

Annual Comprehensive Financial Report

For the year ended June 30, 2024



Serving customers in the City of Roanoke and the Counties of Roanoke, Franklin and Botetourt, and the Towns of Vinton and Boones Mill, Virginia



WESTERN VIRGINIA WATER AUTHORITY

ROANOKE, VIRGINIA

**Annual Comprehensive Financial Report
Year Ended June 30, 2024**

Prepared by:

Tammy Lawfield
Director of Finance

Jennifer Meeks
Assistant Director of Finance

WESTERN VIRGINIA WATER AUTHORITY

Annual Comprehensive Financial Report Year Ended June 30, 2024

Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Authority Officials	1
Letter of Transmittal	2-26
Organizational Chart	27
Certificate of Achievement	28
 <u>Financial Section</u>	
Independent Auditors' Report	29-31
Management's Discussion and Analysis	32-40
 <u>Basic Financial Statements</u>	
Exhibit 1 Statement of Net Position	41
Exhibit 2 Statement of Revenues, Expenses and Changes in Net Position	42
Exhibit 3 Statement of Cash Flows	43
Notes to Financial Statements	44-94
 <u>Required Supplementary Information</u>	
Pension Plan - VRS:	
Exhibit 4 Schedule of the Authority's Proportionate Share of the Net Pension Liability (Asset)	95
Exhibit 5 Schedule of Employer Contributions	96
Exhibit 6 Notes to Required Supplementary Information	97
Pension Plan - Roanoke City Pension Plan:	
Exhibit 7 Schedule of the Authority's Proportionate Share of the Net Pension Liability (Asset)	98
Exhibit 8 Schedule of Employer Contributions	99
Exhibit 9 Notes to Required Supplementary Information	100
Other Postemployment Benefits Plan - Health Insurance:	
Exhibit 10 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios	101
Exhibit 11 Notes to Required Supplementary Information	102
Other Postemployment Benefits Plan - Group Life Insurance (GLI) Plan:	
Exhibit 12 Schedule of Authority's Share of Net OPEB Liability	103
Exhibit 13 Schedule of Employer Contributions	104
Exhibit 14 Notes to Required Supplementary Information	105

WESTERN VIRGINIA WATER AUTHORITY

Annual Comprehensive Financial Report Year Ended June 30, 2024

Table of Contents (Continued)

Page

Other Supplementary Information

Supporting Schedules

Schedule 1	Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Water Fund	106
Schedule 2	Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Water Pollution Control Fund	107

Statistical Section

Table 1	Net Position by Component—Last Ten Fiscal Years	108
Table 2	Changes in Net Position—Last Ten Fiscal Years	109
Table 3	Operating Revenues by Source—Last Ten Fiscal Years	110
Table 4	Operating Expenses—Last Ten Fiscal Years	111
Table 5	Nonoperating Revenues and Expenses—Last Ten Fiscal Years	112
Table 6	Annual Capital Contributions by Source—Last Ten Fiscal Years	113
Table 7	Water Produced, Consumed and Wastewater Treated—Last Ten Fiscal Years	114
Table 8	Number of Customers—Last Ten Fiscal Years	115
Table 9	Schedule of User Rates—Last Ten Fiscal Years	116
Table 10	Principal Customers—Current Year and Nine Years Prior	117
Table 11	Ratios of Outstanding Debt by Type—Last Ten Fiscal Years	118
Table 12	Schedule of Debt Service & Coverage—Last Ten Fiscal Years	119
Table 13	Demographic Statistics—Last Ten Fiscal Years	120
Table 14	Principal Area Employers—Current Year and Nine Years Prior	121
Table 15	Number of Employees by Identifiable Activity—Last Ten Fiscal Years	122
Table 16	Operating Statistics—Last Ten Fiscal Years	123
Table 17	Schedule of New Connections—Last Ten Fiscal Years	124
Table 18	Water Consumption and Wastewater Flow by Customer Group—Last Ten Fiscal Years	125

Compliance Section

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	126-127
---	---------

WESTERN VIRGINIA WATER AUTHORITY

Annual Comprehensive Financial Report
Year Ended June 30, 2024

Table of Contents (Continued)

	<u>Page</u>
<u>Compliance Section (continued)</u>	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	128-130
Schedule of Expenditures of Federal Awards	131
Schedule of Findings and Questioned Costs	132
Summary Schedule of Prior Audit Findings	133

INTRODUCTORY SECTION

WESTERN VIRGINIA WATER AUTHORITY

(A Governmental organization established March 2, 2004
under the Water and Wastewater Authorities Act, Chapter 51, Title 15.2,
1950 Code of Virginia, As Amended)

MEMBERS

Harvey Brookins, Jr., Chair

Don Halliwill, Vice Chair

Richard Caywood

Bob Cowell

Randall Hancock

Shirley Holland

Michael Loveman

Hunter Young

OFFICIALS

Executive Director
Secretary
Assistant Secretary
Treasurer

Mike T. McEvoy
Gayle Shrewsbury
Sarah Baumgardner
Tammy Lawfield



October 30, 2024

To the Honorable Chairman, Members of the Board of Directors, Customers and Interested Parties:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Western Virginia Water Authority (Authority) for the fiscal year ended June 30, 2024. The ACFR was prepared by the Authority in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and with emphasis on disclosure of the financial activities of the Authority. Responsibility for both the completeness and reliability of the information, including all disclosures, rest with the Authority, and is based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed financial data is accurate in all material respects and fairly presents the financial position, results of operations and cash flows of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The basic financial statements have been audited by our independent auditors, Robinson, Farmer, Cox Associates, who have issued an unmodified ("clean") opinion on the financial statements of the Authority as of and for the year ended June 30, 2024. The audit was conducted 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 *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The annual audit is planned and performed to obtain reasonable, rather than absolute, assurance that the basic financial statements of the Western Virginia Water Authority are free of any material misstatement. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to compliment the MD&A and should be read with it.

Profile

The Authority was formed by the Council of the City of Roanoke and the Board of Supervisors of the County of Roanoke on July 1, 2004 as a regional water authority to establish and operate a water and sewer disposal system and related facilities. The Authority was chartered in 2004 pursuant to the Virginia Water and Waste Authorities Act, Chapter 51 title 15.2 of the Code of Virginia 1950 as amended. The Authority is authorized to acquire, finance, construct, manage and maintain a fully integrated water, wastewater, septage disposal and related facilities pursuant to the Act. Additional information on the formation of the Authority is covered under Note 1 of the Notes to Financial Statements. On November

5, 2009 Franklin County joined as a member of the Authority when the involved parties reorganized under amended and restated Articles of Incorporation. Botetourt County joined as a member in the Authority on July 1, 2015, and the Town of Boones Mill joined on November 1, 2021. Beginning on July 1, 2022, the Town of Vinton also joined as a member in the Authority.

The Authority's Board of Directors consists of eight members; three of which are appointed by the City Council of Roanoke, three appointed by the Board of Supervisors of the County of Roanoke, one member is appointed by the Board of Supervisors of the County of Franklin and one member is selected by the Board of Supervisors of the County of Botetourt. Board terms are four years. Regular meetings of the Board of Directors are normally held monthly.

The Authority is administered by an Executive Director, who serves at the pleasure of the Board. The Executive Director has the direct supervision of all employees of the Authority; is responsible for the operation of the Authority, and the establishment of guidelines for efficient and sound fiscal management.

The Authority provides citizens in the Roanoke area and portions of Franklin and Botetourt Counties with a dependable supply of water. The Authority treats and delivers 20 million gallons of drinking water per day for 69,806 customer accounts. Major water sources include the Spring Hollow reservoir, Carvins Cove reservoir, Falling Creek / Beaver Dam Creek reservoirs and Crystal Spring. Other sources include various groundwater wells and water purchased from the Bedford County Public Service Authority for a portion of the Authority's customers in Franklin County. Current rated system treatment capacity is approximately 58 million gallons per day (MGD).

The Spring Hollow reservoir was constructed in 1993 and consists of a 243 foot high by 990 foot long roller-compacted concrete dam with a working volume of 3.2 billion gallons. Water is pumped from the Roanoke River for storage, and the safe yield of this reservoir is 19.4 MGD. The treatment facility was constructed in 1996 and has a capacity of 18 MGD.

The Carvins Cove reservoir was completed in the late 1940s and includes an 80 foot high dam with a 6.47 billion gallon impoundment. Tinker Creek tunnel, constructed in 1966 and the Catawba Creek tunnel, constructed in 1974 enable additional source water to be impounded. The reservoir has a safe yield of between 14 and 18 MGD. The reservoir is also used for limited recreation purposes. The treatment facility capacity is 28 MGD.

Falling Creek / Beaver Dam Creek reservoirs have a combined storage volume of 520 million gallons. The Falling Creek reservoir was constructed in 1900 and the Beaver Dam Creek reservoir was completed in 1926. Both are clay core, rock filled dams and have a combined safe yield of 1.45 MGD. Treatment facility capacity is comparable to the yield. Construction was completed on the Falling Creek dam and spillway in 2011.

Crystal Spring has a safe yield of 3.5 MGD and uses membrane filtration with a capacity of 4.84 MGD. Crystal Spring is located on the north side of Mill Mountain in the City of Roanoke.

The Authority also maintains 1,356 miles of water mains, 58 pumping stations, and 6,395 fire hydrants and 61 well facilities in the service area.

The Authority began operations in Franklin County during fiscal year 2009. The Authority purchased several private water systems in the Smith Mountain Lake area and began operations in January 2009. In May 2009, the County of Franklin and the Authority entered into a water system transfer agreement where the County conveyed the ownership of the transmission and distribution system along State Route 122 from the Franklin - Bedford County line to Westlake Town Center to the Authority. The plan also authorizes the Authority to proceed to develop line extensions in the area which will interconnect some of the private systems purchased by the Authority. The Scruggs Road water line extension was completed in 2010.

