

County of Nottoway, Virginia

Annual Financial Report

For the Year Ended June 30, 2025

COUNTY OF NOTTOWAY, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR
ENDED JUNE 30, 2025

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COUNTY OF NOTTOWAY, VIRGINIA

Board of Supervisors

William "Bill" J. Collins III, Chair

Daphne V. Norton, Vice-Chair
Richard H. Ingram Jr.

John Roark
George "Bo" G. Toth III

School Board

Sonny Abbott, Chair

Michele Duncan, Vice-Chair
Damien M. Rowe

Charles Wilson
William "Bill" Outlaw

Board of Social Services

Ronald Scruggs, Chair

Carrie M. Gravely, Vice Chair
John A. Roark

Monica Hazelwood-Frisby
Marilyn Wilson

Other Officials

Stephen W. Bowen, County Administrator
Logan Presley, Interim Finance Manager
Marcia Martin, Ph.D., Superintendent of Schools
Shannon Reed, Director of Social Services

Judge of the Circuit Court..... Honorable Joseph M. Teefey Jr.
Clerk of the Circuit CourtJane L. Brown
Commonwealth's Attorney Leanne Watrous
Treasurer Tammie Raiford
SheriffRobert L. Jones
Commissioner of the Revenue Christy A. Hudson

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ANNUAL FINANCIAL REPORT
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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Changes in Accounting Principles

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

Adjustment and Restatement of Beginning Balances

As described in Note 26 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101 and adjusted beginning fund balances as a result of reclassifying the E-911 fund as a major fund. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 2, 2025, on our consideration of County of Nottoway, 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.

Other Reporting Required by *Government Auditing Standards* (Continued)

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 Nottoway, 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 Nottoway, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 2, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors
To the Citizens of Nottoway County
County of Nottoway, Virginia

As management of the County of Nottoway, 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.

Financial Highlights

Government-wide Financial Statements

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$29,920,636 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources over expenditures and other financial uses of \$3,034,993 (Exhibit 5) after making contributions totaling \$9,509,791 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$25,245,059, an increase of \$3,034,993 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,480,933 or 27.3% of total general fund expenditures and other uses.
- < The combined long-term obligations increased by \$7,098,347 during the current fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements

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

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

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Nottoway, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Nottoway, Virginia is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has four major governmental funds - the General Fund, the Landfill Fund, the LRA Land Sale Fund, the American Rescue Plan Act Fund and the E-911 Fund.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's custodial funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Custodial funds are used to provide accountability of client monies for which the County is custodian.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$29,920,636 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Nottoway, Virginia's Net Position

	Governmental Activities	
	2025	2024
Current and other assets	\$ 31,029,367	\$ 28,355,729
Capital assets	18,169,832	17,795,937
Total assets	\$ 49,199,199	\$ 46,151,666
Deferred outflows of resources	\$ 1,330,449	\$ 783,913
Current liabilities	\$ 1,880,354	\$ 2,135,396
Long-term liabilities outstanding	17,143,099	10,044,752
Total liabilities	\$ 19,023,453	\$ 12,180,148
Deferred inflows of resources	\$ 1,585,559	\$ 1,344,396
Net position:		
Net investment in capital assets	\$ 15,731,645	\$ 17,129,986
Restricted for net pension asset	2,839,797	2,916,339
Unrestricted	11,349,194	13,364,710
Total net position	\$ 29,920,636	\$ 33,411,035

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

During the current fiscal year, the County's net position decreased by \$3,461,191 as a result of excess expenses over revenues. Net position also decreased \$29,208 for a restatement of beginning net position. The following table summarizes the County's Statement of Activities:

County of Nottoway, Virginia's Changes in Net Position		
	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 769,848	\$ 812,182
Operating grants and contributions	6,457,261	6,006,171
General revenues:		
General property taxes	10,260,813	8,119,713
Other local taxes	2,776,241	2,316,226
Grants and other contributions not restricted	1,363,148	1,438,961
Other general revenues	2,053,767	1,253,265
Total revenues	<u>\$ 23,681,078</u>	<u>\$ 19,946,518</u>
Expenses:		
General government administration	\$ 1,728,238	\$ 2,313,899
Judicial administration	1,199,321	1,152,941
Public safety	7,180,260	6,033,313
Public works	1,936,869	2,608,025
Health and welfare	3,261,746	3,012,616
Education	9,726,859	7,042,905
Parks, recreation, and cultural	467,989	397,233
Community development	1,285,323	1,732,580
Interest and other fiscal charges	355,664	35,325
Total expenses	<u>\$ 27,142,269</u>	<u>\$ 24,328,837</u>
Change in net position	\$ (3,461,191)	\$ (4,382,319)
Net position (deficit) - beginning, as previously reported	33,411,035	-
Restatement	(29,208)	-
Net position, beginning, as restated	<u>\$ 33,381,827</u>	<u>\$ 37,793,354</u>
Net position, ending	<u>\$ 29,920,636</u>	<u>\$ 33,411,035</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the County's Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. 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 reported fund balances of \$25,245,059, an increase of \$3,034,993 in comparison with the prior year. Approximately 26% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

During the year, revenues and other financing sources were greater than budgetary estimates by \$803,470, and expenditures and other financing uses were greater than budgetary estimates by \$2,606,713, resulting in a negative variance of \$1,803,243.

Capital Asset and Debt Administration

< Capital assets - The County's investment in capital and lease assets for its governmental operations as of June 30, 2025 amounted to \$18,169,832 (net of accumulated depreciation). This investment includes land, buildings and improvements, leased assets, and machinery and equipment.

Additional information on the County's capital assets can be found in note 5 of this report.

< Long-term debt - At the end of the current fiscal year, the County had total bonds, notes and lease liabilities outstanding of \$8,815,332. Of this amount, \$430,153 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total long-term obligations increased by \$7,098,347.

Additional information on the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare to national indices.

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

The fiscal year 2026 general fund budget increased by approximately 13.6 percent. Real estate tax rate which increased from \$0.45 per \$100 valuation to \$0.48 per \$100 in FY26. Personal property tax rate which increased from \$3.75 per \$100 valuation to \$4.12 per \$100 in FY26. Emergency Vehicle tax rate which decreased from \$1.00 per \$100 valuation to \$0.18 per \$100 in FY26. All other tax rates remained the same.

Requests for Information

This financial report is designed to provide a general overview of the County of Nottoway, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 328 West Court House Road, Nottoway, Virginia 23955.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental	Component Units	
	Activities	School Board	IDA
ASSETS			
Cash and cash equivalents	\$ 16,605,263	\$ 6,411,137	\$ 2,012,999
Restricted cash and cash equivalents	6,025,795	-	-
Receivables (net of allowance for uncollectibles):			
Taxes receivable	1,046,289	-	-
Accounts receivable	363,512	-	-
Leases receivable	13,146	-	-
Due from primary government	-	-	101,743
Due from component units	3,024,097	-	-
Due from other governmental units	1,111,468	2,262,431	-
Net pension asset	2,839,797	472,391	-
Other assets:			
Notes receivable	-	-	239,656
Capital assets (net of accumulated depreciation):			
Land	9,093,850	88,670	-
Buildings and improvements	6,139,202	-	-
Lease building	230,774	-	-
Lease land	45,170	-	-
Lease equipment	582,349	497,068	-
Machinery and equipment	790,546	2,927,843	-
Jointly owned assets	430,153	8,264,951	-
Construction in progress	857,788	4,041,274	-
Total assets	<u>\$ 49,199,199</u>	<u>\$ 24,965,765</u>	<u>\$ 2,354,398</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 686,955	\$ 4,001,471	\$ -
OPEB related items	643,494	386,538	-
Total deferred outflows of resources	<u>\$ 1,330,449</u>	<u>\$ 4,388,009</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 587,598	\$ 525,111	\$ -
Unearned revenue	1,000,007	-	-
Accrued interest payable	191,006	-	-
Due to primary government	-	3,024,097	-
Due to component unit	101,743	-	-
Long-term liabilities:			
Due within one year	638,292	408,167	-
Due in more than one year	16,504,807	16,535,419	-
Total liabilities	<u>\$ 19,023,453</u>	<u>\$ 20,492,794</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 99,250	\$ -	\$ -
Lease related items	12,598	-	-
Pension related items	612,445	2,593,557	-
OPEB related items	861,266	452,729	-
Total deferred inflows of resources	<u>\$ 1,585,559</u>	<u>\$ 3,046,286</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 15,731,645	\$ 15,128,298	\$ -
Restricted:			
Net pension asset	2,839,797	472,391	-
Unrestricted (deficit)	11,349,194	(9,785,995)	2,354,398
Total net position (deficit)	<u>\$ 29,920,636</u>	<u>\$ 5,814,694</u>	<u>\$ 2,354,398</u>

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services		Capital Grants and Contributions	Primary Governmental Activities	Component Units	
		Operating Grants and Contributions	Operating Grants and Contributions	School Board		IDA	
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 1,728,238	\$ 78,162	\$ 1,414,731	\$ -	(235,345)	\$ -	\$ -
Judicial administration	1,199,321	71,121	555,072	-	(573,128)	-	-
Public safety	7,180,260	207,962	1,882,343	-	(5,089,955)	-	-
Public works	1,936,869	412,503	5,160	-	(1,519,206)	-	-
Health and welfare	3,261,746	-	2,455,258	-	(806,488)	-	-
Education	9,726,859	-	-	-	(9,726,859)	-	-
Parks, recreation, and cultural	467,989	100	135,742	-	(332,147)	-	-
Community development	1,285,323	-	8,955	-	(1,276,368)	-	-
Interest on long-term debt	355,664	-	-	-	(355,664)	-	-
Total governmental activities	\$ 27,142,269	\$ 769,848	\$ 6,457,261	\$ -	\$ (19,915,160)	\$ -	\$ -
COMPONENT UNITS:							
School Board	\$ 37,749,247	\$ 80,151	\$ 29,445,818	\$ -	\$ -	\$ (8,223,278)	\$ -
Industrial Development Authority	-	8,958	-	-	-	-	8,958
Total component units	\$ 37,749,247	\$ 89,109	\$ 29,445,818	\$ -	\$ -	\$ (8,223,278)	\$ 8,958
General revenues:							
General property taxes					\$ 10,260,813	\$ -	\$ -
Local sales and use taxes					1,860,756	-	-
Consumer utility taxes					147,903	-	-
Business licenses					418,484	-	-
Motor vehicle licenses					213,009	-	-
Other local taxes					136,089	-	-
Unrestricted revenues from use of money					1,615,839	13,280	51,030
Miscellaneous					437,928	1,259,660	-
Grants and contributions not restricted to specific programs					1,363,148	-	-
Contribution from Nottoway County					-	11,943,546	-
Total general revenues					\$ 16,453,969	\$ 13,216,486	\$ 51,030
Change in net position					\$ (3,461,191)	\$ 4,993,208	\$ 59,988
Net position (deficit) - beginning, as previously reported					33,411,035	3,296,304	2,294,410
Restatement					(29,208)	(2,474,818)	-
Net position (deficit) - beginning, restated					\$ 33,381,827	\$ 821,486	\$ 2,294,410
Net position (deficit) - ending					\$ 29,920,636	\$ 5,814,694	\$ 2,354,398

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

FUND FINANCIAL STATEMENTS

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

	General Fund	Landfill Fund	LRA Land Sale Fund	American Rescue Plan Act Fund	E-911 Fund	Other Governmental Funds	Total
ASSETS							
Cash and cash equivalents	\$ 4,933,341	\$ -	\$ 5,079,345	\$ 1,046,258	\$ 6,475,896	\$ 521,821	\$ 18,056,661
Restricted cash and cash equivalents	6,025,795	-	-	-	-	-	6,025,795
Receivables (net of allowance for uncollectibles):							
Taxes receivable	1,046,289	-	-	-	-	-	1,046,289
Accounts receivable	346,363	17,149	-	-	-	-	363,512
Leases receivable	13,146	-	-	-	-	-	13,146
Due from component units	3,024,097	-	-	-	-	-	3,024,097
Due from other governmental units	1,062,301	35,966	-	-	13,201	-	1,111,468
Total assets	\$ 16,451,332	\$ 53,115	\$ 5,079,345	\$ 1,046,258	\$ 6,489,097	\$ 521,821	\$ 29,640,968
LIABILITIES							
Accounts payable	\$ 397,175	\$ 32,948	\$ -	\$ 46,251	\$ 73,115	\$ 21,791	\$ 571,280
Retainage payable	16,318	-	-	-	-	-	16,318
Unearned revenue	-	-	-	1,000,007	-	-	1,000,007
Reconciled overdraft payable	-	1,451,398	-	-	-	-	1,451,398
Due to component unit	101,743	-	-	-	-	-	101,743
Total liabilities	\$ 515,236	\$ 1,484,346	\$ -	\$ 1,046,258	\$ 73,115	\$ 21,791	\$ 3,140,746
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	\$ 1,037,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,037,958
Unavailable revenue - opioid settlement	204,607	-	-	-	-	-	204,607
Lease related items	12,598	-	-	-	-	-	12,598
Total deferred inflows of resources	\$ 1,255,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,255,163
FUND BALANCES							
Committed	\$ 8,200,000	\$ -	\$ 5,079,345	\$ -	\$ 6,415,982	\$ 500,030	\$ 20,195,357
Unassigned (deficit)	6,480,933	(1,431,231)	-	-	-	-	5,049,702
Total fund balances (deficit)	\$ 14,680,933	\$ (1,431,231)	\$ 5,079,345	\$ -	\$ 6,415,982	\$ 500,030	\$ 25,245,059
Total liabilities, deferred inflows of resources and fund balances	\$ 16,451,332	\$ 53,115	\$ 5,079,345	\$ 1,046,258	\$ 6,489,097	\$ 521,821	\$ 29,640,968

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

County of Nottoway, 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	\$	25,245,059
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Capital assets, cost	\$ 31,280,867	
Accumulated depreciation	<u>(13,111,035)</u>	18,169,832
The net pension asset is not an available resource and, therefore, is not reported in the funds.		
		2,839,797
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$ 938,708	
Unavailable revenue - opioid settlement	<u>204,607</u>	1,143,315
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 686,955	
OPEB related items	<u>643,494</u>	1,330,449
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bonds and note payable	\$ (494,205)	
Equipment purchase agreement	(6,920,000)	
Premium on general obligation bond	(18,836)	
Lease liability	(882,704)	
Net OPEB liabilities	(876,346)	
Landfill closure liability	(7,503,379)	
Compensated absences	(447,629)	
Accrued interest payable	<u>(191,006)</u>	(17,334,105)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (612,445)	
OPEB related items	<u>(861,266)</u>	(1,473,711)
Net position of governmental activities		<u><u>\$ 29,920,636</u></u>

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

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

	General Fund	Landfill Fund	LRA Land Sale Fund	American Rescue Plan Act Fund	E-911 Fund	Other Governmental Funds	Total
REVENUES							
General property taxes	\$ 10,149,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,149,655
Other local taxes	2,600,158	176,083	-	-	-	-	2,776,241
Permits, privilege fees, and regulatory licenses	175,222	-	-	-	-	-	175,222
Fines and forfeitures	27,898	-	-	-	-	-	27,898
Revenue from the use of money and property	684,685	-	-	-	200,667	808,649	1,694,001
Charges for services	75,343	412,503	-	-	720	-	488,566
Miscellaneous	263,511	308	-	-	-	187,435	451,254
Recovered costs	303,770	-	-	-	-	-	303,770
Intergovernmental:							
Commonwealth	5,180,730	230,536	-	-	75,240	-	5,486,506
Federal	1,259,439	-	-	1,074,464	-	-	2,333,903
Total revenues	\$ 20,720,411	\$ 819,430	\$ -	\$ 1,074,464	\$ 276,627	\$ 996,084	\$ 23,887,016
EXPENDITURES							
Current:							
General government administration	\$ 2,186,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,186,292
Judicial administration	1,134,897	-	-	-	-	-	1,134,897
Public safety	6,355,807	-	-	461,917	1,363,388	-	8,181,112
Public works	256,281	1,246,390	-	-	-	-	1,502,671
Health and welfare	3,158,976	-	-	97,087	-	-	3,256,063
Education	9,516,175	-	-	-	-	-	9,516,175
Parks, recreation, and cultural	320,900	-	-	-	-	-	320,900
Community development	276,139	-	-	515,460	-	475,404	1,267,003
Debt service:							
Principal retirement	472,920	-	-	-	-	-	472,920
Interest and other fiscal charges	52,932	-	-	-	132,811	-	185,743
Total expenditures	\$ 23,731,319	\$ 1,246,390	\$ -	\$ 1,074,464	\$ 1,496,199	\$ 475,404	\$ 28,023,776
Excess (deficiency) of revenues over (under) expenditures	\$ (3,010,908)	\$ (426,960)	\$ -	\$ -	\$ (1,219,572)	\$ 520,680	\$ (4,136,760)
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 120,450	\$ -	\$ 120,450
Transfers out	-	(47,353)	-	-	-	(73,097)	(120,450)
Issuance of leases	251,753	-	-	-	-	-	251,753
Issuance of equipment purchase agreement	-	-	-	-	6,920,000	-	6,920,000
Total other financing sources (uses)	\$ 251,753	\$ (47,353)	\$ -	\$ -	\$ 7,040,450	\$ (73,097)	\$ 7,171,753
Net change in fund balances	\$ (2,759,155)	\$ (474,313)	\$ -	\$ -	\$ 5,820,878	\$ 447,583	\$ 3,034,993
Fund balances (deficit) - beginning, as previously reported	17,440,088	(956,918)	5,079,345	-	-	647,551	22,210,066
Adjustment	-	-	-	-	595,104	(595,104)	-
Fund balances (deficit) - beginning, adjusted	\$ 17,440,088	\$ (956,918)	\$ 5,079,345	\$ -	\$ 595,104	\$ 52,447	\$ 22,210,066
Fund balances (deficit) - ending	\$ 14,680,933	\$ (1,431,231)	\$ 5,079,345	\$ -	\$ 6,415,982	\$ 500,030	\$ 25,245,059

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

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

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

Net change in fund balances - total governmental funds \$ 3,034,993

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

The following is a summary of items supporting this adjustment:

Capital asset additions	\$ 3,825,631	
Depreciation expense	(1,017,981)	
Jointly owned asset allocation	<u>(2,433,755)</u>	373,895

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

(Increase) decrease in unavailable property taxes	\$ 111,158	
(Increase) decrease in unavailable opioid settlement	<u>(13,326)</u>	97,832

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

Principal retirement on general obligation bonds	\$ 210,683	
Principal retirement on lease liabilities	230,214	
Principal retirement on note payable	32,023	
Issuance of leases	(251,753)	
Issuance of equipment purchase agreement	(6,920,000)	
(Increase) decrease in landfill closure liability	<u>(161,521)</u>	(6,860,354)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

Compensated absences	\$ (167,420)	
Premium on general obligation bond	6,279	
Accrued interest payable	(176,200)	
Change in pension related items	270,446	
Change in OPEB related items	<u>(40,662)</u>	(107,557)

Change in net position of governmental activities		<u><u>\$ (3,461,191)</u></u>
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The notes to the financial statements are an integral part of this statement.

