimate of incurred but not reported health claims	\$ -	\$ -	\$ -	\$ 231,576
Accounts payable	2,051	303	2,354	-
Customers' deposits	20,155	4,880	25,035	-
Due to other funds	-	1,632	1,632	-
Total liabilities	<u>\$ 22,206</u>	<u>\$ 6,815</u>	<u>\$ 29,021</u>	<u>\$ 231,576</u>
NET POSITION				
Investment in capital assets	\$ 1,321,759	\$ 2,104,163	\$ 3,425,922	\$ -
Unrestricted	234,280	30,334	264,614	98,631
Total net position	<u>\$ 1,556,039</u>	<u>\$ 2,134,497</u>	<u>\$ 3,690,536</u>	<u>\$ 98,631</u>

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

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

	Public Service Authority			Internal Service Fund
	Water Fund	Sewer Fund	Total	
OPERATING REVENUES				
Charges for services:				
Water revenues	\$ 151,312	\$ -	\$ 151,312	\$ -
Sewer revenues	-	37,444	37,444	-
Insurance premiums	-	-	-	1,909,008
Total operating revenues	<u>\$ 151,312</u>	<u>\$ 37,444</u>	<u>\$ 188,756</u>	<u>\$ 1,909,008</u>
OPERATING EXPENSES				
Administration	\$ 14,235	\$ 33,881	\$ 48,116	\$ -
Purchase of water	49,115	-	49,115	-
Purchase of sewer	-	15,700	15,700	-
Pump station maintenance	9,604	-	9,604	-
Depreciation	49,852	76,487	126,339	-
Insurance claims and expenses	-	-	-	2,013,198
Total operating expenses	<u>\$ 122,806</u>	<u>\$ 126,068</u>	<u>\$ 248,874</u>	<u>\$ 2,013,198</u>
Operating income (loss)	<u>\$ 28,506</u>	<u>\$ (88,624)</u>	<u>\$ (60,118)</u>	<u>\$ (104,190)</u>
NONOPERATING REVENUES (EXPENSES)				
Income (loss) before capital contributions and transfers	<u>\$ 28,506</u>	<u>\$ (88,624)</u>	<u>\$ (60,118)</u>	<u>\$ (104,190)</u>
Transfers in	\$ -	\$ 18,192	\$ 18,192	\$ -
Transfers out	(38,777)	-	(38,777)	(66,635)
Change in net position	<u>\$ (10,271)</u>	<u>\$ (70,432)</u>	<u>\$ (80,703)</u>	<u>\$ (170,825)</u>
Net position - beginning	1,566,310	2,204,929	3,771,239	269,456
Net position - ending	<u>\$ 1,556,039</u>	<u>\$ 2,134,497</u>	<u>\$ 3,690,536</u>	<u>\$ 98,631</u>

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

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

	Public Service Authority			Internal Service Fund
	Water Fund	Sewer Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts for insurance premiums	\$ -	\$ -	\$ -	\$ 1,909,008
Receipts from customers and users	152,676	36,683	189,359	-
Payments to suppliers	(79,666)	(49,480)	(129,146)	-
Payments for premiums	-	-	-	(2,084,855)
Net cash provided by (used for) operating activities	<u>\$ 73,010</u>	<u>\$ (12,797)</u>	<u>\$ 60,213</u>	<u>\$ (175,847)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	\$ (38,777)	\$ -	\$ (38,777)	\$ (66,635)
Transfers from other funds	-	18,192	18,192	-
Net cash provided by (used for) noncapital financing activities	<u>\$ (38,777)</u>	<u>\$ 18,192</u>	<u>\$ (20,585)</u>	<u>\$ (66,635)</u>
Net increase (decrease) in cash and cash equivalents	\$ 34,233	\$ 5,395	\$ 39,628	\$ (242,482)
Cash and cash equivalents - beginning	193,874	27,230	221,104	390,037
Cash and cash equivalents - ending	<u>\$ 228,107</u>	<u>\$ 32,625</u>	<u>\$ 260,732</u>	<u>\$ 147,555</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 28,506	\$ (88,624)	\$ (60,118)	\$ (104,190)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	\$ 49,852	\$ 76,487	\$ 126,339	\$ -
(Increase) decrease in accounts receivable	(481)	(836)	(1,317)	-
(Increase) decrease in prepaid expenses	(6,573)	-	(6,573)	(182,652)
Increase (decrease) in customer deposits	1,845	75	1,920	-
Increase (decrease) in accounts payable	(139)	101	(38)	110,995
Total adjustments	<u>\$ 44,504</u>	<u>\$ 75,827</u>	<u>\$ 120,331</u>	<u>\$ (71,657)</u>
Net cash provided by (used for) operating activities	<u>\$ 73,010</u>	<u>\$ (12,797)</u>	<u>\$ 60,213</u>	<u>\$ (175,847)</u>

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

County of Patrick, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 19,309
Total assets	\$ 19,309
NET POSITION	
Restricted:	
Special Welfare	\$ 3,506
Dehart Cemetery	6,000
Inmate Balances	9,803
Total net position	\$ 19,309

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Expenditure reimbursements	\$ 42,145
Miscellaneous	347
Inmate reimbursements	103,924
Total contributions	\$ 146,416
DEDUCTIONS	
Special welfare payments	\$ 69,368
Inmate payments	111,523
Total deductions	\$ 181,256
Net increase (decrease) in fiduciary net position	\$ (34,840)
Net position - beginning	54,149
Net position - ending	\$ 19,309

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025

Note 1-Summary of Significant Accounting Policies:

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

A. Financial reporting entity

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

Blended component units - The Patrick County Public Service Authority provides water and sewer service to the County. The Public Service Authority is fiscally dependent upon the County. In addition, the County Board appoints the Public Service Authority's Board.

Discretely Presented Component Units - The component unit columns in the financial statements include the financial data of the County's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the County.

The Patrick County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type. The School Board does not issue a separate financial statement.

The Economic Development Authority of Patrick County (EDA) was created to acquire, own, lease and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Patrick County, Virginia. The Authority is also authorized to issue revenue bonds for the purpose of obtaining and constructing facilities. The Authority is governed by seven directors appointed by the Board of Supervisors of Patrick County, Virginia. A separate financial statement may be obtained by contacting the EDA.

Related Organizations - None

Jointly Governed Organizations:

1. The County and the City of Martinsville participate in supporting the Blue Ridge Regional Library. For the fiscal year ended June 30, 2025, the County contributed \$302,742 to the Library.
2. The County and the Counties of Franklin and Henry and the City of Martinsville participate in supporting the Piedmont Regional Community Services Board. For the fiscal year ended June 30, 2025, the County contributed \$71,179 to the Community Services Board.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

B. Government-wide and fund financial statements

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, 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. Under the current financial reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease and subscription liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

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

Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County.

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

The County's fiduciary funds are presented in the fund financial statements. 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 financial statements.

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.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. The General Fund includes the activities of the Courthouse Maintenance, Contingency, Inmate Medical, CAP Depreciation, Social Services, Opioid Settlement Funds, CSA, Dare, Law Library, Fred Clifton Park, Capital Projects, Courthouse Security, Fire Programs, Four for Life, Treasurer's Deferred Account, Prepaid Taxes, HEM, Stormwater, Inmate Daily, Fire and Rescue Equipment, Skate Park, ARPA, Broadband, Bob White Covered Bridge, and Transient Occupancy Tax Funds.

The government reports the following nonmajor governmental funds:

Special Revenue Funds account for and report the proceeds of specific revenue sources (other than those dedicated for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Asset Forfeiture Fund is reported as a nonmajor special revenue fund.

The government reports the following major proprietary funds:

The *Water Fund* is used to account for and report the activities related to the blended Patrick County Public Service Authority's water distribution system.

The *Sewer Fund* is used to account for and report the activities related to the blended Patrick County Public Service Authority's sewer system.

Additionally, the government reports the following fund types:

Internal Service Funds account for the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Internal Service Funds consist of the Self-insured Health Insurance Fund.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

Fiduciary Funds (Custodial Funds) account for assets held by the government in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. Custodial funds include the Special Welfare, DeHart Cemetery and the Inmate Funds.

The discretely presented component unit School Board of the government reports the following governmental funds:

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

Nonmajor Fund - School Activity Fund - This fund accounts for and reports all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the individual schools.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Cash and cash equivalents

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

2. Investments

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

3. Receivables and payables

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

4. Property taxes

Property is assessed at its value on January 1st. Property taxes attach as an enforceable lien on property as of January 1st. Real estate taxes are payable on June 5th and December 5th. Personal property taxes are due and collectible annually on December 5th. The County bills and collects its own property taxes.

5. Allowance for uncollectible accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$209,287 at June 30, 2025 and is comprised of property taxes (\$56,759), EMS charges (\$139,105), and water charges (\$13,423).

6. Use of estimates

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

7. Capital assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost (except for intangible right-to-use lease and subscription assets), the measurement of which is discussed in more detail below) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Infrastructure - structures, lines, and accessories	20-40
Machinery, equipment, and vehicles	5-30
Lease - Machinery, equipment, and vehicles	5-30
Subscription assets	3-5

8. Compensated absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. Liabilities include applicable salary related payments.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

9. Compensated absences (Continued)

Annual Leave - County

The County policy permits employees to accumulate monthly earned but unused leave benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave - County

The County policy permits employees to accumulate monthly earned but unused leave benefits, which are eligible for payment up to \$1,200. This liability and the amount of expected sick leave to be used has been accrued as a liability in the financial statements.

Annual Leave - School Board

Full-time twelve (12) month personnel shall earn vacation days with pay at a monthly rate depending upon their years of service as full-time twelve (12) month employees in this school division. Earned vacation days should be used by the employee each year. However, an employee may accumulate vacation days up to the maximum earned in one year (1) plus 10 days. Unused annual leave converts to sick leave for the employees at the end of the year.

Sick Leave - School Board

The School Board's policy permits employees to accumulate earned but unused sick leave. Full-time certificated employees shall earn one (1) day of sick leave for each month or major portion of a month of employment. This leave is eligible for payment at termination of \$10 per day. This liability and the amount of expected sick leave to be used has been accrued as a liability in the financial statements.

9. Long-term obligations

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

10. Prepaid items

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

11. Fund balance

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

- Nonspendable - amounts that are either not in spendable form, such as prepaid items and inventory or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted - amounts that are restricted by external parties such as creditors or imposed by grants, law or legislation;
- Committed - amounts constrained to specific purposes by the government itself, using its highest level of decision making authority, which the County considers to be the Board of Supervisors; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned - amounts that have been allocated by committee action where the government's intent is to use the funds for a specific purpose. The County considers this level of authority to be the Board of Supervisors or any Committee granted such authority by the Board of Supervisors;
- Unassigned - this category is for any balances that have no restrictions placed upon them; positive amounts are only reported in the general fund.

The Board of Supervisors is the County's highest level of decision-making authority and the formal action that is required to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board of Supervisors. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

12. Deferred outflows/inflows of resources

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

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

13. Pensions

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

14. Other Postemployment Benefits (OPEB)

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

In addition, the County and School Board allow retirees to stay on their health insurance plans creating an implicit subsidy. Please see related notes for more information.

15. Net Position

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

15. Net Position (continued)

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

16. Leases and Subscription-Based IT Arrangements

The County has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lessor

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

Lessee

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 1-Summary of Significant Accounting Policies: (continued)

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

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

Subscriptions

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

Key Estimates and Judgments

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary information

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

1. Prior to 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 1st. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund and the School Operating Fund.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30th, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. The School Operating Fund is integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.
8. Budgetary data presented in the accompanying financial statements is the revised budget as of June 30, and the original budget adopted by the Board of Supervisors.

A. Excess of expenditures over appropriations

For fiscal year ended June 30, 2025, there were no funds/departments that over expended appropriations.

B. Deficit fund balance

At June 30, 2025, no funds had a deficit fund balance.

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 3-Deposits and Investments:

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

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

Credit Risk of Debt Securities:

The County has not adopted an investment policy for credit risk.

The County’s and School’s rated debt investments as of June 30, 2025 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool (LGIP)*	\$ 15,720,304

*These investments were reported as cash and cash equivalents due to the their liquidity.

Concentration of Credit Risk:

At June 30, 2025, the County did not have any investments meeting the definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

Interest Rate Risk:

The County has not adopted an investment policy for interest rate risk. Listed below are the County’s investments subject to interest rate risk and their corresponding maturity dates.

Investment Type	Fair Value	Less than 1 year
Local Government Investment Pool (LGIP)	\$ 15,720,304	\$ 15,720,304

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 3-Deposits and Investments: (Continued)

External Investment Pool:

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

Note 4-Due from Other Governmental Units:

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
<u>Local Governments:</u>		
Franklin County, Virginia	\$ -	\$ 2,210
<u>Commonwealth of Virginia:</u>		
State sales tax	-	518,481
Local sales tax	628,601	-
Noncategorical aid	71,680	-
Categorical aid - shared expenses	354,516	-
Categorical aid - VPA funds	105,565	-
Categorical aid - CSA funds	205,598	-
Categorical aid - other	144,122	298,769
<u>Federal Government:</u>		
Categorical aid - VPA funds	166,448	-
Categorical aid - other	242,119	231,738
Totals	\$ 1,918,649	\$ 1,051,198

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 5-Interfund/Component-unit Obligations:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 106,745	\$ -
Water Fund	-	38,777
Sewer Fund	18,192	-
Asset Forfeiture Fund	-	19,525
Health Insurance Fund	-	66,635
Total	<u>\$ 124,937</u>	<u>\$ 124,937</u>

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
School Operating Fund	\$ -	\$ 344,891
School Activity Fund	344,891	-
Total	<u>\$ 344,891</u>	<u>\$ 344,891</u>

Interfund/component unit obligations at June 30, 2025, consisted of the following:

<u>Fund</u>	<u>Component Unit</u>	<u>Component Unit</u>
Primary Government:		
General Fund	<u>\$ 1,760,667</u>	<u>\$ -</u>
Component Unit - School Board:		
School Operating Fund	<u>\$ -</u>	<u>\$ 1,760,667</u>

The amounts due between the School Board and the County are the remnants of the annual reversion process.

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 6-Long-term Obligations:

Primary Government - Governmental Activities Obligations:

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

	Beginning Balance, as Reported	Restatements	Beginning Balance, as Restated	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct borrowings and direct placements:						
General obligation bonds	\$ 18,055,290	\$ -	\$ 18,055,290	\$ -	\$ (1,077,294)	\$ 16,977,996
Lease revenue bonds	9,785,000	-	9,785,000	-	(331,000)	9,454,000
Bond premiums	1,079,690	-	1,079,690	-	(146,817)	932,873
Literary loans	375,000	-	375,000	-	(75,000)	300,000
Lease Liabilities	420,260	69,965	490,225	322,145	(166,814)	645,556
Compensated absences*	834,278	422,777	1,257,055	614,850	-	1,871,905
Net pension liability	2,411,512	-	2,411,512	4,739,690	(4,674,419)	2,476,783
Net OPEB liabilities	991,816	-	991,816	229,109	(267,150)	953,775
Total	\$ 33,952,846	\$ 492,742	\$ 34,445,588	\$ 5,905,794	\$ (6,738,494)	\$ 33,612,888

*The change in the compensated absences liability is presented as a net change

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

Year Ending June 30,	Direct Borrowings and Direct Placements		Lease Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 1,551,996	\$ 1,083,325	\$ 177,009	\$ 68,414
2027	1,619,000	1,010,797	182,848	48,354
2028	1,680,000	944,996	151,716	28,511
2029	1,826,000	870,174	119,164	11,146
2030	1,818,000	795,215	14,819	945
2031-2035	10,172,000	2,820,040	-	-
2036-2040	8,065,000	742,963	-	-
Totals	\$ 26,731,996	\$ 8,267,510	\$ 645,556	\$ 157,370

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 6-Long-term Obligations: (continued)

Primary Government - Governmental Activities Obligations: (continued)

Details of long-term obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Total Amount	Amount Due Within One Year
Direct borrowings and Direct Placements:						
<i>General Obligation Bonds</i>						
General obligation bond	4.60-5.10%	11/10/2005	2026	1,787,287	\$ 112,996	\$ 112,996
General obligation bond	4.05-5.05%	5/14/2015	2039	22,480,000	16,865,000	910,000
Total general obligation bonds					\$ 16,977,996	\$ 1,022,996
<i>Lease Revenue Bonds</i>						
Lease revenue bond	4.60-5.10%	11/9/2009	2040	\$ 6,295,000	\$ 4,095,000	\$ 205,000
Lease revenue bond	3.14%	6/20/2019	2040	6,084,000	5,359,000	249,000
Total lease revenue bonds					\$ 9,454,000	\$ 454,000
<i>Premiums:</i>						
Premium		11/10/2005	2026	97,867	\$ 23,482	\$ 23,482
Premium		5/14/2015	2038	2,512,317	909,391	113,462
Total premiums					\$ 932,873	\$ 136,944
<i>Literary Loans</i>						
State literary fund loan	2.00%	7/15/2008	2029	\$ 1,425,000	\$ 300,000	\$ 75,000
Total direct borrowings and direct placements					\$ 27,664,869	\$ 1,688,940
Lease Liabilities:						
Sheriff Enterprise vehicle leases	10.19-15.54%	2021-2025	2027-2030	\$17,460-34,679	\$ 431,214	\$ 115,947
Agricultural Fair land lease	6.75%	1/1/2022	2029	134,547	47,363	23,314
Wheel Loader equipment lease	3.15%	7/15/2024	2027	216,005	166,979	37,748
Total lease liabilities					\$ 645,556	\$ 177,009
Other Obligations:						
Compensated absences					\$ 1,871,905	\$ 1,403,929
Net pension liability					2,476,783	-
Net OPEB liabilities					953,775	-
Total other obligations					\$ 5,302,463	\$ 1,403,929
Total long-term obligations					\$ 33,612,888	\$ 3,269,878

Collateral: The lease revenue bonds issued June 20, 2019, are secured by the County courthouse and library. The lease revenue bond issued November 9, 2009, is secured by the County jail.