This water line interconnects the customers in the Westlake Town Center with several of the water systems in the Smith Mountain Lake area. The Authority authorized the acquisition of the Petrus Water Systems and the Lake Watch Wastewater System in November 2015. At that time, the Authority assumed operation of the Land's End water system, and that system was interconnected to the existing Contentment Island and Lakeside system in June 2016.

In fiscal year 2023, the Authority started construction on its tallest water tank in the Union Hall area of Franklin County to supply water to the Southern Smith Mountain Lake area.

Botetourt County officially joined the Authority on July 1, 2015. A new pump station on Roanoke Boulevard was constructed and put it into service on December 12, 2015 enabling water from Carvins Cove to serve the Greenfield area. After an interconnection was installed, the Tinkerview Gardens community began receiving Carvins Cove water on January 20th. The Botetourt service area expanded as the Authority authorized the acquisition of the Eagle Rock Water Company in January 2016, a water system serving 84 accounts with two additional locations that are vacant. The Eagle Rock wastewater facility was previously acquired by the Authority when Botetourt County joined the Authority.

The Roanoke Regional Water Pollution Control Facility serves the City of Roanoke, Roanoke County, the City of Salem, the Town of Vinton and portions of Botetourt County. The Water Authority treats 31 million gallons of wastewater a day from throughout the valley for its 60,300 sewer customers (more than 186,000 residents including bulk contracts described below). The facility's permitted capacity was increased to 55 MGD with the completion of a three year construction project. The original plant was constructed in 1951, and major upgrades were made in 1959, 1977, 1998, 2004, 2007 and in 2016. The most recent upgrade, the Peak Flow Enhancement Project, allows the Roanoke Regional Water Pollution Control Plant to treat and discharge more flow to the Roanoke River during high river stage events. The project involved construction of a new chlorine contact basin, new effluent screw pumps and modifications to the Biological Aerated Filter (BAF).

The Authority's collection system consists of 1,081 miles of sewer gravity mains, over 28,219 manholes, 30 lift stations.

The Authority has a bulk wastewater treatment agreement with the City of Salem. This jurisdiction shares in the Regional Wastewater Treatment Plant capacity and plant upkeep.

The agreement includes the cost of treatment and the capital maintenance on the regional facility.

In December 2008, Franklin County and the Authority entered into an operating agreement for the Westlake Village Central Sewer System covering the Westlake Overlay area of Franklin County. Under the agreement, the Authority contracted to purchase and to operate the wastewater system which is being financed by the County. Additional collection system lines were constructed in 2010 to provide service to more customers.

At the formation of the Authority in 2004, a six - year rate equalization plan was developed to achieve equal user rates for customers in the City of Roanoke and Roanoke County by 2010. This has been completed with the Authority's customers in the City of Roanoke and Roanoke County now the same user rates. An additional rate equalization plan was then developed to bring equal user rates to customers in both Franklin and Botetourt counties. This was achieved and beginning in fiscal year 2023 all customers serviced by the Authority have equal rates.

Reorganization

With the August 2019 retirement of Gary Robertson, Executive Director of Water Operations, the Authority's primary operating divisions were reorganized. The Water Pollution Control (WPC) Division and the majority of the Water Division were combined into a new group, Water Quality Operations. The remaining portion of the Water Division joined Field Operations along with Billing and Customer Service, into a Customer Operations Group.

The Customer Operations Division (CO) handles customer service, billing, collections, information technology, meter services and construction and maintenance of the Authority's water distribution and wastewater collection system. This new division is responsible for providing customers with a seamless service experience.

The Water Quality Operations Division (WQ) is responsible for producing the highest quality drinking water for customers and for returning the highest quality treated wastewater back to our environment. This new division will consist primarily of physical assets of the old water operations and water pollution control divisions including treatment plants, storage tanks, pump station and lift stations. The new division is also responsible for non-revenue water reductions.

Administrative Services is responsible for executive management to provide vision for the organization as well as other internal services of engineering, public relations, finance and human resources.

Economic Condition and Outlook

The Western Virginia Water Authority is located in the Roanoke Valley in South Western Virginia. The valley is located between the Blue Ridge Mountains on the east and the Alleghany Mountains to the west, with Interstate 81 running north and south. The Authority's service area is contained in the Roanoke Metropolitan Statistical Area (RMSA). Area attractions include Smith Mountain Lake to the east and the Blue Ridge Parkway runs

through the service area. The Roanoke area is the region's rail center and is the largest metropolitan area in western Virginia. The RMSA has a 2022 estimated population of 315,251 which includes the Cities of Roanoke and Salem and the Counties of Roanoke, Botetourt, Franklin and Craig. For 2024, the City of Roanoke's estimated population was 97,847, Roanoke County's population was estimated to be 96,519 Franklin County's population was estimated to be 54,182 and Botetourt County's population was estimated to be 33,466. The Authority serves approximately 90% of the RMSA.

The principal employers of the area are the industries of manufacturing, retail trade, health care and government. Both the City and Counties of Roanoke and Franklin are proactive in attracting and developing new businesses which will lead to economic growth. Unemployment as of June 30, 2024 was estimated to be 3.7% for the City of Roanoke, 2.8% for the County of Roanoke, 3.1% for the County of Franklin and 2.4% for the County of Botetourt. During the period the Virginia average was 2.6% and the national average was 4.1%.

The Executive Director would like to note a number of accomplishments and achievements completed through the dedication and determination of the employees of the Western Virginia Water Authority (Authority). Major improvements, enhancements and expansions have been made to the water distribution and wastewater collection systems, as well as the treatment plants, to the benefit of all customers.

Awards

The Authority won the Blue Ridge Public Relations Society of America Summit Award -Silver for the Pipe Material Education Program. To address lead pipe hazards, the Environmental Protection Agency required utilities to identify public and privately-owned water service line materials. While the Western Virginia Water Authority has found the public lines to be lead-free, homeowners needed to (1) locate their home's service line entry point, (2) determine that line's pipe material, and (3) report the material to the Authority. This campaign educated homeowners and successfully got them to take part in this multi-part process.

The Authority won the 24th Annual Water Taste Contest at the Virginia Rural Water Association Annual meeting in April 2024.

The Carvins Cove Plant received the VDH-ODW Gold Performance Award for Excellence in Operations.

The Water Pollution Control Plant received the Silver Peak Performance Award from the National Association of Clean Water Agencies.

At the Joint Annual Meeting (JAM) of state water associations, several Authority employees were recognized for their service to the water and wastewater industry. Lacy Burnette, Manager of the Regional WPC Plant, was inducted into the 5-S Society, which is awarded to individuals for repeated service to the Virginia Water Environment Association (VWEA). Chris Carey, Water Distribution Manager, received the Herb W. Evans Distinguished Service Award for service to the Virginia section of the American Water Works Association (VA-AWWA).

Chris and Lilly Meighan were recognized for their service as committee leaders. Daniel Buchanan, Wastewater Operator IV, was selected by VWEA for one of its limited Annual Operator Short School Scholarships. Lisa Workman, Laboratory Manager, and Chris Carey and Louis Morgan, Utility Construction Superintendents, were recognized for graduating from the Leadership Academy jointly sponsored by VWEA and VA-AWWA.

Michelle Caruthers was appointed by the State Health Commissioner to the Waterworks Advisory Committee, which is mainly involved in providing legislative, regulatory and policy-related recommendations related to the work of the Virginia Department of Health's (VDH's) Office of Drinking Water.

Learning and Development Manager Robyn Tuck graduated and completed service with Leadership Roanoke Valley on June 5th.

DEI and Recruitment/Retention Coordinator Mackenzie Wilcox was one of the first to be accepted into the ChangemakerZ program. ChangemakerZ is a brand new program through the Roanoke-Blacksburg Technology Council (RBTC).

Lilly Meighan, Communications Specialist in Public Relations, was nationally recognized by the American Water Works Association as one of the 5 Under 35 Outstanding Young Professionals in the industry. Lilly received her award at the ACE | American Water Works Association Conference in California.

During April, Field Operations staff participated in the Annual Equipment "Rodeo" hosted by the Southwest Virginia Public Works Academy (formerly Roanoke Regional Public Works Academy) at the Berglund Center. The event traditionally consists of ten events covering an assortment of operations from zero-turn mowers to backhoes and snowplows. A new event, the CDL skills course, was added this year requiring competitors to parallel park a tandem dump truck with a trailer attached. As one can imagine, this presented quite a challenge. As in the past, the event provided Authority staff the opportunity to showcase their equipment handling skills and earn bragging rights through friendly competition. The Authority had top finishers in many of the events including Joseph Rowan (3rd in Backhoe and 3rd in Mini-excavator), Donnie Rowan (1st in CDL skills course and 2nd in Mini-excavator), and Mike Mills (2nd in Front-end loader). These gentlemen qualified to compete in the American Public Works Academy (APWA) Mid-Atlantic Chapter "Rodeo" during the month of May. On the morning of the event, Joseph Rowan was sick, and therefore the next place qualifier, Taft Beasley, participated. Each of the three employees competed in the Front-End Loader, Backhoe, and Mini-excavator events. Taft secured a third-place finish in the Backhoe event, while Mike Mills placed third in the Front-end Loader competition. Both employees qualified to compete in the National APWA "Rodeo" on September 9 in Atlanta, Georgia.

The Authority held its first annual Chili Cook-off on Friday, January 19th from 12:30-2pm in the Coulter Board Room. Finalists were determined on the division level through cook-offs in December. The finalist were: Chad Schmidt - Field Operations, Myles Dooley - WPCP Maintenance, Jeff King - WPCP Environmental Programs, Anonymous - Water Quality and Erin Varner - Billing. Myles Dooley was the overall winner and received his trophy at the Service Award Luncheon.