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

		Custodial Fund Special Welfare
ASSETS		
Cash and cash equivalents	\$	5,222
Total assets	\$	5,222
 NET POSITION		
Restricted for individuals	\$	5,222
Total net position	\$	5,222

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

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

	<u>Custodial Fund</u>
	<u>Special Welfare</u>
ADDITIONS	
Contributions:	
Miscellaneous	\$ 431
Total additions	\$ 431
DEDUCTIONS	
Recipient payments	\$ 211
Total deductions	\$ 211
Net increase (decrease) in fiduciary net position	\$ 220
Net position, beginning	\$ 5,002
Net position, ending	\$ 5,222

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2025

Note 1—Summary of Significant Accounting Policies:

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

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all 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, intergovernmental revenues, and other nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

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

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

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

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

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

C. Other Related Organizations

Included in the County's Financial Report

None

COUNTY OF NOTTOWAY, VIRGINIA

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

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

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

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

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

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

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

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

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

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

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 measurable and available only when cash is received by the government.

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

1. Governmental Funds

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

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

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special Revenue Funds consist of the following funds: Landfill, E-911, LRA Land Sale, LRA, American Rescue Plan Act, Forfeited Assets, and Dare. The Landfill, LRA Land Sale, E-911, and American Rescue Plan Act funds are reported as major funds.

2. Fiduciary Funds - (Trust and Custodial Funds) - account for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds consist of the Special Welfare Fund.

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COUNTY OF NOTTOWAY, VIRGINIA

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

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

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

3. Component Unit - School Board

The Nottoway County School Board has the following funds:

Governmental Fund:

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

Special Revenue Funds:

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

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

School Activity Fund - This fund accounts the revenues and expenditures applicable to the activity funds for the individual schools. Revenues are derived primarily from fundraising and activity fees. The School Activity Fund is considered a major fund of the School Board for financial reporting purposes.

E. Cash and Cash Equivalents

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

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, 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.

G. Receivables and Payables

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

COUNTY OF NOTTOWAY, VIRGINIA

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

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

G. Receivables and Payables (Continued)

All trade and property tax receivables are shown net of an 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 \$21,068 on June 30, 2025 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-45
Motor vehicles	3-10
Lease equipment	5
Lease land	20
Lease building	5
Equipment	2-15

COUNTY OF NOTTOWAY, VIRGINIA

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

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

I. Leases

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

Lessee

The County recognizes lease liabilities and intangible right-to-use lease assets (leased equipment) 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 leased equipment 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.

Lessor

The County recognizes leases receivable and deferred inflows of resources in the government-wide 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 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.

Key Estimates and Judgments

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

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

J. Compensated Absences

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

K. 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.

L. 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”. The County’s governmental funds report the following categories of fund balances, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund).
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of a resolution committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation.
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

COUNTY OF NOTTOWAY, VIRGINIA

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

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

L. Fund Balance (Continued)

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

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

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

	General Fund	Major Special Revenue Fund Landfill Fund	Major Special Revenue Fund LRA Land Sale Fund	Major Special Revenue Fund E-911 Fund	Other Governmental Funds
Fund Balances:					
Committed:					
DARE	\$ -	\$ -	\$ -	\$ -	99
E-911	-	-	-	6,415,982	-
Forfeited assets	-	-	-	-	1,142
Landfill closure	8,200,000	-	-	-	-
LRA	-	-	-	-	498,789
Local Reuse Authority land sale	-	-	5,079,345	-	-
Total Committed Fund Balance	\$ 8,200,000	\$ -	\$ 5,079,345	\$ 6,415,982	\$ 500,030
Unassigned (deficit)	\$ 6,480,933	\$ (1,431,231)	\$ -	\$ -	\$ -
Total Fund Balances (deficit)	\$ 14,680,933	\$ (1,431,231)	\$ 5,079,345	\$ 6,415,982	\$ 500,030

M. 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.

COUNTY OF NOTTOWAY, VIRGINIA

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

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

M. Net Position (Continued)

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

A deficit unassigned fund balance of \$1,431,231 exists in the landfill special revenue fund. The deficit results from the encumbrance of funds without accruing intergovernmental revenues for reimbursement of expenditures. The County transfers capital to cover operating expenditures and plans to transfer capital to cover all expenditures when the landfill fund is closed.

N. Deferred Outflows/Inflows of Resources

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

O. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximate 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 NOTTOWAY, VIRGINIA

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

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

P. Pensions

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

Q. 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, Teacher HIC, and LODA OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary 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.

Note 2—Stewardship, Compliance, and Accounting:

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Landfill Fund, LRA Fund, ARPA Fund and E911 Fund of the primary government and the School Operating Fund, Textbook Fund and School Cafeteria Fund of the School Board. The School Activity Fund is not subject to appropriations.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations - Expenditures exceeded appropriations in the General Fund, School Operating Fund, Textbook Fund, Cafeteria Fund, and E-911 Fund on June 30, 2025.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 3—Deposits and Investments:

Deposits

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

Investments

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

Credit Risk of Debt Securities

State statutes require that commercial paper have a short-term debt rating of no less than “A-1” (or its equivalent) from at least two of the following: Moody’s Investors Service, Standard & Poor’s and Fitch Investor’s Service. Corporate notes, negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investor Service. Notes having a maturity of greater than one year must be rated “AA” by Standard & Poor’s and “Aa” by Moody’s Investor Service. The County’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.

<u>County's Rated Debit Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 6,025,795

External Investment Pool

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 3—Deposits and Investments: (Continued)

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 6,025,795	\$ 6,025,795

Note 4—Due to/from Other Governments:

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

	Primary Government	Component Unit School Board	Component Unit Industrial Development Authority
Other Local Governments:			
County of Nottoway School Board	\$ 3,024,097	\$ -	\$ -
County of Nottoway	-	-	101,743
Other Local Governments:			
Commonwealth of Virginia:			
Local sales tax	349,344	-	-
Shared expenses - elected officials	167,040	-	-
Social Services funds	52,428	-	-
State sales tax	-	496,013	-
School resource officer	38,831	-	-
Mobile home titling tax	16,931	-	-
Children's Services Act	321,461	-	-
Rental vehicle tax	13	-	-
Operation Ceasefire	13,906	-	-
Wireless grant	13,201	-	-
Communications tax	35,966	-	-
Other state funds	-	6,779	-
Federal Government:			
School fund grants	-	1,578,513	-
School nutrition grants	-	181,126	-
Victim witness grant	4,160	-	-
Social Services funds	85,424	-	-
Transportation safety	12,763	-	-
Total due from other governments	<u>\$ 4,135,565</u>	<u>\$ 2,262,431</u>	<u>\$ 101,743</u>

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

Other Local Governments:			
County of Nottoway	\$ -	\$ 3,024,097	\$ -
Nottoway County Industrial Development Authority	101,743	-	-
Total due to other local governments	<u>\$ 101,743</u>	<u>\$ 3,024,097</u>	<u>\$ -</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 5—Capital Assets:

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

Primary Government:

	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 8,716,933	\$ 376,917	\$ -	\$ 9,093,850
Construction in progress	1,383,506	688,382	1,214,100	857,788
Total capital assets not subject to depreciation	<u>\$ 10,100,439</u>	<u>\$ 1,065,299</u>	<u>\$ 1,214,100</u>	<u>\$ 9,951,638</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 11,147,907	\$ 1,225,235	\$ -	\$ 12,373,142
Machinery and equipment	5,704,321	194,053	48,365	5,850,009
Lease building	-	251,753	-	251,753
Lease land	57,886	-	-	57,886
Lease infrastructure	25,284	-	25,284	-
Lease equipment	1,033,520	-	-	1,033,520
Jointly owned assets	2,923,042	2,303,391	3,463,514	1,762,919
Total capital assets subject to depreciation	<u>\$ 20,891,960</u>	<u>\$ 3,974,432</u>	<u>\$ 3,537,163</u>	<u>\$ 21,329,229</u>
Accumulated Depreciation:				
Buildings and improvements	\$ 5,889,141	\$ 344,799	\$ -	\$ 6,233,940
Machinery and equipment	4,750,953	356,875	48,365	5,059,463
Lease building	-	20,979	-	20,979
Lease land	9,537	3,179	-	12,716
Lease infrastructure	19,367	5,917	25,284	-
Lease equipment	245,259	205,912	-	451,171
Jointly owned assets	2,282,205	80,320	1,029,759	1,332,766
Total accumulated depreciation	<u>\$ 13,196,462</u>	<u>\$ 1,017,981</u>	<u>\$ 1,103,408</u>	<u>\$ 13,111,035</u>
Total capital assets being depreciated, net	<u>\$ 7,695,498</u>	<u>\$ 2,956,451</u>	<u>\$ 2,433,755</u>	<u>\$ 8,218,194</u>
Governmental activities capital assets, net	<u>\$ 17,795,937</u>	<u>\$ 4,021,750</u>	<u>\$ 3,647,855</u>	<u>\$ 18,169,832</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 5—Capital Assets: (Continued)

Component Unit - School Board:	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 88,670	\$ -	\$ -	\$ 88,670
Construction in progress	<u>2,141,496</u>	<u>3,598,008</u>	<u>1,698,230</u>	<u>4,041,274</u>
Total capital assets not subject to depreciation	<u>\$ 2,230,166</u>	<u>\$ 3,598,008</u>	<u>\$ 1,698,230</u>	<u>\$ 4,129,944</u>
Capital assets subject to depreciation:				
Machinery and equipment	\$ 11,444,853	\$ 583,569	\$ 48,803	\$ 11,979,619
Lease equipment	162,303	559,676	162,303	559,676
Jointly owned assets	<u>30,409,171</u>	<u>-</u>	<u>(3,463,514)</u>	<u>33,872,685</u>
Total capital assets subject to depreciation	<u>\$ 42,016,327</u>	<u>\$ 1,143,245</u>	<u>\$ (3,252,408)</u>	<u>\$ 46,411,980</u>
Accumulated Depreciation:				
Machinery and equipment	\$ 8,066,238	\$ 1,034,341	\$ 48,803	\$ 9,051,776
Lease equipment	149,819	75,092	162,303	62,608
Jointly owned assets	<u>23,742,385</u>	<u>835,590</u>	<u>(1,029,759)</u>	<u>25,607,734</u>
Total accumulated depreciation	<u>\$ 31,958,442</u>	<u>\$ 1,945,023</u>	<u>\$ (818,653)</u>	<u>\$ 34,722,118</u>
Total capital assets being depreciated, net	<u>\$ 10,057,885</u>	<u>\$ (801,778)</u>	<u>\$ (2,433,755)</u>	<u>\$ 11,689,862</u>
Governmental activities capital assets, net	<u>\$ 12,288,051</u>	<u>\$ 2,796,230</u>	<u>\$ (735,525)</u>	<u>\$ 15,819,806</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government:		
Governmental activities:		
General government administration	\$	49,777
Judicial administration		97,825
Public safety		221,414
Public works		360,488
Health and welfare		41,591
Education		80,320
Parks, recreation and cultural		147,151
Community development		19,415
		<hr/>
Total Primary Government	\$	<u>1,017,981</u>
Component Unit School Board	\$	<u>1,945,023</u>

Note 6—Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
E-911 Fund	\$ 120,450	\$ -
Landfill Fund	-	47,353
LRA Fund	-	73,097
	<hr/>	<hr/>
Total	\$ 120,450	\$ 120,450
	<hr/>	<hr/>
Component Unit-School Board:		
School Operating Fund	\$ -	\$ 1,168,720
School Cafeteria Fund	1,061,075	-
School Textbook Fund	107,645	-
	<hr/>	<hr/>
Total	\$ 1,168,720	\$ 1,168,720
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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations:

Primary Government:

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

	Balance at July 1, 2024	Restatement	Restated Balance at July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Governmental Activities Obligations:							
Incurred by County:							
Compensated absences	\$ 251,001	\$ 29,208	\$ 280,209	\$ 195,441	\$ 28,021	\$ 447,629	\$ 44,763
Net OPEB liabilities	828,702	-	828,702	1,557,819	1,510,175	876,346	-
Landfill closure liability	7,341,858	-	7,341,858	161,521	-	7,503,379	-
Direct borrowings and placements:							
Note payable	96,075	-	96,075	-	32,023	64,052	32,023
Equipment purchase agreement	-	-	-	6,920,000	-	6,920,000	164,000
Lease liabilities	861,165	-	861,165	251,753	230,214	882,704	258,397
Total incurred by County	\$ 9,378,801	\$ 29,208	\$ 9,408,009	\$ 9,086,534	\$ 1,800,433	\$ 16,694,110	\$ 499,183
Incurred by School Board:							
Direct borrowings and placements:							
General obligation bonds	\$ 640,836	\$ -	\$ 640,836	\$ -	\$ 210,683	\$ 430,153	\$ 139,109
Add issuance premium	25,115	-	25,115	-	6,279	18,836	-
Total incurred by School Board	\$ 665,951	\$ -	\$ 665,951	\$ -	\$ 216,962	\$ 448,989	\$ 139,109
Total Governmental Activities Obligations	\$ 10,044,752	\$ 29,208	\$ 10,073,960	\$ 9,086,534	\$ 2,017,395	\$ 17,143,099	\$ 638,292

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

Year Ending June 30	Direct Borrowing and Direct Placements	
	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2026	\$ 139,109	\$ 18,391
2027	143,311	11,189
2028	147,733	3,767
Total	\$ 430,153	\$ 33,347

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30	County Obligation Note Payable	
	Principal	Interest
2026	\$ 32,023	\$ -
2027	32,029	-
Total	\$ <u>64,052</u>	\$ <u>-</u>

Year Ending June 30	County Obligations Lease Liabilities	
	Principal	Interest
2026	\$ 258,397	\$ 23,051
2027	266,395	15,052
2028	236,596	6,934
2029	55,295	1,705
2030	34,293	1,207
2031-2035	16,720	3,280
2036-2040	15,008	989
Total	\$ <u>882,704</u>	\$ <u>52,218</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30	County Obligation	
	Equipment Purchase Agreement	
	Principal	Interest
2026	\$ 164,000	\$ 280,358
2027	242,000	272,035
2028	252,000	261,908
2029	262,000	251,371
2030	273,000	240,404
2031	284,000	228,986
2032	296,000	122,096
2033	308,000	204,714
2034	320,000	191,840
2035	333,000	178,453
2036	347,000	164,513
2037	361,000	149,999
2038	376,000	84,890
2039	391,000	92,167
2040	408,000	102,788
2041	424,000	85,732
2042	442,000	87,979
2043	460,000	49,488
2044	479,000	30,238
2045	498,000	10,209
Total	\$ <u>6,920,000</u>	\$ <u>3,090,168</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations are as follows:

	<u>Installments</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance Governmental Activities</u>	<u>Amount Due Within One Year</u>
Compensated absences						\$ 447,629	\$ 44,763
Net OPEB liabilities (payable from the General Fund)						\$ 876,346	\$ -
Landfill closure and post-closure						\$ 7,503,379	\$ -
Direct borrowings and placements:							
Note payable	\$16,013 semi annually	0%	07/01/22	01/01/27	\$ 144,000	\$ 64,052	\$ 32,023
<u>Equipment Purchase Agreement:</u>							
\$6,920,000 equipment purchase agreement financed October 1, 2024 through Huntington Public Capital Corporation, payable in various annual installments through January 15, 2045, interest payable semi-annually at 4.10%.	(a) Varying semiannually	4.10%	10/22/24	01/15/45	\$ 6,920,000	\$ 6,920,000	\$ 164,000
Other Long-Term Obligations:							
<u>Lease Liabilities:</u>							
Land lease - S Genito Rd	\$4,000 annually	2.60%	07/01/21	09/01/39	\$ 54,263	\$ 46,435	\$ 2,792
Building lease - BB&T Bank Building	\$4,500 monthly	2.89%	10/24/24	01/31/30	251,753	231,574	47,950
Equipment lease - articulated truck	\$8,115 monthly	3.17%	07/01/23	02/28/28	450,284	248,678	90,802
Equipment lease - track tractor	\$5,445 monthly	3.25%	07/01/23	06/30/28	302,039	186,558	60,182
Equipment lease - Hydraulic excavator	\$4,861 monthly	2.82%	05/12/23	05/31/28	271,989	163,155	54,436
Equipment lease - copiers	\$199 monthly	2.86%	02/26/24	03/25/28	9,208	6,304	2,235
Total Lease liabilities						\$ 882,704	\$ 258,397
Direct borrowings and placements:							
<u>General Obligation Bonds:</u>							
General Obligation Bond outstanding \$430,153 plus unamortized premium of \$18,836	Varying annually	5.10%	11/01/07	07/15/27	2,449,690	\$ 448,989	\$ 139,109
Total General Obligation Bonds						\$ 448,989	\$ 139,109
Total Direct Borrowings and Placements						\$ 448,989	\$ 139,109
Total long-term obligations incurred by the County						\$ 16,694,110	\$ 499,183
Total long-term obligations incurred by School Board, payable from the General Fund						\$ 448,989	\$ 139,109
Total long-term obligations - governmental activities						\$ 17,143,099	\$ 638,292

Notes:

(a) Collateralized by vehicles and related equipment to be used by the County for public safety and other government purposes. Upon the continuation of an event of default or the occurrence of an event of nonappropriation, the County shall immediately lose the right to possess, use and enjoy the equipment.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Component Unit - School Board:

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

	<u>Balance at July 1, 2024</u>	<u>Restatement</u>	<u>Restated Balance at July 1, 2024</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance at June 30, 2025</u>	<u>Amounts Due Within One Year</u>
Governmental Obligations:							
Incurred by School Board:							
Compensated absences	\$ 207,851	\$ 2,474,818	\$ 2,682,669	\$ 600,568	\$ 268,267	\$ 3,014,970	\$ 301,497
Net pension liability	12,050,820	-	12,050,820	4,886,087	5,943,868	10,993,039	-
Net OPEB liabilities	2,576,068	-	2,576,068	607,954	748,032	2,435,990	-
Lease liabilities	12,662	-	12,662	559,676	72,751	499,587	106,670
Total Governmental Obligations	<u>\$ 14,847,401</u>	<u>\$ 2,474,818</u>	<u>17,322,219</u>	<u>\$ 6,654,285</u>	<u>\$ 7,032,918</u>	<u>\$ 16,943,586</u>	<u>\$ 408,167</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Component Unit - School Board: (Continued)

Details of long-term obligations are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Installment Amount	Frequency	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Net pension liability							\$ 10,993,039	\$ -
Net OPEB liabilities							\$ 2,435,990	\$ -
Compensated absences (Payable from the School Fund)							\$ 3,014,970	\$ 301,497

Other Long-Term Obligations:

Lease Liabilities:

Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	\$ 199	monthly	\$ 11,282	\$ 9,654	\$ 2,186
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	182	monthly	10,304	8,817	1,997
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	394	monthly	22,337	19,113	4,329
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	394	monthly	22,337	19,113	4,329
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	361	monthly	20,466	17,512	3,966
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	182	monthly	10,304	8,817	1,997
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	361	monthly	20,466	17,512	3,966
Lease liabilities - copier	2.33%	10/1/2024	9/30/2026	361	monthly	20,466	17,512	3,966
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	182	monthly	10,304	8,817	1,997
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	361	monthly	20,466	17,512	3,966
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	182	monthly	10,304	8,817	1,997
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	361	monthly	20,466	17,512	3,966
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	325	monthly	18,425	15,766	3,570
Lease liabilities - copier	2.33%	10/1/2024	9/30/2029	182	monthly	10,304	8,817	1,997
Lease liabilities - copier	2.33%	10/1/2024	9/30/2026	361	monthly	20,466	17,512	3,966
Lease liabilities - copier	2.33%	10/1/2024	9/30/2026	361	monthly	20,466	17,512	3,966
Lease liabilities - copier	2.33%	10/1/2024	9/30/2026	361	monthly	20,466	17,512	3,966
Lease liabilities - vehicle	2.89%	11/15/2024	3/1/2030	716	monthly	40,686	38,105	7,595
Lease liabilities - vehicle	2.89%	11/15/2024	3/1/2030	681	monthly	38,668	36,216	7,218
Lease liabilities - vehicle	2.86%	11/15/2024	4/1/2030	572	monthly	32,488	30,924	6,053
Lease liabilities - vehicle	2.89%	11/15/2024	3/1/2030	773	monthly	43,913	41,128	8,197
Lease liabilities - vehicle	2.89%	11/15/2024	3/1/2030	773	monthly	43,913	41,128	8,197
Lease liabilities - vehicle	2.89%	11/15/2024	3/1/2030	413	monthly	23,474	21,985	4,382
Lease liabilities - vehicle	2.89%	11/15/2024	3/1/2030	465	monthly	26,439	24,762	4,935
Total lease liabilities							\$ 499,587	\$ 106,670

Total governmental obligations -Component Unit School Board

\$ 16,943,586 \$ 408,167

Year Ending June 30	Component Unit School Board	
	Lease Liabilities	
	Principal	Interest
2026	\$ 106,670	\$ 11,684
2027	109,443	8,908
2028	112,292	6,059
2029	115,216	3,135
2030	55,966	548
Total	\$ 499,587	\$ 30,334

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 8—Leases Receivable:

The following is a summary of lease receivable transactions of the County for the year ended June 30, 2025:

Lease Revenue	Interest Revenue	Total Revenue
\$ <u>6,421</u>	\$ <u>259</u>	\$ <u>6,680</u>

Details of leases receivable:

Lease Description	Begin Date	End Date	Payment Frequency	Annual Installments	Balance June 30, 2025
Post Office - Building	2021	2027	Monthly	\$ 6,680	\$ 13,146

Note 9—Commitments and Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate in were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 disallowance of current grant program expenditures, if any, would be immaterial.