Events of Default: The County's general obligation bonds are subject to the state aid intercept program. Under terms of the program, the County's State aid is redirected to bond holders to cure any event(s) of default.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 7-Long-term Obligations-Component Unit School Board:

Discretely Presented Component Unit-School Board Obligations:

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

	Beginning Balance, as Reported	Restatement	Beginning Balance as Restated	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Compensated absences*	\$ 439,510	\$ 2,450,160	\$ 2,889,670	\$ 444,110	\$ -	\$ 3,333,780
Lease liabilities	33,142	-	33,142	-	(20,768)	12,374
Subscription liability	-	-	-	432,545	(215,726)	216,819
Net pension liability	15,120,663	-	15,120,663	6,898,216	(8,221,024)	13,797,855
Net OPEB liabilities	7,102,931	-	7,102,931	1,003,780	(1,903,998)	6,202,713
Total	\$ 22,696,246	\$ 2,450,160	\$ 25,146,406	\$ 8,778,651	\$ (10,361,516)	\$ 23,563,541

*The change in the compensated absences liability is presented as a net change

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

Year Ending June 30,	Lease Liabilities		Subscription Liability	
	Principal	Interest	Principal	Interest
2026	\$ 11,429	\$ 91	\$ 52,346	\$ 5,054
2027	945	9	53,566	3,834
2028	-	-	54,815	2,585
2029	-	-	56,092	1,308
2030	-	-	-	-
Totals	\$ 12,374	\$ 100	\$ 216,819	\$ 12,781

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 7-Long-term Obligations-Component Unit School Board: (continued)

Details of Obligations:

	Interest Rates	Implementation/ Issue Date	Final Maturity Date	Amount of Original Issue	Total Amount	Amount Due Within One Year
<u>Lease Liabilities:</u>						
Konica Minolta copier lease	1.33%	7/1/2021	2027	\$ 83,925	\$ 9,575	\$ 9,575
SendPro copier lease	2.56%	3/1/2022	2027	8,986	2,799	1,854
Total lease liabilities					<u>\$ 12,374</u>	<u>\$ 11,429</u>
<u>SBITA Liability:</u>						
Centegix Safety Platform	2.33%	10/30/2024	2029	319,019	\$ 216,819	\$ 52,346
<u>Other Obligations:</u>						
Compensated absences					\$ 3,333,780	\$ 2,500,335
Net pension liability					13,797,855	-
Net OPEB liabilities					6,202,713	-
Total other obligations					<u>\$ 23,334,348</u>	<u>\$ 2,500,335</u>
Total long-term obligations					<u>\$ 23,563,541</u>	<u>\$ 2,564,110</u>

Note 8—Pension Plans:

Plan Description

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

Benefit Structures

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Benefit Structures (continued)

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	108	98
Inactive members:		
Vested inactive members	37	19
Non-vested inactive members	52	37
Inactive members active elsewhere in VRS	43	21
Total inactive members	132	77
Active members	165	97
Total covered employees	405	272

Contributions

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

The County’s contractually required employee contribution rate for the year ended June 30, 2025 was 14.73% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,351,492 and \$1,226,722 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board’s contractually required employee contribution rate for nonprofessional employees for the year ended June 30, 2025 was 6.60% 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 Patrick County School Board’s nonprofessional employees were \$171,550 and \$140,650 for the years ended June 30, 2025 and June 30, 2024, respectively.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Contributions (Continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$30,237 and \$16,053 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$27,231 and \$8,920 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$3,156,544 and \$1,630,645 for the County and School Board, respectively, for the year ended June 30, 2025.

Net Pension Liability

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

Actuarial Assumptions - General Employees

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

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

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 8—Pension Plans: (continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

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

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

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

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

Long-term Expected Rate of Return

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Long-term Expected Rate of Return (continued)

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (Continued)

Discount Rate (Continued)

Through the fiscal year ended June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2024 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 33,895,540	\$ 31,484,028	\$ 2,411,512
Changes for the year:			
Service cost	\$ 1,184,409	\$ -	\$ 1,184,409
Interest	2,308,517	-	2,308,517
Differences between expected and actual experience	1,227,257	-	1,227,257
Contributions - employer	-	1,225,977	(1,225,977)
Contributions - employee	-	390,074	(390,074)
Net investment income	-	3,057,705	(3,057,705)
Benefit payments, including refunds of employee contributions	(1,759,395)	(1,759,395)	-
Administrative expenses	-	(19,507)	19,507
Other changes	-	663	(663)
Net changes	\$ 2,960,788	\$ 2,895,517	\$ 65,271
Balances at June 30, 2024	\$ 36,856,328	\$ 34,379,545	\$ 2,476,783

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Changes in Net Pension Liability (Asset)

	Component Unit - School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 8,757,378	\$ 8,627,721	\$ 129,657
Changes for the year:			
Service cost	\$ 205,871	\$ -	\$ 205,871
Interest	584,833	-	584,833
Differences between expected and actual experience	123,150	-	123,150
Contributions - employer	-	142,420	(142,420)
Contributions - employee	-	110,618	(110,618)
Net investment income	-	824,904	(824,904)
Benefit payments, including refunds of employee contributions	(598,100)	(598,100)	-
Administrative expenses	-	(5,726)	5,726
Other changes	-	152	(152)
Net changes	\$ 315,754	\$ 474,268	\$ (158,514)
Balances at June 30, 2024	\$ 9,073,132	\$ 9,101,989	\$ (28,857)

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

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

	1% Decrease	Current	1% Increase
	(5.75%)	Discount Rate (6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 7,189,223	\$ 2,476,783	\$ (1,385,992)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ 899,740	\$ (28,857)	\$ (814,881)

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

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

For the year ended June 30, 2025, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$709,839 and \$126,342, respectively. At June 30, 2025, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit-School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 891,022	\$ 353,351	\$ 80,670	\$ -
Change in assumptions	58,055	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	865,589	-	248,432
Employer contributions subsequent to the measurement date	1,351,492	-	171,550	-
Total	<u>\$ 2,300,569</u>	<u>\$ 1,218,940</u>	<u>\$ 252,220</u>	<u>\$ 248,432</u>

\$1,351,492 and \$171,550 reported as deferred outflows of resources related to pensions resulting from the County’s and Component Unit School Board’s (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2026	\$ (613,430)	\$ (147,126)
2027	485,003	76,495
2028	46,167	(46,256)
2029	(187,603)	(50,875)
2030	-	-
Thereafter	-	-

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Pension Plan Data

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

Component Unit School Board (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$2,284,831 and \$2,479,076 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 \$68,974 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 \$64,638 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$6,905,934 for the year ended June 30, 2025.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

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

At June 30, 2025, the school division reported a liability of \$13,797,855 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.14699% as compared to 0.14832% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$1,125,161. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,393,733	\$ 284,107
Change in assumptions	250,450	-
Net difference between projected and actual earnings on pension plan investments	-	1,899,283
Changes in proportion and differences between employer contributions and proportionate share of contributions	226,915	232,225
Employer contributions subsequent to the measurement date	<u>2,284,831</u>	<u>-</u>
Total	<u>\$ 5,155,929</u>	<u>\$ 2,415,615</u>

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

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

\$2,284,831 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (903,532)
2027	1,238,932
2028	307,563
2029	(187,480)
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 expenses, including inflation

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Component Unit School Board (Professional) (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:

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 8—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

Net Pension Liability

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

		Teacher Employee Retirement Plan
Total Pension Liability	\$	60,622,260
Plan Fiduciary Net Position		51,235,326
Employers' Net Pension Liability (Asset)	\$	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.

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 25,633,710	\$ 13,797,855	\$ 4,104,666

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 8—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability	Net Pension Asset	Pension Expense
VRS Pension Plans:									
Primary Government	\$ 2,300,569	\$ 1,218,940	\$ 2,476,783	\$ 709,839	\$ -	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	252,220	248,432	-	(28,857)	126,342
School Board Professional	-	-	-	-	5,155,929	2,415,615	13,797,855	-	1,125,161
Totals	\$ 2,300,569	\$ 1,218,940	\$ 2,476,783	\$ 709,839	\$ 5,408,149	\$ 2,664,047	\$ 13,797,855	\$ (28,857)	\$ 1,251,503

Note 9—Line of Duty Act (LODA) (OPEB Benefits):

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County’s LODA coverage is fully covered or “insured” through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County’s LODA premium for the year ended June 30, 2025 was \$56,582.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 10—Other Postemployment Benefits - County Health Insurance:

Plan Description

In addition to the pension benefits described in Note 8, the County administers a single-employer defined benefit healthcare plan, the Patrick County Post-Retirement Medical Plan (PPRMP). The benefit provisions, including employer and employee contributions, are governed by the Board of Supervisors and can be amended through board action. The PPRMP does not issue a publicly available financial report.

Benefits Provided

PPRMP provides health insurance benefits to eligible retirees, their spouses and dependents. To be eligible, employees must meet the age and service criteria for retirement benefits under VRS, which requires that the employee must meet one of the following requirements:

- General and Public Safety Employees hired before July 1, 2010:
 - Attain age 50 and 30 years of service
 - Attain age 55 and 5 years of service
- General and Public Safety Employees hired after July 1, 2010:
 - Attain age 60 and 5 years of service
 - Attain age plus years of service equal to/or greater than 90

Coverage for participants include medical, dental, and vision coverage for retirees, spouses, and dependents. County employees are responsible for the entire premium creating the implicit rate subsidy.

Plan Membership

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

Total active employees with coverage	171
Total retirees with coverage	<u>1</u>
Total	<u><u>172</u></u>

Contributions

The County does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Board of Supervisors. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2025 was \$17,967.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 10—Other Postemployment Benefits - County Health Insurance: (Continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	5.20% as of June 30, 2025
Inflation	2.50% per year as of June 30, 2025
County Participation Rate	It is assumed 20% of future retirees will elect coverage and also cover a spouse.
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.70% and gradually declines to 3.90% by the year 2073.
Retirement Age	The average age at retirement is estimated based on probability of retirement.
Mortality Rates	The mortality rates for active employees was calculated using the RP-2014 Employee Mortality tables projected to 2020 using Scale BB with males and females set back one year (females set forward one year for public safety employees). The mortality rates for healthy retirees was calculated using the RP-2014 Combined Healthy Mortality tables projected to 2020 using Scale BB with females set back one year (males set forward one year and females set forward 3 years for public safety employees). The mortality rates for disabled retirees and calculated using the RP-2014 Disabled Life Mortality tables projected to 2020 using Scale BB (males set forward 2 years for public safety employees).

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20% based on the Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2025.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 10—Other Postemployment Benefits - County Health Insurance: (Continued)

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability
Balance at June 30, 2024	\$ 581,431
Changes for the year:	
Service cost	\$ 49,318
Interest on Total OPEB Liability	24,438
Effect of economic/demographic gains or losses	7,772
Changes in assumptions	(66,168)
Benefit payments	(17,967)
Net changes	\$ (2,607)
Balance at June 30, 2025	\$ 578,824

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

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

Discount Rate		
1% Decrease (4.20%)	Current (5.20%)	1% Increase (6.20%)
\$ 639,483	\$ 578,824	\$ 524,381

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.70% decreasing to an ultimate rate of 2.90%) or one percentage point higher (7.70% decreasing to an ultimate rate of 4.90%) than the current healthcare cost trend rates:

Healthcare Cost Trend		
1% Decrease (5.70% decreasing to 2.90%)	Current (6.70% decreasing to 3.90%)	1% Increase (7.70% decreasing to 4.90%)
\$ 504,039	\$ 578,824	\$ 667,154

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 10—Other Postemployment Benefits - County Health Insurance: (Continued)

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

For the year ended June 30, 2025, the County recognized OPEB expense in the amount of \$90,202. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,009	\$ 19,227
Change in assumptions	6,884	95,430
Total	\$ 98,893	\$ 114,657

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

Year Ended June 30	Primary Government
2026	\$ (1,222)
2027	(8,590)
2028	1,582
2029	5,708
2030	(5,630)
Thereafter	(7,612)

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

Note 11—Other Postemployment Benefits - Component Unit School Board Health Insurance:

Plan Description

The School Board also administers a single-employer defined benefit healthcare plan, the Patrick County School Board Post-Retirement Medical Plan (PPSBRMP). The benefit provisions, including employer and employee contributions, are governed by the Board of Supervisors and can be amended through board action. The PPSBRMP does not issue a publicly available financial report.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 11—Other Postemployment Benefits - Component Unit School Board Health Insurance:
(Continued)

Benefits Provided

PPSBRMP provides health insurance benefits to eligible retirees, their spouses and dependents. To be eligible, employees must meet the age and service criteria for retirement benefits under VRS, which requires that the employee must meet one of the following requirements:

- General and Public Safety Employees hired before July 1, 2010:
 - Attain age 50 and 10 years of service
 - Attain age 55 and 5 years of service
- General and Public Safety Employees hired after July 1, 2010:
 - Attain age 60 and 5 years of service
 - Attain age plus years of service equal to/or greater than 90.

Coverage for participants include medical, dental, and vision coverage for retirees, spouses, and dependents. School employees who do not participate in the Early Retirement Incentive Plan (ERIP) are responsible for the entire premium creating the implicit rate subsidy. School employees that do participate in the ERIP, effective, October 1, 2017, will receive \$487.50 per month toward medical premiums for up to seven years.

Plan Membership

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

Total active employees with coverage	422
Total retirees with coverage	<u>8</u>
Total	<u><u>430</u></u>

Contributions

The School Board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Board of Supervisors. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$107,846.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 11—Other Postemployment Benefits - Component Unit School Board Health Insurance:
(Continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	5.20% as of June 30, 2025
Inflation	2.50% per year as of June 30, 2025
School Board Participation Rate	It is assumed 50% of future retirees who are eligible for ERIP at retirement do not elect to participate. Of the 50%, we assume 20% elect retiree health coverage.
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.70% and gradually declines to 3.90% by the year 2073.
Retirement Age	The average age at retirement is estimated based on probability of retirement.
Mortality Rates	The mortality rates for active employees was calculated using the RP-2014 Employee Mortality tables projected to 2020 using Scale BB with males and females set back one year (females set forward one year for public safety employees). The mortality rates for healthy retirees was calculated using the RP-2014 Combined Healthy Mortality tables projected to 2020 using Scale BB with females set back one year (males set forward one year and females set forward 3 years for public safety employees). The mortality rates for disabled retirees and calculated using the RP-2014 Disabled Life Mortality tables projected to 2020 using Scale BB (males set forward 2 years for public safety employees).