Regional Initiatives

Engineering and Human Resources Staff represented the Authority at Roanoke's Prepareathon event, hosted by the City of Roanoke's Stormwater Utility, Emergency Management, Public Safety divisions and other partners. The Prepareathon, which took place in September, is an initiative with the Federal Emergency Management Agency (FEMA) that encourages local organizations and individuals to be prepared for flooding and other natural disasters that affect our local areas. The Authority provided information on reservoir flood inundation mapping and measures the Authority has in place for flood prevention and mitigation, including design and flow control measures (such as emergency spillways), maintenance/inspections, and preparedness procedures. General community education focus included information on creating and storing emergency water supply, in response to emergency alerts that may impact water supply, and measures to prevent and mitigate sewer backups, such as properly disposing of fats, oil and grease (FOG), as well as wipes and other paper products.

The Authority participated in the Vinton and City of Roanoke Christmas Parades. The Polar Express float, constructed and decorated by the WPCP Maintenance and Public Relations teams, won the Mayor's Choice award in Vinton and the First Place Float Award in Roanoke. The week following the parades, the Polar Express visited some very excited students at Preston Park and Mountain View Elementary schools. In February, the Authority's Pot of Gold float won first place in the St. Patrick's Day Parade in downtown Roanoke.



Authority staff participated in a walking tour of Historic Gainsboro History in February. Coordinated by the IDEA Team, the Historic Gainsboro History Walk promotes the significance of the Gainsboro neighborhood in the City of Roanoke through the placement of informational 'history panels' at key locations. Twelve staff and family attended with everyone learning a lot of the history and the importance of Gainsboro Roanoke.

In March, VWEA hosted a series of discussions on Effective Utility Management for utilities across the state. Jamie Morris (WQ) presented on Water Resource Sustainability and Sarah Baumgardner (PR) presented on Community Sustainability.

Coordination of operations with the Ferrum Water and Sewer Authority was ongoing during the fiscal year with two Authority staff rotating daily job shadowing across all Ferrum operations, meters being replaced to coordinate with the Authority's AML system and billing data being uploaded. The required Transfer of Ownership paperwork for the existing VPDES permit with VA DEQ was submitted with an effective date of August 30th, 2024.

The Authority hosted and facilitated the 2024 Joint VA AWWA / VWEA Safety Seminar - *Safety First, Because Injuries Last!* The event was a success with 53 attendees,

representing 16 public entities from SW, Central and Northern Virginia. The program included training for First Aid/CPR, Fall Protection, Trenching/Shoring, Heavy Equipment Safety, Ergonomics and Workers' Compensation.

In celebration of the Authority's 20th Anniversary, high school students in our service area were asked to submit artwork to replace the existing mural on the west side exterior wall of the Coulter Building. The original mural, created by William Byrd student Ashley Roop in 2018, had faded, and the new mural was installed in July. The selected piece of art, created by Northside High School Junior Elena Morales, was reproduced on vinyl and attached to the existing 37-foot-tall frame on the building. At the conclusion of the art contest, almost thirty submissions from area high school students were received and displayed at the local libraries as part of a traveling exhibit.

A new five-year operations contract with the Town of Fincastle was finalized, and the contract with the regional jail for operations of its sewer lift station was extended.

Ongoing construction is continuing for the Southlake Water System Project, which is a collaborative effort between Franklin County and the Authority to develop a small community water system on the south side of Smith Mountain Lake - an area projected to have increased growth and development. The project includes installing a treatment facility and associated piping and process equipment that will treat water from two existing wells that are suitable for public water supply, constructing a 200,000-gallon elevated water storage tank and installing raw water and water distribution piping (portions of which were installed by Authority Field Operations staff). Once the entire project is finished, it will provide much-needed public water service to surrounding areas that currently depend on private groundwater wells.

The Authority is participating in the development of the TMDL for a portion of the Roanoke River. Section 303(d) of the Clean Water Act creates a process for documenting impaired waters and then developing Total Maximum Daily Loads (TMDLs) for these waterbodies. A TMDL establishes the maximum amount of a pollutant allowed in a waterbody and serves as the starting point or planning tool for restoring water quality. The Roanoke River has several existing TMDLs. The current process is an extension of an earlier Benthic TMDL for the upper Roanoke River. DEQ elected to divide the Roanoke River and complete a second process for Benthic Impairment in the section of the Roanoke River from Niagara Dam to Smith Mountain Lake, as well as Tinker Creek and Wolf Creek in Vinton. VA DEQ held the initial public meeting on April 10, 2024, at the DEQ regional office to share the initial stressor analysis for these stream segments. The analysis presented by DEQ contradicted the conclusions from two extensive studies that the Authority commissioned on the Benthic Impairment. Significant coordination and discussion with DEQ on the differences in the studies is expected.

Water Quality Division

During FY24, 236.95 million gallons of water was produced, averaging 19.75-million gallons per day. This amount is up slightly from the 19.19-million gallons per day average in FY22.

The FY24 average monthly flow at the Roanoke Regional Water Pollution Control Plant (WPCP) dropped to 30.8 MGD. The FY23 average was 37.1 MGD for comparison. This substantial drop is attributed to dry weather as well as ongoing reductions of Inflow & Infiltration (I&I) in the collection system. The WPCP treatment removed 1.26-million pounds of pollution per day in FY24.

The WPC Plant's VPDES permit was renewed, and a new permit, effective July 1st, 2024, was received. The permit is very similar to the prior permit. The primary changes involve two studies, one for verification that the Total Kjeldahl Nitrogen (TKN) limits meet the new state ammonia criteria and a second translation study that would allow testing and compliance based upon CBOD from BOD5.

On March 27, the Virginia Department of Health (VDH) issued a waterworks construction permit to the Authority for construction of the Spring Hollow Water Treatment Facility GAC Facility Upgrades. In addition to the construction permit, the Authority also received notification from VDH that this project qualifies for an Adjustment Period Waiver from the Build America, Buy America (BABA) Act. This waiver will allow WVWA more flexibility in procurement of equipment and material ultimately providing shorter procurement lead times, as well as substantial cost savings for material purchase and contractor overhead.

Crowder / Hazen DB team continued work on the Spring Hollow Finished Water Improvements project. By the end of the Fiscal Year, the 90% design plan was complete, and all long lead equipment has been ordered. Initial deliveries are anticipated for August thru September, and the start of construction is expected in September with substantial site activity by October 2024.

Meanwhile Calgon continued exchanging GAC media at Spring Hollow approximately every three months. In accordance with the settlement executed with Chemours in November 2023, the Authority submitted the first GAC reimbursement request for the December media exchange in the amount of \$391,770.00. Chemours promptly made payment of the reimbursement request. The first approved National Settlements on PFAS with 3M and DuPont had a Phase I application deadline of July 12, 2024; however, late action by the Court extended this deadline to July 26, 2024. The Authority applications have been developed and submitted.

The 2024 Fiscal Year average for HFPO-DA in finished water below the lifetime health advisory of 10 ng/L (ppt). The Roanoke River continues to be monitored by weekly grab samples with all sample results during the Fiscal Year continuing to be non-detect for HFPO-DA. VA DEQ-initiated fish-tissue sampling, as another means of assessing environmental impacts from the original river discharges, was received in December for the collection site upstream of the Spring Hollow intake. The samples indicated no appreciable PFAS bioaccumulation in the fish tissue.

On April 10, 2024, the U.S. EPA released drinking water standards for PFAS (perfluoroalkyl and polyfluoroalkyl substances) compounds. The rule includes a requirement that public water systems must monitor for these PFAS and have three years to complete initial monitoring (by 2027). The initial monitoring will be followed by ongoing compliance monitoring. Water systems must also provide the public with information on the levels of

these PFAS in their drinking water beginning in 2027. Public water systems will have five years (by 2029) to implement solutions that reduce PFAS if monitoring shows that drinking water levels exceed the established MCLs. The Authority is pleased to note that the proactive steps taken following identification of HFPO-DA at Spring Hollow has placed the Authority service to our customers five years ahead of the proposed schedule.

Staff contracted with Weed Control, LLC, to spray vegetation along the face of the Clifford D. Craig dam in advance of upcoming survey work and a required biennial PE inspection of the dam. The contractor used a drone to spray the entire face of the dam with an approved herbicide. In the past, this work required a 6-person crew to rappel over the dam, and the project took an entire day. With a drone, the work can be completed in just 2.5 hours with a 3-person crew. As illustrated by the photo at right, this method achieved very good results.



At Carvins Cove, J&B Enterprises of Roanoke completed rehab work on the fishing pier. This pier located adjacent to the picnic shelter area sees a high volume of traffic and will be a welcomed improvement at the Cove.

Work was also completed in November 2023 on the Carvins Cove Spillway Rehabilitation project. Although the contractor found that the concrete was in worse condition than initially thought, Proshot Concrete Inc. finished the project ahead of schedule and ahead of the typical winter reservoir replenishment cycle.

Staff continued working with GEI Consultants and Virginia DCR to complete biennial dam inspections and to update emergency action plans. Inspections for Clifford D. Craig (CDC), Carvins Cove, and Falling Creek were completed, as well as Lidar mapping for CDC.

Bids were received for the Beaverdam Creek Dam spillway replacement and dam improvements project in February. The apparent low bidder at \$4,431,999.00 was Haymes Brothers Inc., located in Chatham, Virginia. In March of 2024, Authority staff submitted a grant application to Virginia Department of Recreation (VA DCR) requesting funding for the Beaverdam Creek Dam project. The Authority received notification from VA DCR that the total grant funding of \$1,041,247.30 has been awarded for the project. The funding will be available as a reimbursement upon completion of the project. The Authority executed an agreement with Haymes Brothers on June 5, 2024, and staff issued notice to proceed with a start date of July 1, 2024.