At June 30, 2025, the County was committed for an outstanding construction contract of \$1,793,511 issued to Hurts and Sons, LLC. In addition, the County was committed for outstanding construction contracts of \$336,961 issued to Trane Technologies PLC.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 10—Unearned and Deferred/Unavailable Revenue:

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

	<u>Government- wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 938,708
Prepaid property taxes due in December but paid in advance by taxpayers	99,250	99,250
Unearned revenue representing the amount of unspent ARPA grant	1,000,007	1,000,007
Unavailable revenue representing opioid settlement income that is not available for funding of current expenditures	-	204,607
Unavailable revenue representing uncollected lease income that is not available for the funding of current expenditures	12,598	12,598
Total	<u>\$ 1,111,855</u>	<u>\$ 2,255,170</u>

Note 11—Litigation:

On 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 to the County.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 12—Risk Management:

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

The County and the School Board are members of the VAcorp for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

The County also participates with other localities in a public entity risk pool for their coverage of general liability and auto insurance with VAcorp and public officials liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County and Component Unit School Board pay an annual premium to the pools for general insurance through member premiums. The County and 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 13—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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Benefit Structures (Continued)

50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service 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 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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

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

also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	73	40
Inactive members:		
Vested inactive members	23	5
Non-vested inactive members	45	3
Inactive members active elsewhere in VRS	<u>57</u>	<u>10</u>
Total inactive members	125	18
Active members	<u>88</u>	<u>35</u>
Total covered employees	<u><u>286</u></u>	<u><u>93</u></u>

Contributions

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

The County’s contractually required employer contribution rate for the year ended June 30, 2025 was 6.67% 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 \$349,521 and \$88,110 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 2.91% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Contributions (Continued)

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$37,029 and \$0 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 \$25,190 and \$7,830 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 \$13,667 and \$5,948 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,520,517 and \$820,829 for the County and School Board, respectively, for the year ended June 30, 2025.

Net Pension Asset

The net pension asset (NPA) is calculated separately for each employer and represents that particular employer’s total pension asset 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 assets were measured as of June 30, 2024. The total pension liabilities used to calculate the net pension assets were determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions - General Employees

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: (Continued)

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

<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>7.70%</u>
		Expected arithmetic nominal return**	<u>7.70%</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 7.10%, including expected inflation of 2.50%.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Discount Rate

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

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 17,982,033	\$ 20,898,372	\$ (2,916,339)
Changes for the year:			
Service cost	\$ 595,515	\$ -	\$ 595,515
Interest	1,211,525	-	1,211,525
Differences between expected and actual experience	575,653	-	575,653
Contributions - employer	-	88,642	(88,642)
Contributions - employee	-	235,903	(235,903)
Net investment income	-	1,995,864	(1,995,864)
Benefit payments, including refunds			
Refunds of employee contributions	(1,258,059)	(1,258,059)	-
Administrative expenses	-	(13,925)	13,925
Other changes	-	(333)	333
Net changes	\$ 1,124,634	\$ 1,048,092	\$ 76,542
Balances at June 30, 2024	\$ 19,106,667	\$ 21,946,464	\$ (2,839,797)

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 7,103,587	\$ 7,384,427	\$ (280,840)
Changes for the year:			
Service cost	\$ 87,167	\$ -	\$ 87,167
Interest	466,637	-	466,637
Differences between expected and actual experience	3,459	-	3,459
Contributions - employer	-	4,646	(4,646)
Contributions - employee	-	53,503	(53,503)
Net investment income	-	695,531	(695,531)
Benefit payments, including refunds			
Refunds of employee contributions	(555,216)	(555,216)	-
Administrative expenses	-	(4,913)	4,913
Other changes	-	47	(47)
Net changes	<u>\$ 2,047</u>	<u>\$ 193,598</u>	<u>\$ (191,551)</u>
Balances at June 30, 2024	<u>\$ 7,105,634</u>	<u>\$ 7,578,025</u>	<u>\$ (472,391)</u>

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's Net Pension Liability (Asset)	\$ (697,723)	\$ (2,839,797)	\$ (4,612,998)
Component Unit School Board (nonprofessional)'s Net Pension Liability (Asset)	\$ 312,660	\$ (472,391)	\$ (1,137,819)

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—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 \$79,606 and (\$2,550) respectively. On 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	\$ 337,434	\$ -	\$ 17,295	\$ -
Net difference between projected and actual earnings on pension plan investments	-	612,445	-	208,024
Employer contributions subsequent to the measurement date	349,521	-	37,029	-
Total	\$ 686,955	\$ 612,445	\$ 54,324	\$ 208,024

\$349,521 and \$37,029 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	\$ (283,862)	\$ (171,765)
2027	244,185	62,441
2028	(111,891)	(38,599)
2029	(123,443)	(42,806)
2030	-	-
Thereafter	-	-

Pension Plan Data

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

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 \$1,839,216 and \$1,975,116 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 \$52,188 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 \$42,868 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$5,647,413 the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$10,993,039 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. On June 30, 2024, the school division's proportion was 0.11711% as compared to 0.11923% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$648,417. 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.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—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)

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	\$ 1,907,137	\$ 226,354
Change in assumptions	199,538	-
Net difference between projected and actual earnings on pension plan investments	-	1,513,199
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,256	645,980
Employer contributions subsequent to the measurement date	<u>1,839,216</u>	<u>-</u>
Total	<u>\$ 3,947,147</u>	<u>\$ 2,385,533</u>

\$1,839,216 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	\$ (1,009,856)
2027	733,688
2028	161,737
2029	(163,171)
2030	-

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

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

Net Pension Liability

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

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

The following presents the school 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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 20,422,912	\$ 10,993,039	\$ 3,270,273

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 (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension (Asset)	Net Pension Liability	Pension Expense
VRS Pension Plans:									
Primary Government	\$ 686,955	\$ 612,445	\$ (2,839,797)	\$ 79,606	\$ -	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	54,324	208,024	(472,391)	-	(2,550)
School Board Professional	-	-	-	-	3,947,147	2,385,533	-	10,993,039	648,417
Totals	<u>\$ 686,955</u>	<u>\$ 612,445</u>	<u>\$ (2,839,797)</u>	<u>\$ 79,606</u>	<u>\$ 4,001,471</u>	<u>\$ 2,593,557</u>	<u>\$ (472,391)</u>	<u>\$ 10,993,039</u>	<u>\$ 645,867</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the program 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 amount is increased annually based on the VRS Plan 2 cost-of-living adjustment. 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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions (Continued)

Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$24,642 and \$27,441 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$60,833 and \$67,324 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$5,981 and \$6,599 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

On June 30, 2025, the County reported a liability of \$220,841 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$541,780 and \$53,118, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2024, the County's proportion was .01979% as compared to 0.01886% at June 30, 2023. On June 30, 2024, the Component Unit School Board professional and nonprofessional groups' proportion was 0.04855% and 0.00476%, respectively as compared to 0.05022% and 0.00483% respectively at June 30, 2023.

For the year ended June 30, 2025, the County recognized GLI OPEB expense of \$8,180. For the year ended June 30, 2025, the Component Unit School Board professional group recognized GLI OPEB expense of (\$13,610) For the year ended June 30, 2025, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$618. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

	Primary Government		Component School Board (Professional)		Component School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,832	\$ 5,394	\$ 85,451	\$ 13,234	\$ 8,378	\$ 1,297
Net difference between projected and actual earnings on GLI OPEB plan investments	-	18,615	-	45,666	-	4,477
Changes of assumptions	1,259	10,944	3,088	26,850	303	2,632
Changes in proportionate share	18,246	2,220	-	56,979	5,458	3,209
Employer contributions subsequent to the measurement date	24,642	-	60,833	-	5,981	-
Total	\$ 78,979	\$ 37,173	\$ 149,372	\$ 142,729	\$ 20,120	\$ 11,615

\$24,642, \$60,833, and \$5,981, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (Professional)	Component Unit School Board (Nonprofessional)
2026	\$ (6,465)	\$ (43,962)	\$ (2,222)
2027	8,640	(5,770)	1,416
2028	4,574	(10,690)	874
2029	5,299	841	1,754
2030	5,115	5,392	701
Thereafter	-	-	-

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

NET GLI OPEB Liability

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

	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.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—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 NOTTOWAY, VIRGINIA

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

Note 14—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	\$ 343,436	\$ 220,841	\$ 121,800
Component School Board (Professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 842,539	\$ 541,780	\$ 298,807
Component School Board (Nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 82,605	\$ 53,118	\$ 29,296

Group Life Insurance Plan Fiduciary Net Position

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 15—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.

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COUNTY OF NOTTOWAY, VIRGINIA

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

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	5
Vested inactive members	1
Active members	<u>44</u>
Total covered employees	<u><u>50</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2025 was 1.04% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$13,234 and \$12,691 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

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

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%
Investment rate of return	6.75%, net of investment expenses, including inflation

COUNTY OF NOTTOWAY, VIRGINIA

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

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

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

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 NOTTOWAY, VIRGINIA

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

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

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

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

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 68,386	\$ 26,124	\$ 42,262
Changes for the year:			
Service cost	\$ 674	\$ -	\$ 674
Interest	4,576	-	4,576
Differences between expected and actual experience	(4,957)	-	(4,957)
Contributions - employer	-	12,691	(12,691)
Net investment income	-	3,139	(3,139)
Benefit payments	(2,547)	(2,547)	-
Administrative expenses	-	(47)	47
Other changes	-	(1)	1
Net changes	\$ (2,254)	\$ 13,235	\$ (15,489)
Balances at June 30, 2024	\$ 66,132	\$ 39,359	\$ 26,773

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COUNTY OF NOTTOWAY, VIRGINIA

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

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board's Net HIC OPEB Liability	\$ 34,337	\$ 26,773	\$ 20,377

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

For the year ended June 30, 2025, the School Board recognized HIC Plan OPEB expense of (\$15,454). At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 58,394
Net difference between projected and actual earnings on HIC OPEB plan investments	-	593
Change in assumptions	9,178	-
Employer contributions subsequent to the measurement date	13,234	-
Total	\$ 22,412	\$ 58,987

\$13,234 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2026	\$ (19,483)
2027	(27,352)
2028	(2,767)
2029	(207)
2030	-
Thereafter	-

COUNTY OF NOTTOWAY, VIRGINIA

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

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

HIC Plan Data

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Note 16—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 \$156,612 and \$150,856 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

On June 30, 2025, the school division reported a liability of \$1,344,828 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC 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 Health Insurance Credit Program was 0.11637% as compared to 0.11860% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$53,770. 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.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 63,715
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	4,784
Changes of assumptions	23,167	-
Change in proportionate share and differences between actual and expected contributions	22	131,944
Employer contributions subsequent to the measurement date	<u>156,612</u>	<u>-</u>
Total	<u>\$ 179,801</u>	<u>\$ 200,443</u>

\$156,612 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2026	\$ (54,437)
2027	(39,655)
2028	(35,867)
2029	(29,416)
2030	(12,251)
Thereafter	(5,627)

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee 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
Discount Rate	No change

Net Teacher Employee HIC OPEB Liability

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

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

<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%.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,529,404	\$ 1,344,828	\$ 1,188,382

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.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program:

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing, multiple-employer plan administered by the Virginia Retirement System (the System). Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

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

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date (the benefit will be \$75,000 for approved presumptive deaths occurring on or after January 1, 2025); or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2025 was \$1,015 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$23,599 and \$25,108 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

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

At June 30, 2025, the entity reported a liability of \$655,505 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2024 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The entity’s proportion of the Net LODA OPEB Liability was based on the entity’s actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2024, the entity’s proportion was 0.16656% as compared to 0.15030% on June 30, 2023.

For the year ended June 30, 2025, the entity recognized LODA OPEB expense of \$80,724. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22,808	\$ 160,120
Net difference between projected and actual earnings on LODA OPEB program investments	-	2,167
Changes of assumptions	120,836	132,022
Change in proportionate	397,272	529,784
Employer contributions subsequent to the measurement date	<u>23,599</u>	<u>-</u>
Total	<u>\$ 564,515</u>	<u>\$ 824,093</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

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

\$23,599 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity’s contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA 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 LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (12,933)
2027	(14,390)
2028	(18,927)
2029	(39,401)
2030	(41,928)
Thereafter	(155,599)

Actuarial Assumptions

The total LODA 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:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.25%-4.25%
Ages 65 and older	6.50%-4.25%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2034
Ages 65 and older	Fiscal year ended 2034
Investment rate of return	3.97%, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers with Public Safety 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 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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program’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 LODA Program is as follows (amounts expressed in thousands):

	<u>LODA Program</u>
Total LODA OPEB Liability	\$ 398,395
Plan Fiduciary Net Position	4,841
LODA Net OPEB Liability (Asset)	<u>\$ 393,554</u>
 Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	 1.22%

The total LODA 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 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 LODA OPEB Program’s investments was set at 3.97% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments’ 6.75% assumption. Instead, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2024.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.97%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they 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 participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

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

The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the discount rate of 3.97%, as well as what the covered employer’s proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current rate:

	Discount Rate		
	1% Decrease (2.97%)	Current (3.97%)	1% Increase (4.97%)
County's proportionate share of the LODA Net OPEB Liability	\$ 726,678	\$ 655,505	\$ 594,304

Sensitivity of the Covered Employer’s Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the health care trend rate of 7.25% decreasing to 4.25%, as well as what the covered employer’s proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.25% decreasing to 3.25%) or one percentage point higher (8.25% decreasing to 5.25%) than the current rate:

	Health Care Trend Rates		
	1% Decrease (6.25% decreasing to 3.25%)	Current (7.25% decreasing to 4.25%)	1% Increase (8.25% decreasing to 5.25%)
County's proportionate share of the LODA Net OPEB Liability	\$ 558,403	\$ 655,505	\$ 774,650

LODA OPEB Fiduciary Net Position

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan):

School Board

Plan Description

In addition to the pension and OPEB benefits previously described, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Nottoway County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board with 20 years of service and years of participation in the school’s health plan are eligible to receive postemployment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Mathews County Public School’s retiree medical plan. Retirees are responsible for 100% of the premiums.

Plan Membership

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

	Component Unit School Board
Total active employees with coverage	157
Total active employees without coverage	120
Total retirees with coverage	3
Total	280

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 School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$26,605.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.00% per annum
Discount Rate	4.21% per annum
Investment Rate of Return	N/A

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

Pre-Retirement: Pub-2010 Headcount-Weighted Teachers Employee Rates projected generationally; 110% of rates for males; with 75% of improvement scale MP2021.

Post-Retirement: Pub-2010 Headcount- Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females; with 75% of improvement scale MP2021

Post-Retirement Spouse: Pub-2010 Headcount- Weighted Teachers Contingent Survivor Rates projected generationally with 75% of improvement scale MP2021.

Post-Disablement: Pub-2010 Headcount-Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females with 75% of improvement scale MP2021.

These mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2023 Annual Financial Statement for the Virginia Retirement System.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2024.