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20% based on the Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2025.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

**Note 11—Other Postemployment Benefits - Component Unit School Board Health Insurance:
(Continued)**

Changes in Total OPEB Liability

	Component Unit School Board Total OPEB Liability
Balance at June 30, 2024	\$ 4,330,972
Changes for the year:	
Service cost	\$ 154,965
Interest on Total OPEB Liability	174,198
Effect of economic/demographic gains or losses	(638,791)
Changes in assumptions	(277,375)
Benefit payments	(107,846)
Net changes	\$ (694,849)
Balance at June 30, 2025	\$ 3,636,123

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

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

Discount Rate		
1% Decrease (4.20%)	Current (5.20%)	1% Increase (6.20%)
\$ 3,912,458	\$ 3,636,123	\$ 3,377,016

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.70% decreasing to an ultimate rate of 2.90%) or one percentage point higher (7.70% decreasing to an ultimate rate of 4.90%) than the current healthcare cost trend rates:

Healthcare Cost Trend		
1% Decrease (5.70% decreasing to 2.90%)	Current (6.70% decreasing to 3.90%)	1% Increase (7.70% decreasing to 4.90%)
\$ 3,628,100	\$ 3,636,123	\$ 4,058,217

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

**Note 11—Other Postemployment Benefits - Component Unit School Board Health Insurance:
(Continued)**

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

For the year ended June 30, 2025, the School Board recognized OPEB expense in the amount of \$246,701. At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 591,408	\$ 1,010,576
Change in assumptions	<u>307,139</u>	<u>621,927</u>
Total	<u>\$ 898,547</u>	<u>\$ 1,632,503</u>

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

Year Ended June 30	Component Unit School Board
2026	\$ (82,462)
2027	(82,462)
2028	(87,557)
2029	(167,764)
2030	(224,866)
Thereafter	(88,845)

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

Note 12-Group Life Insurance (GLI) Plan (OPEB) Plan:

Plan Description

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Plan Description (continued)

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

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

Eligible Employees

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

Benefit Amounts

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

Contributions

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Contributions (continued)

Contributions to the Group Life Insurance Plan from the County were \$43,123 and \$44,743 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (nonprofessional) were \$12,060 and \$13,612 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (professional) were \$74,485 and \$84,719 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

Primary Government

At June 30, 2025, the entity reported a liability of \$360,108 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date as of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.03227% as compared to 0.03235% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$11,386. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (Nonprofessional)

At June 30, 2025, the entity reported a liability of \$109,584 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date as of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.00982% as compared to 0.00996% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$3,556. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

Component Unit School Board (Professional)

At June 30, 2025, the entity reported a liability of \$681,828 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date as of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.06110% as compared to 0.06257% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$(6,033). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Primary Government		Component Unit School Board (Nonprofessional)		Component Unit School Board (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	\$ 56,797	\$ 8,796	\$ 17,284	\$ 2,677	\$ 107,540	\$ 16,655
Net difference between projected and actual earnings on GLI OPEB plan investments	-	30,353	-	9,237	-	57,471
Change in assumptions	2,053	17,846	625	5,431	3,886	33,790
Changes in proportionate share	8,728	6,598	12,162	3,612	8,115	30,736
Employer contributions subsequent to the measurement date	43,123	-	12,060	-	74,485	-
Total	\$ 110,701	\$ 63,593	\$ 42,131	\$ 20,957	\$ 194,026	\$ 138,652

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

\$43,123, \$12,060, and \$74,485 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>	<u>Component Unit School Board (Professional)</u>
2026	\$ (17,029)	\$ (3,325)	\$ (42,176)
2027	7,196	4,589	7,909
2028	2,924	3,332	900
2029	5,446	3,074	6,326
2030	5,448	1,444	7,930
Thereafter	-	-	-

Actuarial Assumptions

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Net GLI OPEB Liability

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

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

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

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return

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

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 560,015	\$ 360,108	\$ 198,610
Component Unit School Board's (nonprofessional) proportionate share of the GLI Plan Net OPEB Liability	\$ 170,417	\$ 109,584	\$ 60,438
Component Unit School Board's (professional) proportionate share of the GLI Plan Net OPEB Liability	\$ 1,060,332	\$ 681,828	\$ 376,047

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 12—Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

GLI Plan Fiduciary Net Position

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

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Employees Covered by Benefit Terms

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

	<u>Primary Government</u> Number	<u>School Board</u> Number
Inactive members or their beneficiaries currently receiving benefits	1	40
Vested inactive members	2	-
Active members	<u>46</u>	<u>97</u>
Total covered employees	<u>49</u>	<u>137</u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County’s contractually required employer contribution rate for the year ended June 30, 2025 was 0.34% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$7,310 and \$6,265 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was 1.19% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$30,535 and \$29,848 for the years ended June 30, 2025 and June 30, 2024, respectively.

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Actuarial Assumptions: (continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Actuarial Assumptions: (continued)

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

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

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return

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

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

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

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 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 Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Discount Rate

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

Changes in Net HIC OPEB Liability

	Primary Government		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 38,055	\$ 15,648	\$ 22,407
Changes for the year:			
Service cost	\$ 1,991	\$ -	\$ 1,991
Interest	2,670	-	2,670
Differences between expected and actual experience	(4,021)	-	(4,021)
Contributions - employer	-	6,265	(6,265)
Net investment income	-	1,966	(1,966)
Benefit payments	(990)	(990)	-
Administrative expenses	-	(27)	27
Net changes	\$ (350)	\$ 7,214	\$ (7,564)
Balances at June 30, 2024	\$ 37,705	\$ 22,862	\$ 14,843

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Changes in Net HIC OPEB Liability (continued)

	Component Unit School Board		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 160,441	\$ 47,971	\$ 112,470
Changes for the year:			
Service cost	\$ 2,183	\$ -	\$ 2,183
Interest	10,695	-	10,695
Differences between expected and actual experience	(6,708)	-	(6,708)
Contributions - employer	-	29,848	(29,848)
Net investment income	-	5,922	(5,922)
Benefit payments	(8,361)	(8,361)	-
Administrative expenses	-	(92)	92
Other changes	-	(1)	1
Net changes	\$ (2,191)	\$ 27,316	\$ (29,507)
Balances at June 30, 2024	\$ 158,250	\$ 75,287	\$ 82,963

Sensitivity of the County's HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Patrick County's			
Net HIC OPEB Liability	\$ 19,443	\$ 14,843	\$ 10,959
Component Unit School			
Board's Net HIC OPEB Liability	\$ 98,637	\$ 82,963	\$ 69,551

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

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

For the year ended June 30, 2025, the County and Component Unit School Board recognized HIC Plan OPEB expense of \$3,976 and (\$13,203), respectively. At June 30, 2025, the County and Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the County’s HIC Program from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,665	\$ 21,210	\$ -	\$ 56,798
Net difference between projected and actual earnings on HIC OPEB plan investments	-	111	-	1,293
Change of assumptions	4,015	16,101	4,560	-
Employer contributions subsequent to the measurement date	7,310	-	30,535	-
Total	\$ 19,990	\$ 37,422	35,095	\$ 58,091

\$7,310 and \$30,535 reported as deferred outflows of resources related to the HIC OPEB resulting from the County’s and the Component Unit School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit-School Board Non-Professional
2026	\$ 420	\$ (24,828)
2027	(6,710)	(26,228)
2028	(8,680)	(2,081)
2029	(7,291)	(394)
2030	(2,481)	-
Thereafter	-	-

HIC Plan Data

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 14- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 14- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$191,760 and \$189,833 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the school division reported a liability of \$1,692,215 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.14643% as compared to 0.14770% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$100,390. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 14- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 80,173
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	6,019
Change in assumptions	29,152	-
Change in proportionate share and differences between actual and expected contributions	35,022	87,541
Employer contributions subsequent to the measurement date	<u>191,760</u>	<u>-</u>
Total	<u>\$ 255,934</u>	<u>\$ 173,733</u>

\$191,760 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026.

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 14- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2026	\$	(47,347)
2027		(26,104)
2028		(17,673)
2029		(10,297)
2030		(3,270)
Thereafter		(4,868)

Actuarial Assumptions

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

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

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 14- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 14- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Net Teacher Employee HIC OPEB Liability

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

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

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

Long-Term Expected Rate of Return

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

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 14- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return: (continued)

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

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

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

Discount Rate

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

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 14- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,924,471	\$ 1,692,215	\$ 1,495,357

Teacher Employee HIC OPEB Fiduciary Net Position

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

Note 15-Summary of Other Postemployment Benefits (OPEB):

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
County Stand-Alone Plan (Note 10)	\$ 98,893	\$ 114,657	\$ 578,824	\$ 90,202	\$ -	\$ -	\$ -	\$ -
School Board Stand-Alone Plan (Note 11)	-	-	-	-	898,547	1,632,503	3,636,123	246,701
VRS OPEB Plans:								
GLI Plan (Note 12)								
County	110,701	63,593	360,108	11,386	-	-	-	-
School Board Nonprofessional	-	-	-	-	42,131	20,957	109,584	3,556
School Board Professional	-	-	-	-	194,026	138,652	681,828	(6,033)
County HIC Plan (Note 13)	19,990	37,422	14,843	3,976	-	-	-	-
School Board HIC Plan (Note 13)	-	-	-	-	35,095	58,091	82,963	(13,203)
Teacher HIC Plan (Note 14)	-	-	-	-	255,934	173,733	1,692,215	100,390
Totals	\$ 229,584	\$ 215,672	\$ 953,775	\$ 105,564	\$ 1,425,733	\$ 2,023,936	\$ 6,202,713	\$ 331,411

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 16-Capital Assets:

Capital asset activity for the year ended June 30, 2025 was as follows:

Primary Government:

	Beginning Balance as Reported	Restatement	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Governmental Activities:						
Capital assets, not being depreciated/amortized:						
Land	\$ 1,197,264	\$ -	\$ 1,197,264	\$ -	\$ -	\$ 1,197,264
Construction in progress	114,800	-	114,800	114,106	(96,237)	132,669
Total capital assets not being depreciated/amortized	\$ 1,312,064	\$ -	\$ 1,312,064	\$ 114,106	\$ (96,237)	\$ 1,329,933
Capital assets, being depreciated/amortized:						
Buildings and improvements	\$ 50,307,046	\$ -	\$ 50,307,046	\$ 95,999	\$ (2,161,338)	\$ 48,241,707
Machinery and equipment	5,829,944	-	5,829,944	229,147	(273,477)	5,785,614
Right-to-use lease Machinery and equipment	559,953	134,547	694,500	322,145	-	1,016,645
Total capital assets being depreciated/amortized	\$ 56,696,943	\$ 134,547	\$ 56,831,490	\$ 647,291	\$ (2,434,815)	\$ 55,043,966
Accumulated depreciation/amortization:						
Buildings and improvements	\$ (18,618,639)	\$ -	\$ (18,618,639)	\$ (1,276,158)	\$ 1,235,594	\$ (18,659,203)
Machinery and equipment	(4,715,087)	-	(4,715,087)	(393,650)	273,477	(4,835,260)
Right-to-use lease Machinery and equipment	(127,976)	(55,969)	(183,945)	(165,551)	-	(349,496)
Total accumulated depreciation/amortization	\$ (23,461,702)	\$ (55,969)	\$ (23,517,671)	\$ (1,835,359)	\$ 1,509,071	\$ (23,843,959)
Total capital assets being depreciated/amortized, net	\$ 33,235,241	\$ 78,578	\$ 33,313,819	\$ (1,188,068)	\$ (925,744)	\$ 31,200,007
Governmental activities capital assets, net	\$ 34,547,305	\$ 78,578	\$ 34,625,883	\$ (1,073,962)	\$ (1,021,981)	\$ 32,529,940

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, being depreciated:				
Infrastructure	\$ 5,053,532	\$ -	\$ -	\$ 5,053,532
Accumulated depreciation:				
Infrastructure	\$ (1,501,271)	\$ (126,339)	\$ -	\$ (1,627,610)
Business-type activities capital assets, net	\$ 3,552,261	\$ (126,339)	\$ -	\$ 3,425,922

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 16-Capital Assets: (continued)

Primary Government: (continued)

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

Governmental Activities:

General government administration	\$	61,445
Judicial administration		2,796
Public safety		727,294
Public works		153,810
Health and welfare		7,928
Education		815,008
Parks, recreation, and cultural		45,968
Community development		21,110
		<hr/>

Total depreciation/amortization expense-governmental activities \$ 1,835,359

Business-type Activities:

PSA fund	\$	<u>126,339</u>
----------	----	----------------

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 16-Capital Assets: (continued)

Capital asset activity for the School Board for the year ended June 30, 2025 was as follows:

Discretely Presented Component Unit:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 769,576	\$ -	\$ -	\$ 769,576
Construction in progress	214,236	687,211	(285,098)	616,349
Total capital assets not being depreciated	\$ 983,812	\$ 687,211	\$ (285,098)	\$ 1,385,925
Capital assets, being depreciated:				
Buildings and improvements	\$ 28,623,825	\$ 2,230,946	\$ -	\$ 30,854,771
Machinery and equipment	15,708,452	1,599,915	-	17,308,367
Right-to-use subscription asset	145,961	432,545	-	578,506
Right-to-use lease machinery and equipment	92,911	-	-	92,911
Total capital assets being depreciated	\$ 44,571,149	\$ 4,263,406	\$ -	\$ 48,834,555
Accumulated depreciation:				
Buildings and improvements	\$ (17,349,615)	\$ (1,815,605)	\$ -	\$ (19,165,220)
Machinery and equipment	(8,256,923)	(1,657,673)	-	(9,914,596)
Right-to-use subscription asset	(68,915)	(91,132)	-	(160,047)
Right-to-use lease machinery and equipment	(60,111)	(20,419)	-	(80,530)
Total accumulated depreciation	\$ (25,735,564)	\$ (3,584,829)	\$ -	\$ (29,320,393)
Total capital assets being depreciated, net	\$ 18,835,585	\$ 678,577	\$ -	\$ 19,514,162
Governmental activities capital assets, net	\$ 19,819,397	\$ 1,365,788	\$ (285,098)	\$ 20,900,087

Note 17-Restatement of Beginning Balances:

The County entered into a land lease for use of the rotary field on December 11, 2017. This lease was not included in the prior year financial statements. In addition, the County implemented GASB statement No. 101, resulting in a change in compensated absence liabilities. These items were corrected through beginning balance restatements.

	Governmental Activities	Component Unit School Board
Net position, as reported, June 30, 2024	\$ 21,922,518	\$ 1,548,310
Restatement for GASB 101 Implementation	(422,777)	(2,450,160)
Restatement for Lease asset (net of accumulated amortization)	78,578	-
Restatement for Lease liability	(69,965)	-
Net position, as restated, June 30, 2024	\$ 21,508,354	\$ (901,850)

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 18-Adoption of Accounting Principles:

During the current year, the County implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The change in accounting principle resulted in the following restatement of net position as described in Note 17.

Note 19-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. The County and School Board participates with other localities in a public entity risk pool for their coverage of general liability, property, crime and auto insurance with the Virginia Association of Counties Risk Pool. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and School Board pay the risk pool contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its component unit - School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 20-Contingencies/Commitments:

Contingencies:

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

Construction Commitments:

<u>Project</u>	<u>Amount of Contract</u>	<u>Amount Outstanding</u>	<u>Accounts Payable</u>	<u>Retainage Payable</u>
School Board - Blue Ridge ES Gym Renov.	\$ 790,333	\$ 367,704	\$ -	\$ 22,244

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 21—Deferred/Unavailable Revenue:

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Primary Government:		
Deferred property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,254,766
2nd half tax assessments due in December 2025	4,125,996	4,125,996
Prepaid property taxes due in December 2025, but paid in advance by taxpayers	1,919,023	1,919,023
Deferred EMS billings		39,462
Deferred opioid abatement settlement proceeds	-	468,010
Total deferred/unavailable revenue	\$ 6,045,019	\$ 7,807,257

Note 22-Litigation:

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

The remainder of this page is left blank intentionally.

County of Patrick, Virginia

**Notes to Financial Statements
June 30, 2025 (continued)**

Note 23-Surety Bonds:

Primary Government:

Fidelity & Deposit Company of Maryland-Surety:

Morgan Boothe, Clerk of the Circuit Court	\$	115,000
Sandra K. Stone, Treasurer		400,000
Glenda Morse, Commissioner of the Revenue		3,000
Dan Smith, Sheriff		30,000
All constitutional officers' employees: blanket bond		50,000

VaRisk 2:

All Social Services employees: blanket bond	\$	250,000
---	----	---------

Component Unit - School Board:

Zurick North America:

Jason A. Wood, Superintendent of Schools	\$	10,000
Sarah Leigh D. Collins, Clerk of the School Board		10,000

Note 24-Self-insured Health Insurance:

The County of Patrick, Virginia established a limited risk management program for health insurance. Premiums are paid into the health plan fund from the County and School Board and are available to pay claims, and administrative costs of the program. During the fiscal year 2025, a total of \$2,013,198 was paid in benefits and administrative costs. The risk assumed by the County is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type (Keycare, Bluecare, etc.). Incurred but not reported claims of \$231,576 have been accrued as a liability based primarily on actual cost incurred prior to June 30 but paid after year-end. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions. Changes in the claims liability during fiscal year 2025 and the two previous years were as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2024-25	\$ 120,581	\$ 2,124,193	\$ (2,013,198)	\$ 231,576
2023-24	134,291	1,485,846	(1,499,556)	120,581
2022-23	385,177	189,255	(440,141)	134,291

County of Patrick, Virginia

Notes to Financial Statements
June 30, 2025 (continued)

Note 25-Subsequent Events:

On August 25, 2025, the County's paid EMS staff transitioned from the County to Ambulance Services of Lexington Inc. (DBA Patrick County EMS).