Rehab of the Grandin Court Tank #3 was completed in October. The contractor, Utility Services Company, completed all painting inside and out, and final restoration around the tank has been completed. While the tank was out of service, staff worked to replace a failing altitude valve and reconfigure the overflow and drain piping.

In addition to the larger Capital projects underway, water quality staff worked on a number of smaller facility improvement projects that were designed and managed in-house. Under design are an Orthophosphate feed system for the Crystal Spring WTF, a well addition and

treatment system improvements for Eagle Rock Elementary School in Botetourt, a chemical feed system for the Retreat in Franklin County to allow for pH adjustment and corrosion control, and well additions for Walnut Run and the Southlake satellite water systems in Franklin County.

The unaccounted-for water 12-month rolling percentage remains at 22%.

The SCADA department designed, purchased, assembled, and installed RTUs in several community water systems. The RTUs and cell modems were programmed to control wells and send status back to the SCADA system. Screens, charts and alarms have been updated and distributed system wide. The upgrade replaced expensive leased lines and will result in a significant yearly cost savings. The SCADA department continues to coordinate cybersecurity activities with the IT department.

Water Quality staff have started a project to update the Water Risk & Resilience program required by the America's Water Infrastructure Act of 2018. Authority staff have established several relationships with federal agencies, including the Department of Homeland Security-CISA. A site evaluation at Carvins Cove with the DHS/CISA physical security division occurred on June 26th. The DHS/CISA Physical Security group has offered to complete vulnerability evaluations across Authority asset classes at no cost to the Authority. This offer has been accepted, and the evaluations are scheduled to occur in September. An equivalent service from a consultant would cost between \$150,000 to \$200,000.

In January, the Virginia Department of Environmental Quality (DEQ) notified the Authority that the Water Pollution Control Plant's (WPC Plant) permit has been administratively continued. The WPCP will continue to operate under the existing permit until the final permit is completed and received.

The annual Pretreatment report which details permits, inspection, and sampling activities for permitted industries was submitted to DEQ in January. Last year, 18 Categorical Industries, 21 Significant Industrial Users, and 27 Non-Significant Industries were permitted. Annual site inspections for all industries were completed, and 129 sampling events occurred throughout the year at these permitted locations. A report required for the Authority's Water Withdrawal Permit was submitted to VDH on January 31st. SARA Tier II reports for bulk chemicals at select Authority facilities were submitted to DEQ and the Local Emergency Planning Committees. Biennial Air permit reporting for Spring Hollow was submitted to DEQ and the air permit for the WPCP is being finalized for submittal. State and Federal Biosolids reports are being completed for submittal ahead of a February deadline.



At the Regional Water Pollution Control (WPC) Plant, the WQ Maintenance team engineered a creative solution to what could have been an expensive problem. The dome on secondary digester A is a steel dome that essentially floats; it rises and falls to maintain a consistent gas pressure within the digester. The digester contains several large internal concrete anchors that balance the dome and allow it to ride on a vertical guide system. The internal anchors are connected by cables. Recently one of the cables broke releasing one point of the dome from an anchor. This caused

the dome to cant and become stuck. Rather than hiring a crane contractor to lift the dome for an internal repair, maintenance staff fabricated a steel form on top of the dome and poured a concrete ballast on the dome exterior.

At the end of the Fiscal Year, several projects neared completion. The Sodium Hypochlorite Project is 96% complete. DR Controls replaced SCADA PLC No.2, and Varney finished the electrical work. Functional tests and replacement of the Raw Water Pump Station SCADA PLC are being scheduled.

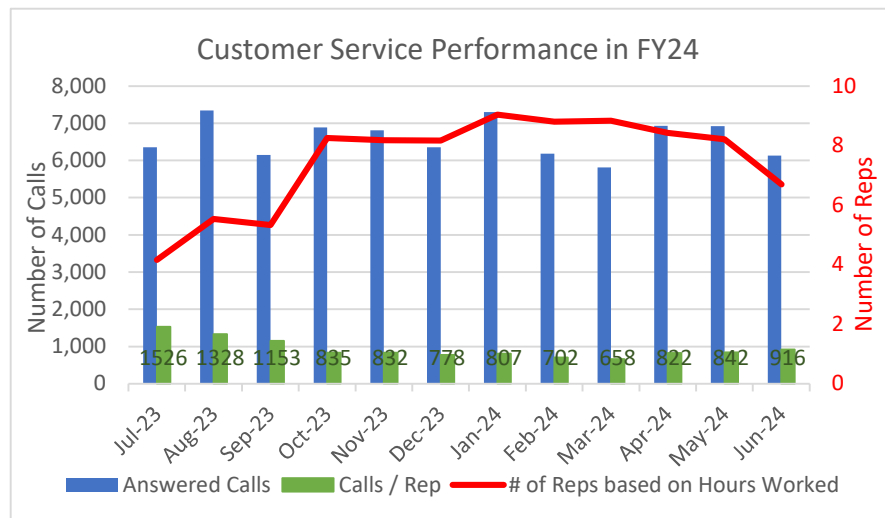
MEB reached 99% completion on the Regional WPCP Digester project. MEB completed the installation of soil over the roofs of digester 1, 2, and 3. Digesters 1-5 are now in service. A final inspection walk through has been scheduled with MEB and RK&K to determine what, if any, punch list items remain prior to close out the project.

The Cherokee Hills Water Treatment Facility in Franklin County is 86% complete. As time permits, Authority electricians continue to work on wiring and electrical equipment inside the building.

Water Quality is pleased to announce the promotion of Michelle Caruthers, P.E., the current Assistant Director of Engineering, to the Director of Treatment Operations in Water Quality. In addition to her engineering experience, Ms. Caruthers has an extensive facilities maintenance background.

Customer Operations

During the Fiscal Year, Customer Service staff answered 79,129 calls (94.8%) with an average wait time of 1:06 minutes. The associated chart shows the call center performance for FY24 with the orange bars showing the average number of calls each Customer Service Rep answered each month. The FY24 monthly average of calls answered by a rep was 933 with each rep answering an average of 916 calls in June. In addition to answering calls, Customer Service staff also responded to 1,006 written correspondences in June.



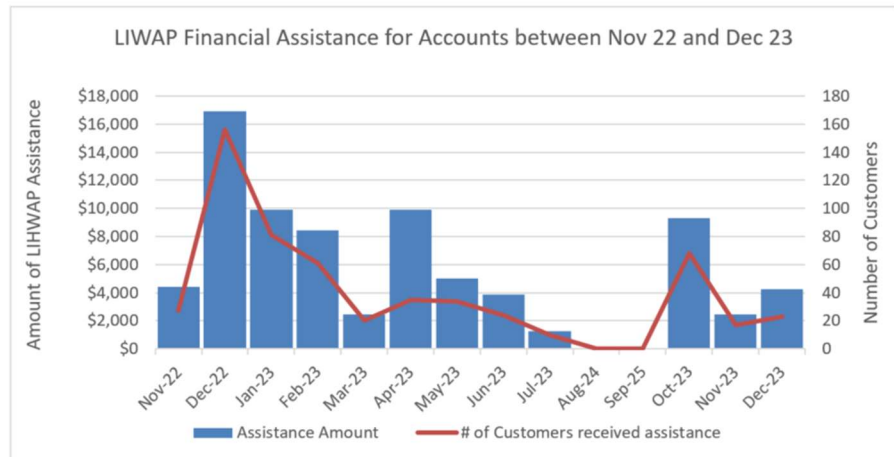
Automatic Bank Drafting continued to be the payment type of choice with 228,694 (28%) with Customer Web Interface being the second most popular choice with 227,610 payments processed. The highest number payments in FY24, at 71,404 payments, as well as the highest number of electronic payments in FY24, at 56,982 electronic payments, were received in May. There has been an average monthly increase of 75% payments received electronically in FY24 vs FY23. The monthly average percent of electronic payments in FY24 was 79%.

On a related note, a record number of statements were sent to customers electronically in May. In May 2023, 35.3% of customers received a paperless bill, and this May that percentage increased to 40.3%.