Changes in Total OPEB Liability

		Component Unit School Board Total OPEB Liability
		<u> </u>
Balances at June 30, 2024	\$	437,206
Changes for the year:		
Service cost		39,923
Interest		18,967
Contributions - employer		(26,605)
Net changes	\$	<u>32,285</u>
Balances at June 30, 2025	\$	<u>469,491</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

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 (3.21%) or one percentage point higher (5.21%) than the current discount rate:

	Rate		
	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Component Unit School Board:			
Total OPEB liability	\$ 422,184	\$ 469,491	\$ 524,293

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 (6.00% decreasing to 4.60% over 10 years) or one percentage point higher (8.00% decreasing to 6.60% over 10 years) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (6% decreasing to 4.6%)	Healthcare Cost Trend (7% decreasing to 5.6%)	1% Increase (8% decreasing to 6.6%)
Component Unit School Board:			
Total OPEB liability	\$ 422,184	\$ 469,491	\$ 524,293

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 (\$24,030). Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements. At June 30 2025, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,966	\$ -
Changes of assumptions	8,867	38,955
Total	\$ <u>14,833</u>	\$ <u>38,955</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Year Ended June 30	Component Unit School Board
2026	\$ (13,708)
2027	(13,706)
2028	3,292
2029	-
2030	-
Thereafter	-

Note 19—Summary of Other Postemployment Benefit Plans:

Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 14):								
County	\$ 78,979	\$ 37,173	\$ 220,841	\$ 8,180	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	20,120	11,615	53,118	618
School Board Professional	-	-	-	-	149,372	142,729	541,780	(13,610)
School Board Health Insurance Credit Program (Note 15)	-	-	-	-	22,412	58,987	26,773	(15,454)
Teacher Health Insurance Credit Program (Note 16)	-	-	-	-	179,801	200,443	1,344,828	53,770
Line of Duty Act Program (Note 17)	564,515	824,093	655,505	80,724	-	-	-	-
School Stand-Alone Plan (Note 18)	-	-	-	-	14,833	38,955	469,491	(24,030)
Totals	<u>\$ 643,494</u>	<u>\$ 861,266</u>	<u>\$ 876,346</u>	<u>\$ 88,904</u>	<u>\$ 386,538</u>	<u>\$ 452,729</u>	<u>\$ 2,435,990</u>	<u>\$ 1,294</u>

Note 20—Surety Bonds:

	<u>Amount</u>
Commonwealth of Virginia, Department of General Services, Division of Risk Management-Surety	
Jane L. Brown, Clerk of the Circuit Court	\$ 500,000
Tammie Raiford, Treasurer	400,000
Christy A. Hudson, Commissioner of the Revenue	3,000
Robert L. Jones, Sheriff	30,000
State Farm Insurance - Surety	
William J. Collins, III, Chair	2,500
Daphne V. Norton, Vice-Chair	2,500
George G. Toth, III, Supervisor	2,500
Richard H. Ingram, Jr., Supervisor	2,500
John A. Roark, Supervisor	2,500
Stephen W. Bowen, County Administrator	5,000

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 20–Surety Bonds: (Continued)

	<u>Amount</u>
Utica Mutual Insurance - Surety	
Clerk of the School Board	\$ 15,000
Deputy Clerk of School Board	15,000
Payroll Clerk	15,000
Great American Insurance Company - Surety	
All Social Services Employees - Blanket Bond	100,000

Note 21–Jointly Governed Organizations:

The County in conjunction with other localities, has created the Piedmont Regional Jail, the Piedmont Juvenile Detention Center, the Amelia-Nottoway Vocational Center and the Crossroads Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdiction. During the year, the County contributed \$75,811 to the operations of the Crossroads Community Services Board.

Note 22–Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$7,503,379 reported as landfill closure and postclosure care liability at June 30, 2025, represents the cumulative amount reported based on the use of 93% of the estimated capacity of the landfill with the total amount of \$8,067,976 to be recognized over the landfill's remaining life. These amounts are based on what it would cost to perform all closure and postclosure care in 2025. Actual cost may be higher due to inflation, changes in the technology, or changes in regulation. The County intends to fund these costs from tipping fee revenues and from any funds accumulated for this purpose in the Landfill Fund.

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

Note 23–Notes Receivable:

On August 30, 2013, the Industrial Development Authority entered into a purchase agreement with Trout River Plant. The agreement called for monthly installments of principal and interest of \$5,084 for 15 years to be received by the Industrial Development Authority. The total amount financed is \$700,000. On June 30, 2025, the balance of the note receivable was \$239,656.

Note 24–Upcoming Pronouncements:

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 24-Upcoming Pronouncements: (Continued)

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

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

Note 25-Change in Accounting Principle:

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

The adoption of GASB 101 resulted in a restatement of beginning net position and fund balance as shown in Note 26 below.

Note 26-Adjustment and Restatement of Beginning Balances:

The beginning net position as of July 1, 2024, has been restated to reflect the cumulative effect of implementing GASB Statement No. 101, *Compensated Absences*. Also during the fiscal year, the County evaluated its fund classifications in accordance with the criteria established by the Governmental Accounting Standards Board (GASB). As a result of this evaluation, the E-911 Fund was reclassified from a nonmajor governmental fund to a major governmental fund due to its increasing financial significance.

The impact of the adjustment on beginning fund balance and the restatement of beginning net position is as follows:

	Fund Balance	
	E-911 Fund	Other Governmental Funds
Balance, June 30, 2024, as previously stated	\$ -	\$ 647,551
Adjustment:		
Reclassification of major fund	595,104	(595,104)
Balance, July 1, 2024, as adjusted	\$ 595,104	\$ 52,447
	Net Position	
	Governmental Activities	School Board
Balance, June 30, 2024, as previously stated	\$ 33,411,035	\$ 3,296,304
Restatement:		
Compensated absences liability - GASB 101	(29,208)	(2,474,818)
Balance, July 1, 2024, as restated	\$ 33,381,827	\$ 821,486

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 24-Upcoming Pronouncements: (Continued)

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

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

Note 25-Adjustment and Restatement of Beginning Balances:

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The impact of the adjustment on beginning fund balance and the restatement of beginning net position is as follows:

		Fund Balance	
		E-911 Fund	Other Governmental Funds
Balance, June 30, 2024, as previously stated	\$	-	\$ 647,551
Adjustment:			
Reclassification of major fund		595,104	(595,104)
Balance, July 1, 2024, as adjusted	\$	595,104	\$ 52,447
		Net Position	
		Governmental Activities	School Board
Balance, June 30, 2024, as previously stated	\$	33,411,035	\$ 3,296,304
Restatement:			
Compensated absences liability - GASB 101		(29,208)	(2,474,818)
Balance, July 1, 2024, as restated	\$	33,381,827	\$ 821,486

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 10,085,243	\$ 10,085,243	\$ 10,149,655	\$ 64,412
Other local taxes	2,309,500	2,309,500	2,600,158	290,658
Permits, privilege fees, and regulatory licenses	133,075	138,225	175,222	36,997
Fines and forfeitures	12,500	12,500	27,898	15,398
Revenue from the use of money and property	408,607	408,607	684,685	276,078
Charges for services	45,742	45,742	75,343	29,601
Miscellaneous	100,504	100,504	263,511	163,007
Recovered costs	45,500	45,500	303,770	258,270
Intergovernmental:				
Commonwealth	6,497,529	6,686,380	5,180,730	(1,505,650)
Federal	16,500	84,740	1,259,439	1,174,699
Total revenues	\$ 19,654,700	\$ 19,916,941	\$ 20,720,411	\$ 803,470
EXPENDITURES				
Current:				
General government administration	\$ 2,022,924	\$ 2,018,250	\$ 2,186,292	\$ (168,042)
Judicial administration	1,512,375	1,512,375	1,134,897	377,478
Public safety	6,148,887	6,438,843	6,355,807	83,036
Public works	400,376	400,376	256,281	144,095
Health and welfare	3,458,912	3,458,912	3,158,976	299,936
Education	6,395,384	6,395,384	9,516,175	(3,120,791)
Parks, recreation, and cultural	310,199	316,333	320,900	(4,567)
Community development	309,966	309,966	276,139	33,827
Debt service:				
Principal retirement	245,417	245,417	472,920	(227,503)
Interest and other fiscal charges	28,750	28,750	52,932	(24,182)
Total expenditures	\$ 20,833,190	\$ 21,124,606	\$ 23,731,319	\$ (2,606,713)
Excess (deficiency) of revenues over (under) expenditures	\$ (1,178,490)	\$ (1,207,665)	\$ (3,010,908)	\$ (1,803,243)
OTHER FINANCING SOURCES (USES)				
Issuance of leases	\$ -	\$ -	\$ 251,753	\$ 251,753
Total other financing sources (uses)	\$ -	\$ -	\$ 251,753	\$ 251,753
Net change in fund balances	\$ (1,178,490)	\$ (1,207,665)	\$ (2,759,155)	\$ (1,551,490)
Fund balances - beginning	1,178,490	1,207,815	17,440,088	16,232,273
Fund balances - ending	\$ -	\$ 150	\$ 14,680,933	\$ 14,680,783

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

	Landfill Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	\$ 179,400	\$ 179,400	\$ 176,083	\$ (3,317)
Charges for services	609,796	609,796	412,503	(197,293)
Miscellaneous	2,000	2,000	308	(1,692)
Intergovernmental:				
Commonwealth	158,804	158,804	230,536	71,732
Total revenues	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 819,430</u>	<u>\$ (130,570)</u>
EXPENDITURES				
Current:				
Public works	\$ 1,291,471	\$ 1,291,471	\$ 1,246,390	\$ 45,081
Total expenditures	<u>\$ 1,291,471</u>	<u>\$ 1,291,471</u>	<u>\$ 1,246,390</u>	<u>\$ 45,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (341,471)</u>	<u>\$ (341,471)</u>	<u>\$ (426,960)</u>	<u>\$ (85,489)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (47,353)	\$ (47,353)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,353)</u>	<u>\$ (47,353)</u>
Net change in fund balances	\$ (341,471)	\$ (341,471)	\$ (474,313)	\$ (132,842)
Fund balances (deficit) - beginning	341,471	341,471	(956,918)	(1,298,389)
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,431,231)</u>	<u>\$ (1,431,231)</u>

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

	LRA Land Sale Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	5,079,345	5,079,345
Fund balances - ending	\$ -	\$ -	\$ 5,079,345	\$ 5,079,345

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

	American Rescue Plan Act fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ 1,454,000	\$ 1,454,000	\$ 1,074,464	\$ (379,536)
Total revenues	<u>\$ 1,454,000</u>	<u>\$ 1,454,000</u>	<u>\$ 1,074,464</u>	<u>\$ (379,536)</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ 461,917	\$ (461,917)
Health and welfare	-	-	97,087	(97,087)
Community development	1,454,000	1,454,000	515,460	938,540
Total expenditures	<u>\$ 1,454,000</u>	<u>\$ 1,454,000</u>	<u>\$ 1,074,464</u>	<u>\$ 379,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

	E-911 Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 200,667	\$ 200,667
Charges for services	600	600	720	120
Intergovernmental:				
Commonwealth	101,850	101,850	75,240	(26,610)
Total revenues	<u>\$ 102,450</u>	<u>\$ 102,450</u>	<u>\$ 276,627</u>	<u>\$ 174,177</u>
EXPENDITURES				
Current:				
Public safety	\$ 102,450	\$ 175,547	\$ 1,363,388	\$ (1,187,841)
Debt service:				
Interest and other fiscal charges	-	-	132,811	(132,811)
Total expenditures	<u>\$ 102,450</u>	<u>\$ 175,547</u>	<u>\$ 1,496,199</u>	<u>\$ (1,320,652)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (73,097)	\$ (1,219,572)	\$ (1,146,475)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 73,097	\$ 120,450	\$ 47,353
Issuance of equipment purchase agreement	-	-	6,920,000	6,920,000
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 73,097</u>	<u>\$ 7,040,450</u>	<u>\$ 6,967,353</u>
Net change in fund balances	\$ -	\$ -	\$ 5,820,878	\$ 5,820,878
Fund balances (deficit) - beginning balance, as previously reported	-	-	-	-
Adjustment	-	-	595,104	595,104
Fund balances (deficit) - beginning, adjusted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 595,104</u>	<u>\$ 595,104</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,415,982</u>	<u>\$ 6,415,982</u>

County of Nottoway, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 595,515	\$ 535,934	\$ 383,436	\$ 310,741
Interest	1,211,525	1,165,819	1,139,466	1,068,692
Differences between expected and actual experience	575,653	80,630	(187,391)	44,040
Assumption changes	-	-	-	451,333
Benefit payments	(1,258,059)	(1,071,628)	(1,123,553)	(1,295,929)
Net change in total pension liability	<u>\$ 1,124,634</u>	<u>\$ 710,755</u>	<u>\$ 211,958</u>	<u>\$ 578,877</u>
Total pension liability - beginning	17,982,033	17,271,278	17,059,320	16,480,443
Total pension liability - ending (a)	<u>\$ 19,106,667</u>	<u>\$ 17,982,033</u>	<u>\$ 17,271,278</u>	<u>\$ 17,059,320</u>
Plan fiduciary net position				
Contributions - employer	\$ 88,642	\$ 73,390	\$ 25,068	\$ 13,829
Contributions - employee	235,903	205,162	184,698	171,007
Net investment income	1,995,864	1,292,816	(6,409)	4,756,066
Benefit payments	(1,258,059)	(1,071,628)	(1,123,553)	(1,295,929)
Administrator charges	(13,925)	(13,266)	(13,502)	(12,643)
Other	(333)	517	480	438
Net change in plan fiduciary net position	<u>\$ 1,048,092</u>	<u>\$ 486,991</u>	<u>\$ (933,218)</u>	<u>\$ 3,632,768</u>
Plan fiduciary net position - beginning	20,898,372	20,411,381	21,344,599	17,711,831
Plan fiduciary net position - ending (b)	<u>\$ 21,946,464</u>	<u>\$ 20,898,372</u>	<u>\$ 20,411,381</u>	<u>\$ 21,344,599</u>
County's net pension liability (asset) - ending (a) - (b)	<u>\$ (2,839,797)</u>	<u>\$ (2,916,339)</u>	<u>\$ (3,140,103)</u>	<u>\$ (4,285,279)</u>
Plan fiduciary net position as a percentage of the total pension liability	114.86%	116.22%	118.18%	125.12%
Covered payroll	\$ 5,081,672	\$ 4,431,673	\$ 4,007,096	\$ 3,690,150
County's net pension liability (asset) as a percentage of covered payroll	-55.88%	-65.81%	-78.36%	-116.13%

	2020	2019	2018	2017	2016	2015
\$	306,582	\$ 319,547	\$ 292,563	\$ 313,968	\$ 294,153	\$ 298,465
	1,058,565	1,046,566	1,025,368	1,024,181	1,001,985	1,004,479
	(100,885)	(195,804)	(294,236)	(569,715)	(317,448)	(710,757)
	-	428,306	-	(141,997)	-	-
	(932,516)	(801,712)	(640,030)	(578,927)	(744,286)	(511,345)
\$	331,746	\$ 796,903	\$ 383,665	\$ 47,510	\$ 234,404	\$ 80,842
	16,148,697	15,351,794	14,968,129	14,920,619	14,686,215	14,605,373
\$	16,480,443	\$ 16,148,697	\$ 15,351,794	\$ 14,968,129	\$ 14,920,619	\$ 14,686,215
\$	25,227	\$ 25,696	\$ 58,707	\$ 59,339	\$ 206,557	\$ 209,913
	165,877	166,243	166,195	161,154	158,802	161,754
	350,762	1,156,056	1,230,211	1,847,888	258,106	680,665
	(932,516)	(801,712)	(640,030)	(578,927)	(744,286)	(511,345)
	(12,072)	(11,887)	(10,754)	(10,797)	(9,732)	(9,323)
	(399)	(723)	(1,091)	(1,640)	(112)	(143)
\$	(403,121)	\$ 533,673	\$ 803,238	\$ 1,477,017	\$ (130,665)	\$ 531,521
	18,114,952	17,581,279	16,778,041	15,301,024	15,431,689	14,900,168
\$	17,711,831	\$ 18,114,952	\$ 17,581,279	\$ 16,778,041	\$ 15,301,024	\$ 15,431,689
\$	(1,231,388)	\$ (1,966,255)	\$ (2,229,485)	\$ (1,809,912)	\$ (380,405)	\$ (745,474)
	107.47%	112.18%	114.52%	112.09%	102.55%	105.08%
\$	3,566,769	\$ 3,530,871	\$ 3,507,488	\$ 3,357,499	\$ 3,270,921	\$ 3,298,543
	-34.52%	-55.69%	-63.56%	-53.91%	-11.63%	-22.60%

County of Nottoway, Virginia

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

	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 87,167	\$ 70,698	\$ 67,507	\$ 73,323
Interest	466,637	447,852	436,315	418,980
Differences between expected and actual experience	3,459	206,845	35,756	(201,506)
Assumption changes	-	-	-	250,593
Benefit payments	(555,216)	(371,908)	(371,784)	(332,382)
Net change in total pension liability	<u>\$ 2,047</u>	<u>\$ 353,487</u>	<u>\$ 167,794</u>	<u>\$ 209,008</u>
Total pension liability - beginning	7,103,587	6,750,100	6,582,306	6,373,298
Total pension liability - ending (a)	<u><u>\$ 7,105,634</u></u>	<u><u>\$ 7,103,587</u></u>	<u><u>\$ 6,750,100</u></u>	<u><u>\$ 6,582,306</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 4,646	\$ 4,935	\$ 15,471	\$ 15,327
Contributions - employee	53,503	50,481	41,768	41,990
Net investment income	695,531	457,393	(2,571)	1,660,877
Benefit payments	(555,216)	(371,908)	(371,784)	(332,382)
Administrator charges	(4,913)	(4,724)	(4,788)	(4,285)
Other	47	183	170	155
Net change in plan fiduciary net position	<u>\$ 193,598</u>	<u>\$ 136,360</u>	<u>\$ (321,734)</u>	<u>\$ 1,381,682</u>
Plan fiduciary net position - beginning	7,384,427	7,248,067	7,569,801	6,188,119
Plan fiduciary net position - ending (b)	<u><u>\$ 7,578,025</u></u>	<u><u>\$ 7,384,427</u></u>	<u><u>\$ 7,248,067</u></u>	<u><u>\$ 7,569,801</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (472,391)	\$ (280,840)	\$ (497,967)	\$ (987,495)
Plan fiduciary net position as a percentage of the total pension liability	106.65%	103.95%	107.38%	115.00%
Covered payroll	\$ 1,220,266	\$ 1,137,197	\$ 914,503	\$ 912,743
School Division's net pension liability (asset) as a percentage of covered payroll	-38.71%	-24.70%	-54.45%	-108.19%

	2020	2019	2018	2017	2016	2015
\$	79,684	\$ 75,790	\$ 82,194	\$ 83,092	\$ 98,522	\$ 105,472
	402,742	400,261	391,078	411,351	398,827	397,914
	78,252	(92,892)	(2,381)	(405,417)	(58,959)	(231,118)
	-	157,717	-	(55,603)	-	-
	(307,853)	(276,832)	(402,568)	(243,521)	(275,438)	(243,013)
\$	252,825	\$ 264,044	\$ 68,323	\$ (210,098)	\$ 162,952	\$ 29,255
	6,120,473	5,856,429	5,788,106	5,998,204	5,835,252	5,805,997
\$	6,373,298	\$ 6,120,473	\$ 5,856,429	\$ 5,788,106	\$ 5,998,204	\$ 5,835,252
\$	13,955	\$ 14,788	\$ 50,613	\$ 55,195	\$ 76,827	\$ 85,134
	43,309	42,612	43,250	46,424	44,242	49,309
	119,302	402,668	432,669	664,164	93,374	246,344
	(307,853)	(276,832)	(402,568)	(243,521)	(275,438)	(243,013)
	(4,218)	(4,127)	(3,912)	(3,896)	(3,503)	(3,430)
	(140)	(252)	(381)	(589)	(40)	(54)
\$	(135,645)	\$ 178,857	\$ 119,671	\$ 517,777	\$ (64,538)	\$ 134,290
	6,323,764	6,144,907	6,025,236	5,507,459	5,571,997	5,437,707
\$	6,188,119	\$ 6,323,764	\$ 6,144,907	\$ 6,025,236	\$ 5,507,459	\$ 5,571,997
\$	185,179	\$ (203,291)	\$ (288,478)	\$ (237,130)	\$ 490,745	\$ 263,255
	97.09%	103.32%	104.93%	104.10%	91.82%	95.49%
\$	929,141	\$ 902,367	\$ 911,302	\$ 969,477	\$ 918,183	\$ 1,009,199
	19.93%	-22.53%	-31.66%	-24.46%	53.45%	26.09%