On October 20, 2025, the County sold land for \$65,333.

Note 26-Upcoming Pronouncements:

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

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

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

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

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

Required Supplementary Information

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 16,425,853	\$ 16,425,853	\$ 17,599,809	\$ 1,173,956
Other local taxes	4,243,700	4,262,620	6,003,767	1,741,147
Permits, privilege fees, and regulatory licenses	115,800	116,506	106,560	(9,946)
Fines and forfeitures	30,000	30,000	22,931	(7,069)
Revenue from the use of money and property	376,000	414,933	630,060	215,127
Charges for services	923,500	1,023,500	1,232,267	208,767
Miscellaneous	183,659	300,187	357,794	57,607
Recovered costs	1,323,488	1,629,820	1,531,506	(98,314)
Intergovernmental:				
Commonwealth	7,984,295	10,389,482	8,593,361	(1,796,121)
Federal	3,425,914	3,576,697	3,504,041	(72,656)
Total revenues	<u>\$ 35,032,209</u>	<u>\$ 38,169,598</u>	<u>\$ 39,582,096</u>	<u>\$ 1,412,498</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,544,421	\$ 2,545,393	\$ 2,225,923	\$ 319,470
Judicial administration	1,796,254	1,759,374	1,631,415	127,959
Public safety	10,658,968	11,938,514	11,321,285	617,229
Public works	1,908,364	2,095,561	2,058,508	37,053
Health and welfare	5,229,762	7,918,789	6,360,812	1,557,977
Education	6,990,989	7,216,795	6,321,247	895,548
Parks, recreation, and cultural	637,684	652,168	614,295	37,873
Community development	2,427,268	1,324,559	994,935	329,624
Nondepartmental	176,848	318,669	-	318,669
Capital projects	981,620	2,232,648	695,068	1,537,580
Debt service:				
Principal retirement	1,650,108	1,650,108	1,650,108	-
Interest and other fiscal charges	985,429	985,429	1,211,388	(225,959)
Total expenditures	<u>\$ 35,987,715</u>	<u>\$ 40,638,007</u>	<u>\$ 35,084,984</u>	<u>\$ 5,553,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (955,506)</u>	<u>\$ (2,468,409)</u>	<u>\$ 4,497,112</u>	<u>\$ 6,965,521</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 37,849	\$ 56,936	\$ 106,745	\$ 49,809
Issuance of leases	-	-	322,145	322,145
Total other financing sources (uses)	<u>\$ 37,849</u>	<u>\$ 56,936</u>	<u>\$ 428,890</u>	<u>\$ 371,954</u>
Net change in fund balances	<u>\$ (917,657)</u>	<u>\$ (2,411,473)</u>	<u>\$ 4,926,002</u>	<u>\$ 7,337,475</u>
Fund balances - beginning	917,657	2,411,473	18,018,634	15,607,161
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,944,636</u>	<u>\$ 22,944,636</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability	\$ 1,184,409	\$ 975,558	\$ 855,745	\$ 848,677	\$ 848,505	\$ 765,732	\$ 673,187	\$ 644,046	\$ 635,360	\$ 623,211
Service cost	2,308,517	2,223,388	2,149,991	1,969,520	1,871,073	1,754,022	1,625,708	1,573,393	1,480,869	1,413,572
Interest	1,227,257	(461,374)	(427,395)	(612,254)	50,458	616,890	818,938	(137,413)	302,742	(67,963)
Changes of benefit terms	(1,759,395)	(1,611,113)	(1,610,461)	(1,392,817)	1,113,587	(1,254,800)	(1,314,751)	(1,122,783)	(1,071,608)	(943,259)
Differences between expected and actual experience	2,960,788	1,126,459	967,880	1,936,713	(1,481,111)	2,708,523	1,803,082	843,336	1,347,363	1,025,561
Changes of assumptions	33,895,540	32,769,081	31,801,201	29,874,488	28,393,377	25,684,854	23,881,772	23,038,436	21,691,073	20,665,512
Benefit payments	36,856,328	33,895,540	32,769,081	31,801,201	29,874,488	28,393,377	25,684,854	23,881,772	23,038,436	21,691,073
Net change in total pension liability	\$ 2,960,788	\$ 1,126,459	\$ 967,880	\$ 1,936,713	\$ (1,481,111)	\$ 2,708,523	\$ 1,803,082	\$ 843,336	\$ 1,347,363	\$ 1,025,561
Total pension liability - beginning	\$ 33,895,540	\$ 32,769,081	\$ 31,801,201	\$ 29,874,488	\$ 28,393,377	\$ 25,684,854	\$ 23,881,772	\$ 23,038,436	\$ 21,691,073	\$ 20,665,512
Total pension liability - ending (a)	\$ 36,856,328	\$ 33,895,540	\$ 32,769,081	\$ 31,801,201	\$ 29,874,488	\$ 28,393,377	\$ 25,684,854	\$ 23,881,772	\$ 23,038,436	\$ 21,691,073
Plan fiduciary net position	\$ 1,225,977	\$ 1,131,295	\$ 910,445	\$ 864,503	\$ 749,869	\$ 746,600	\$ 648,274	\$ 590,400	\$ 671,160	\$ 652,292
Contributions - employer	390,074	361,876	327,976	312,917	330,161	314,186	297,343	279,673	281,457	265,355
Contributions - employee	3,057,705	1,923,832	(38,183)	6,521,922	453,746	1,496,095	1,563,432	2,327,266	334,479	832,521
Net investment income	(1,759,395)	(1,611,113)	(1,610,461)	(1,392,817)	(1,347,566)	(1,254,800)	(1,314,751)	(1,122,783)	(1,071,608)	(943,259)
Benefit payments	(19,507)	(18,848)	(18,666)	(15,981)	(15,282)	(14,563)	(13,496)	(13,419)	(11,736)	(11,275)
Administrator changes	663	780	698	618	(537)	(944)	(1,389)	(2,072)	(140)	(175)
Other	2,895,517	1,787,822	(428,191)	6,291,162	170,391	1,286,574	1,179,413	2,059,065	203,612	795,459
Net change in Plan fiduciary net position	\$ 31,484,028	\$ 29,696,206	\$ 30,124,397	\$ 23,833,235	\$ 23,662,844	\$ 22,376,270	\$ 21,196,857	\$ 19,137,792	\$ 18,934,180	\$ 18,138,721
Plan fiduciary net position - beginning	\$ 34,379,545	\$ 31,484,028	\$ 29,696,206	\$ 30,124,397	\$ 23,833,235	\$ 23,662,844	\$ 22,376,270	\$ 21,196,857	\$ 19,137,792	\$ 18,138,721
Plan fiduciary net position - ending (b)	\$ 65,863,573	\$ 61,180,234	\$ 59,820,603	\$ 53,957,632	\$ 47,496,079	\$ 46,039,114	\$ 43,573,127	\$ 40,334,649	\$ 38,071,972	\$ 36,277,442
County's net pension liability - ending (a) - (b)	\$ 2,476,783	\$ 2,411,512	\$ 3,072,875	\$ 1,676,804	\$ 6,041,253	\$ 4,730,533	\$ 3,308,584	\$ 2,684,915	\$ 3,900,644	\$ 2,756,893
Plan fiduciary net position as a percentage of the total pension liability	93.28%	92.89%	90.62%	94.73%	79.78%	83.34%	87.12%	88.76%	83.07%	87.29%
Covered payroll	\$ 8,283,507	\$ 7,615,731	\$ 6,865,549	\$ 6,493,241	\$ 6,522,025	\$ 6,460,418	\$ 6,108,403	\$ 5,520,475	\$ 5,297,198	\$ 5,131,869
County's net pension liability as a percentage of covered payroll	29.90%	31.66%	44.76%	25.82%	92.63%	73.22%	54.16%	48.64%	73.64%	53.72%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability	\$ 205,871	\$ 208,922	\$ 148,271	\$ 151,125	\$ 170,018	\$ 174,633	\$ 175,109	\$ 163,091	\$ 171,120	\$ 182,786
Service cost	584,833	557,437	549,326	515,014	513,026	501,073	490,387	492,127	495,058	475,467
Interest	123,150	235,679	(45,131)	33,183	(140,241)	38,275	(66,039)	(144,761)	(296,338)	13,249
Differences between expected and actual experience	-	-	-	238,860	-	189,589	-	(104,331)	-	-
Changes of assumptions	(598,100)	(588,132)	(597,770)	(558,484)	(468,230)	(454,514)	(439,080)	(420,883)	(402,524)	(380,756)
Benefit payments	315,754	413,906	54,696	379,698	74,573	449,056	160,377	(15,757)	(32,684)	290,746
Net change in total pension liability	\$ 8,757,378	\$ 8,343,472	\$ 8,288,776	\$ 7,909,078	\$ 7,834,505	\$ 7,385,449	\$ 7,225,072	\$ 7,240,829	\$ 7,273,513	\$ 6,982,167
Total pension liability - beginning	\$ 9,075,132	\$ 8,757,378	\$ 8,343,472	\$ 8,288,776	\$ 7,909,078	\$ 7,385,449	\$ 7,225,072	\$ 7,240,829	\$ 7,273,513	\$ 6,982,167
Total pension liability - ending (a)	\$ 142,420	\$ 133,687	\$ 118,129	\$ 106,545	\$ 107,628	\$ 109,545	\$ 114,202	\$ 114,901	\$ 170,680	\$ 171,319
Plan fiduciary net position	\$ 110,618	\$ 104,421	\$ 87,204	\$ 81,676	\$ 84,696	\$ 85,570	\$ 87,560	\$ 87,028	\$ 84,569	\$ 85,375
Contributions - employer	824,904	535,159	(3,347)	1,946,952	140,309	471,904	506,717	768,480	109,706	284,404
Net investment income	(598,100)	(588,132)	(597,770)	(558,484)	(468,230)	(454,514)	(439,080)	(420,883)	(402,524)	(380,756)
Benefit payments	(5,726)	(5,504)	(5,609)	(5,069)	(4,831)	(4,886)	(4,486)	(4,563)	(4,033)	(3,964)
Administrator charges	152	214	198	182	(164)	(296)	(448)	(679)	(47)	(59)
Other	474,268	179,845	(401,195)	1,571,802	(140,690)	207,378	264,465	544,284	(41,649)	156,319
Net change in plan fiduciary net position	\$ 8,627,721	\$ 8,447,876	\$ 8,849,071	\$ 7,277,269	\$ 7,417,959	\$ 7,210,581	\$ 6,946,116	\$ 6,401,832	\$ 6,443,481	\$ 6,287,162
Plan fiduciary net position - beginning	\$ 9,101,989	\$ 8,627,721	\$ 8,447,876	\$ 8,849,071	\$ 7,277,269	\$ 7,417,959	\$ 7,210,581	\$ 6,946,116	\$ 6,401,832	\$ 6,443,481
Plan fiduciary net position - ending (b)	\$ (28,857)	\$ 129,657	\$ (104,404)	\$ (560,295)	\$ 631,809	\$ 416,546	\$ 174,868	\$ 278,956	\$ 838,997	\$ 830,032
School Board's net pension liability (asset) - ending (a) - (b)	\$ 100.32%	\$ 98.52%	\$ 101.25%	\$ 106.76%	\$ 92.01%	\$ 94.68%	\$ 97.63%	\$ 96.14%	\$ 88.41%	\$ 88.59%
Plan fiduciary net position as a percentage of the total pension liability	\$ 2,508,195	\$ 2,324,715	\$ 1,941,458	\$ 1,748,348	\$ 1,770,774	\$ 1,759,409	\$ 1,781,608	\$ 1,763,936	\$ 1,720,429	\$ 1,716,920
Covered payroll	-1.15%	5.58%	-5.38%	-32.05%	35.68%	23.68%	9.82%	15.81%	48.77%	48.34%
School Board's net pension liability (asset) as a percentage of covered payroll										

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
				Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Proportionate Share of the Net Pension Liability (5)	
2024	0.14699%	\$ 13,797,855	\$ 15,662,943	88.09%	84.52%	
2023	0.14832%	14,991,006	14,729,461	101.78%	82.45%	
2022	0.14465%	13,771,546	13,363,586	103.05%	82.61%	
2021	0.14461%	11,226,215	12,722,354	88.24%	85.46%	
2020	0.14780%	21,516,057	12,914,293	166.61%	71.47%	
2019	0.15235%	20,050,126	12,712,025	157.73%	73.51%	
2018	0.16321%	19,194,000	13,155,134	145.91%	74.81%	
2017	0.16990%	20,894,000	13,363,229	156.35%	72.92%	
2016	0.17012%	23,841,000	12,974,082	183.76%	68.28%	
2015	0.17090%	21,510,000	12,706,299	169.29%	70.68%	

County of Patrick, Virginia
Schedule of Employer Contributions
Pension Plans

For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 1,351,492	\$ 1,351,492	\$ -	\$ 9,175,094	14.73%
2024	1,226,722	1,226,722	-	8,283,507	14.81%
2023	1,131,939	1,131,939	-	7,615,731	14.86%
2022	910,445	910,445	-	6,865,549	13.26%
2021	864,835	864,835	-	6,493,241	13.32%
2020	750,496	750,496	-	6,522,025	11.51%
2019	746,919	746,919	-	6,460,418	11.56%
2018	648,526	648,526	-	6,108,403	10.62%
2017	590,726	590,726	-	5,520,475	10.70%
2016	671,160	671,160	-	5,297,198	12.67%
Component Unit School Board (nonprofessional)					
2025	\$ 171,550	\$ 171,550	\$ -	\$ 2,565,945	6.69%
2024	140,650	140,650	-	2,508,195	5.61%
2023	132,774	132,774	-	2,324,715	5.71%
2022	118,271	118,271	-	1,941,458	6.09%
2021	106,674	106,674	-	1,748,348	6.10%
2020	107,760	107,760	-	1,770,774	6.09%
2019	109,273	109,273	-	1,759,409	6.21%
2018	114,284	114,284	-	1,781,608	6.41%
2017	114,992	114,992	-	1,763,936	6.52%
2016	170,680	170,680	-	1,720,429	9.92%
Component Unit School Board (professional)					
2025	\$ 2,284,831	\$ 2,284,831	\$ -	\$ 15,847,951	14.42%
2024	2,479,076	2,479,076	-	15,662,943	15.83%
2023	2,341,108	2,341,108	-	14,729,461	15.89%
2022	2,142,251	2,142,251	-	13,363,586	16.03%
2021	2,045,566	2,045,566	-	12,722,354	16.08%
2020	1,964,648	1,964,648	-	12,914,293	15.21%
2019	1,952,976	1,952,976	-	12,712,025	15.36%
2018	2,106,654	2,106,654	-	13,155,134	16.01%
2017	1,933,261	1,933,261	-	13,363,229	14.47%
2016	1,930,644	1,930,644	-	12,974,082	14.88%

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

County of Patrick, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2025

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

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

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

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

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

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

Component Unit School Board - Professional Employees

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

County of Patrick, Virginia
 Schedule of Changes in Total OPEB Liability and Related Ratios
 Primary Government - Health Insurance
 For the Measurement Dates of June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 49,318	\$ 38,586	\$ 43,588	\$ 31,752	\$ 30,225	\$ 27,921	\$ 17,363	\$ 15,596
Interest	24,438	21,263	14,920	9,256	10,628	15,288	12,279	9,877
Effect of economic/demographic gains or losses	7,772	-	143,731	-	(61,027)	-	37,025	-
Changes in assumptions	(66,168)	(15,492)	(23,702)	(36,311)	2,579	33,585	108,743	(7,277)
Benefit payments	(17,967)	(13,657)	(11,243)	(35,910)	(36,651)	(33,221)	(25,691)	(18,235)
Net change in total OPEB liability	\$ (2,607)	\$ 30,700	\$ 167,294	\$ (31,213)	\$ (54,246)	\$ 43,573	\$ 149,719	\$ (39)
Total OPEB liability - beginning	581,431	550,731	383,437	414,650	468,896	425,323	275,604	275,643
Total OPEB liability - ending	\$ 578,824	\$ 581,431	\$ 550,731	\$ 383,437	\$ 414,650	\$ 468,896	\$ 425,323	\$ 275,604
Covered-employee payroll	\$ 9,036,553	\$ 7,654,095	\$ 7,654,095	\$ 6,387,091	\$ 6,387,091	\$ 6,411,197	\$ 6,411,197	\$ 5,453,800
County's total OPEB liability as a percentage of covered-employee payroll	6.41%	7.60%	7.20%	6.00%	6.49%	7.31%	6.63%	5.05%