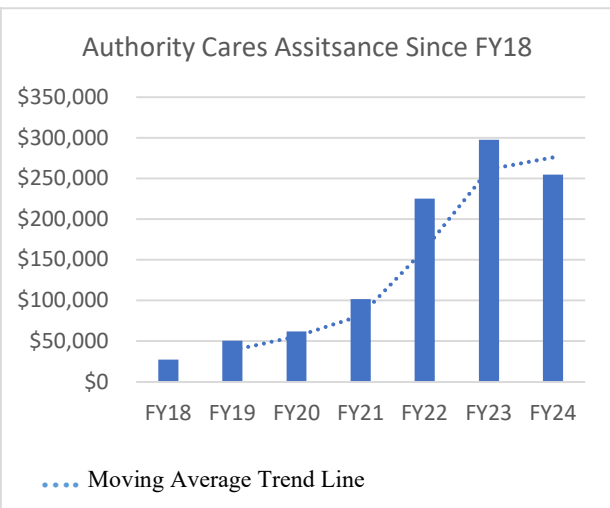
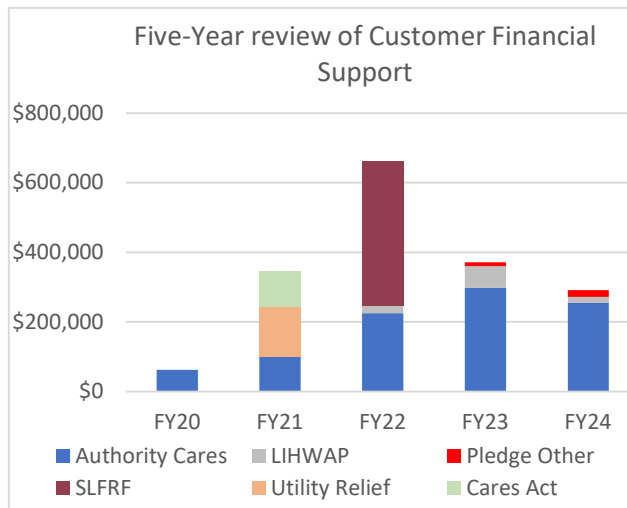
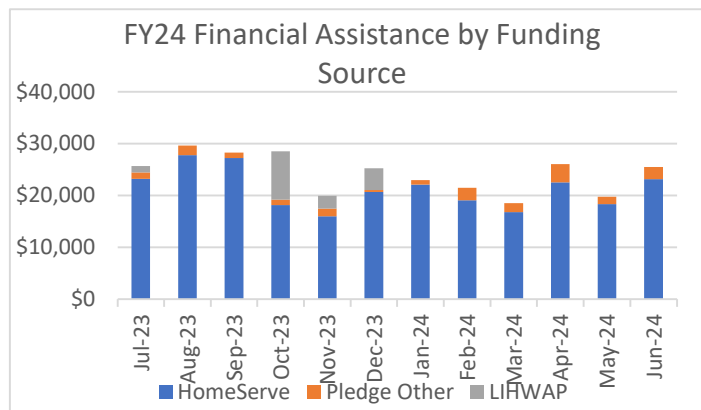
October marks the end of the Virginia Debt Setoff program's annual cycle, as new debt is submitted to the Commonwealth each year in November. This past year \$49,448 was collected through the Debt Setoff program, which is the highest amount of debt collected via the program since 2013. 2023 had the second lowest amount of debt submitted to the state in the past five years. On a related note, write-off of unpaid debt older than three years also occurs in October each year. This October, \$87,029 was written-off. It was the first time in the Authority's history that less than \$100,000 was written off in any year.

The Low Income Housing Water Assistance Program (LIHWAP) that started providing financial assistance to customers in November 2022, ended in December 2023. During the time the program was active, 556 customers received financial assistance in the amount of \$78,205.32 through the program.

The associated chart shows the FY24 breakdown of monthly financial assistance by source. In review of fiscal year 2024, 1,804 customers had a total of \$254,695 of Authority Cares funds applied to their accounts.



The chart below on the right shows the breakdown of the \$1,018,678 of the Authority Cares fund that had been applied to customer accounts since the start of the program. The chart below on the left highlights the \$1,783,197 of financial assistance provided to customers during the past five fiscal years with \$940,708 of it coming from the Authority Cares fund.



Staff worked on the Lead Service Line (LSL) Inventory, which has to be submitted to Virginia Department of Health (VDH) by October 16, 2024, throughout the Fiscal Year. In order to assist in the completion of the Lead Service Line Inventory requirements of the US EPA's Lead and Copper Rule Revisions, the Authority applied for approval from the Virginia Department of Health (VDH) to complete the Inventory using VDH's modified version of the Michigan Department of Environment, Great Lakes and Energy (EGLE) Method for predicting water service line materials. This method was developed by the state of Michigan to generate statistically significant data sets for service lines of unknown material type. For purposes of the Inventory, a service line is considered both the Authority-maintained pipe

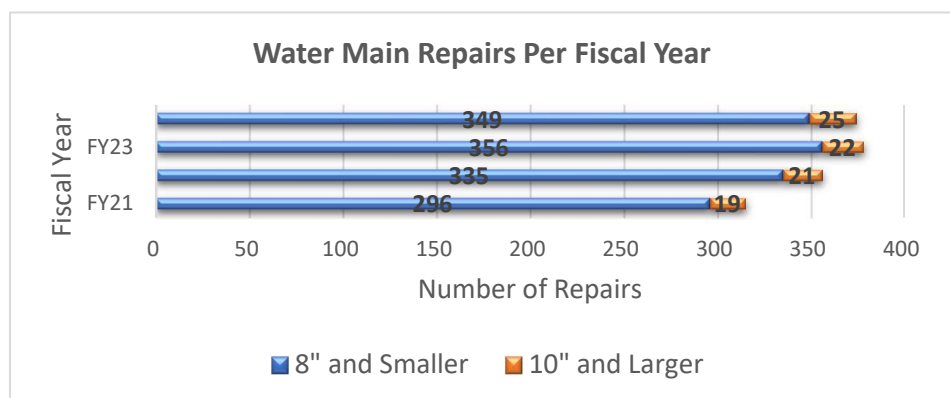
from the water main to the meter and the customer-maintained portion from the meter to the house. A service line is considered “unknown” if the pipe size is two inch or smaller and the material types and year of construction cannot be authenticated by actual records or standards.

Emails were sent to customers requesting their assistance in identifying the pipe material entering their properties. By the end of the Fiscal Year, June 2024, the inventory for five of the 23 water systems registered to the Authority were complete under the EGLE statistical estimation method; six water systems needed pipe material at one additional property, and seven water systems needed pipe material at less than five additional properties to be complete under the EGLE method. Additionally, Field Ops will be completing a water line replacement project in the North Botetourt water system and will be obtaining the pipe material to complete the LSL inventory for that system. Thus far, 336 service lines have been identified as Galvanized Requiring Replacement (GRR). A billing system report for sending the required letter notifying the customers of their GRR line was developed and tested during June. No lead lines were found.

During November, IT staff in conjunction with the Cybersecurity and Infrastructure Security Agency (CISA), a department of Homeland Security, hosted a Cyber Security Tabletop event for utilities in the Southwest Virginia region. IT and OT staff held monthly meetings with CISA for several months leading up to the event in order to create the scenarios covered during the tabletop exercise. CISA included the Virginia Fusion Center and the Water Information Sharing and Analysis Center (Water ISAC) both providing updates on cyber security during the event. The Virginia National Guard was also in attendance, as staff is working with them on a Cyber Security Fortress event for water and wastewater utilities planned for next summer.

Staff from Customer Operations, Engineering, Water Quality and IT staff worked throughout the year to prepare for the Fall 2024 launch of the CMMS (computerized maintenance management system) software designed to manage company assets in one place in order to reduce costs and improve efficiencies. The software will replace at least three different programs used by Field Operations and Maintenance, while also streamlining the work request and work order input process handled by the Customer Service department.

In review of Fiscal Year 2024, the total number of water main breaks decreased by four, or one percent, compared to Fiscal Year 2023. In the chart, you can see the number of large water main repairs (10-inch and larger)



actually increased by three, but there were seven less repairs on 8-inch and smaller water

mains in FY24 than in FY23, leading to the overall decrease year-over-year. Over the past year, five miles of water distribution lines were added to the Authority's system resulting in the number of main breaks per 100 miles, decreasing to 28.0 in FY24 compared to 28.4 in FY23.

At the calendar year of 2023, the Field Operations CIP crews installed approximately 15,125 LF of 8-inch water main, 2,000 LF of 4-inch raw waterline, 400 LF of 10-inch sewer main, and pipe burst 120 LF of 10-inch sewer main.

The substantial rainfall occurred on January 9th in about a six-hour time period, as 1.96 inches of rain fell in the Roanoke Valley. This led to the first wet weather overflows observed in the collection system since June 2023, which was the only one recorded during all of 2023. Unfortunately, mostly due to the ample precipitation on January 9th, 21 wet weather overflows were recorded in January 2024. The total rainfall for the month was 4.59 inches with 42% of the month's total rainfall occurring on January 9th, making it the wettest January since 2013 when 7.21 inches of rainfall was recorded. Prior to January, the last month with a total number of wet weather overflows greater than 21 was in November 2020, which experienced 35 overflows when a total of 5.84 inches of rainfall were recorded for the Roanoke area. As expected, the higher precipitation totals during January generally led to a greater number of sewer-related service calls from customers. January generated 102 calls, which is the highest number of calls in a month since November 2022 when 110 sewer related calls were received.

About a week after the wet weather took place, the temperatures took a plunge causing a major spike in waterline breaks and leaks. The overnight low dropped to 16 degrees on January 16th, and the average temperature stayed in the 20s over the next few days before a sudden warmup occurred. The warmer temperatures resulted in even more soil movement causing stress on aging pipes, which amplified the number of breaks and leaks. The tally for water main breaks during the week of January 18th through January 25th alone was 57. This is the highest number of main breaks within a single week dating back to January 2018, which had two consecutive weeks with 59 and 62 breaks, respectively. The final number of breaks and leaks for the month of January 2024 was 105, which is 69% more breaks and leaks than the previous January's 62 total. Out of the 105 total in the past month, 85 were main breaks and 20 were service lines.

The Meter Operations group continued to work towards chamber exchanges on the 1 ½-inch and larger commercial meters, as the battery life continues to expire at the 10-year mark from the initial installations.

Similar to past years, Field Operations managed the annual cured-in-place pipe (CIPP) lining contract, which targets sewer mains with potential infiltration and inflow (I&I). A watertight liner is installed inside the sewer main with end seals at each manhole to prevent the I&I from entering the sewer system. A project consisting of approximately 20,000 LF of sewer main kicked off during February with the Contractor, Visu-Sewer East, LLC. A video showing the process was produced by the Public Relation team and will be shared on social media along with a project area list each week.