County of Nottoway, Virginia

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2024	0.11711%	\$ 10,993,039	\$ 12,467,470	88.17%	84.52%
2023	0.11923%	12,050,820	11,822,577	101.93%	82.45%
2022	0.11996%	11,420,910	11,096,278	102.93%	82.61%
2021	0.12674%	9,838,950	11,128,081	88.42%	85.46%
2020	0.13030%	18,966,437	11,343,771	167.20%	71.47%
2019	0.13272%	17,466,706	11,109,027	157.23%	73.51%
2018	0.13957%	16,414,000	11,428,307	143.63%	74.81%
2017	0.14409%	17,720,000	11,409,651	155.31%	72.92%
2016	0.14417%	20,204,000	10,656,586	189.59%	68.28%
2015	0.14656%	18,446,000	10,934,055	168.70%	70.68%

County of Nottoway, Virginia

Schedule of Employer Contributions

Pension Plans

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

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
(1)	(2)	(3)	(4)	(5)	
Primary Government					
2025	\$ 349,521	\$ 349,521	\$ -	5,240,195	6.67%
2024	88,110	88,110	-	5,081,672	1.73%
2023	83,673	83,673	-	4,431,673	1.89%
2022	19,243	19,243	-	4,007,096	0.48%
2021	19,942	19,942	-	3,690,150	0.54%
2020	21,577	21,577	-	3,566,769	0.60%
2019	25,065	25,065	-	3,530,871	0.71%
2018	58,675	58,675	-	3,507,488	1.67%
2017	67,821	67,821	-	3,357,499	2.02%
2016	211,302	211,302	-	3,270,921	6.46%
Component Unit School Board (nonprofessional)					
2025	\$ 37,029	\$ 37,029	\$ -	1,272,474	2.91%
2024	-	-	-	1,220,266	0.00%
2023	677	677	-	1,137,197	0.06%
2022	14,813	14,813	-	914,503	1.62%
2021	14,833	14,833	-	912,743	1.63%
2020	13,532	13,532	-	929,141	1.46%
2019	14,260	14,260	-	902,367	1.58%
2018	50,613	50,613	-	911,302	5.55%
2017	57,781	57,781	-	969,477	5.96%
2016	78,505	78,505	-	918,183	8.55%
Component Unit School Board (professional)					
2025	\$ 1,839,216	\$ 1,839,216	\$ -	12,943,110	14.21%
2024	1,975,116	1,975,116	-	12,467,470	15.84%
2023	1,882,136	1,882,136	-	11,822,577	15.92%
2022	1,782,149	1,782,149	-	11,096,278	16.06%
2021	1,793,025	1,793,025	-	11,128,081	16.11%
2020	1,731,912	1,731,912	-	11,343,771	15.27%
2019	1,709,337	1,709,337	-	11,109,027	15.39%
2018	1,686,356	1,686,356	-	11,428,307	14.76%
2017	1,658,194	1,658,194	-	11,409,651	14.53%
2016	1,545,205	1,545,205	-	10,656,586	14.50%

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

County of Nottoway, 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 Nottoway, Virginia

Schedule of County's Share of Net OPEB Liability

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)
Primary Government:					
2024	0.01979% \$	220,841 \$	5,081,672	4.35%	73.41%
2023	0.01886%	226,191	4,442,689	5.09%	69.30%
2022	0.01840%	221,795	4,007,096	5.54%	67.21%
2021	0.01796%	209,103	3,708,082	5.64%	67.45%
2020	0.01760%	293,715	3,622,748	8.11%	52.64%
2019	0.01821%	296,325	3,568,736	8.30%	52.00%
2018	0.01849%	281,000	3,515,613	7.99%	51.22%
2017	0.01828%	275,000	3,372,357	8.15%	48.86%
Component Unit School Board (nonprofessional):					
2024	0.00476% \$	53,118 \$	1,221,976	4.35%	73.41%
2023	0.00483%	57,927	1,137,197	5.09%	69.30%
2022	0.00420%	50,572	914,503	5.53%	67.21%
2021	0.00442%	51,461	912,743	5.64%	67.45%
2020	0.00450%	75,431	929,141	8.12%	52.64%
2019	0.00460%	74,854	902,367	8.30%	52.00%
2018	0.00482%	73,000	915,978	7.97%	51.22%
2017	0.00525%	79,000	969,477	8.15%	48.86%
Component Unit School Board (professional):					
2024	0.04855% \$	541,780 \$	12,467,470	4.35%	73.41%
2023	0.05022%	602,295	11,828,813	5.09%	69.30%
2022	0.05100%	614,450	11,100,575	5.54%	67.21%
2021	0.05402%	628,939	11,153,579	5.64%	67.45%
2020	0.05200%	920,864	11,355,290	8.11%	52.64%
2019	0.05644%	918,429	11,063,129	8.30%	52.00%
2018	0.05898%	895,000	11,215,533	7.98%	51.22%
2017	0.06141%	924,000	11,328,465	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 Nottoway, 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	\$ 24,642	\$ 24,642	\$ -	\$ 5,243,052	0.47%
2024	27,441	27,441	-	5,081,672	0.54%
2023	23,991	23,991	-	4,442,689	0.54%
2022	21,638	21,638	-	4,007,096	0.54%
2021	20,024	20,024	-	3,708,082	0.54%
2020	18,838	18,838	-	3,622,748	0.52%
2019	18,557	18,557	-	3,568,736	0.52%
2018	18,281	18,281	-	3,515,613	0.52%
2017	17,536	17,536	-	3,372,357	0.52%
2016	15,710	15,710	-	3,273,001	0.48%
Component Unit School Board (nonprofessional)					
2025	\$ 5,981	\$ 5,981	\$ -	\$ 1,272,474	0.47%
2024	6,599	6,599	-	1,221,976	0.54%
2023	6,141	6,141	-	1,137,197	0.54%
2022	4,938	4,938	-	914,503	0.54%
2021	4,929	4,929	-	912,743	0.54%
2020	4,832	4,832	-	929,141	0.52%
2019	4,692	4,692	-	902,367	0.52%
2018	4,763	4,763	-	915,978	0.52%
2017	5,041	5,041	-	969,477	0.52%
2016	4,429	4,429	-	922,759	0.48%
Component Unit School Board (professional)					
2025	\$ 60,833	\$ 60,833	\$ -	\$ 12,943,110	0.47%
2024	67,324	67,324	-	12,467,470	0.54%
2023	63,876	63,876	-	11,828,813	0.54%
2022	59,943	59,943	-	11,100,575	0.54%
2021	60,229	60,229	-	11,153,579	0.54%
2020	59,048	59,048	-	11,355,290	0.52%
2019	57,528	57,528	-	11,063,129	0.52%
2018	58,321	58,321	-	11,215,533	0.52%
2017	58,908	58,908	-	11,328,465	0.52%
2016	52,810	52,810	-	11,002,059	0.48%

County of Nottoway, 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 Nottoway, Virginia

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

	2024	2023	2022	2021	2020
Total HIC OPEB Liability					
Service cost	\$ 674	\$ 687	\$ 784	\$ 1,018	\$ -
Interest	4,576	11,143	8,384	7,540	-
Changes in benefit terms	-	-	-	-	111,701
Differences between expected and actual experience	(4,957)	(107,002)	(1,999)	-	-
Changes of assumptions	-	-	35,293	3,813	-
Benefit payments	(2,547)	(1,674)	(1,302)	-	-
Net change in total HIC OPEB liability	\$ (2,254)	\$ (96,846)	\$ 41,160	\$ 12,371	\$ 111,701
Total HIC OPEB Liability - beginning	68,386	165,232	124,072	111,701	-
Total HIC OPEB Liability - ending (a)	\$ 66,132	\$ 68,386	\$ 165,232	\$ 124,072	\$ 111,701
Plan fiduciary net position					
Contributions - employer	\$ 12,691	\$ 11,827	\$ 7,615	\$ 7,576	\$ -
Net investment income	3,139	1,330	(137)	943	-
Benefit payments	(2,547)	(1,674)	(1,302)	-	-
Administrator charges	(47)	(39)	(28)	(33)	-
Other	(1)	2	44	-	-
Net change in plan fiduciary net position	\$ 13,235	\$ 11,446	\$ 6,192	\$ 8,486	\$ -
Plan fiduciary net position - beginning	26,124	14,678	8,486	-	-
Plan fiduciary net position - ending (b)	\$ 39,359	\$ 26,124	\$ 14,678	\$ 8,486	\$ -
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 26,773	\$ 42,262	\$ 150,554	\$ 115,586	\$ 111,701
Plan fiduciary net position as a percentage of the total HIC OPEB liability	40.48%	61.80%	91.12%	93.16%	100.00%
Covered payroll	\$ 1,220,266	\$ 1,137,197	\$ 914,503	\$ 912,743	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	2.19%	3.72%	16.46%	12.66%	0.00%

Schedule is intended to show information for 10 years. The School Board enrolled in non-professional HIC coverage in 2021. Additional years will be included as they become available.

County of Nottoway, Virginia

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

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2025	\$ 13,234	\$ 13,234	\$ -	\$ 1,272,474	1.04%
2024	12,691	12,691	-	1,220,266	1.04%
2023	11,827	11,827	-	1,137,197	1.04%
2022	7,590	7,590	-	914,503	0.83%
2021	7,576	7,576	-	912,743	0.83%

Schedule is intended to show information for 10 years. The School Board enrolled in non-professional HIC coverage in 2021. Additional years will be included as they become available.

County of Nottoway, 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

County of Nottoway, Virginia

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.11637%	\$ 1,344,828	\$ 12,467,470	10.79%	21.82%
2023	0.11860%	1,436,378	11,822,577	12.15%	17.90%
2022	0.11906%	1,487,115	11,096,278	13.40%	15.08%
2021	0.12583%	1,615,115	11,128,081	14.51%	13.15%
2020	0.12940%	1,688,044	11,343,771	14.88%	9.95%
2019	0.13161%	1,722,903	11,039,238	15.61%	8.97%
2018	0.13868%	1,761,000	11,215,959	15.70%	8.08%
2017	0.14331%	1,818,000	11,310,137	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 Nottoway, 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	\$ 156,612	\$ 156,612	\$ -	\$ 12,943,110	1.21%
2024	150,856	150,856	-	12,467,470	1.21%
2023	143,053	143,053	-	11,822,577	1.21%
2022	134,265	134,265	-	11,096,278	1.21%
2021	134,650	134,650	-	11,128,081	1.21%
2020	136,125	136,125	-	11,343,771	1.20%
2019	132,471	132,471	-	11,039,238	1.20%
2018	137,956	137,956	-	11,215,959	1.23%
2017	125,543	125,543	-	11,310,137	1.11%
2016	116,517	116,517	-	10,992,178	1.06%

County of Nottoway, 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

County of Nottoway, Virginia

Schedule of Employer's Share of Net LODA OPEB Liability

Line of Duty Act (LODA) Program

For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (3)	Covered- Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2024	0.16656%	\$ 655,505	N/A	N/A	1.22%
2023	0.15030%	602,511	N/A	N/A	1.31%
2022	0.30560%	1,156,560	N/A	N/A	1.87%
2021	0.23970%	1,056,880	N/A	N/A	1.68%
2020	0.18960%	793,864	N/A	N/A	1.02%
2019	0.20377%	731,098	N/A	N/A	0.79%
2018	0.16114%	505,000	N/A	N/A	0.60%
2017	0.15256%	401,000	N/A	N/A	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

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

County of Nottoway, Virginia

Schedule of Employer Contributions
 Line of Duty Act (LODA) Program
 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)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2025	\$ 23,599	\$ 23,599	-	N/A	N/A
2024	25,108	25,108	-	N/A	N/A
2023	19,944	19,944	-	N/A	N/A
2022	42,089	42,089	-	N/A	N/A
2021	32,996	32,996	-	N/A	N/A
2020	25,761	25,761	-	N/A	N/A
2019	27,349	27,349	-	N/A	N/A
2018	17,163	17,163	-	N/A	N/A
2017	16,454	16,454	-	N/A	N/A
2016	14,268	14,268	-	N/A	N/A

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

County of Nottoway, Virginia

Notes to Required Supplementary Information

Line of Duty Act (LODA) Program
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 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 are as follows:

Employees in the Non-Largest Ten Locality Employers with Public Safety 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

County of Nottoway, Virginia

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 39,923	\$ 33,013	\$ 31,716	\$ 51,191	\$ 49,865	\$ 48,649	\$ 74,394	\$ 70,851
Interest	18,967	16,532	15,563	12,480	11,586	21,233	23,153	21,465
Changes of assumptions	-	14,779	(30,885)	(116,871)	-	(181,946)	-	-
Differences between expected and actual experience	-	1,681	-	14,873	-	(233,311)	-	-
Benefit payments	(26,605)	(24,864)	-	(29,137)	(18,514)	(18,062)	(41,583)	(38,503)
Net change in total OPEB liability	\$ 32,285	\$ 41,141	\$ 16,394	\$ (67,464)	\$ 42,937	\$ (363,437)	\$ 55,964	\$ 53,813
Total OPEB liability - beginning	<u>437,206</u>	<u>396,065</u>	<u>379,671</u>	<u>447,135</u>	<u>404,198</u>	<u>767,635</u>	<u>711,671</u>	<u>657,858</u>
Total OPEB liability - ending	<u>\$ 469,491</u>	<u>\$ 437,206</u>	<u>\$ 396,065</u>	<u>\$ 379,671</u>	<u>\$ 447,135</u>	<u>\$ 404,198</u>	<u>\$ 767,635</u>	<u>\$ 711,671</u>
Covered-employee payroll	\$ 8,888,224	\$ 8,629,344	\$ 7,933,787	\$ 7,740,280	N/A	N/A	N/A	N/A
School's total OPEB liability as a percentage of covered-employee payroll	5.28%	5.07%	4.99%	4.91%	N/A	N/A	N/A	N/A

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

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

Valuation Date: 6/30/2024
 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	4.21% per year as of June 30, 2024
Healthcare Trend Rate	7.0% grading to 5.6% uniformly over 3 years and following the Getzen model thereafter to an ultimate rate of 4.04% in 2075.

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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County of Nottoway, Virginia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	<u>LRA</u> <u>Fund</u>	<u>Dare</u> <u>Fund</u>	<u>Forfeited</u> <u>Assets</u> <u>Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 520,580	\$ 99	\$ 1,142	\$ 521,821
Total assets	<u>\$ 520,580</u>	<u>\$ 99</u>	<u>\$ 1,142</u>	<u>\$ 521,821</u>
LIABILITIES				
Accounts payable	\$ 21,791	\$ -	\$ -	\$ 21,791
Total liabilities	<u>\$ 21,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,791</u>
FUND BALANCES				
Fund balances:				
Committed	\$ 498,789	\$ 99	\$ 1,142	\$ 500,030
Total fund balances	<u>\$ 498,789</u>	<u>\$ 99</u>	<u>\$ 1,142</u>	<u>\$ 500,030</u>
Total liabilities and fund balances	<u>\$ 520,580</u>	<u>\$ 99</u>	<u>\$ 1,142</u>	<u>\$ 521,821</u>

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

	<u>LRA</u> <u>Fund</u>	<u>Dare</u> <u>Fund</u>	<u>Forfeited</u> <u>Assets</u> <u>Fund</u>	<u>Total</u>
REVENUES				
Revenue from the use of money and property	\$ 808,649	\$ -	\$ -	\$ 808,649
Miscellaneous	187,435	-	-	187,435
Total revenues	\$ 996,084	\$ -	\$ -	\$ 996,084
EXPENDITURES				
Current:				
Community development	\$ 475,404	\$ -	\$ -	\$ 475,404
Total expenditures	\$ 475,404	\$ -	\$ -	\$ 475,404
Excess (deficiency) of revenues over (under) expenditures	\$ 520,680	\$ -	\$ -	\$ 520,680
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (73,097)	\$ -	\$ -	\$ (73,097)
Total other financing sources and uses	\$ (73,097)	\$ -	\$ -	\$ (73,097)
Net change in fund balances	\$ 447,583	\$ -	\$ -	\$ 447,583
Fund balances - beginning	51,206	99	1,142	52,447
Fund balances - ending	\$ 498,789	\$ 99	\$ 1,142	\$ 500,030

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

	LRA Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 677,291	\$ 677,291	\$ 808,649	\$ 131,358
Miscellaneous	-	-	187,435	187,435
Total revenues	<u>\$ 677,291</u>	<u>\$ 677,291</u>	<u>\$ 996,084</u>	<u>\$ 318,793</u>
EXPENDITURES				
Current:				
Community development	\$ 870,941	\$ 870,941	\$ 475,404	\$ 395,537
Total expenditures	<u>\$ 870,941</u>	<u>\$ 870,941</u>	<u>\$ 475,404</u>	<u>\$ 395,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (193,650)</u>	<u>\$ (193,650)</u>	<u>\$ 520,680</u>	<u>\$ 714,330</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (73,097)	\$ (73,097)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,097)</u>	<u>\$ (73,097)</u>
Net change in fund balances	\$ (193,650)	\$ (193,650)	\$ 447,583	\$ 641,233
Fund balances - beginning	193,650	193,650	51,206	(142,444)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,789</u>	<u>\$ 498,789</u>

Dare Fund					Forfeited Asset Fund				
Budgeted Amounts		Actual	Variance with Final Budget		Budgeted Amounts		Actual	Variance with Final Budget	
Original	Final		Positive	(Negative)	Original	Final		Positive	(Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	99	99	-	-	1,142	1,142	-	-
\$ -	\$ -	\$ 99	\$ 99	\$ -	\$ -	\$ 1,142	\$ 1,142	\$ -	\$ -

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*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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

	School Operating Fund	School Textbook Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,012,327	\$ 1,508,539	\$ 1,612,192	\$ 278,079	\$ 6,411,137
Due from other funds	319,156	-	-	-	319,156
Due from other governmental units	2,081,305	-	181,126	-	2,262,431
Total assets	<u>\$ 5,412,788</u>	<u>\$ 1,508,539</u>	<u>\$ 1,793,318</u>	<u>\$ 278,079</u>	<u>\$ 8,992,724</u>
LIABILITIES					
Accounts payable	\$ 333,190	\$ -	\$ -	\$ -	\$ 333,190
Due to Nottoway County	3,024,097	-	-	-	3,024,097
Retainage payable	191,921	-	-	-	191,921
Due to other funds	-	-	319,156	-	319,156
Total liabilities	<u>\$ 3,549,208</u>	<u>\$ -</u>	<u>\$ 319,156</u>	<u>\$ -</u>	<u>\$ 3,868,364</u>
FUND BALANCES					
Committed	\$ 1,863,580	\$ 1,508,539	\$ 1,474,162	\$ 278,079	\$ 5,124,360
Total fund balances	<u>\$ 1,863,580</u>	<u>\$ 1,508,539</u>	<u>\$ 1,474,162</u>	<u>\$ 278,079</u>	<u>\$ 5,124,360</u>
Total liabilities and fund balances	<u>\$ 5,412,788</u>	<u>\$ 1,508,539</u>	<u>\$ 1,793,318</u>	<u>\$ 278,079</u>	<u>\$ 8,992,724</u>