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

County of Patrick, Virginia
 Schedule of Changes in Total OPEB Liability and Related Ratios
 Component Unit - School Board - Health Insurance
 For the Measurement Dates of June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 154,965	\$ 191,821	\$ 232,035	\$ 219,126	\$ 196,756	\$ 178,836	\$ 130,150	\$ 142,406
Interest	174,198	158,205	115,497	72,671	79,037	107,635	103,583	102,174
Effect of economic/demographic gains or losses	(638,791)	-	1,098,327	-	(744,473)	-	(279,540)	-
Changes in assumptions	(277,375)	(93,196)	(210,289)	(316,474)	295,216	279,152	218,241	(86,103)
Benefit payments	(107,846)	(135,658)	(111,766)	(68,789)	(53,111)	(111,090)	(92,861)	(125,748)
Net change in total OPEB liability	\$ (694,849)	\$ 121,172	\$ 1,123,804	\$ (93,466)	\$ (226,575)	\$ 454,533	\$ 79,573	\$ 32,729
Total OPEB liability - beginning	<u>4,330,972</u>	<u>4,209,800</u>	<u>3,085,996</u>	<u>3,179,462</u>	<u>3,406,037</u>	<u>2,951,504</u>	<u>2,871,931</u>	<u>2,839,202</u>
Total OPEB liability - ending	<u>\$ 3,636,123</u>	<u>\$ 4,330,972</u>	<u>\$ 4,209,800</u>	<u>\$ 3,085,996</u>	<u>\$ 3,179,462</u>	<u>\$ 3,406,037</u>	<u>\$ 2,951,504</u>	<u>\$ 2,871,931</u>
Covered-employee payroll	\$ 18,566,813	\$ 17,075,476	\$ 17,075,476	\$ 14,448,316	\$ 14,448,316	\$ 14,396,228	\$ 14,396,228	\$ 14,984,000
School Board's total OPEB liability as a percentage of covered-employee payroll	19.58%	25.36%	24.65%	21.36%	22.01%	23.66%	20.50%	19.17%

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

County of Patrick, Virginia
Notes to Required Supplementary Information - Health Insurance
For the Year Ended June 30, 2025

Primary Government and Component Unit School Board

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	5.20% as of June 30, 2025
Inflation	2.50% per year as of June 30, 2025
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.70% and gradually declines to 3.90% by the year 2073.
Retirement Age	The average age at retirement is estimated based on probability of retirement.
County Participation Rate	It is assumed 20% of future retirees will elect coverage and also cover a spouse.
School Board Participation Rate	It is assumed 50% of future retirees who are eligible for ERIP at retirement do not elect to participate. Of the 50%, we assume 20% elect retiree health coverage.
Mortality Rates	The mortality rates for active employees was calculated using the RP-2014 Employee Mortality tables projected to 2020 using Scale BB with males and females set back one year (females set forward one year for public safety employees). The mortality rates for healthy retirees was calculated using the RP-2014 Combined Healthy Mortality tables projected to 2020 using Scale BB with females set back one year (males set forward one year and females set forward 3 years for public safety employees). The mortality rates for disabled retirees and calculated using the RP-2014 Disabled Life Mortality tables projected to 2020 using Scale BB (males set forward 2 years for public safety employees).

County of Patrick, Virginia
 Schedule of Employers' Share of the Net OPEB Liability
 Primary Government - Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.03227% \$	360,108 \$	8,285,751	4.35%	73.41%
2023	0.03235%	387,978	7,618,989	5.09%	69.30%
2022	0.03160%	380,133	6,865,549	5.54%	67.21%
2021	0.03140%	365,581	6,493,241	5.63%	67.45%
2020	0.03168%	528,688	6,522,025	8.11%	52.64%
2019	0.03306%	537,974	6,481,527	8.30%	52.00%
2018	0.03212%	488,000	6,108,403	7.99%	51.22%
2017	0.02993%	451,000	5,520,475	8.17%	48.86%

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

County of Patrick, Virginia
 Schedule of Employers' Share of the Net OPEB Liability
 Component Unit - School Board (nonprofessional) Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.00982% \$	109,584 \$	2,520,746	4.35%	73.41%
2023	0.00996%	119,452	2,346,436	5.09%	69.30%
2022	0.00890%	107,526	1,941,458	5.54%	67.21%
2021	0.00850%	98,614	1,753,573	5.62%	67.45%
2020	0.00858%	143,186	1,773,509	8.07%	52.64%
2019	0.00900%	146,453	1,763,835	8.30%	52.00%
2018	0.00937%	143,000	1,781,608	8.03%	51.22%
2017	0.00956%	144,000	1,763,936	8.16%	48.86%

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

County of Patrick, Virginia
 Schedule of Employers' Share of the Net OPEB Liability
 Component Unit - School Board - Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.06110%	\$ 681,828	\$ 15,688,719	4.35%	73.41%
2023	0.06257%	750,410	14,737,645	5.09%	69.30%
2022	0.06170%	742,807	13,391,364	5.55%	67.21%
2021	0.06160%	717,424	12,741,680	5.63%	67.45%
2020	0.06269%	1,046,194	12,914,298	8.10%	52.64%
2019	0.06485%	1,055,282	12,711,488	8.30%	52.00%
2018	0.06919%	1,051,000	13,155,134	7.99%	51.22%
2017	0.07245%	1,090,000	13,363,229	8.16%	48.86%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 43,123	\$ 43,123	\$ -	\$ 9,175,094	0.47%
2024	44,743	44,743	-	8,285,751	0.54%
2023	41,143	41,143	-	7,618,989	0.54%
2022	37,087	37,087	-	6,865,549	0.54%
2021	35,012	35,012	-	6,493,241	0.54%
2020	33,915	33,915	-	6,522,025	0.52%
2019	33,705	33,705	-	6,481,527	0.52%
2018	31,757	31,757	-	6,108,403	0.52%
2017	28,706	28,706	-	5,520,475	0.52%
2016	25,427	25,427	-	5,297,198	0.48%
Component Unit School Board (nonprofessional)					
2025	\$ 12,060	\$ 12,060	\$ -	\$ 2,565,945	0.47%
2024	13,612	13,612	-	2,520,746	0.54%
2023	12,671	12,671	-	2,346,436	0.54%
2022	10,484	10,484	-	1,941,458	0.54%
2021	9,469	9,469	-	1,753,573	0.54%
2020	9,199	9,199	-	1,773,509	0.52%
2019	9,137	9,137	-	1,763,835	0.52%
2018	9,265	9,265	-	1,781,608	0.52%
2017	9,172	9,172	-	1,763,936	0.52%
2016	8,258	8,258	-	1,720,429	0.48%
Component Unit School Board (professional)					
2025	\$ 74,485	\$ 74,485	\$ -	\$ 15,847,951	0.47%
2024	84,719	84,719	-	15,688,719	0.54%
2023	79,583	79,583	-	14,737,645	0.54%
2022	72,459	72,459	-	13,391,364	0.54%
2021	68,695	68,695	-	12,741,680	0.54%
2020	67,096	67,096	-	12,914,298	0.52%
2019	66,120	66,120	-	12,711,488	0.52%
2018	68,406	68,406	-	13,155,134	0.52%
2017	69,489	69,489	-	13,363,229	0.52%
2016	62,276	62,276	-	12,974,082	0.48%

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

County of Patrick, Virginia
 Schedule of Changes in the County's Net OPEB Liability and Ratios
 Primary Government - Health Insurance Credit (HIC) Plan
 For the Measurement Date of June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total HIC OPEB Liability							
Service cost	\$ 1,991	\$ 1,372	\$ 5,368	\$ 3,668	\$ 2,892	\$ 1,541	\$ 1,961
Interest	2,670	2,642	1,777	1,896	1,022	1,987	(8)
Differences between expected and actual experience	(4,021)	(3,464)	(16,814)	(13,676)	43,767	323	28,414
Changes of assumptions	-	-	(27,255)	3,198	13,194	977	-
Benefit payments	(990)	(540)	(3,904)	(3,980)	(4,590)	(3,473)	(240)
Net change in total HIC OPEB liability	\$(350)	10	\$(40,828)	\$(8,894)	56,285	1,355	30,127
Total HIC OPEB Liability - beginning	38,055	38,045	78,873	87,767	31,482	30,127	-
Total HIC OPEB Liability - ending (a)	\$ 37,705	\$ 38,055	\$ 38,045	\$ 78,873	\$ 87,767	\$ 31,482	\$ 30,127
Plan fiduciary net position							
Contributions - employer	\$ 6,265	\$ 5,762	\$ 5,033	\$ 4,706	\$ 2,706	\$ 1,943	\$ 2,501
Net investment income	1,966	259	(18)	-	-	69	23
Benefit payments	(990)	(540)	(3,904)	(3,980)	(4,590)	(3,473)	(240)
Administrator charges	(27)	4	(15)	-	1	-	(3)
Other	-	476	8,928	-	-	-	-
Net change in plan fiduciary net position	\$ 7,214	\$ 5,961	\$ 10,024	\$ 726	\$(1,883)	\$(1,461)	2,281
Plan fiduciary net position - beginning	15,648	9,687	(337)	(1,063)	820	2,281	-
Plan fiduciary net position - ending (b)	\$ 22,862	\$ 15,648	\$ 9,687	\$(337)	\$ (1,063)	\$ 820	\$ 2,281
County's net HIC OPEB liability - ending (a) - (b)	\$ 14,843	\$ 22,407	\$ 28,358	\$ 79,210	\$ 88,830	\$ 30,662	\$ 27,846
Plan fiduciary net position as a percentage of the total HIC OPEB liability	60.63%	41.12%	25.46%	-0.43%	-1.21%	2.60%	7.57%
Covered payroll	\$ 1,842,642	\$ 1,694,566	\$ 1,477,767	\$ 1,386,564	\$ 1,446,653	\$ 1,493,942	\$ 1,470,653
County's net HIC OPEB liability as a percentage of covered payroll	0.81%	1.32%	1.92%	5.71%	6.14%	2.05%	1.89%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

County of Patrick, Virginia
 Schedule of Changes in the County's Net OPEB Liability and Ratios
 Component Unit - School Board - Health Insurance Credit (HIC) Plan
 For the Measurement Date of June 30, 2020 through June 30, 2024

	2024	2023	2022	2021	2020
Total HIC OPEB Liability					
Service cost	\$ 2,183	\$ 2,389	\$ 2,742	\$ 2,531	\$ -
Interest	10,695	17,075	15,173	13,697	-
Changes in benefit terms	-	-	-	-	202,921
Differences between expected and actual experience	(6,708)	(105,159)	(1,887)	-	-
Changes of assumptions	-	-	21,453	7,408	-
Benefit payments	(8,361)	(8,879)	(9,023)	-	-
Net change in total HIC OPEB liability	\$ (2,191)	\$ (94,574)	\$ 28,458	\$ 23,636	\$ 202,921
Total HIC OPEB Liability - beginning	160,441	255,015	226,557	202,921	-
Total HIC OPEB Liability - ending (a)	\$ 158,250	\$ 160,441	\$ 255,015	\$ 226,557	\$ 202,921
Plan fiduciary net position					
Contributions - employer	\$ 29,848	\$ 27,923	\$ 17,667	\$ 15,910	\$ -
Net investment income	5,922	2,545	(202)	2,215	-
Benefit payments	(8,361)	(8,879)	(9,023)	-	-
Administrator charges	(92)	(70)	(45)	(71)	-
Other	(1)	1	-	-	-
Net change in plan fiduciary net position	\$ 27,316	\$ 21,520	\$ 8,397	\$ 18,054	\$ -
Plan fiduciary net position - beginning	47,971	26,451	18,054	-	-
Plan fiduciary net position - ending (b)	\$ 75,287	\$ 47,971	\$ 26,451	\$ 18,054	\$ -
Component Unit School Board's net HIC OPEB liability - ending (a) - (b)	\$ 82,963	\$ 112,470	\$ 228,564	\$ 208,503	\$ 202,921
Plan fiduciary net position as a percentage of the total HIC OPEB liability	47.57%	29.90%	10.37%	7.97%	0.00%
Covered payroll	\$ 2,508,195	\$ 2,346,436	\$ 1,941,458	\$ 1,748,348	\$ -
County's net HIC OPEB liability as a percentage of covered payroll	3.31%	4.79%	11.77%	11.93%	0.00%

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

County of Patrick, Virginia
 Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2018 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 7,310	\$ 7,310	\$ -	\$ 2,149,940	0.34%
2024	6,265	6,265	-	1,842,642	0.34%
2023	5,762	5,762	-	1,694,566	0.34%
2022	5,033	5,033	-	1,477,767	0.34%
2021	4,706	4,706	-	1,386,564	0.34%
2020	2,710	2,710	-	1,446,653	0.19%
2019	2,844	2,844	-	1,493,942	0.19%
2018	2,501	2,501	-	1,470,653	0.17%
Component Unit School Board (nonprofessional)					
2025	\$ 30,535	\$ 30,535	\$ -	\$ 2,565,945	1.19%
2024	29,848	29,848	-	2,508,195	1.19%
2023	27,923	27,923	-	2,346,436	1.19%
2022	17,667	17,667	-	1,941,458	0.91%
2021	15,910	15,910	-	1,748,348	0.91%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation for the primary government and the 2021 valuation for the School Board is not available. However, additional years will be included as they become available.

County of Patrick, Virginia
 Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2025

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.14643%	\$ 1,692,215	\$ 15,688,719	10.79%	21.82%
2023	0.14770%	1,789,627	14,730,583	12.15%	17.90%
2022	0.14383%	1,796,504	13,363,586	13.44%	15.08%
2021	0.14387%	1,846,671	12,744,355	14.49%	13.15%
2020	0.14718%	1,919,987	12,914,298	14.87%	9.95%
2019	0.15151%	1,983,413	12,711,488	15.60%	8.97%
2018	0.16267%	2,065,000	13,155,362	15.70%	8.08%
2017	0.16933%	2,148,000	13,363,229	16.07%	7.04%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 191,760	\$ 191,760	-	\$ 15,847,951	1.21%
2024	189,833	189,833	-	15,688,719	1.21%
2023	178,240	178,240	-	14,730,583	1.21%
2022	162,206	162,206	-	13,363,586	1.21%
2021	153,962	153,962	-	12,744,355	1.21%
2020	154,877	154,877	-	12,914,298	1.20%
2019	152,545	152,545	-	12,711,488	1.20%
2018	161,807	161,807	-	13,155,362	1.23%
2017	148,332	148,332	-	13,363,229	1.11%
2016	137,490	137,490	-	12,970,782	1.06%

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

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

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

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

Other Supplementary Information

County of Patrick, Virginia
 Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
 Nonmajor Special Revenue Fund
 For the Year Ended June 30, 2025

	Asset Forfeiture Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 5,155	\$ 5,155
Intergovernmental:				
Commonwealth	-	-	3,792	3,792
Total revenues	\$ -	\$ -	\$ 8,947	\$ 8,947
EXPENDITURES				
Current:				
Public safety	\$ 17,884	\$ 838	\$ 1,721	\$ (883)
Total expenditures	\$ 17,884	\$ 838	\$ 1,721	\$ (883)
Excess (deficiency) of revenues over (under) expenditures	\$ (17,884)	\$ (838)	\$ 7,226	\$ 8,064
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ (29,600)	\$ (19,525)	\$ 10,075
Total other financing sources and uses	\$ -	\$ (29,600)	\$ (19,525)	\$ 10,075
Net change in fund balances	\$ (17,884)	\$ (30,438)	\$ (12,299)	\$ 18,139
Fund balances - beginning	17,884	30,438	188,642	158,204
Fund balances - ending	\$ -	\$ -	\$ 176,343	\$ 176,343

FIDUCIARY FUNDS

Special Welfare - The Special Welfare fund accounts for those funds belonging to individuals entrusted to the local social services agency, such as foster care children.

DeHart Cemetery - The DeHart Cemetery fund accounts for those funds belonging to the DeHart Cemetery.

Inmate Fund- The Inmate fund accounts for those funds held by the Sheriff for the Inmate Trust funds.