Cleaning sanitary sewer mains is a critical function of Field Operations preventative maintenance program. One year ago, Field Ops began tracking the total calculated water used during jetting and flushing of the sanitary sewer mains for cleaning. In March 2024, this amount was 53,750 gallons compared to the 73,600 gallons calculated in March 2023. The crews were able to clean more sewer mains with the smaller amounts of water for an average of 1.1 gallons per LF versus 1.8 gallons per LF calculated usage in March 2023. This increased efficiency is a result of utilizing more efficient nozzles with improved technology that includes anti-blowback rotating heads, which improves the cleaning ability. The improved technology provided by the rotating heads on the nozzle allows for a reduced number of passes through the pipe. Additionally, the latest technology provides an option to use 60-gallons-per-minute or 80-gallons-per-minute nozzles compared to only 80 gallons per minute nozzles in the past.

The Field Operations sewer group procured a consultant, Parker Design Group, in March to begin CCTV inspection services in the Town of Vinton in order to assess the conditions of the existing sanitary sewer mains and manholes for a potential sewer rehabilitation project utilizing ARPA funds. Parker Design Group performed 11,200 LF of CCTV inspection during March and completed an additional 13,800 LF throughout the spring.

Work continued on account setup for Ferrum customers in preparation for the system takeover in September 2024. During April, Meter Operations staff started replacing residential meters in the Ferrum system with the goal of having most of the residential meter replaced before the end of May 2024.

A significant project for Field Operations occurred during May on Niagara Road in the Town of Vinton. Crews received the call on Memorial Day weekend for a sewer manhole overflowing in the road. The crew attempted multiple times to jet and free a possible blockage from downstream of the manhole that was holding sewer but was unsuccessful. After CCTV footage from upstream and downstream manholes showed extensive debris in the sewer main, along with the formation of a sinkhole in the road above the main, it was evident the pipe had collapsed. Unfortunately, this section of sewer main, the upstream manhole, and downstream manhole are all approximately 35 feet deep, which presented quite the challenge. Based on this information, the only option was to excavate down to the pipe to make the repair; therefore, staff worked closely with the Town of Vinton to coordinate closing a portion of Niagara Road indefinitely until the repair was complete. This section of sewer main has a steady high flow because it is downstream from where the force main line from the Hardy Road Lift Station discharges into the gravity system. For this reason, a 6-inch bypass pump was set up to route the flow around the collapsed sewer main between manholes.



After crews spent the first week of June excavating roughly 45 feet deep to find the collapsed pipe between manholes, no pipe was found. Rather than continuing to dig at that extreme depth to find the existing pipe, the decision was made to abandon the search for

the pipe, as it was determined a large section of that pipe was deteriorated. Additionally, there were safety concerns about the bank stability if the excavation were to get any wider at that depth. A temporary solution was provided by one of the Field Ops CIP crews. The crew fused about 700 LF of 12-inch HDPE pipe and placed it alongside Niagara Road. The crew cored into the upstream manhole under the road to allow the wastewater to flow into the fused pipe about 12 feet below the top of the manhole acting as a gravity bypass. This approach alleviated the 4-inch and 6-inch bypass pumps that were running 24/7 and required staff to be present on site. It also allowed Niagara Road to be opened back up to traffic. Field Ops worked with Engineering Services throughout June to develop a final plan for a permanent solution for the Field Ops CIP crew to begin construction on this new alignment before the end of July.

The new Field Operations facility was dedicated in June 2024. This facility provides 10,000 square feet of vehicle storage bays and 7,000 square feet of warehouse space to help field crews do their work in the most efficient manner. This new building was designed with efficiency and service in mind. The CIP crew performed a considerable amount of mass grading at the site, with a significant amount of material removed from the new stormwater drainage swale on the west side of the property.



The site also provides an improved layout for material and equipment storage, fueling of Authority vehicles and enhanced security features. Having indoor vehicle bays is critical in the winter months as several pieces of our equipment, such as these Vac Trucks here, hold water. Having them stored inside this building will prevent freezing and damage to the equipment. The new warehouse offers almost double the square feet of our existing facility and additional vertical storage height as well. Over \$500,000 in parts, fittings, meters, valves, fire hydrants, pipes and more will be securely stored in this facility so that our crews can quickly and efficiently respond to our customers' needs. The current warehouse space across the street will transition to much needed additional personnel space, as the number of staff in Field Operations increased when various departments merged with the formation of Customer Operations in 2019. Space in that building will also be allocated to a centralized computer area for crews that don't have access to a laptop during the day. The fueling facility at this facility offers an additional pump and fuel storage capacity for use by any Authority vehicle. Getting gas from an Authority-approved site vs. a retail location

saves the Authority almost 70 cents a gallon on unleaded fuel, so having this centralized location saves both staff time and money.

June also had a notable water break occur along Route 11 on the property of Excel Trucking Group. A 12-inch transmission main, which is the main feed to Botetourt County, runs through their property with a section of it underneath a warehouse building. The break on the 12-inch waterline occurred directly under the center of the warehouse concrete slab, which made the repair more challenging than usual. After line locators pinpointed where the break was, Excel employees removed all items and shelving that was over top of the break. The water repair crew then assisted with hanging large tarps to shield all their remaining materials on the surrounding shelves. The crew was then able to saw-cut the concrete slab at expansion joints in a large rectangle roughly 15'x20' and began digging.

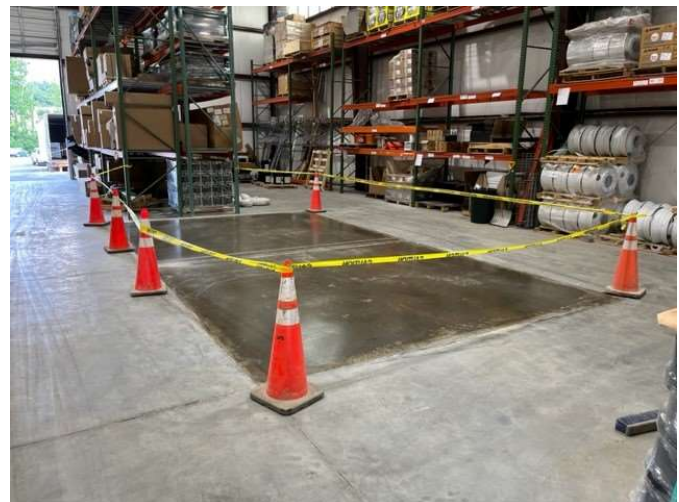


Beginning excavation inside Excel's warehouse



Pumping excess water from excavation

Fortunately, there were overhead doors on two sides of the building that allowed ventilation for an excavator to work in the area, along with the ability to back a tandem dump truck next to the excavation. Given the tight



Completed restoration in Excel's warehouse after repair

timeframe in which the waterline could be shut down, valves were only closed once the pipe was nearly uncovered, as it was about eight feet deep. It took a couple of hours for the crew to place a full seal repair clamp over the silver dollar sized hole in the 12-inch ductile iron pipe. Overall, the repair could not have gone smoother given the circumstances. After the excavated area was allowed to dry out over the weekend by pumping the water out each day, flowable fill was placed in the hole to ensure no voids would be present under the restored warehouse floor. The restoration was complete once the contractor, EC Pace, poured a new concrete slab to return the warehouse back to pre-break conditions. The following day, an easement was agreed upon to install a new 12-inch water main around the warehouse facility and abandon the portion

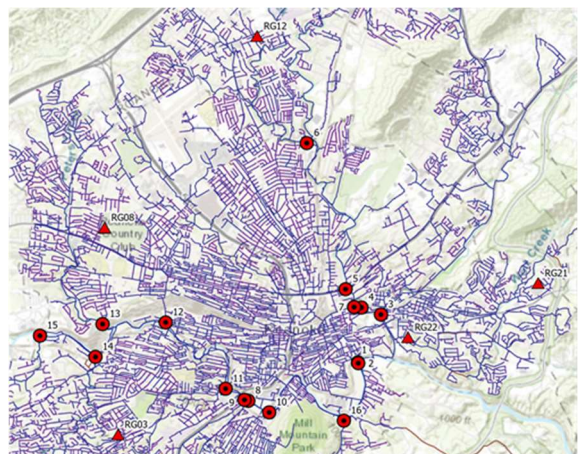
under the building. As soon as the Miss Utility ticket cleared the next week, Field Ops CIP crews began installing the new line. By the end of the month, all 515 LF of new pipe was installed, and the final tie-in scheduled in early July allowing for the section under the warehouse to be abandoned at that time.

Administration

Engineering and Public Relations Staff were involved in two community engagement meetings that took place in August. The Gibson Lane-Tinker Creek Waterline Project, which comprises of approximately 10,000 linear feet of a new 16-inch transmission main that is part of a multiple phased project that overall extends from Roanoke to Botetourt County, aims to build redundancy and improve water supply in Roanoke and Botetourt County. The Melrose Avenue Area Waterline Improvement Project will replace approximately 36,000 feet of 2- inch, 4-inch, 8-inch and 12-inch aging waterlines in the Melrose Avenue area of the City of Roanoke. The public meetings that took place provided educational opportunities to inform local communities of these upcoming construction projects by detailing the project backgrounds, purpose, benefits and potential impacts. The public meetings also allowed staff to gather feedback from community members in order to improve the projects' overall quality, facilitate easement acquisitions and negotiations, and reduce potential construction conflicts based on local community knowledge.

Supply chain disruptions that occurred at the onset of the Covid-19 pandemic made it necessary for engineering staff to pre-purchase material in order to minimize project schedule impacts and reduce costs associated with unpredictable escalations. Based on noticeable improvements in the supply chain for construction material, Engineering Staff is phasing away from owner pre-purchased pipe and pipe fittings, a move which will transfer risks associated with quality control, storage and handling of construction material from the Authority back to Contractors, who are better equipped to handle such risks.