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

Total fund balances per above \$ 5,124,360

The net pension asset is not an available resource and, therefore, is not reported in the funds. 472,391

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Capital assets, cost	\$ 50,541,924	
Accumulated depreciation	<u>(34,722,118)</u>	15,819,806

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

Pension related items	\$ 4,001,471	
OPEB related items	<u>386,538</u>	4,388,009

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

Compensated absences	\$ (3,014,970)	
Lease liabilities	(499,587)	
Net pension liabilities	(10,993,039)	
Net OPEB liabilities	<u>(2,435,990)</u>	(16,943,586)

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

Pension related items	\$ (2,593,557)	
OPEB related items	<u>(452,729)</u>	(3,046,286)

Net position of governmental activities \$ 5,814,694

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

	School Operating Fund	School Textbook Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ 13,031	\$ 171	\$ 78	\$ -	\$ 13,280
Charges for services	-	-	80,151	-	80,151
Miscellaneous	821,815	-	16,146	421,699	1,259,660
Intergovernmental:					
Local government	9,509,791	-	-	-	9,509,791
Commonwealth	20,286,089	-	25,972	-	20,312,061
Federal	7,804,019	-	1,329,738	-	9,133,757
Total revenues	<u>\$ 38,434,745</u>	<u>\$ 171</u>	<u>\$ 1,452,085</u>	<u>\$ 421,699</u>	<u>\$ 40,308,700</u>
EXPENDITURES					
Current:					
Education	\$ 36,456,795	\$ 580,584	\$ 1,654,679	\$ 389,573	\$ 39,081,631
Capital projects	924,156	-	-	-	924,156
Debt service:					
Principal retirement	72,751	-	-	-	72,751
Interest and other fiscal charges	6,153	-	-	-	6,153
Total expenditures	<u>\$ 37,459,855</u>	<u>\$ 580,584</u>	<u>\$ 1,654,679</u>	<u>\$ 389,573</u>	<u>\$ 40,084,691</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 974,890</u>	<u>\$ (580,413)</u>	<u>\$ (202,594)</u>	<u>\$ 32,126</u>	<u>\$ 224,009</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	107,645	1,061,075	-	\$ 1,168,720
Transfers out	(1,168,720)	-	-	-	(1,168,720)
Issuance of leases	559,676	-	-	-	559,676
Total other financing sources (uses)	<u>\$ (609,044)</u>	<u>\$ 107,645</u>	<u>\$ 1,061,075</u>	<u>\$ -</u>	<u>\$ 559,676</u>
Net change in fund balances	\$ 365,846	\$ (472,768)	\$ 858,481	\$ 32,126	\$ 783,685
Fund balances - beginning	1,497,734	1,981,307	615,681	245,953	4,340,675
Fund balances - ending	<u>\$ 1,863,580</u>	<u>\$ 1,508,539</u>	<u>\$ 1,474,162</u>	<u>\$ 278,079</u>	<u>\$ 5,124,360</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 \$ 783,685

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

Capital asset additions	\$ 3,043,023	
Depreciation expense	(1,945,023)	
Jointly owned asset allocation	<u>2,433,755</u>	3,531,755

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

Principal retirement on lease liabilities	\$ 72,751	
Issuance of leases	<u>(559,676)</u>	(486,925)

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 pension related items	\$ 1,235,023	
Change in OPEB related items	261,971	
Compensated absences	<u>(332,301)</u>	1,164,693

Change in net position of governmental activities \$ 4,993,208

County of Nottoway, 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	\$ 1,750	\$ 1,750	\$ 13,031	\$ 11,281
Charges for services	-	-	-	-
Miscellaneous	30,914	30,913	821,815	790,902
Intergovernmental:				
Local government	6,389,000	6,389,000	9,509,791	3,120,791
Commonwealth	21,912,219	26,107,482	20,286,089	(5,821,393)
Federal	3,663,055	3,889,614	7,804,019	3,914,405
Total revenues	\$ 31,996,938	\$ 36,418,759	\$ 38,434,745	\$ 2,015,986
EXPENDITURES				
Current:				
Education	\$ 31,996,938	\$ 35,092,810	\$ 36,456,795	\$ (1,363,985)
Capital projects	-	1,325,949	924,156	401,793
Debt service:				
Principal retirement	-	-	72,751	(72,751)
Interest and other fiscal charges	-	-	6,153	(6,153)
Total expenditures	\$ 31,996,938	\$ 36,418,759	\$ 37,459,855	\$ (1,041,096)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 974,890	\$ 974,890
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(1,168,720)	(1,168,720)
Issuance of leases	-	-	559,676	559,676
Total other financing sources (uses)	\$ -	\$ -	\$ (609,044)	\$ (609,044)
Net change in fund balances	\$ -	\$ -	\$ 365,846	\$ 365,846
Fund balances - beginning	-	-	1,497,734	1,497,734
Fund balances - ending	\$ -	\$ -	\$ 1,863,580	\$ 1,863,580

Textbook Fund				School Cafeteria Fund				School Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final			Original	Final		
\$ -	\$ -	\$ 171	\$ 171	\$ 1,468,797	\$ 1,468,797	\$ 78	\$ (1,468,719)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	80,151	80,151	-	-	-	-
-	-	-	-	-	-	16,146	16,146	-	-	421,699	421,699
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,972	25,972	-	-	-	-
-	-	-	-	-	-	1,329,738	1,329,738	-	-	-	-
\$ -	\$ -	\$ 171	\$ 171	\$ 1,468,797	\$ 1,468,797	\$ 1,452,085	\$ (16,712)	\$ -	\$ -	\$ 421,699	\$ 421,699
\$ -	\$ -	\$ 580,584	\$ (580,584)	\$ 1,468,797	\$ 1,468,797	\$ 1,654,679	\$ (185,882)	\$ -	\$ -	\$ 389,573	\$ (389,573)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 580,584	\$ (580,584)	\$ 1,468,797	\$ 1,468,797	\$ 1,654,679	\$ (185,882)	\$ -	\$ -	\$ 389,573	\$ (389,573)
\$ -	\$ -	\$ (580,413)	\$ (580,413)	\$ -	\$ -	\$ (202,594)	\$ (202,594)	\$ -	\$ -	\$ 32,126	\$ 32,126
\$ -	\$ -	\$ 107,645	\$ 107,645	\$ -	\$ -	\$ 1,061,075	\$ 1,061,075	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 107,645	\$ 107,645	\$ -	\$ -	\$ 1,061,075	\$ 1,061,075	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (472,768)	\$ (472,768)	\$ -	\$ -	\$ 858,481	\$ 858,481	\$ -	\$ -	\$ 32,126	\$ 32,126
-	-	1,981,307	1,981,307	-	250,290	615,681	365,391	-	-	245,953	245,953
\$ -	\$ -	\$ 1,508,539	\$ 1,508,539	\$ -	\$ 250,290	\$ 1,474,162	\$ 1,223,872	\$ -	\$ -	\$ 278,079	\$ 278,079

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*DISCRETELY PRESENTED COMPONENT UNIT
INDUSTRIAL DEVELOPMENT AUTHORITY*

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

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,012,999
Notes receivable - current portion	53,068
Due from Nottoway County	101,743
Total current assets	\$ 2,167,810

Noncurrent assets:

Notes receivable - net of current portion	\$ 186,588
Total noncurrent assets	\$ 186,588
Total assets	\$ 2,354,398

NET POSITION

Unrestricted	\$ 2,354,398
Total net position	\$ 2,354,398

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

OPERATING REVENUES

Charges for services:

Rents	\$	8,958
Total operating revenues	<u>\$</u>	<u>8,958</u>
Operating income (loss)	<u>\$</u>	<u>8,958</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	\$	51,030
Total nonoperating revenues (expenses)	<u>\$</u>	<u>51,030</u>
Change in net position	\$	59,988

Net position - beginning	<u>2,294,410</u>
Net position - ending	<u><u>\$ 2,354,398</u></u>

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ (122,201)
Net cash provided by (used for) operating activities	<u>\$ (122,201)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	\$ 51,030
Net cash provided by (used for) investing activities	<u>\$ 51,030</u>
Net increase (decrease) in cash and cash equivalents	\$ (71,171)
Cash and cash equivalents - beginning	2,084,170
Cash and cash equivalents - ending	<u><u>\$ 2,012,999</u></u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	<u>\$ 8,958</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in notes receivable	\$ 46,962
(Increase) decrease in due from County of Nottoway	(101,743)
Increase (decrease) in due to County of Nottoway	(76,378)
Total adjustments	<u>\$ (131,159)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (122,201)</u></u>

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SUPPORTING SCHEDULES

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

Schedule 1
Page 1 of 6

<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	\$ 5,571,243	\$ 5,571,243	\$ 5,596,571	\$ 25,328
Real and personal public service corporation taxes	525,000	525,000	545,844	20,844
Personal property taxes	3,592,000	3,592,000	3,502,565	(89,435)
Mobile home taxes	12,000	12,000	9,790	(2,210)
Machinery and tools taxes	220,000	220,000	268,645	48,645
Penalties	90,000	90,000	139,878	49,878
Interest	75,000	75,000	86,362	11,362
Total general property taxes	<u>\$ 10,085,243</u>	<u>\$ 10,085,243</u>	<u>\$ 10,149,655</u>	<u>\$ 64,412</u>
Other local taxes:				
Local sales and use taxes	\$ 1,650,000	\$ 1,650,000	\$ 1,860,756	\$ 210,756
Business license taxes	350,000	350,000	418,484	68,484
Motor vehicle licenses	215,000	215,000	213,009	(1,991)
Taxes on recordation and wills	92,000	92,000	91,597	(403)
Hotel and motel room taxes	2,500	2,500	16,312	13,812
Total other local taxes	<u>\$ 2,309,500</u>	<u>\$ 2,309,500</u>	<u>\$ 2,600,158</u>	<u>\$ 290,658</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 13,525	\$ 18,525	\$ 9,490	\$ (9,035)
Permits and other licenses	119,550	119,700	165,732	46,032
Total permits, privilege fees, and regulatory licenses	<u>\$ 133,075</u>	<u>\$ 138,225</u>	<u>\$ 175,222</u>	<u>\$ 36,997</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 12,500	\$ 12,500	\$ 27,898	\$ 15,398
Total fines and forfeitures	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 27,898</u>	<u>\$ 15,398</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 350,000	\$ 350,000	\$ 606,523	\$ 256,523
Revenue from use of property	58,607	58,607	78,162	19,555
Total revenue from use of money and property	<u>\$ 408,607</u>	<u>\$ 408,607</u>	<u>\$ 684,685</u>	<u>\$ 276,078</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,042	\$ 1,042	\$ 2,466	\$ 1,424
Charges for court costs	5,000	5,000	9,379	4,379
Charges for courthouse security	35,000	35,000	57,992	22,992
Charges for Commonwealth's Attorney	1,500	1,500	1,435	(65)
Charges for law library	1,500	1,500	2,315	815
Charges for other protection	1,500	1,500	1,656	156
Charges for sale of historical material	200	200	100	(100)
Total charges for services	<u>\$ 45,742</u>	<u>\$ 45,742</u>	<u>\$ 75,343</u>	<u>\$ 29,601</u>
Miscellaneous:				
Miscellaneous	\$ 100,504	\$ 100,504	\$ 238,118	\$ 137,614
Opioid settlement	-	-	25,393.00	25,393.00
Total miscellaneous	<u>\$ 100,504</u>	<u>\$ 100,504</u>	<u>\$ 263,511</u>	<u>\$ 163,007</u>
Recovered costs:				
Dispatching - Towns	\$ 42,000	\$ 42,000	\$ 65,123	\$ 23,123
Library contribution	3,500	3,500	5,494	1,994
Cost allocation plan	-	-	233,153	233,153
Total recovered costs	<u>\$ 45,500</u>	<u>\$ 45,500</u>	<u>\$ 303,770</u>	<u>\$ 258,270</u>
Total revenue from local sources	<u>\$ 13,140,671</u>	<u>\$ 13,145,821</u>	<u>\$ 14,280,242</u>	<u>\$ 1,134,421</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 75,000	\$ 75,000	\$ 217	\$ (74,783)
Mobile home titling tax	25,000	25,000	58,559	33,559
Tax on Deeds	25,000	25,000	25,963	963
Moped ATV sales tax	10,000	10,000	3,204	(6,796)
Motor vehicle rental tax	-	-	39	39
Personal property tax relief funds	1,049,790	1,049,790	1,049,790	-
Total noncategorical aid	<u>\$ 1,184,790</u>	<u>\$ 1,184,790</u>	<u>\$ 1,137,772</u>	<u>\$ (47,018)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 290,000	\$ 290,000	\$ 295,308	\$ 5,308
Sheriff	1,130,000	1,130,000	1,137,290	7,290
Commissioner of revenue	125,000	125,000	129,692	4,692
Treasurer	130,000	130,000	137,796	7,796
Registrar/electoral board	66,000	66,000	72,779	6,779
Clerk of the Circuit Court	270,000	270,000	250,925	(19,075)
Total shared expenses	<u>\$ 2,011,000</u>	<u>\$ 2,011,000</u>	<u>\$ 2,023,790</u>	<u>\$ 12,790</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 1,700,000	\$ 1,700,000	\$ 670,215	\$ (1,029,785)
Children's services act	746,400	746,400	633,719	(112,681)
Circuit court records grant	75,000	75,000	-	(75,000)
Virginia center for rehabilitation	215,939	215,939	215,939	-
Victim witness grant	58,000	58,000	8,839	(49,161)
Library grant	81,628	81,628	128,242	46,614
VJCCCS grant	20,500	20,500	4,850	(15,650)
Emergency preparedness grant	15,272	20,272	33,804	13,532
School resource officer	199,000	382,851	240,398	(142,453)
Fire programs	39,000	39,000	49,256	10,256
Other grants	151,000	151,000	33,906	(117,094)
Total other categorical aid	<u>\$ 3,301,739</u>	<u>\$ 3,490,590</u>	<u>\$ 2,019,168</u>	<u>\$ (1,471,422)</u>
Total categorical aid	<u>\$ 5,312,739</u>	<u>\$ 5,501,590</u>	<u>\$ 4,042,958</u>	<u>\$ (1,458,632)</u>
Total revenue from the Commonwealth	<u>\$ 6,497,529</u>	<u>\$ 6,686,380</u>	<u>\$ 5,180,730</u>	<u>\$ (1,505,650)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 1,123,311	\$ 1,123,311
Children's services act	-	-	28,013	28,013
Disaster assistance	-	-	8,955	8,955
Victim witness	-	-	7,472	7,472
Emergency management preparation	7,500	7,500	7,500	-
Ground transportation safety	7,500	27,040	26,723	(317)
Body camera grant	-	-	49,960	49,960
Byrne justice assistance	1,500	50,200	7,505	(42,695)
Total categorical aid	<u>\$ 16,500</u>	<u>\$ 84,740</u>	<u>\$ 1,259,439</u>	<u>\$ 1,174,699</u>
Total revenue from the federal government	<u>\$ 16,500</u>	<u>\$ 84,740</u>	<u>\$ 1,259,439</u>	<u>\$ 1,174,699</u>
Total General Fund	<u>\$ 19,654,700</u>	<u>\$ 19,916,941</u>	<u>\$ 20,720,411</u>	<u>\$ 803,470</u>
Special Revenue Funds:				
Landfill Fund:				
Revenue from local sources:				
Other local taxes:				
Consumer utility tax	\$ 152,400	\$ 152,400	\$ 147,903	\$ (4,497)
Consumption tax	27,000	27,000	28,180	1,180
Total other local taxes	<u>\$ 179,400</u>	<u>\$ 179,400</u>	<u>\$ 176,083</u>	<u>\$ (3,317)</u>
Charges for services:				
Landfill use fees	\$ 609,796	\$ 609,796	\$ 412,503	\$ (197,293)
Total charges for services	<u>\$ 609,796</u>	<u>\$ 609,796</u>	<u>\$ 412,503</u>	<u>\$ (197,293)</u>
Miscellaneous:				
Other miscellaneous	\$ 2,000	\$ 2,000	\$ 308	\$ (1,692)
Total revenue from local sources	<u>\$ 791,196</u>	<u>\$ 791,196</u>	<u>\$ 588,894</u>	<u>\$ (202,302)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	\$ 151,000	\$ 151,000	\$ 225,376	\$ 74,376
Total noncategorical aid	<u>\$ 151,000</u>	<u>\$ 151,000</u>	<u>\$ 225,376</u>	<u>\$ 74,376</u>
Categorical aid:				
Litter control grant	\$ 7,804	\$ 7,804	\$ 5,160	\$ (2,644)
Total categorical aid	<u>\$ 7,804</u>	<u>\$ 7,804</u>	<u>\$ 5,160</u>	<u>\$ (2,644)</u>
Total revenue from the Commonwealth	<u>\$ 158,804</u>	<u>\$ 158,804</u>	<u>\$ 230,536</u>	<u>\$ 71,732</u>
Total Landfill Fund	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 819,430</u>	<u>\$ (130,570)</u>
American Rescue Plan Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
American Rescue Plan Act	\$ 1,454,000	\$ 1,454,000	\$ 1,074,464	\$ (379,536)
Total categorical aid	<u>\$ 1,454,000</u>	<u>\$ 1,454,000</u>	<u>\$ 1,074,464</u>	<u>\$ (379,536)</u>
Total revenue from the federal government	<u>\$ 1,454,000</u>	<u>\$ 1,454,000</u>	<u>\$ 1,074,464</u>	<u>\$ (379,536)</u>
Total American Rescue Plan Act Fund	<u>\$ 1,454,000</u>	<u>\$ 1,454,000</u>	<u>\$ 1,074,464</u>	<u>\$ (379,536)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds: (Continued)				
E-911 Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 200,667	\$ 200,667
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,667</u>	<u>\$ 200,667</u>
Charges for services:				
E-911 fees	\$ 600	\$ 600	\$ 720	\$ 120
Total charges for services	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 720</u>	<u>\$ 120</u>
Total revenue from local sources	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 201,387</u>	<u>\$ 200,787</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications Tax	\$ 51,450	\$ 51,450	\$ -	\$ (51,450)
Total noncategorical aid	<u>\$ 51,450</u>	<u>\$ 51,450</u>	<u>\$ -</u>	<u>\$ (51,450)</u>
Categorical aid:				
Wireless grant funds	\$ 50,400	\$ 50,400	\$ 75,240	\$ 24,840
Total categorical aid	<u>\$ 50,400</u>	<u>\$ 50,400</u>	<u>\$ 75,240</u>	<u>\$ 24,840</u>
Total revenue from the Commonwealth	<u>\$ 101,850</u>	<u>\$ 101,850</u>	<u>\$ 75,240</u>	<u>\$ (26,610)</u>
Total E-911 Fund	<u>\$ 102,450</u>	<u>\$ 102,450</u>	<u>\$ 276,627</u>	<u>\$ 174,177</u>
LRA Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 162,500	\$ 162,500	\$ -	\$ (162,500)
Revenue from the use of property	514,791	514,791	808,649	293,858
Total revenue from use of money and property	<u>\$ 677,291</u>	<u>\$ 677,291</u>	<u>\$ 808,649</u>	<u>\$ 131,358</u>
Charges for services:				
Other charges for services				-
Other charges for services				-
Total charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 187,435	\$ 187,435
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,435</u>	<u>\$ 187,435</u>
Total revenue from local sources	<u>\$ 677,291</u>	<u>\$ 677,291</u>	<u>\$ 996,084</u>	<u>\$ 318,793</u>
Total LRA Fund	<u>\$ 677,291</u>	<u>\$ 677,291</u>	<u>\$ 996,084</u>	<u>\$ 318,793</u>
Total Primary Government	<u>\$ 22,838,441</u>	<u>\$ 23,100,682</u>	<u>\$ 23,887,016</u>	<u>\$ 786,334</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	\$ 250	\$ 250	\$ 416	\$ 166
Revenue from the use of property	1,500	1,500	12,615	11,115
Total revenue from use of money and property	<u>\$ 1,750</u>	<u>\$ 1,750</u>	<u>\$ 13,031</u>	<u>\$ 11,281</u>
Miscellaneous:				
Other miscellaneous	\$ 30,914	\$ 30,913	\$ 821,815	\$ 790,902
Total miscellaneous	<u>\$ 30,914</u>	<u>\$ 30,913</u>	<u>\$ 821,815</u>	<u>\$ 790,902</u>
Total revenue from local sources	<u>\$ 32,664</u>	<u>\$ 32,663</u>	<u>\$ 834,846</u>	<u>\$ 802,183</u>