County of Patrick, Virginia
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2025

	Custodial Funds			
	<u>Special Welfare</u>	<u>Dehart Cemetery</u>	<u>Inmate</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 3,506	\$ 6,000	\$ 9,803	\$ 19,309
Total assets	\$ 3,506	\$ 6,000	\$ 9,803	\$ 19,309
NET POSITION				
Restricted:				
Special Welfare	\$ 3,506	\$ -	\$ -	\$ 3,506
Dehart Cemetery	-	6,000	-	6,000
Inmate Balances	-	-	9,803	9,803
Total net position	\$ 3,506	\$ 6,000	\$ 9,803	\$ 19,309

County of Patrick, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds			
	<u>Special Welfare</u>	<u>Dehart Cemetery</u>	<u>Inmate</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Expenditure reimbursements	\$ 42,145	\$ -	\$ -	\$ 42,145
Miscellaneous	-	347	-	347
Inmate reimbursements	-	-	103,924	103,924
Total contributions	<u>\$ 42,145</u>	<u>\$ 347</u>	<u>\$ 103,924</u>	<u>\$ 146,416</u>
DEDUCTIONS				
Special welfare payments	\$ 69,368	\$ -	\$ -	\$ 69,368
Transfers to other funds	-	365	-	365
Inmate payments	-	-	111,523	111,523
Total deductions	<u>\$ 69,368</u>	<u>\$ 365</u>	<u>\$ 111,523</u>	<u>\$ 181,256</u>
Net increase (decrease) in fiduciary net position	\$ (27,223)	\$ (18)	\$ (7,599)	\$ (34,840)
Net position - beginning	30,729	6,018	17,402	54,149
Net position - ending	<u>\$ 3,506</u>	<u>\$ 6,000</u>	<u>\$ 9,803</u>	<u>\$ 19,309</u>

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

MAJOR GOVERNMENTAL FUNDS

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

School Activity Fund - The School Activity Fund accounts for and reports the operations of the individual schools.

County of Patrick, Virginia
Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2025

	School Operating Fund	Nonmajor Fund School Activity Fund	Total
ASSETS			
Cash and cash equivalents	\$ 2,376,923	\$ -	\$ 2,376,923
Cash in custody of others	200	623,262	623,462
Receivables (net of allowance for uncollectibles)			
Accounts receivable	76,068	14,286	90,354
Due from other governmental units	1,051,198	-	1,051,198
Inventories	89,010	-	89,010
Prepaid items	682,168	-	682,168
Total assets	<u>\$ 4,275,567</u>	<u>\$ 637,548</u>	<u>\$ 4,913,115</u>
LIABILITIES			
Accounts payable	\$ 48,767	\$ -	\$ 48,767
Salaries payable	1,451,349	-	1,451,349
Due to primary government	1,760,667	-	1,760,667
Unearned revenue	449,000	-	449,000
Total liabilities	<u>\$ 3,709,783</u>	<u>\$ -</u>	<u>\$ 3,709,783</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	\$ 682,168	\$ -	\$ 682,168
Inventories	89,010	-	89,010
Restricted:			
Cafeteria	476,574	-	476,574
Committed:			
Education	200	-	200
Unassigned	(682,168)	637,548	(44,620)
Total fund balances	<u>\$ 565,784</u>	<u>\$ 637,548</u>	<u>\$ 1,203,332</u>
Total liabilities and fund balances	<u>\$ 4,275,567</u>	<u>\$ 637,548</u>	<u>\$ 4,913,115</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total fund balances per above			\$ 1,203,332
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land		\$ 769,576	
Construction in progress		616,349	
Building and improvements		11,689,551	
Machinery and equipment		7,393,771	
Intangible right-to-use assets: Machinery and equipment		12,381	
Subscription asset		418,459	20,900,087
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
Net pension asset			28,857
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items		\$ 5,408,149	
OPEB related items		1,425,733	6,833,882
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			
Lease liabilities		\$ (12,374)	
SBITA liabilities		(216,819)	
Compensated absences		(3,333,780)	
Net pension liability		(13,797,855)	
Net OPEB liabilities		(6,202,713)	(23,563,541)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items		\$ (2,664,047)	
OPEB related items		(2,023,936)	(4,687,983)
Net position of governmental activities			<u>\$ 714,634</u>

County of Patrick, Virginia
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	Nonmajor Fund School Activity Fund*	Total
REVENUES			
Revenue from the use of money and property	\$ 17,438	\$ -	\$ 17,438
Charges for services	112,406	830,202	942,608
Miscellaneous	589,036	-	589,036
Recovered costs	155,816	-	155,816
Intergovernmental:			
Local government	6,311,247	-	6,311,247
Commonwealth	26,224,127	-	26,224,127
Federal	3,436,608	-	3,436,608
Total revenues	<u>\$ 36,846,678</u>	<u>\$ 830,202</u>	<u>\$ 37,676,880</u>
EXPENDITURES			
Current:			
Education	\$ 36,921,707	\$ 1,078,611	\$ 38,000,318
Debt service:			
Principal retirement	236,494	-	236,494
Interest and other fiscal charges	365	-	365
Total expenditures	<u>\$ 37,158,566</u>	<u>\$ 1,078,611</u>	<u>\$ 38,237,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (311,888)</u>	<u>\$ (248,409)</u>	<u>\$ (560,297)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 344,891	\$ 344,891
Transfers out	(344,891)	-	(344,891)
Issuance of subscription liability	432,545	-	432,545
Total other financing sources and uses	<u>\$ 87,654</u>	<u>\$ 344,891</u>	<u>\$ 432,545</u>
Net change in fund balances	\$ (224,234)	\$ 96,482	\$ (127,752)
Fund balances - beginning	790,018	541,066	1,331,084
Fund balances - ending	<u>\$ 565,784</u>	<u>\$ 637,548</u>	<u>\$ 1,203,332</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			\$ (127,752)
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 detail of items supporting this adjustment:			
Capital outlay		\$ 2,504,181	
Depreciation expense		<u>(2,349,235)</u>	154,946
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.			
Contribution of school assets as debt balances were paid completely			925,744
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.			
Issuance of debt:			
Subscription liabilities		\$ (432,545)	
Principal payments:			
Lease liabilities		20,768	
Subscription liability		<u>215,726</u>	(196,051)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.			
Change in compensated absences		\$ (444,110)	
Change in net pension (asset)/liabilities and related deferred items		1,206,649	
Change in net OPEB liabilities and related deferred items		<u>97,058</u>	859,597
Change in net position of governmental activities			<u>\$ 1,616,484</u>

*The School Activity Fund does not require a legally adopted budget.

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

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 1,250	\$ 1,250	\$ 17,438	\$ 16,188
Charges for services	176,508	176,508	112,406	(64,102)
Miscellaneous	311,500	311,500	589,036	277,536
Recovered costs	430,000	430,000	155,816	(274,184)
Intergovernmental:				
Local government	7,081,795	7,956,795	6,311,247	(1,645,548)
Commonwealth	26,969,476	27,058,985	26,224,127	(834,858)
Federal	3,628,762	3,628,762	3,436,608	(192,154)
Total revenues	<u>\$ 38,599,291</u>	<u>\$ 39,563,800</u>	<u>\$ 36,846,678</u>	<u>\$ (2,717,122)</u>
EXPENDITURES				
Current:				
Education	\$ 38,550,332	\$ 39,514,841	\$ 36,921,707	\$ 2,593,134
Debt service:				
Principal retirement	134,294	134,294	236,494	(102,200)
Interest and other fiscal charges	365	365	365	-
Total expenditures	<u>\$ 38,684,991</u>	<u>\$ 39,649,500</u>	<u>\$ 37,158,566</u>	<u>\$ 2,490,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (85,700)</u>	<u>\$ (85,700)</u>	<u>\$ (311,888)</u>	<u>\$ (226,188)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (344,891)	\$ (344,891)
Issuance of subscription liability	-	-	432,545	432,545
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,654</u>	<u>\$ 87,654</u>
Net change in fund balances	\$ (85,700)	\$ (85,700)	\$ (224,234)	\$ (138,534)
Fund balances - beginning	85,700	85,700	790,018	704,318
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565,784</u>	<u>\$ 565,784</u>

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

Schedule 1
Page 1 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 11,777,000	\$ 11,777,000	\$ 11,846,160	\$ 69,160
Real and personal public service corporation taxes	550,000	550,000	510,890	(39,110)
Personal property taxes	3,000,000	3,000,000	3,971,481	971,481
Mobile home taxes	108,853	108,853	109,742	889
Machinery and tools taxes	750,000	750,000	855,109	105,109
Penalties	150,000	150,000	213,049	63,049
Interest	90,000	90,000	93,378	3,378
Total general property taxes	<u>\$ 16,425,853</u>	<u>\$ 16,425,853</u>	<u>\$ 17,599,809</u>	<u>\$ 1,173,956</u>
Other local taxes:				
Local sales and use taxes	\$ 2,000,000	\$ 2,000,000	\$ 3,684,387	\$ 1,684,387
Consumers' utility taxes	450,000	450,000	414,198	(35,802)
Consumption taxes	58,000	58,000	54,140	(3,860)
Gross receipts tax	2,500	2,500	3,326	826
Cigarette taxes	44,000	44,000	36,996	(7,004)
Food and beverage taxes	401,200	401,200	415,266	14,066
Motor vehicle licenses	475,000	475,000	468,393	(6,607)
Bank stock taxes	-	-	11,214	11,214
Taxes on recordation and wills	115,000	115,000	119,081	4,081
Transient occupancy taxes	698,000	716,920	796,766	79,846
Total other local taxes	<u>\$ 4,243,700</u>	<u>\$ 4,262,620</u>	<u>\$ 6,003,767</u>	<u>\$ 1,741,147</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 15,000	\$ 15,706	\$ 11,700	\$ (4,006)
Transfer fees	1,000	1,000	1,134	134
Erosion and sediment control permits	2,000	2,000	1,440	(560)
Building permits	97,800	97,800	92,286	(5,514)
Total permits, privilege fees, and regulatory licenses	<u>\$ 115,800</u>	<u>\$ 116,506</u>	<u>\$ 106,560</u>	<u>\$ (9,946)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 30,000	\$ 30,000	\$ 22,931	\$ (7,069)
Revenue from use of money and property:				
Revenue from use of money	\$ 365,000	\$ 403,933	\$ 595,944	\$ 192,011
Revenue from use of property	11,000	11,000	34,116	23,116
Total revenue from use of money and property	<u>\$ 376,000</u>	<u>\$ 414,933</u>	<u>\$ 630,060</u>	<u>\$ 215,127</u>
Charges for services:				
Charges for courthouse maintenance	\$ -	\$ -	\$ 3,385	\$ 3,385
Charges for credit card collections	10,000	10,000	8,999	(1,001)
Charges for ambulance	500,000	500,000	632,447	132,447
Charges for Commonwealth's Attorney	5,000	5,000	4,016	(984)
Charges for sanitation and waste removal	375,000	475,000	527,922	52,922
Charges for parks and recreation	33,500	33,500	30,570	(2,930)
Charges for library	-	-	1,265	1,265
Charges for courthouse security fees	-	-	23,663	23,663
Total charges for services	<u>\$ 923,500</u>	<u>\$ 1,023,500</u>	<u>\$ 1,232,267</u>	<u>\$ 208,767</u>
Miscellaneous:				
Local grants and donations	\$ 9,000	\$ 17,775	\$ 35,500	\$ 17,725
Opioid settlement miscellaneous revenue	-	-	67,972	67,972
Other miscellaneous	174,659	282,412	254,322	(28,090)
Total miscellaneous	<u>\$ 183,659</u>	<u>\$ 300,187</u>	<u>\$ 357,794</u>	<u>\$ 57,607</u>

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

Schedule 1
Page 2 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Recovered costs:				
Payroll reimbursements	\$ 836,566	\$ 1,042,097	\$ 829,183	\$ (212,914)
Law enforcement	15,000	15,000	9,212	(5,788)
Other recovered costs	173,828	274,629	274,982	353
Charges for jail inmates	298,094	298,094	407,586	109,492
Health department	-	-	10,543	10,543
Total recovered costs	<u>\$ 1,323,488</u>	<u>\$ 1,629,820</u>	<u>\$ 1,531,506</u>	<u>\$ (98,314)</u>
 Total revenue from local sources	 <u>\$ 23,622,000</u>	 <u>\$ 24,203,419</u>	 <u>\$ 27,484,694</u>	 <u>\$ 3,281,275</u>
 Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 45,000	\$ 45,000	\$ 83,460	\$ 38,460
Motor vehicle rental tax	2,500	2,500	3,233	733
State recordation tax	50,000	50,000	46,349	(3,651)
Personal property tax relief funds	688,659	688,659	688,659	-
Communications tax	375,000	375,000	317,082	(57,918)
Motor vehicle carriers' tax	100	100	13	(87)
Total noncategorical aid	<u>\$ 1,161,259</u>	<u>\$ 1,161,259</u>	<u>\$ 1,138,796</u>	<u>\$ (22,463)</u>
 Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 452,595	\$ 452,595	\$ 452,340	\$ (255)
Sheriff	3,146,245	3,153,245	3,138,638	(14,607)
Commissioner of revenue	139,109	139,109	138,430	(679)
Treasurer	147,155	147,155	145,673	(1,482)
Registrar/electoral board	81,936	81,936	72,295	(9,641)
Clerk of the circuit court	311,210	311,210	310,564	(646)
Total shared expenses	<u>\$ 4,278,250</u>	<u>\$ 4,285,250</u>	<u>\$ 4,257,940</u>	<u>\$ (27,310)</u>
 Other categorical aid:				
Victim witness grant	\$ 21,109	\$ 26,009	\$ 27,134	\$ 1,125
State welfare funds	711,367	764,667	951,197	186,530
Children's services	1,081,387	3,087,387	1,534,020	(1,553,367)
E-911 wireless funds	60,000	68,431	84,881	16,450
Technology Grants	25,694	42,397	42,397	-
Fire programs	-	-	82,820	82,820
Emergency service grant	537,500	556,490	61,323	(495,167)
Commission for the arts	4,500	4,500	4,500	-
Litter control grant	17,000	17,000	15,049	(1,951)
Operation Ceasefire grant	86,229	123,738	118,880	(4,858)
Opioid Abatement Authority	-	-	21,100	21,100
Justice assistance grant	-	252,354	253,324	970
Total other categorical aid	<u>\$ 2,544,786</u>	<u>\$ 4,942,973</u>	<u>\$ 3,196,625</u>	<u>\$ (1,746,348)</u>
 Total categorical aid	 <u>\$ 6,823,036</u>	 <u>\$ 9,228,223</u>	 <u>\$ 7,454,565</u>	 <u>\$ (1,773,658)</u>
 Total revenue from the Commonwealth	 <u>\$ 7,984,295</u>	 <u>\$ 10,389,482</u>	 <u>\$ 8,593,361</u>	 <u>\$ (1,796,121)</u>
 Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 22,000	\$ 22,000	\$ 27,196	\$ 5,196
Federal interest subsidy	78,000	78,000	78,281	281
Total noncategorical aid	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 105,477</u>	<u>\$ 5,477</u>