Engineering, Water Quality and Field Operation staff successfully coordinated installation of 16 new permanent sewer meters on major trunk lines and five rain gauges within our service area for continuous sewer monitoring. Permanent sewer meters are essential in monitoring sewer flow rates to detect rain-derived inflow and infiltration that takes up capacity in our sewer system and which can result in sanitary sewer overflows. Flow patterns are also monitored to detect sediment buildup, blockages and backflows, which provide information on how our sewer system is performing. This information is valuable for optimizing system efficiency, identifying capacity issues, planning maintenance, rehabilitation or upgrades, and quantifying results of such measures based on pre and post-flow conditions.



Permanent Sewer Flow Meter and Rain Gauge

The Coulter Building Elevator Improvements that modernized the old service elevator on the Jefferson Road side of the Coulter building was completed in November. The elevator, which is now operating, had been out of service for more than 30 years.

Authority staff facilitated a Regional Fire/EMS Annual Coordination meeting that included representatives from the Roanoke City Fire-EMS, Roanoke County Fire and Rescue, and Botetourt County Fire and EMS. The meeting covered various topics including highlights and updates by the Authority on ongoing Capital Improvement Projects, review of the Authority applicable Regional Design and Construction Standards, locality-specific requirements for fire flows, and general procedures for hydrant testing, flushing and maintenance. Coordination items included communication and reporting of new and replaced hydrants, reporting of hydrants that are out of service, and hydrant cleaning and painting coordination.

The Authority had a successful family company picnic for employees at Jeter Farm on Sunday, October 8th. Some of the fun activities after lunch included a corn maze, hayrides, slides, barnyard zoo and pumpkin hunting. Turnout for the event was great with 190 attendees overall and family from 50 employees.

A talented group of Authority staff and family participated in the Roanoke City 2024 Dodgeball Tournament on February 3rd at Eureka Recreation Center. Besides watching the Dodgeball movie, most players have never played before. To everyone's surprise, the Watermania team made it to the Co-ed semi-finals ending the day in 3rd place. Congratulations Watermania!

The training series Civility and Respect in the Workforce continued in February with classes for all management staff (supervisors and above) centered on Title VII Protected Class requirements, specifically transgender employment. Conducted by staff at Woods Rogers Vanderventer Black PLC, the training included knowledge of protected classes, knowledge of laws, court cases and best management practices.

Staff completed reporting and posting of CY 2023 OSHA logs with 13 total recordable work-related injuries that required medical treatment, a significant decrease from 27 last year. Open Enrollment was completed from May 22nd through May 31st this year for the election of benefits for the next fiscal year 2025 starting July 1st, 2024. Final enrollments of 306 employees per Health Plan were 87 - High Deductible Health Plan, 216 - Key Care PPO 500, and 3 - Key Care PPO 250. There were 17 employees that changed Health plans, with 12 moving from the KC 500 to HDHP.

Employees celebrated the Authority's 20th Anniversary on July 1st along with recognition of Water and Wastewater Professional Day on Sunday June 30th. HR and PR delivered drinks, fruit, cupcakes, and food to all breakrooms around the Authority with the theme of the tropics. The recognition and treats were enjoyed by all staff.

The Public Relations team gave in-class or field trip learning experiences to over 5,000 students during the Fiscal Year. These presentations not only help students learn more about their required science lessons in school, but they prepare them to be informed future

customers and interested future employees. Several students who attended high school or college tours came to work for the Authority as apprentice students or interns.

The DEQ 319 TMDL grant, administered by Public Relations, provides cost-share to customers who want to abandon their septic tank and connect to an existing public sewer main. In FY24, eight customers were able to be connected utilizing grant funds.

Significant Construction Projects during the Fiscal Year

Contractor Projects	
Harvest Lane to Cove Road Sewer Extension	Approximately 2,000 linear-feet of sewer pipe between Harvest Lane and Cove Road in Northwest Roanoke - completed FY24
Thompson Memorial Waterline Project	Approximately 11,000 linear feet of 24-inch waterline, generally paralleling Interstate 81 in Roanoke County - completed in FY24
Hollins to Botetourt County Water Line Improvements	Approximately 2,000 linear feet of a 12-inch and 16-inch parallel water main along Williamson Road, between Hollins University and the Botetourt County line - completed FY24
South Washington Heights Waterline Project	The project includes installing approximately 8,300 linear-feet of aging pipes in the South Washington Heights neighborhood ahead of City of Roanoke scheduled paving activity
Southlake Water System Project	The project includes installing a treatment facility and associated piping and process equipment that will treat water from two existing wells that are suitable for public water supply, constructing a 200,000 gallon elevated water storage tank, and installing raw water and water distribution piping.
Angel Lane Water Line Project	Approximately 9,000 linear-feet of 24-inch waterline from Loch Haven Drive to the Carvins Cove Water Treatment Facility The Angel Lane Water Transmission Project will aid the Authority in moving water between Spring Hollow and Carvins Cove, and in the process, improve reliability and supply in Botetourt and Roanoke County. - completed in FY24
Exit 150 Waterline Project	Approximately 2,000 linear feet of 12-inch water line from the Botetourt Commons Water pumping station towards Exit 150 of Interstate Highway 81. - completed in FY24
Sanderson Waterline Project	Approximately 5,000 linear-feet of a new 12-inch water main along Sanderson Drive that loops the waterline terminating at the intersection of Sanderson Drive and Stonegate Drive to the water main at the intersection of Sanderson Drive and Read Mountain Road in Botetourt County. - completed in FY24
Orange and Gus Nicks Water Main Replacement	This project replaced approximately 5,000 linear feet of 8- and 12-inch cast iron pipe along Orange Avenue, from the intersection of Orange Avenue and 20th Street NE, to Granby Street NE; and along Gus Nicks Boulevard from the intersection with Orange Avenue to Eastern Avenue NE. - completed FY24
Lindenwood Waterline Replacement Project	Funding for this project is facilitated through collaboration with the Town of Vinton. The project will replace approximately 22,000 linear feet of cast iron water lines with new 12-inch and 8-inch lines in this portion of Roanoke County.
Old Mountain Road Water Improvements Project	This Project is among several ongoing projects utilizing Authority funding and funds awarded to Roanoke County under the American Rescue Plan Act (ARPA). The Old Mountain Road Water Improvements include approximately 3,350 linear feet of a 12-inch waterline extension that will serve areas along Old Mountain Road between Beaumont Road and Shadwell Drive, in Roanoke County.
Commonwealth Drive and Merriman Road Sanitary Sewer Replacement Project	This project includes replacing approximately 4,900 linear feet of 15-inch sanitary sewer with 18-inch pipe along Commonwealth Drive, Darrell Shell Park, Merriman Road and Starkey Park, in Roanoke County. The project is driven by sewer capacity constraints as well as pipe condition.
Melrose Avenue Area Waterline Improvements - Phase 1A	This project will replace approximately 23,000 linear feet of 2-inch, 4-inch, 8-inch and 12-inch aging waterlines in the Melrose Avenue area in Roanoke. The Project is funded through the Virginia Department of Health (VDH) with federal Bipartisan Infrastructure Law (BIL) funds and was coordinated with the City of Roanoke to ensure that waterlines would be replaced before paving improvements take place in the neighborhood.
Grandin Road Water Distribution System Improvements	This project is replacing approximately 2,000 linear feet of 8-inch cast iron pipe with new 12-inch ductile iron pipe on Grandin Road from Guildford Avenue to Brandon Avenue.

Significant Field Operations CIP Projects during the Fiscal Year	
Northwood Drive	For this project, roughly 400 LF of 6-inch sewer main was abandoned after 10-inch HDPE was installed. About 80 LF had to be conventionally excavated on the upper end of the project due to existing utility conflicts prohibiting staff from drilling. - completed in FY24
Orchard Drive area of Botetourt County	This project eliminated low pressure issues in the Orchard Drive area of Botetourt County by interconnecting water mains on Valley Road and Daleville Centre Drive along with installing a new pressure reducing valve in order to create a new intermediary pressure zone. It also involved installing a new gate valve along Orchard Drive to isolate the zone and reconnecting several service lines on Rte. 220 from an older 6-inch main to a 1997 ductile iron 12-inch main. - completed in FY24
Mansfield Street, NE and Delano Street, NE	Each of these projects replaced 2-inch galvanized waterline with approximately 300 LF of new 8-inch ductile iron pipe eliminating the likely potential of breaks from occurring in the newly paved street. - completed in FY24
Waterline replacement project on 4 th Street in Vinton	The Authority is utilizing ARPA funds from the Town of Vinton to replace about 800 LF of problematic 2-inch galvanized water main with new 8-inch ductile-iron prior to the Town's Contractor performing milling and pavement overlay on the street.
Burks Street	This project is a sewer line replacement project on Burks Street where crews replaced 675 LF of deteriorating 8-inch concrete sewer main with a combination of new 8-inch PVC pipe and 10-inch HDPE pipe.

Relevant Financial Policies

Accounting System & Budget Control

The Authority's accounting records are maintained on an accrual basis under which revenues are recognized when earned and expenses are recognized when incurred. Accounting functions are separated to the extent possible for a small sized staff. The County of Roanoke, under the Operating Agreement between the City of Roanoke and County of Roanoke provides fleet and fuel management services to the Authority.

Under the Water and Waste Authorities Act, the Authority is not required to adopt a legal budget, but its bylaws and bond covenants states the Authority's Board of Directors must adopt an annual budget before the first day of each fiscal year. The budget is prepared by the finance and administration divisions and serves as a framework for the Authority's financial planning for the year. The Executive Director has authorization from the Board to move funds within the line item budget without additional Board approval. A report of revenues and expenses is presented to the Board each month at the public meeting.

The annual budget process includes the use of rate modeling to prepare a five year plan which is used to assure that short and long term financial objectives are being met. A five year Operational and Maintenance forecast and a five year Capital Improvement Plan are prepared annually in the budget process.