County of Nottoway, 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 Nottoway, Virginia	\$ 6,389,000	\$ 6,389,000	\$ 9,509,791	\$ 3,120,791
Total revenues from local governments	<u>\$ 6,389,000</u>	<u>\$ 6,389,000</u>	<u>\$ 9,509,791</u>	<u>\$ 3,120,791</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,788,228	\$ 2,788,228	\$ 2,745,897	\$ (42,331)
Basic school aid	8,211,398	11,988,211	7,943,838	(4,044,373)
Gifted and talented	79,376	79,376	76,841	(2,535)
Preschool and 4 year old at risk	371,312	371,312	422,277	50,965
Special education	777,383	777,383	752,556	(24,827)
Project Graduation	5,366	13,520	5,366	(8,154)
Vocational education	197,811	197,811	191,493	(6,318)
Textbook payments	201,767	201,767	195,323	(6,444)
Social security and retirement fringe benefits	1,446,412	1,446,412	1,400,217	(46,195)
GED payments	8,203	23,397	8,027	(15,370)
State lottery payments	503,807	503,807	544,339	40,532
Early reading intervention	180,490	180,490	164,943	(15,547)
Homebound education	3,894	3,894	2,413	(1,481)
Remedial summer	53,911	53,911	109,292	55,381
At risk payments	3,337,220	3,337,220	3,228,885	(108,335)
VPSA technology funds	232,000	232,000	180,000	(52,000)
Security grant	-	173,954	173,954	-
Primary class size	647,890	647,890	661,123	13,233
Standards of Learning algebra readiness	47,593	47,593	53,957	6,364
English as a second language	110,073	110,073	136,965	26,892
Compensation supplement	324,910	324,910	315,378	(9,532)
Mentor teacher program	5,056	5,056	4,625	(431)
Other grants	2,378,119	2,599,267	968,380	(1,630,887)
Total categorical aid	<u>\$ 21,912,219</u>	<u>\$ 26,107,482</u>	<u>\$ 20,286,089</u>	<u>\$ (5,821,393)</u>
Total revenue from the Commonwealth	<u>\$ 21,912,219</u>	<u>\$ 26,107,482</u>	<u>\$ 20,286,089</u>	<u>\$ (5,821,393)</u>
Categorical aid:				
Rural education	\$ 56,799	\$ 56,799	\$ 57,358	\$ 559
Title I	797,760	797,760	795,525	(2,235)
Title II, Part A	149,256	149,256	155,049	5,793
Title III, Part A	12,982	12,982	8,904	(4,078)
Title VI-B, special education flow-through	814,723	814,723	774,544	(40,179)
Vocational education	51,975	51,975	70,288	18,313
Preschool special education	17,625	17,625	13,351	(4,274)
School improvement	-	218,654	-	(218,654)
21st century grant	549,723	549,723	483,908	(65,815)
ESSER	950,000	950,000	1,587,759	637,759
Leasing of land - PILT	-	7,905	-	(7,905)
ROTC	55,108	55,108	46,188	(8,920)
Conservation research and development	-	-	3,461,176	3,461,176
School reform grant	-	-	60,027	60,027
COPS grant	-	-	212,722	212,722
Other federal	196,104	196,104	30,000	(166,104)
Project Hope grant	11,000	11,000	47,220	36,220
Total categorical aid	<u>\$ 3,663,055</u>	<u>\$ 3,889,614</u>	<u>\$ 7,804,019</u>	<u>\$ 3,914,405</u>
Total revenue from the federal government	<u>\$ 3,663,055</u>	<u>\$ 3,889,614</u>	<u>\$ 7,804,019</u>	<u>\$ 3,914,405</u>
Total School Operating Fund	<u>\$ 31,996,938</u>	<u>\$ 36,418,759</u>	<u>\$ 38,434,745</u>	<u>\$ 2,015,986</u>

County of Nottoway, 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)				
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,468,797	\$ 1,468,797	\$ 78	\$ (1,468,719)
Charges for services:				
Cafeteria sales	\$ -	\$ -	\$ 80,151	\$ 80,151
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 16,146	\$ 16,146
Total revenue from local sources	\$ 1,468,797	\$ 1,468,797	\$ 96,375	\$ (1,372,422)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ -	\$ -	\$ 25,972	\$ 25,972
Total categorical aid	\$ -	\$ -	\$ 25,972	\$ 25,972
Total revenue from the Commonwealth	\$ -	\$ -	\$ 25,972	\$ 25,972
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ -	\$ -	\$ 1,222,275	\$ 1,222,275
Commodities	-	-	107,463	107,463
Total categorical aid	\$ -	\$ -	\$ 1,329,738	\$ 1,329,738
Total revenue from the federal government	\$ -	\$ -	\$ 1,329,738	\$ 1,329,738
Total School Cafeteria Fund	\$ 1,468,797	\$ 1,468,797	\$ 1,452,085	\$ (16,712)
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 171	\$ 171
Total revenue from use of money and property	\$ -	\$ -	\$ 171	\$ 171
Total revenue from local sources	\$ -	\$ -	\$ 171	\$ 171
Total School Textbook Fund	\$ -	\$ -	\$ 171	\$ 171
School Activity Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 421,699	\$ 421,699
Total miscellaneous	\$ -	\$ -	\$ 421,699	\$ 421,699
Total School Activity Fund	\$ -	\$ -	\$ 421,699	\$ 421,699
Total Discretely Presented Component Unit - School Board	\$ 33,465,735	\$ 37,887,556	\$ 40,308,700	\$ 2,421,144

County of Nottoway, 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	\$ 145,982	\$ 141,308	\$ 201,310	\$ (60,002)
Total legislative	<u>\$ 145,982</u>	<u>\$ 141,308</u>	<u>\$ 201,310</u>	<u>\$ (60,002)</u>
General and financial administration:				
County administrator	\$ 785,638	\$ 785,638	\$ 677,966	\$ 107,672
Legal services	150,000	150,000	128,442	21,558
Commissioner of revenue	249,268	249,268	262,791	(13,523)
Treasurer	340,527	340,527	572,946	(232,419)
Other general and financial administration	49,500	49,500	51,000	(1,500)
Total general and financial administration	<u>\$ 1,574,933</u>	<u>\$ 1,574,933</u>	<u>\$ 1,693,145</u>	<u>\$ (118,212)</u>
Board of elections:				
Electoral board and officials	\$ 302,009	\$ 302,009	\$ 291,837	\$ 10,172
Total board of elections	<u>\$ 302,009</u>	<u>\$ 302,009</u>	<u>\$ 291,837</u>	<u>\$ 10,172</u>
Total general government administration	<u>\$ 2,022,924</u>	<u>\$ 2,018,250</u>	<u>\$ 2,186,292</u>	<u>\$ (168,042)</u>
Judicial administration:				
Courts:				
Circuit court	\$ 16,200	\$ 16,200	\$ 19,064	\$ (2,864)
General district court	14,085	14,085	8,860	5,225
Commissioner of accounts	50	50	-	50
Magistrate	50	50	-	50
Juvenile and domestic relations district court	24,290	24,290	16,082	8,208
Clerk of the circuit court	450,443	450,443	352,984	97,459
Jurors and witnesses	9,412	9,412	4,406	5,006
Sheriff	250,419	250,419	237,777	12,642
Total courts	<u>\$ 764,949</u>	<u>\$ 764,949</u>	<u>\$ 639,173</u>	<u>\$ 125,776</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 747,426	\$ 747,426	\$ 495,724	\$ 251,702
Total commonwealth's attorney	<u>\$ 747,426</u>	<u>\$ 747,426</u>	<u>\$ 495,724</u>	<u>\$ 251,702</u>
Total judicial administration	<u>\$ 1,512,375</u>	<u>\$ 1,512,375</u>	<u>\$ 1,134,897</u>	<u>\$ 377,478</u>

County of Nottoway, 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:				
Law enforcement and traffic control:				
Sheriff	\$ 1,647,587	\$ 1,740,092	\$ 1,682,349	\$ 57,743
Central dispatching	753,040	758,040	709,545	48,495
School resource officer	382,723	570,174	398,679	171,495
Total law enforcement and traffic control	<u>\$ 2,783,350</u>	<u>\$ 3,068,306</u>	<u>\$ 2,790,573</u>	<u>\$ 277,733</u>
Fire and rescue services:				
Volunteer fire department	\$ 393,150	\$ 393,150	\$ 788,825	\$ (395,675)
Rescue service	4,229	4,229	4,314	(85)
State forestry service	12,529	12,529	12,666	(137)
Office of emergency services	530,185	530,185	214,858	315,327
Total fire and rescue services	<u>\$ 940,093</u>	<u>\$ 940,093</u>	<u>\$ 1,020,663</u>	<u>\$ (80,570)</u>
Correction and detention:				
Detention home	\$ 70,000	\$ 70,000	\$ 64,596	\$ 5,404
Piedmont regional jail	2,070,500	2,070,500	1,846,800	223,700
Total correction and detention	<u>\$ 2,140,500</u>	<u>\$ 2,140,500</u>	<u>\$ 1,911,396</u>	<u>\$ 229,104</u>
Inspections:				
Building	\$ 108,184	\$ 108,184	\$ 118,158	\$ (9,974)
Total inspections	<u>\$ 108,184</u>	<u>\$ 108,184</u>	<u>\$ 118,158</u>	<u>\$ (9,974)</u>
Other protection:				
Animal control	\$ 176,560	\$ 181,560	\$ 512,527	\$ (330,967)
Medical examiner	200	200	2,490	(2,290)
Total other protection	<u>\$ 176,760</u>	<u>\$ 181,760</u>	<u>\$ 515,017</u>	<u>\$ (333,257)</u>
Total public safety	<u>\$ 6,148,887</u>	<u>\$ 6,438,843</u>	<u>\$ 6,355,807</u>	<u>\$ 83,036</u>
Public works:				
Maintenance of general buildings and grounds:				
General properties	\$ 400,376	\$ 400,376	\$ 256,281	\$ 144,095
Total maintenance of general buildings and grounds	<u>\$ 400,376</u>	<u>\$ 400,376</u>	<u>\$ 256,281</u>	<u>\$ 144,095</u>
Total public works	<u>\$ 400,376</u>	<u>\$ 400,376</u>	<u>\$ 256,281</u>	<u>\$ 144,095</u>

County of Nottoway, 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)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 90,000	\$ 90,000	\$ 86,281	\$ 3,719
Total health	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 86,281</u>	<u>\$ 3,719</u>
Mental health and mental retardation:				
Community services board	\$ 42,000	\$ 42,000	\$ 75,811	\$ (33,811)
STEPS, Inc.	35,939	35,939	35,939	-
Total mental health and mental retardation	<u>\$ 77,939</u>	<u>\$ 77,939</u>	<u>\$ 111,750</u>	<u>\$ (33,811)</u>
Welfare:				
Public assistance and welfare administration	\$ 2,232,400	\$ 2,232,400	\$ 2,034,703	\$ 197,697
Comprehensive Services Act	1,058,573	1,058,573	926,242	132,331
Total welfare	<u>\$ 3,290,973</u>	<u>\$ 3,290,973</u>	<u>\$ 2,960,945</u>	<u>\$ 330,028</u>
Total health and welfare	<u>\$ 3,458,912</u>	<u>\$ 3,458,912</u>	<u>\$ 3,158,976</u>	<u>\$ 299,936</u>
Education:				
Other instructional costs:				
Contribution to community colleges	\$ 6,384	\$ 6,384	\$ 6,384	\$ -
Contribution to County School Board	6,389,000	6,389,000	9,509,791	(3,120,791)
Total education	<u>\$ 6,395,384</u>	<u>\$ 6,395,384</u>	<u>\$ 9,516,175</u>	<u>\$ (3,120,791)</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 25,340	\$ 25,340	\$ 31,340	\$ (6,000)
Total parks and recreation	<u>\$ 25,340</u>	<u>\$ 25,340</u>	<u>\$ 31,340</u>	<u>\$ (6,000)</u>
Library:				
Library administration	\$ 284,859	\$ 290,993	\$ 289,560	\$ 1,433
Total library	<u>\$ 284,859</u>	<u>\$ 290,993</u>	<u>\$ 289,560</u>	<u>\$ 1,433</u>
Total parks, recreation, and cultural	<u>\$ 310,199</u>	<u>\$ 316,333</u>	<u>\$ 320,900</u>	<u>\$ (4,567)</u>
Community development:				
Planning and community development:				
Economic development	\$ 29,751	\$ 29,751	\$ 11,056	\$ 18,695
Planning commission	199,963	199,963	193,868	6,095
Zoning board	2,250	2,250	1,114	1,136
Total planning and community development	<u>\$ 231,964</u>	<u>\$ 231,964</u>	<u>\$ 206,038</u>	<u>\$ 25,926</u>
Environmental management:				
Soil and water conservation district	\$ 8,500	\$ 8,500	\$ 8,500	\$ -
Total environmental management	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ -</u>

County of Nottoway, 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)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 69,137	\$ 69,137	\$ 61,601	\$ 7,536
Total cooperative extension program	<u>\$ 69,137</u>	<u>\$ 69,137</u>	<u>\$ 61,601</u>	<u>\$ 7,536</u>
Other community development:				
Community development block grant	\$ 365	\$ 365	-	\$ 365
Total other community development	<u>\$ 365</u>	<u>\$ 365</u>	<u>-</u>	<u>\$ 365</u>
Total community development	<u>\$ 309,966</u>	<u>\$ 309,966</u>	<u>\$ 276,139</u>	<u>\$ 33,827</u>
Debt service:				
Principal retirement	\$ 245,417	\$ 245,417	\$ 472,920	\$ (227,503)
Interest and other fiscal charges	28,750	28,750	52,932	(24,182)
Total debt service	<u>\$ 274,167</u>	<u>\$ 274,167</u>	<u>\$ 525,852</u>	<u>\$ (251,685)</u>
Total General Fund	<u>\$ 20,833,190</u>	<u>\$ 21,124,606</u>	<u>\$ 23,731,319</u>	<u>\$ (2,606,713)</u>
Special Revenue Funds:				
Landfill Fund:				
Public works:				
Sanitation and waste removal:				
Landfill	\$ 1,291,471	\$ 1,291,471	\$ 1,246,390	\$ 45,081
Total Landfill Fund	<u>\$ 1,291,471</u>	<u>\$ 1,291,471</u>	<u>\$ 1,246,390</u>	<u>\$ 45,081</u>
American Rescue Plan Act Fund:				
Public safety:				
Fire and rescue services:				
Burn building	\$ -	\$ -	\$ 10,000	\$ (10,000)
Total fire and rescue services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>
Other protection:				
Animal shelter	\$ -	\$ -	\$ 451,917	\$ (451,917)
Total other protection	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 451,917</u>	<u>\$ (451,917)</u>
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,917</u>	<u>\$ (461,917)</u>
Health and welfare:				
Health:				
Drainage	\$ -	\$ -	\$ 22,087	\$ (22,087)
Total health	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,087</u>	<u>\$ (22,087)</u>
Welfare:				
Homeless shelter	\$ -	\$ -	\$ 75,000	\$ (75,000)
Total welfare	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ (75,000)</u>
Total health and welfare	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,087</u>	<u>\$ (97,087)</u>
Community development:				
Other community development:				
Community projects	\$ 1,454,000	\$ 1,454,000	-	\$ 1,454,000
Broadband	-	-	515,460	(515,460)
Total other community development	<u>\$ 1,454,000</u>	<u>\$ 1,454,000</u>	<u>\$ 515,460</u>	<u>\$ 938,540</u>
Total community development	<u>\$ 1,454,000</u>	<u>\$ 1,454,000</u>	<u>\$ 515,460</u>	<u>\$ 938,540</u>
Total American Rescue Plan Act fund	<u>\$ 1,454,000</u>	<u>\$ 1,454,000</u>	<u>\$ 1,074,464</u>	<u>\$ 379,536</u>