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

Schedule 1
 Page 3 of 4

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government: (Continued)				
Categorical aid:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	\$ 1,400,000	\$ 1,538,283	\$ 1,235,412	\$ (302,871)
State Homeland Security Grant Program	-	-	200,618	200,618
Federal welfare funds	1,811,814	1,811,814	1,811,814	-
Violence against women grant	50,000	50,000	50,000	-
Highway safety grants	20,000	20,000	46,058	26,058
Victim witness grant	44,100	44,100	42,162	(1,938)
Appalachian Area Development	-	12,500	12,500	-
Total categorical aid	<u>\$ 3,325,914</u>	<u>\$ 3,476,697</u>	<u>\$ 3,398,564</u>	<u>\$ (78,133)</u>
Total revenue from the federal government	<u>\$ 3,425,914</u>	<u>\$ 3,576,697</u>	<u>\$ 3,504,041</u>	<u>\$ (72,656)</u>
Total General Fund	<u>\$ 35,032,209</u>	<u>\$ 38,169,598</u>	<u>\$ 39,582,096</u>	<u>\$ 1,412,498</u>
Nonmajor Special Revenue funds:				
Asset Forfeiture Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 5,155	\$ 5,155
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Seized Assets	\$ -	\$ -	\$ 3,792	\$ 3,792
Total Asset Forfeiture fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,947</u>	<u>\$ 8,947</u>
Total Primary Government	<u>\$ 35,032,209</u>	<u>\$ 38,169,598</u>	<u>\$ 39,591,043</u>	<u>\$ 1,421,445</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 15,828	\$ 15,828
Revenue from the use of property	1,250	1,250	1,610	360
Total revenue from use of money and property	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ 17,438</u>	<u>\$ 16,188</u>
Charges for services:				
Cafeteria sales	\$ 134,452	\$ 134,452	\$ 100,532	\$ (33,920)
Transportation of pupils	42,056	42,056	11,874	(30,182)
Total charges for services	<u>\$ 176,508</u>	<u>\$ 176,508</u>	<u>\$ 112,406</u>	<u>\$ (64,102)</u>
Miscellaneous:				
Other miscellaneous	\$ 311,500	\$ 311,500	\$ 589,036	\$ 277,536
Recovered costs:				
Other recovered costs	\$ 430,000	\$ 430,000	\$ 155,816	\$ (274,184)
Total revenue from local sources	<u>\$ 919,258</u>	<u>\$ 919,258</u>	<u>\$ 874,696</u>	<u>\$ (44,562)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Patrick, Virginia	\$ 7,081,795	\$ 7,956,795	\$ 6,311,247	\$ (1,645,548)
Revenues from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,375,442	\$ 3,375,442	\$ 3,478,578	\$ 103,136
Basic school aid	11,912,646	11,912,646	11,357,510	(555,136)
Regular foster care	59,819	59,819	-	(59,819)
GED Prep	8,203	8,203	8,027	(176)
Gifted and talented	105,482	105,482	101,850	(3,632)
Textbook payment	268,124	268,124	258,892	(9,232)
Vocational standards of quality payments	247,798	247,798	239,266	(8,532)
Fringe benefits-Social security	647,959	647,959	625,649	(22,310)
Fringe benefits-Retirement	1,393,028	1,393,028	1,345,064	(47,964)
Fringe benefits-Life insurance	40,184	40,184	38,800	(1,384)
State lottery payments	747,990	747,990	751,308	3,318
School food	58,412	58,412	49,865	(8,547)
Early reading intervention	134,542	134,542	124,932	(9,610)
Homebound education	17,277	17,277	21,102	3,825
Vocational education - equipment	41,521	41,521	37,500	(4,021)
Vocational occupational preparedness	-	-	4,631	4,631
Special education	1,508,556	1,508,556	1,456,614	(51,942)
Regional program tuition	76,014	76,014	187,708	111,694
At risk payments	3,051,968	3,051,968	2,939,831	(112,137)
Primary class size	639,089	639,089	592,223	(46,866)
Mentor teacher program	239	239	921	682
English as a second language	112,759	112,759	97,295	(15,464)
Standards of Learning algebra readiness	52,416	52,416	49,250	(3,166)
No Loss Funding	899,056	899,056	884,917	(14,139)
VA preschool initiative	450,055	450,055	154,189	(295,866)
Other state funds	130,997	220,506	445,623	225,117
VPSA technology grant	232,000	232,000	232,000	-
School construction	300,000	300,000	298,769	(1,231)
Supplemental support for schools	457,900	457,900	441,813	(16,087)
Total categorical aid	<u>\$ 26,969,476</u>	<u>\$ 27,058,985</u>	<u>\$ 26,224,127</u>	<u>\$ (834,858)</u>
Total revenue from the Commonwealth	<u>\$ 26,969,476</u>	<u>\$ 27,058,985</u>	<u>\$ 26,224,127</u>	<u>\$ (834,858)</u>
Revenue from the federal government:				
Categorical aid:				
Adult education	\$ 50,892	\$ 50,892	\$ 32,041	\$ (18,851)
Title I	842,561	842,561	739,075	(103,486)
Title VI-B, special education flow-through	672,592	672,592	580,107	(92,485)
Title VI-B, special education preschool	22,046	22,046	18,779	(3,267)
Vocational education	55,652	55,652	57,429	1,777
Title II, part A	113,853	113,853	107,165	(6,688)
Title III - Limited English proficient	5,140	5,140	2,250	(2,890)
Rural school program	71,146	71,146	276	(70,870)
School breakfast program	577,509	577,509	547,385	(30,124)
School lunch program	1,156,204	1,156,204	1,199,952	43,748
Summer feeding program	-	-	7,123	7,123
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	-	-	50,809	50,809
ESSER	1,331	1,331	1,331	-
Title IV, part A	59,836	59,836	92,886	33,050
Total categorical aid	<u>\$ 3,628,762</u>	<u>\$ 3,628,762</u>	<u>\$ 3,436,608</u>	<u>\$ (192,154)</u>
Total revenue from the federal government	<u>\$ 3,628,762</u>	<u>\$ 3,628,762</u>	<u>\$ 3,436,608</u>	<u>\$ (192,154)</u>
Total Discretely Presented Component Unit - School Board - School Operating Fund	<u>\$ 38,599,291</u>	<u>\$ 39,563,800</u>	<u>\$ 36,846,678</u>	<u>\$ (2,717,122)</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 49,195	\$ 51,790	\$ 52,622	\$ (832)
General and financial administration:				
County administrator	\$ 613,233	\$ 564,996	\$ 545,055	\$ 19,941
Finance	285,709	317,589	309,276	8,313
Legal services	65,000	72,166	41,912	30,254
Audit services	67,210	65,165	65,165	-
Commissioner of revenue	356,371	353,757	349,702	4,055
DMV agent office	107,298	104,707	102,687	2,020
Reassessment	225,000	225,000	61	224,939
Treasurer	424,008	397,034	386,125	10,909
Tax mapping	82,464	82,586	79,536	3,050
Total general and financial administration	\$ 2,226,293	\$ 2,183,000	\$ 1,879,519	\$ 303,481
Board of elections:				
Electoral board and officials	\$ 83,007	\$ 133,771	\$ 123,001	\$ 10,770
Registrar	185,926	176,832	170,781	6,051
Total board of elections	\$ 268,933	\$ 310,603	\$ 293,782	\$ 16,821
Total general government administration	\$ 2,544,421	\$ 2,545,393	\$ 2,225,923	\$ 319,470
Judicial administration:				
Courts:				
Circuit court	\$ 61,473	\$ 62,425	\$ 60,920	\$ 1,505
General district court	25,600	26,520	25,566	954
Special magistrates	3,480	3,480	3,309	171
Juvenile and domestic relations court	6,475	6,680	5,915	765
Clerk of the circuit court	535,776	560,237	532,759	27,478
Juvenile and domestic relations court services	14,525	14,630	9,197	5,433
Victim witness program	65,100	70,000	69,651	349
Courtroom security	255,192	207,738	191,540	16,198
Total courts	\$ 967,621	\$ 951,710	\$ 898,857	\$ 52,853
Commonwealth's attorney:				
Commonwealth's attorney	\$ 743,901	\$ 722,932	\$ 650,373	\$ 72,559
Operation Ceasefire Grant (OCFG)	84,732	84,732	82,185	2,547
Total commonwealth's attorney	\$ 828,633	\$ 807,664	\$ 732,558	\$ 75,106
Total judicial administration	\$ 1,796,254	\$ 1,759,374	\$ 1,631,415	\$ 127,959
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 4,062,719	\$ 4,534,104	\$ 4,560,689	\$ (26,585)
Sheriff-school resource officer	568,465	639,032	616,110	22,922
Total law enforcement and traffic control	\$ 4,631,184	\$ 5,173,136	\$ 5,176,799	\$ (3,663)
Fire and rescue services:				
E-911 department	\$ 622,406	\$ 685,265	\$ 642,214	\$ 43,051
Volunteer fire departments	526,635	686,482	530,346	156,136
Volunteer emergency operations	1,365,308	1,430,095	1,186,779	243,316
Total fire and rescue services	\$ 2,514,349	\$ 2,801,842	\$ 2,359,339	\$ 442,503
Correction and detention:				
Sheriff-correction and detention	\$ 2,636,866	\$ 3,102,204	\$ 3,006,569	\$ 95,635
Juvenile detention	16,957	16,957	12,718	4,239
Total correction and detention	\$ 2,653,823	\$ 3,119,161	\$ 3,019,287	\$ 99,874

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 237,857	\$ 228,922	\$ 226,024	\$ 2,898
Other protection:				
Animal control	\$ 222,550	\$ 230,520	\$ 213,711	\$ 16,809
Medical examiner	500	500	460	40
Storm water management	99,255	99,975	96,823	3,152
Emergency services	299,450	284,458	228,842	55,616
Total other protection	\$ 621,755	\$ 615,453	\$ 539,836	\$ 75,617
Total public safety	\$ 10,658,968	\$ 11,938,514	\$ 11,321,285	\$ 617,229
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 885,706	\$ 901,435	\$ 917,731	\$ (16,296)
Maintenance of general buildings and grounds:				
General properties	\$ 1,022,658	\$ 1,194,126	\$ 1,140,777	\$ 53,349
Total public works	\$ 1,908,364	\$ 2,095,561	\$ 2,058,508	\$ 37,053
Health and welfare:				
Health:				
Supplement of local health department	\$ 131,247	\$ 131,247	\$ 131,247	\$ -
Behavioral health and development services:				
Contribution to local community services board	\$ 71,179	\$ 71,179	\$ 71,179	\$ -
Behavioral health	35,000	35,000	19,274	15,726
Total behavioral health and development services	\$ 106,179	\$ 106,179	\$ 90,453	\$ 15,726
Welfare:				
Public assistance	\$ 3,379,054	\$ 3,568,081	\$ 3,491,287	\$ 76,794
Children's Services Act (CSA)	1,610,564	4,110,564	2,645,107	1,465,457
Contribution to area on aging	2,718	2,718	2,718	-
Total welfare	\$ 4,992,336	\$ 7,681,363	\$ 6,139,112	\$ 1,542,251
Total health and welfare	\$ 5,229,762	\$ 7,918,789	\$ 6,360,812	\$ 1,557,977
Education:				
Other instructional costs:				
Contribution to County School Board	\$ 6,980,989	\$ 7,206,795	\$ 6,311,247	\$ 895,548
Contributions to Community College	10,000	10,000	10,000	-
Total education	\$ 6,990,989	\$ 7,216,795	\$ 6,321,247	\$ 895,548
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 331,942	\$ 346,426	\$ 308,727	\$ 37,699
Library:				
Contribution to regional library	\$ 305,742	\$ 305,742	\$ 305,568	\$ 174
Total parks, recreation, and cultural	\$ 637,684	\$ 652,168	\$ 614,295	\$ 37,873

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

Schedule 2
Page 3 of 4

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development:				
Planning and community development:				
Community development	\$ 103,935	\$ 104,272	\$ 103,724	\$ 548
Economic development	1,515,104	350,992	103,210	247,782
Tourism	503,917	542,766	484,639	58,127
Total planning and community development	<u>\$ 2,122,956</u>	<u>\$ 998,030</u>	<u>\$ 691,573</u>	<u>\$ 306,457</u>
Environmental management:				
Soil and water district	\$ 155,477	\$ 174,894	\$ 174,865	\$ 29
Cooperative extension program:				
Extension office	\$ 148,835	\$ 151,635	\$ 128,497	\$ 23,138
Total community development	<u>\$ 2,427,268</u>	<u>\$ 1,324,559</u>	<u>\$ 994,935</u>	<u>\$ 329,624</u>
Nondepartmental:				
Accrued leave payments	\$ 75,000	\$ 8,963	-	\$ 8,963
Other contingencies	101,848	309,706	-	309,706
Total nondepartmental	<u>\$ 176,848</u>	<u>\$ 318,669</u>	<u>\$ -</u>	<u>\$ 318,669</u>
Capital projects:				
Broadband project	\$ 165,000	\$ 418,513	\$ 292,033	\$ 126,480
Dam projects	60,000	60,000	102,057	(42,057)
Facilities study	60,000	60,000	48,588	11,412
Mobile Health Unit	500,000	500,000	24,138	475,862
Community Center roof	38,000	38,000	37,538	462
Other capital projects	158,620	1,156,135	190,714	965,421
Total capital projects	<u>\$ 981,620</u>	<u>\$ 2,232,648</u>	<u>\$ 695,068</u>	<u>\$ 1,537,580</u>
Debt service:				
Principal retirement	\$ 1,650,108	\$ 1,650,108	\$ 1,650,108	-
Interest and other fiscal charges	985,429	985,429	1,211,388	(225,959)
Total debt service	<u>\$ 2,635,537</u>	<u>\$ 2,635,537</u>	<u>\$ 2,861,496</u>	<u>\$ (225,959)</u>
Total General Fund	<u>\$ 35,987,715</u>	<u>\$ 40,638,007</u>	<u>\$ 35,084,984</u>	<u>\$ 5,553,023</u>
Nonmajor Special Revenue funds:				
Asset Forfeiture Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 17,884	\$ 838	\$ 1,721	\$ (883)
Total Asset Forfeiture fund	<u>\$ 17,884</u>	<u>\$ 838</u>	<u>\$ 1,721</u>	<u>\$ (883)</u>
Total Primary Government	<u>\$ 36,005,599</u>	<u>\$ 40,638,845</u>	<u>\$ 35,086,705</u>	<u>\$ 5,552,140</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration and health services	\$ 2,151,179	\$ 2,151,179	\$ 2,163,345	\$ (12,166)
Instruction costs:				
Instructional costs	\$ 24,876,152	\$ 24,876,152	\$ 22,472,860	\$ 2,403,292
Technology	2,180,293	2,197,886	2,233,779	(35,893)
Total instruction costs	<u>\$ 27,056,445</u>	<u>\$ 27,074,038</u>	<u>\$ 24,706,639</u>	<u>\$ 2,367,399</u>
Operating costs:				
Pupil transportation	\$ 2,838,135	\$ 2,838,135	\$ 3,130,232	\$ (292,097)
Operation and maintenance of school plant	3,648,660	3,648,660	3,370,042	278,618
Food service and non-instructional	1,751,968	1,751,968	1,278,432	473,536
Facilities	1,103,945	2,050,861	2,273,017	(222,156)
Total operating costs	<u>\$ 9,342,708</u>	<u>\$ 10,289,624</u>	<u>\$ 10,051,723</u>	<u>\$ 237,901</u>
Total education	<u>\$ 38,550,332</u>	<u>\$ 39,514,841</u>	<u>\$ 36,921,707</u>	<u>\$ 2,593,134</u>
Debt service:				
Principal retirement	\$ 134,294	\$ 134,294	\$ 236,494	\$ (102,200)
Interest and other fiscal charges	365	365	365	-
Total debt service	<u>\$ 134,659</u>	<u>\$ 134,659</u>	<u>\$ 236,859</u>	<u>\$ (102,200)</u>
Total Discretely Presented Component Unit - School Board - School Operating Fund	<u><u>\$ 38,684,991</u></u>	<u><u>\$ 39,649,500</u></u>	<u><u>\$ 37,158,566</u></u>	<u><u>\$ 2,490,934</u></u>

Other Statistical Information

Table 1

County of Patrick, Virginia
 Government-wide Expenses by Function
 Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Public Service Authority	Total
2024-25	\$ 1,678,605	\$ 1,599,734	\$ 11,161,590	\$ 2,154,172	\$ 6,379,934	\$ 8,061,999	\$ 610,145	\$ 1,258,802	\$ 1,136,459	\$ 248,874	\$ 34,290,314
2023-24	1,633,951	1,368,284	9,517,108	2,164,574	6,620,692	10,838,204	637,811	1,527,465	1,176,933	237,731	35,722,753
2022-23	1,545,777	1,368,795	9,010,642	2,190,557	4,455,898	8,168,676	671,233	1,260,272	1,212,851	227,259	30,111,960
2021-22	1,340,090	1,247,221	7,475,067	1,792,663	3,772,066	7,138,439	606,344	1,014,611	1,257,346	228,149	25,871,996
2020-21	1,591,139	1,336,335	8,416,494	2,102,031	3,333,505	5,387,904	625,388	1,391,317	1,180,969	210,758	25,575,840
2019-20	1,490,444	1,417,122	8,658,995	1,746,158	3,266,628	7,069,946	576,254	962,521	1,540,816	200,077	26,928,961
2018-19	1,109,138	1,181,361	7,744,249	1,667,628	2,943,181	5,642,790	685,720	953,239	1,486,013	341,401	23,754,720
2017-18	960,130	997,212	6,908,864	1,776,480	2,549,728	6,620,767	612,278	1,018,079	1,310,762	344,782	23,099,082
2016-17	949,882	937,298	6,675,438	2,083,874	2,449,863	6,243,278	543,517	910,975	1,377,032	360,251	22,531,408
2015-16	1,150,083	848,242	5,932,773	1,901,509	2,099,216	5,729,488	561,566	593,301	1,478,026	343,929	20,638,133

Table 2

County of Patrick, Virginia
Government-wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES					GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous (1)	Grants and Contributions Not Restricted to Specific Programs	Total		
2024-25	\$ 1,624,092	\$ 10,856,921	\$ -	\$ 18,077,982	\$ 6,003,767	\$ 601,099	\$ 298,571	\$ 1,244,273	\$ 38,706,705		
2023-24	1,182,135	9,683,984	769,341	16,953,757	5,707,064	784,771	760,406	1,249,111	37,090,569		
2022-23	952,008	8,214,357	462,790	16,375,281	5,266,173	478,562	410,825	1,174,642	33,334,638		
2021-22	1,072,999	7,262,484	3,263	15,302,307	5,323,716	23,154	542,804	1,176,435	30,707,162		
2020-21	785,290	8,837,980	-	14,603,190	3,577,053	26,172	317,355	1,201,825	29,348,865		
2019-20	764,961	5,839,458	17,652	14,532,637	2,785,240	48,189	198,114	1,266,399	25,452,650		
2018-19	782,916	5,271,790	600	13,638,445	2,630,959	53,353	88,385	1,284,487	23,750,935		
2017-18	641,165	4,994,023	-	12,395,028	2,580,028	45,120	92,938	1,317,641	22,065,943		
2016-17	521,333	4,728,635	317,356	12,317,668	2,540,893	44,175	87,220	1,303,435	21,860,715		
2015-16	510,411	4,580,269	-	11,944,860	2,495,653	28,471	59,879	1,256,329	20,875,872		

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Capital Projects	Debt Service	Total
2024-25	\$ 2,225,923	\$ 1,631,415	\$ 11,323,006	\$ 2,058,508	\$ 6,360,812	\$ 38,010,318	\$ 614,295	\$ 994,935	\$ -	\$ 695,068	\$ 3,098,355	\$ 67,012,635
2023-24	2,096,204	1,437,078	10,834,934	1,950,205	6,764,891	40,176,679	643,963	1,640,545	-	374,688	2,810,908	68,730,095
2022-23	2,000,302	1,415,337	9,955,451	1,966,141	4,562,988	41,070,687	643,037	1,390,238	-	152,415	2,907,203	66,063,799
2021-22	1,661,445	1,247,700	8,330,501	1,650,557	3,767,388	36,664,949	557,735	1,116,995	21,000	35,438	2,854,438	57,908,146
2020-21	1,672,637	1,269,756	8,554,950	1,951,110	3,214,619	29,379,915	535,378	1,348,752	264,006	79,948	2,816,673	51,087,744
2019-20	1,722,099	1,249,062	7,860,618	1,519,158	2,988,596	26,777,605	508,802	872,151	-	140,619	2,521,180	46,159,890
2018-19	1,441,172	1,139,437	7,556,037	1,512,428	2,891,408	27,753,909	513,155	927,193	-	268,442	6,787,148	50,790,329
2017-18	1,440,861	1,049,636	7,755,603	1,623,260	2,639,148	28,031,520	579,790	1,028,313	-	194,234	2,202,987	46,545,352
2016-17	1,441,604	882,011	6,637,403	1,518,445	2,392,126	27,992,967	550,873	878,387	-	800,553	2,575,599	45,669,968
2015-16	1,359,604	836,644	5,882,374	1,407,136	2,088,069	27,054,109	551,805	697,115	-	1,443,605	2,572,960	43,893,421

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

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2024-25	\$ 17,599,809	\$ 6,003,767	\$ 106,560	\$ 22,931	\$ 652,653	\$ 2,174,875	\$ 946,830	\$ 1,687,322	\$ 41,761,929	\$ 70,956,676
2023-24	16,840,275	5,707,064	99,655	19,411	820,041	1,843,777	1,044,119	2,128,205	40,238,161	68,740,708
2022-23	16,348,016	5,266,173	119,548	21,981	509,912	794,954	1,905,333	1,461,084	41,981,342	68,408,343
2021-22	15,282,528	5,323,716	112,163	28,594	34,990	888,625	1,510,796	1,561,213	37,336,271	62,078,896
2020-21	14,651,305	3,577,053	88,880	37,064	26,431	589,039	1,164,993	1,338,969	34,112,674	55,586,408
2019-20	14,542,405	2,785,240	72,788	20,401	49,985	688,483	564,360	1,144,119	28,852,377	48,720,158
2018-19	13,685,589	2,630,959	68,349	28,190	55,639	891,321	675,954	952,745	28,281,222	47,269,968
2017-18	12,358,878	2,580,028	80,507	20,530	47,105	754,450	651,297	1,056,966	27,586,403	45,136,164
2016-17	12,298,113	2,540,893	64,790	27,388	47,643	733,652	758,108	1,035,402	27,802,489	45,308,478
2015-16	11,995,394	2,495,653	54,022	24,692	40,740	742,466	383,219	856,738	27,112,367	43,705,291

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

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections (2)	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2024-25	\$ 17,293,382	\$ 16,471,017	95.24%	\$ 822,365	\$ 17,293,382	100.00%	\$ 1,774,455	10.26%
2023-24	16,524,576	15,871,427	96.05%	683,829	16,555,256	100.19%	1,491,806	9.03%
2022-23	16,319,450	15,577,496	95.45%	525,178	16,102,674	98.67%	1,227,968	7.52%
2021-22	15,086,103	14,399,756	95.45%	628,326	15,028,082	99.62%	1,048,037	6.95%
2020-21	14,322,856	13,705,229	95.69%	668,817	14,374,046	100.36%	1,051,565	7.34%
2019-20	14,179,998	13,611,223	95.99%	691,110	14,302,333	100.86%	1,164,593	8.21%
2018-19	13,358,254	12,869,209	96.34%	565,543	13,434,752	100.57%	1,126,781	8.44%
2017-18	12,150,109	11,614,909	95.60%	516,022	12,130,931	99.84%	1,074,666	8.84%
2016-17	12,058,405	11,605,386	96.24%	468,689	12,074,075	100.13%	1,057,435	8.77%
2015-16	11,742,587	11,293,278	96.17%	488,812	11,782,090	100.34%	1,011,140	8.61%

(1) Exclusive of penalties and interest.

(2) Exclusive of land redemptions.

Table 6

**County of Patrick, Virginia
Assessed Value of Taxable Property (1)
Last Ten Fiscal Years**

Fiscal Year	Real Estate (3)	Personal Property and Mobile Homes (3)	Machinery and Tools (3)	Public Utility (2), (4) Real Estate and Personal Property	Total
2024-25	\$ 1,650,135,100	\$ 293,925,577	\$ 50,345,749	\$ 69,831,062	\$ 2,064,237,488
2023-24	1,634,479,850	247,759,168	47,908,073	74,183,162	2,004,330,253
2022-23	1,618,762,300	237,660,769	48,279,707	78,488,844	1,983,191,620
2021-22	1,607,962,200	200,813,112	37,099,657	80,534,559	1,926,409,528
2020-21	1,595,935,950	187,775,181	38,629,724	81,559,947	1,903,900,802
2019-20	1,585,562,750	184,787,026	40,593,034	72,310,995	1,883,253,805
2018-19	1,577,743,350	180,371,173	40,999,490	110,107,807	1,909,221,820
2017-18	1,569,230,400	178,595,077	37,324,141	76,804,155	1,861,953,773
2016-17	1,563,661,350	173,386,314	38,492,368	78,496,926	1,854,036,958
2015-16	1,560,070,500	167,955,144	38,455,812	81,109,560	1,847,591,016

(1) Assessed at 100% of fair market value.

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

(3) Assessed values are established by the local Commissioner of the Revenue.

(3) Fiscal year 2019 was the first year of half year real estate collections leading to 3 halves assessed.

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Mobile Home
2024-25	\$ 0.73	\$ 1.71	\$ 1.71	\$ 0.73
2023-24	0.73	1.71	1.71	0.73
2022-23	0.73	1.71	1.71	0.73
2021-22	0.68/0.73	1.71	1.71	0.68
2020-21	0.68	1.71	1.71	0.68
2019-20	0.68	1.71	1.71	0.68
2018-19	0.57/0.68	1.71	1.71	0.57
2017-18	0.57	1.71	1.71	0.57
2016-17	0.57	1.71	1.71	0.57
2015-16	0.55/0.57	1.71	1.71	0.55

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Gross and Net Bonded Debt(3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2024-25	17,608	\$ 2,064,237	\$ 26,731,996	\$ 26,731,996	1.30%	\$ 1,518
2023-24	17,608	2,004,330	28,215,290	28,215,290	1.41%	1,602
2022-23	17,608	1,983,192	29,700,167	29,700,167	1.50%	1,687
2021-22	17,608	1,926,410	31,120,937	31,120,937	1.62%	1,767
2020-21	17,608	1,903,901	32,480,773	32,480,773	1.71%	1,845
2019-20	18,490	1,883,254	33,713,220	33,713,220	1.79%	1,823
2018-19	18,490	1,909,222	34,572,103	34,572,103	1.81%	1,870
2017-18	18,490	1,861,954	33,500,213	33,500,213	1.80%	1,812
2016-17	18,490	1,854,037	34,214,440	34,214,440	1.85%	1,850
2015-16	18,490	1,847,591	33,993,424	33,993,424	1.84%	1,838

(1) Bureau of the Census.

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, revenue bonds, and literary fund loans. Excludes lease liabilities, net pension liability, compensated absences, and net OPEB liabilities.

Table 9

County of Patrick, Virginia
Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures (1), (2), (3)
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2024-25	\$ 1,650,108	\$ 1,211,388	\$ 2,861,496	\$ 67,012,635	4.27%
2023-24	1,543,035	1,246,741	2,789,776	68,730,095	4.06%
2022-23	1,445,618	1,294,491	2,740,109	66,063,799	4.15%
2021-22	1,486,987	1,347,273	2,834,260	57,908,146	4.89%
2020-21	1,302,911	1,399,276	2,702,187	51,087,744	5.29%
2019-20	929,347	1,477,347	2,406,694	46,159,890	5.21%
2018-19	1,346,986	1,557,704	2,904,690	50,790,329	5.72%
2017-18	1,295,107	907,880	2,202,987	46,545,352	4.73%
2016-17	1,105,697	1,469,902	2,575,599	45,669,968	5.64%
2015-16	885,171	1,687,789	2,572,960	43,893,421	5.86%

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

(2) Excludes bond issuance costs.

(3) Excludes fiscal year 2019 amounts refunded.

COMPLIANCE SECTION



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

**To the Honorable Members of the Board of Supervisors
County of Patrick, Virginia
Stuart, Virginia**

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

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in cursive script that reads "Robinson, James, Cox Associates".

Blacksburg, Virginia
December 5, 2025



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

To the Honorable Members of the Board of Supervisors
County of Patrick, Virginia
Stuart, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Report on Internal Control over Compliance (Continued)

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

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

Robinson, James, Cox Associates

Blacksburg, Virginia
December 5, 2025

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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Temporary Assistance for Needy Families	93.558	0400124, 0400125	\$ 202,296
Child Care and Development Fund Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760124, 0760125	37,025
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950123, 0950124, 0980120	4,733
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500125	247
Low-Income Home Energy Assistance	93.568	0600424, 0600425	36,581
COVID-19 Elder Abuse Prevention Interventions Program	93.747	800321	1,062
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123, 0900124	771
Foster Care - Title IV-E	93.658	1100124, 1100125	183,973
Adoption Assistance	93.659	1120124, 1120125	230,905
Title IV-E Prevention Program	93.472	1140124, 1140125	9,533
Social Services Block Grant	93.667	1000124, 1000125	297,534
Guardianship Assistance	93.090	1110124, 1110125	351
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123, 9150124	1,831
Children's Health Insurance Program	93.767	0540124, 0540125	4,773
Medicaid Cluster:			
Medical Assistance Program	93.778	1200124, 1200125	373,284
Total Department of Health and Human Services			<u>\$ 1,384,899</u>
Appalachian Regional Commission:			
Pass Through Payments:			
Virginia Department of Housing and Community Development:			
Appalachian Area Development	23.002	HCD49301, HCD49302	\$ 12,500
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program	10.553	APE40253	\$ 547,385
Summer Food Service Program for Children	10.559	APE60302, APE60303	7,123
National School Lunch Program	10.555	APE40254, APE41108	\$ 1,023,686
Department of Agriculture:			
Food Distribution (Note 3)	10.555	Not available	170,228
Total Child Nutrition Cluster			\$ 1,748,422
Child And Adult Care Food Program	10.558	APE70027, APE70028	6,038
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010124, 0010125, 0040124, 0040125	426,915
Total Department of Agriculture			<u>\$ 2,181,375</u>
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$ 42,162
Violence Against Women Formula Grants	16.588	15JOVW23GG00605STOP, 15JOVW24GG00546STOP	50,000
Total Department of Justice			<u>\$ 92,162</u>
Department of Treasury:			
Direct payments:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	\$ 1,184,648
Pass Through Payments:			
Virginia Department of Elections:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not available	50,764
Virginia Department of Education:			
COVID-19 Coronavirus Relief Fund	21.027	APE452900	50,809
Total Department of Treasury			<u>\$ 1,286,221</u>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BPT-2024-54075-24075, BPT-2025-55007-25007	\$ 25,404
Alcohol Open Container Requirements	20.607	ENF_AL-2024-54023-24023, ENF_AL-2025-55006-25006	20,654
Total Department of Transportation			<u>\$ 46,058</u>

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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Management:			
Homeland Security Grant Program	97.067	2024 - SHSP - Patrick County	\$ 200,618
Department of Education:			
Pass Through Payments:			
Franklin County, Virginia School Board:			
Adult Education - Basic Grants to States	84.002	APE42801	\$ 32,041
Virginia Department of Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027	APE43071	\$ 580,107
Special Education - Preschool Grants	84.173	APE62521	18,779
Total Special Education Cluster			\$ 598,886
Title I: Grants to Local Educational Agencies	84.010	APE42901, DOE86600	739,075
Career and Technical Education-Basic Grants to States	84.048	APE60031	57,429
English Language Acquisition State Grants	84.365	APE60512	2,250
Rural Education	84.358	APE43481	276
Supporting Effective Instruction State Grant	84.367	APE61480	107,165
Student Support and Academic Enrichment	84.424	APE60281	92,886
Education Stabilization Fund:			
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	APE501930	1,331
Total Department of Education			<u>\$ 1,631,339</u>
Total Expenditures of Federal Awards			<u>\$ 6,835,172</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 -- Basis of Presentation

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

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The County did not elect an indirect cost rate because they only request direct costs for reimbursement.

Note 3 -- Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2025, the School Board had \$89,010 in food commodities inventory.

Note 4 -- Subrecipients:

The County did not have any subrecipients during fiscal year 2025.

Note 5 -- Relationship to the Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	\$ 3,504,041
Less: Payment in lieu of taxes	(27,196)
Less: Interest subsidy	(78,281)
Total primary government	<u>\$ 3,398,564</u>
Component Unit School Board:	
School Operating Fund	\$ 3,436,608
Total component unit school board	<u>\$ 3,436,608</u>
Total federal expenditures per basic financial statements	<u>\$ 6,835,172</u>

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

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

Identification of major programs:

Assistance Listing #	Name of Federal Program or Cluster
10.561	State Administrative Matching Grants for the Supplemental Nutrition
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

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

Finding 2024-001

Finding Type: Noncompliance

Condition: Social services was unable to locate Individual Family Service Plans (IFSP) for several payments made during the year. Further, Social services was unable to provide vendor service agreements for corresponding transactions.

Recommendation: We recommend Social Services periodically review IFSPs and ensure the period covers the pending expenditure as well as provides a budget sufficient to pay for the necessary service. Further, we recommend these documents be appropriately filed within case files in an organized manner to prevent loss of data during staff transition. Finally, we recommend all payments to vendors are supported with signed service agreements.

Current Status: Finding 2024-001 was corrected during fiscal year 2025.

Finding 2024-002

Finding Type: Noncompliance

Condition: A Federally funded construction contract did not include the provision that the contractor or subcontractor must pay prevailing wage rates established by the DOL nor did the School Board receive certified payrolls from the contractor.

Recommendation: Management should implement a process to review compliance requirements for all federal assistance funds grants to ensure that all compliance requirements have been met.

Current Status: Finding 2024-002 was corrected during fiscal year 2025.

Finding 2024-003

Finding Type: Noncompliance

Condition: The County submitted the required report for the year ending March 31, 2024 in a timely manner but used information as of December 31, 2023 instead of March 31, 2024. As a result, the amount of expenditures included in the report is incorrect.

Recommendation: Management should implement a process to review federal reportings to ensure they are accurate and follow up to date guidance.

Current Status: Finding 2024-003 was corrected during fiscal year 2025.