County of Nottoway, 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>
Special Revenue Funds: (Continued)				
E-911 Fund:				
Public safety:				
Law enforcement and traffic control:				
Emergency 911 services	\$ 102,450	\$ 175,547	\$ 1,363,388	\$ (1,187,841)
Total law enforcement and traffic control	<u>\$ 102,450</u>	<u>\$ 175,547</u>	<u>\$ 1,363,388</u>	<u>\$ (1,187,841)</u>
Total public safety	<u>\$ 102,450</u>	<u>\$ 175,547</u>	<u>\$ 1,363,388</u>	<u>\$ (1,187,841)</u>
Debt service:				
Interest and other fiscal charges	\$ -	\$ -	\$ 132,811	\$ (132,811)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,811</u>	<u>\$ (132,811)</u>
Total E-911 Fund	<u>\$ 102,450</u>	<u>\$ 175,547</u>	<u>\$ 1,496,199</u>	<u>\$ (1,320,652)</u>
LRA Fund:				
Community Development:				
Other Community Development:				
Fort Pickett LRA	\$ 870,941	\$ 870,941	\$ 475,404	\$ 395,537
Total parks and recreation	<u>\$ 870,941</u>	<u>\$ 870,941</u>	<u>\$ 475,404</u>	<u>\$ 395,537</u>
Total community development	<u>\$ 870,941</u>	<u>\$ 870,941</u>	<u>\$ 475,404</u>	<u>\$ 395,537</u>
Total LRA Fund	<u>\$ 870,941</u>	<u>\$ 870,941</u>	<u>\$ 475,404</u>	<u>\$ 395,537</u>
Total Primary Government	<u>\$ 24,552,052</u>	<u>\$ 24,916,565</u>	<u>\$ 28,023,776</u>	<u>\$ (3,107,211)</u>
Discretely Presented Component Unit - School Board (Continued)				
School Operating Fund: (Continued)				
Instruction costs:				
Elementary and secondary schools	\$ 25,086,697	\$ 33,440,604	\$ 22,880,422	\$ 10,560,182
Total instruction costs	<u>\$ 25,086,697</u>	<u>\$ 33,440,604</u>	<u>\$ 22,880,422</u>	<u>\$ 10,560,182</u>
Operating costs:				
Administration, attendance and health services	\$ 2,114,698	\$ 190,819	\$ 3,467,031	\$ (3,276,212)
Pupil transportation	1,881,472	643,587	2,588,200	(1,944,613)
Operation and maintenance of school plant	2,914,071	817,800	7,521,142	(6,703,342)
Total operating costs	<u>\$ 6,910,241</u>	<u>\$ 1,652,206</u>	<u>\$ 13,576,373</u>	<u>\$ (11,924,167)</u>
Total education	<u>\$ 31,996,938</u>	<u>\$ 35,092,810</u>	<u>\$ 36,456,795</u>	<u>\$ (1,363,985)</u>
Capital projects:				
School capital projects	\$ -	\$ 1,325,949	\$ 924,156	\$ 401,793
Total capital projects	<u>\$ -</u>	<u>\$ 1,325,949</u>	<u>\$ 924,156</u>	<u>\$ 401,793</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 72,751	\$ (72,751)
Interest and other fiscal charges	-	-	6,153	(6,153)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,904</u>	<u>\$ (78,904)</u>
Total School Operating Fund	<u>\$ 31,996,938</u>	<u>\$ 36,418,759</u>	<u>\$ 37,459,855</u>	<u>\$ (1,041,096)</u>

County of Nottoway, 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: (Continued)				
Special Revenue Funds:				
School Textbook Fund:				
Education:				
Instruction:				
Elementary and secondary schools	\$ -	\$ -	\$ 580,584	\$ (580,584)
Total School Textbook Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 580,584</u>	<u>\$ (580,584)</u>
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,468,797	\$ 1,468,797	\$ 1,547,216	\$ (78,419)
Commodities	-	-	107,463	(107,463)
Total School Cafeteria Fund	<u>\$ 1,468,797</u>	<u>\$ 1,468,797</u>	<u>\$ 1,654,679</u>	<u>\$ (185,882)</u>
School Activity Fund:				
Education:				
Instructional services:				
School activity accounts	\$ -	\$ -	\$ 389,573	\$ (389,573)
Total instructional services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,573</u>	<u>\$ (389,573)</u>
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,573</u>	<u>\$ (389,573)</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,573</u>	<u>\$ (389,573)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 33,465,735</u>	<u>\$ 37,887,556</u>	<u>\$ 40,084,691</u>	<u>\$ (2,197,135)</u>

OTHER STATISTICAL INFORMATION

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Table 1

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

Fiscal Year	General Government Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2016	\$ 936,027	\$ 2,530,134	\$ 1,074,068	\$ 1,996,214	\$ 5,231,092	\$ 338,200	\$ 608,120	\$ 130,484	\$ 13,613,259
2017	1,631,110	2,517,124	1,046,610	2,188,527	4,704,799	357,724	659,625	110,433	14,032,210
2018	1,159,579	2,527,622	1,697,197	2,306,603	5,589,509	326,545	993,620	97,538	15,453,643
2019	971,169	2,779,286	2,625,662	2,572,616	5,378,240	329,198	948,845	79,856	16,443,579
2020	1,181,734	3,189,310	1,604,449	2,713,014	4,986,918	364,639	779,363	64,558	15,753,568
2021	1,035,420	4,636,802	1,892,872	2,880,258	4,764,460	410,145	1,490,512	55,112	18,110,846
2022	2,292,845	4,153,085	3,046,821	2,751,565	5,491,977	372,497	1,090,512	45,760	20,265,896
2023	1,667,327	5,372,873	2,317,277	2,893,923	2,161,942	538,477	1,217,842	37,910	17,302,804
2024	2,313,899	6,033,313	2,608,025	3,012,616	7,042,905	397,233	1,732,580	35,325	24,328,837
2025	1,728,238	7,180,260	1,936,869	3,261,746	9,726,859	467,989	1,285,323	355,664	27,142,269

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs			
2016	\$ 523,796	\$ 3,188,576	\$ -	\$ 6,833,044	\$ 1,612,326	\$ 629,974	\$ 74,480	\$ 1,511,423	\$ 14,373,619			
2017	560,025	3,374,947	-	6,918,150	1,703,463	640,964	205,802	1,508,408	14,911,759			
2018	651,315	3,617,923	280,000	7,415,503	1,673,112	705,220	112,929	1,424,397	15,880,399			
2019	702,511	3,727,846	-	7,364,578	1,941,382	878,172	431,237	1,578,472	16,624,198			
2020	740,213	3,827,260	-	7,728,549	1,985,544	949,264	133,715	1,491,597	16,856,142			
2021	672,408	5,589,226	-	7,761,041	2,108,720	668,351	266,947	1,444,154	18,510,847			
2022	1,590,371	5,048,598	-	7,916,780	2,388,856	76,554	353,339	1,434,670	18,809,168			
2023	881,675	5,432,977	-	8,908,933	2,304,083	580,705	842,163	1,491,091	20,441,627			
2024	812,182	6,006,171	-	8,119,713	2,316,226	938,368	314,897	1,438,961	19,946,518			
2025	769,848	6,457,261	-	10,260,813	2,776,241	1,615,839	437,928	1,363,148	23,681,078			

Table 3

County of Nottoway, 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	Debt Service	Total
2016	\$ 1,204,371	\$ 726,542	\$ 2,617,795	\$ 1,270,202	\$ 2,153,350	\$ 22,071,187	\$ 264,371	\$ 690,964	\$ 932,866	\$ 31,931,648
2017	1,332,833	749,325	2,547,557	954,865	2,189,144	23,113,450	275,677	802,912	624,071	32,589,834
2018	1,495,583	731,994	2,709,387	1,435,031	2,399,535	21,888,576	270,303	996,084	638,142	32,564,635
2019	1,287,921	752,658	2,977,257	3,275,820	2,661,704	22,695,512	280,906	960,520	429,504	35,321,802
2020	1,392,864	798,503	3,234,902	1,580,621	2,691,624	23,276,816	274,609	774,396	421,870	34,446,205
2021	1,547,222	820,113	4,914,831	1,713,490	2,816,464	24,738,510	314,395	1,463,869	414,195	38,743,089
2022	2,450,178	907,781	4,264,034	2,226,650	2,800,207	26,680,485	337,342	1,078,102	255,397	41,000,176
2023	1,888,509	1,070,317	5,411,769	1,566,105	2,909,089	29,956,827	455,179	1,250,158	316,694	44,824,647
2024	2,395,280	1,062,973	6,332,151	3,096,695	2,991,035	34,294,189	316,656	1,719,385	532,570	52,740,934
2025	2,186,292	1,134,897	8,181,112	1,502,671	3,256,063	39,088,015	320,900	1,267,003	737,567	57,674,520

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

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

County of Nottoway, 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
2016	\$ 6,641,274	\$ 1,612,326	\$ 70,251	\$ 4,007	\$ 631,785	\$ 655,673	\$ 172,295	\$ 375,401	\$ 22,190,197	\$ 32,353,209
2017	6,806,196	1,703,463	75,720	10,984	642,575	682,891	273,178	216,534	22,917,302	33,328,843
2018	7,403,795	1,673,112	110,295	11,291	707,712	734,810	194,142	203,498	23,229,771	34,268,426
2019	7,747,405	1,941,382	104,183	14,301	886,934	798,217	499,307	249,109	23,692,236	35,933,074
2020	7,672,218	1,985,544	112,580	12,578	958,656	712,428	203,420	363,383	24,114,357	36,135,164
2021	7,801,081	2,108,720	116,092	5,637	671,272	554,516	629,538	213,553	26,966,625	39,067,034
2022	7,908,865	2,388,856	207,992	15,127	623,784	882,570	1,140,152	221,659	29,057,400	42,446,405
2023	8,471,883	2,304,083	171,731	15,664	639,549	723,370	1,397,216	311,771	34,047,645	48,082,912
2024	8,274,228	2,316,226	140,216	22,947	1,009,768	671,834	1,239,588	19,938	34,690,963	48,385,708
2025	10,149,655	2,776,241	175,222	27,898	1,707,281	568,717	1,710,914	303,770	37,266,227	54,685,925

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

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

Table 5

County of Nottoway, 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 (1,2) Collections	Total Tax Collections	Percent of		Percent of	
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Total Tax Collections to Tax Levy	Delinquent Taxes to Tax Levy
2016	\$ 7,827,966	\$ 7,306,097	93.33%	\$ 289,698	\$ 7,595,795	97.03%	\$ 844,418	10.79%	
2017	7,793,788	7,311,127	93.81%	303,828	7,614,955	97.71%	837,051	10.74%	
2018	8,272,472	7,758,973	93.79%	475,727	8,234,700	99.54%	954,993	11.54%	
2019	8,622,445	8,057,921	93.45%	492,584	8,550,505	99.17%	748,907	8.69%	
2020	8,677,024	8,179,818	94.27%	314,255	8,494,073	97.89%	881,691	10.16%	
2021	8,799,657	8,302,069	94.35%	334,893	8,636,962	98.15%	759,819	8.63%	
2022	9,195,953	8,565,100	93.14%	228,194	8,793,294	95.62%	790,754	8.60%	
2023	9,697,588	8,851,682	91.28%	489,470	9,341,152	96.32%	1,026,151	10.58%	
2024	9,384,263	8,774,970	93.51%	318,448	9,093,418	96.90%	1,090,346	11.62%	
2025	11,178,728	10,545,420	94.33%	427,785	10,973,205	98.16%	861,744	7.71%	

(1) Exclusive of penalties and interest. Includes personal property tax relief funds.

(2) Does not include land redemptions.

Table 6

County of Nottoway, Virginia
Assessed Value of Taxable Property (in thousands)
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Service (2)	Total
2016	\$ 892,421	\$ 90,649	\$ 9,280	\$ 90,207	\$ 1,082,557
2017	814,187	83,507	9,661	113,068	1,020,423
2018	916,201	85,174	6,548	101,546	1,109,469
2019	942,863	88,760	8,466	118,048	1,158,137
2020	946,223	91,671	9,094	119,080	1,166,068
2021	954,193	95,132	10,867	104,350	1,164,542
2022	968,562	101,176	12,563	102,139	1,184,440
2023	972,155	138,152	11,882	96,840	1,219,029
2024	986,740	126,381	12,788	84,467	1,210,376
2025	1,282,942	128,101	20,192	110,742	1,541,977

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

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

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Utility	
				Real Estate	Personal Property
2016	\$ 0.47	\$ 3.75	\$ 1.35	\$ 0.47	\$ 3.75
2017	0.47	3.75	1.35	0.47	3.75
2018	0.50	3.75	1.35	0.50	3.75
2019	0.48	3.75	1.35	0.48	3.75
2020	0.48	3.75	1.35	0.48	3.75
2021	0.48	3.75	1.35	0.48	3.75
2022	0.48	3.75	1.35	0.48	3.75
2023	0.48	3.75	1.35	0.48	3.15
2024	0.48	3.75	1.35	0.48	3.15
2025	0.45	3.75	1.35	0.45	3.75

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2016	15,853	\$ 1,082,557	\$ 3,214,548	\$ 3,214,548	0.30%	\$ 203
2017	15,853	1,020,423	2,760,811	2,760,811	0.27%	174
2018	15,853	1,109,469	2,327,709	2,327,709	0.21%	147
2019	15,853	1,158,137	1,985,013	1,985,013	0.17%	125
2020	15,413	1,166,068	1,637,482	1,637,482	0.14%	106
2021	15,413	1,164,541	1,285,258	1,285,258	0.11%	83
2022	15,604	1,184,441	1,083,531	1,083,531	0.09%	69
2023	15,608	1,219,029	877,218	877,218	0.07%	56
2024	15,647	1,210,376	665,951	665,951	0.06%	43
2025	15,647	1,541,977	430,153	430,153	0.03%	27

(1) Weldon Cooper Center for Public Service - University of Virginia

(2) From Table 6

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.

Excludes revenue bonds, lease liabilities, notes payable, landfill closure liability and compensated absences.

COMPLIANCE

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**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 Nottoway
Nottoway, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Nottoway, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County of Nottoway, Virginia's basic financial statements, and have issued our report thereon dated December 2, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Nottoway, 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.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 2, 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 Nottoway
Nottoway, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

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, Farmer, Cox Associates

Richmond, Virginia
December 2, 2025

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Office of Children's Services (Virginia):				
Social Services Block Grant	93.667	unavailable	\$ 28,013	\$ -
Virginia Department of Social Services:				
Social Services Block Grant	93.667	1000124/1000125	150,285	-
Total AL# 93.667			<u>\$ 178,298</u>	<u>\$ -</u>
Temporary Assistance for Needy Families	93.558	0400124/0400125	185,339	-
Guardianship Assistance	93.090	1110124/1110125	223	-
Title IV-E Prevention Services	93.472	1140124/1140125	4,709	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950123/0950124/ 0980120	23,693	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500125	493	-
Low Income Home Energy Assistance	93.568	0600424/0600425	34,432	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123/0900124	602	-
Foster Care - Title IV-E	93.658	1100124/1100125	96,066	-
Adoption Assistance	93.659	1120124/1120125	59,859	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123/9150124	1,422	-
Children's Health Insurance Program	93.767	0540124/0540125	2,996	-
Medicaid Cluster:				
Medical Assistance Program	93.778	1200124/1200125	242,045	-
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760124/0760125	34,121	-
Total Department of Health and Human Services			<u>\$ 864,298</u>	<u>\$ -</u>
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Virginia Department of Agriculture:				
Food Distribution--School	10.555	unavailable	\$ 107,463	\$ -
Virginia Department of Education:				
National School Lunch Program	10.555	24N11994/ 25N11994	831,365	-
Total AL# 10.555			<u>\$ 938,828</u>	<u>\$ -</u>
		24N11994/ 25N11994/		
School Breakfast Program	10.553	25N10994	322,292	-
Summer Food Service Program for Children	10.559	24N11994	46,415	-
Total Child Nutrition Cluster			<u>\$ 1,307,535</u>	<u>\$ -</u>
Child and Adult Care Food Program (CACFP)	10.558	2423N11994/ 2525N11994	22,204	-
Virginia Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010124/0010125/ 0040124/0040125	287,025	-
Total Department of Agriculture			<u>\$ 1,616,764</u>	<u>\$ -</u>
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Disaster Grants Public Assistance (Presidentially Declared Disasters)	97.036	PA451299166810	\$ 8,955	\$ -
Emergency Management Performance Grants	97.042	EMPG202399168173	7,500	-
Total Department of Homeland Security			<u>\$ 16,455</u>	<u>\$ -</u>
Department of Justice:				
Direct Payments:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 212,722	\$ -
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
		24-01287VW20/ 25-		
Crime Victim Assistance	16.575	01287VW22	7,472	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	390002-547478	7,505	-
Justice and Securities Strategies, Inc.:				
Body Worn Camera Policy and Implementation	16.835	45731963	49,960	-
Total Department of Justice			<u>\$ 277,659</u>	<u>\$ -</u>

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of the Treasury:				
Direct Payments:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,074,464	\$ -
Total Department of the Treasury			<u>\$ 1,074,464</u>	<u>\$ -</u>
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	DR4602	\$ 26,723	\$ -
Total Department of Transportation			<u>\$ 26,723</u>	<u>\$ -</u>
Department of Defense:				
Direct Payments:				
JROTC	12.xxx	N/A	\$ 46,188	\$ -
Total Department of Defense			<u>\$ 46,188</u>	<u>\$ -</u>
Department of Energy:				
Direct Payments:				
Conservation Research and Development	81.086	N/A	\$ 3,461,176	\$ -
Total Department of Energy			<u>\$ 3,461,176</u>	<u>\$ -</u>
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies				
Special Education Cluster:	84.010	S010A230046/ S010A240046	\$ 795,525	\$ -
Special Education - Grants to States	84.027	H027A220107/ H027A2310107	774,544	-
Special Education - Preschool Grants	84.173	H173A230112	13,351	-
Total Special Education Cluster			<u>\$ 787,895</u>	<u>\$ -</u>
Career and Technical Education - Basic Grants to States	84.048	V048230046/ V048A240046	70,288	-
Twenty-First Century Community Learning Centers	84.287	S287C230047/ S287C240047	483,908	-
English Language Acquisition State Grants	84.365	unavailable	8,904	-
School Improvement Grants	84.371	S371C240031	30,000	-
Rural Education	84.358	S358B230046/ S358B240046	57,358	-
Supporting Effective Instruction State Grants	84.367	S367A220044/ S367A230044/ S367A240044	155,049	-
Student Support and Academic Enrichment Program	84.424	S424A220048/ S424A230048/ S424A240048	60,027	-
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief ARP (ESSER) Fund	84.425U	S425U210008	1,587,759	-
College of William & Mary:				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425W	S425W210008	47,220	-
Total AL# 84.425			<u>\$ 1,634,979</u>	<u>\$ -</u>
Total Department of Education			<u>\$ 4,083,933</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 11,467,660</u>	<u>\$ -</u>

County of Nottoway, Virginia

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

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

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

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

Note 3 - Food Donation

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

Note 4 - Loan Balances

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

Note 5 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,259,439
American Rescue Plan Act Fund	1,074,464
Total primary government	\$ <u>2,333,903</u>

Component Unit School Board:

School Operating Fund	\$ 7,804,019
School Cafeteria Fund	1,329,738
Total component unit school board	\$ <u>9,133,757</u>

Total federal expenditures per basic financial statements \$ 11,467,660

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 11,467,660

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

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? ✓ yes no

Significant deficiency(ies) identified? yes ✓ none reported

Noncompliance material to financial statements noted? yes ✓ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes ✓ no

Significant deficiency(ies) identified? yes ✓ none reported

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
81.086	Conservation Research and Development
93.778	Grants to States for Medicaid
84.425	COVID-19 - Education Stabilization Fund
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.027/84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? yes ✓ no

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

Section II-Financial Statement Findings

2025-001 (material weakness)

Criteria:

Identification of material adjustments to the financial statements that were not detected by the entity's internal controls indicates that a material weakness exists.

Condition:

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

Cause:

Internal controls were not in place over financial reporting and year-end adjusting entries were not identified prior to the auditor's arrival to conduct the audit.

Effect:

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

Recommendation:

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

Management's Response:

The County is taking corrective action for FY26.

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

Findings - Financial Statement Audit:

2024-001

Condition:

We noted errors which required adjustments to current financial statements, indicating a material weakness in controls over financial reporting.

Recommendation:

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

Current Status:

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

Findings - Federal Awards:

2024-002

Condition:

The entity failed to submit the required SLFRF Compliance Report SLT-1908 by the required deadline.

Recommendation:

Management should implement robust internal controls to ensure compliance with all federal reporting requirements.

Current Status:

Finding 2024-002 is considered resolved.