The Authority's finances are organized into two funds, Water and Water Pollution Control. The Water fund fully supports debt incurred for water facilities and the water capital improvement plan, as well as fully funding the water operations division and 50% of the operation of field operation, engineering services, finance and administration, and utility internal services.

The WPC Fund supports debt incurred for wastewater facilities, the wastewater and water pollution control plant capital improvement plans, the operations of the water pollution control division, and 50% of the operations of field operations, engineering services, finance and administration, and utility internal services.

The Authority has in place a fiscal policy as a component of its financial strategic plan that will preserve and improve the sound financial condition of the Authority. The policy outlines the targeted levels and timeframe to fund several reserve funds including contingency reserve and emergency operating reserve funds. These funds will accumulate to reach an appropriate level over a 10 to 15 year period.

Risk Management

The Authority relies on several techniques to minimize risk: safety training for employees, proper maintenance of equipment and facilities, continued observation for potential hazards, and prompt response upon discovery of a problem. Not only do these actions reduce potential risks to the Water Authority, they are also sound business practices that improve customer service and overall organizational performance. Worker's compensation, property, vehicle, equipment and liability insurance services are carried by Virginia Municipal League. Note 10 of the Notes to Financial Statements provides additional information on risk management.

Cash Management

Cash and investments are maintained by the Authority. An investment policy acts to guide the investment of Authority funds in accordance with the terms of the Virginia Water and Waste Authorities Act. The policy's primary objectives are safety of principal, liquidity of funds and yield on investment. Note 2 of the Notes to Financial Statements will provide the reader with additional information.

Debt Administration

Total long-term debt obligations outstanding for the Authority as of June 30, 2024 was \$158,680,416. Of this amount, \$93,500,860 is for the Water fund and \$65,179,556 for the WPC fund. A debt policy is in place which sets forth comprehensive guidelines for the financing of capital expenditures. Objectives of the policy are to assure the credit rating of the Authority stays strong and that the Authority conforms to the applicable state and federal laws and existing indenture covenants. Annual review of specific debt ratios is required. Note 4 of the Notes to Financial Statements will provide additional information to the reader.

Asset Management

The Authority is committed to a best practices approach to managing its infrastructure capital assets that provides a means to protect, maintain, or improve the asset value of our water distribution system and wastewater collection systems with planned maintenance and repair based on predicted deterioration of the systems. Major parts of the asset

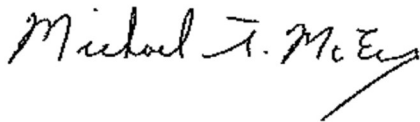
management program are the five - year capital plan, the geographical information system (GIS), the financial rate model, the work order system and the SCADA system.

Acknowledgements

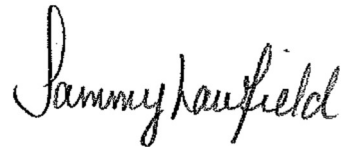
The Government Finance Officers Association of the United States and Canada (GFOA) awarded for an nineteenth straight year the Certificate of Achievement for Excellence in Financial Reporting to the Western Virginia Water Authority for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, the Authority had to publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

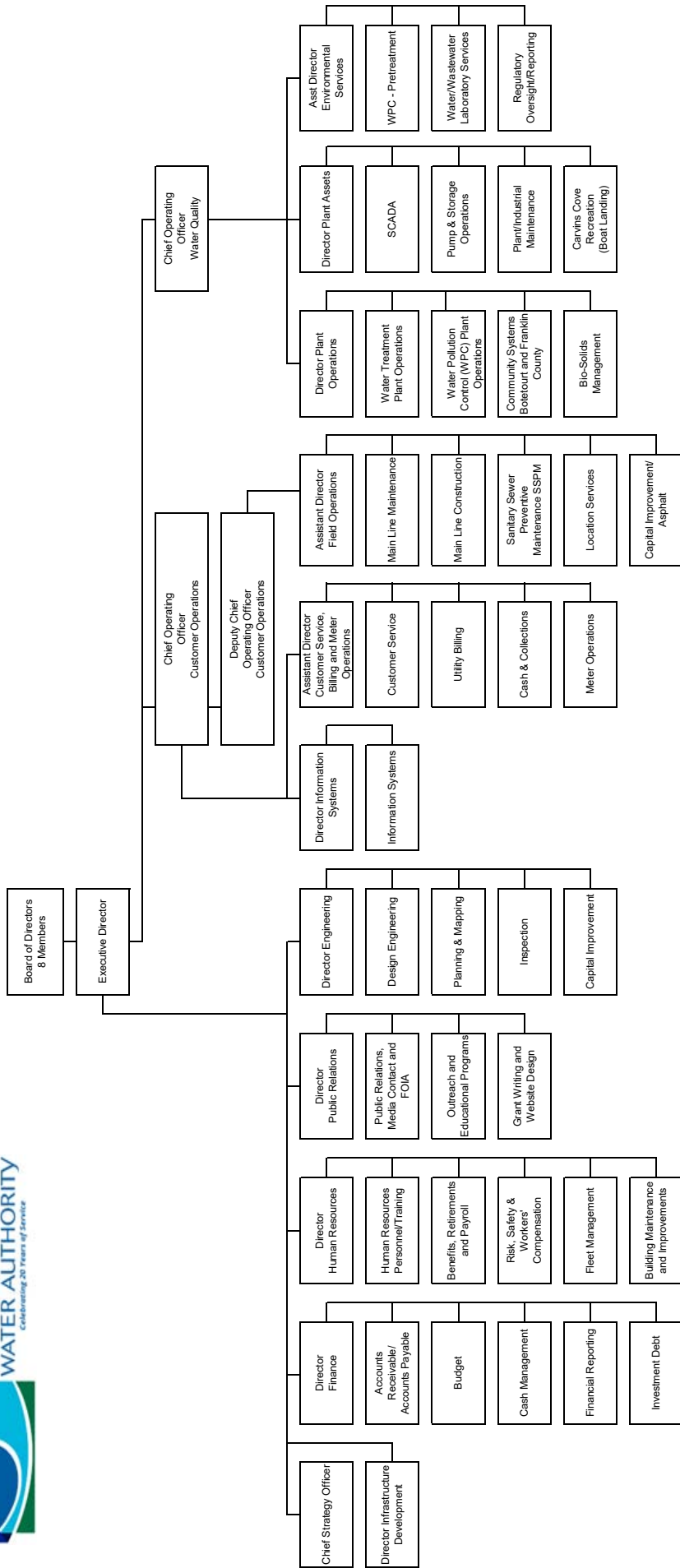
We would like to express our appreciation to the members of the finance department who have worked with dedication to prepare this report. We also wish to thank the Board of Directors of the Authority for their commitment to financial excellence and their support.



Michael T. McEvoy
Executive Director



Tammy Lawfield
Director of Finance





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Western Virginia Water Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
Western Virginia Water Authority
Roanoke, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Western Virginia Water Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 business-type activities of the Western Virginia Water Authority, as of June 30, 2024, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Western Virginia Water Authority, 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 opinion.

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 the Western Virginia Water Authority'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 opinion. 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 Authorities, Boards, and Commissions* 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 Authorities, Boards, and Commissions*, we:

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Western Virginia Water Authority's basic financial statements. The accompanying 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 supporting schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does 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 October 30, 2024, on our consideration of the Western Virginia Water Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Western Virginia Water Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Western Virginia Water Authority's internal control over financial reporting and compliance.

Robinson, Famer, Cox Associates

Blacksburg, Virginia
October 30, 2024

**Western Virginia Water Authority
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

As management of the Western Virginia Water Authority, (the "Authority"), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024, which should be reviewed in conjunction with our letter of transmittal found on page 2 through 26.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$404,180,981 for the Water fund and \$296,458,099 for the WPC fund. Of this amount \$36,396,325 for the Water fund and \$24,210,270 for the WPC fund are unrestricted net position and may be used to meet the Authority's ongoing obligations to customers and creditors.
- Operating revenues for the Water fund increased \$3,524,651 over 2023 levels due primarily to increases in customer charges and other revenues. Operating revenues for the WPC fund increased \$2,057,452 over 2023 due primarily to an increase in customer charges partially offset by a decrease in other revenues.
- Operating expenses for the Water fund increased \$5,519,189 from 2023 due to inflationary increases. Expenses increased \$1,776,107 for the WPC fund from 2023 due to inflationary increases.
- Total long-term debt for the Authority increased \$3,235,662 in 2024 due to the issuance of new debt on the Water fund, partially offset by retirements on both funds. Water fund debt increased \$9,270,957, and the WPC fund debt decreased for the year by \$6,035,295.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Since the Authority is engaged only in business - type activities, its basic financial statements are comprised of two components: 1) enterprise fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Enterprise fund financial statements. The enterprise fund financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on the Authority's 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority'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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The basic enterprise fund financial statements are presented as exhibits 1 through 3 in this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements are located directly after the basic financial statements.

Overview of the Financial Statements (Continued)

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's progress in funding its obligation to provide pension and OPEB benefits to its employees.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$700,639,080 and \$665,967,065 at June 30, 2024 and 2023, respectively. In the Water fund, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$404,180,981 and \$382,767,297 at June 30, 2024 and 2023, respectively. For the WPC fund, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$296,458,099 and \$283,199,768 at June 30, 2024 and 2023, respectively.

By far the largest portion of the Water and WPC fund's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. For the Water fund, 91.0% is invested in capital assets net of related debt. For the WPC fund, the percentage is 91.8%. The Authority uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A presents the Condensed Statement of Net Position for the years ended June 30, 2024 and 2023 by fund. At June 30, 2024, and 2023, unrestricted net position was \$36,396,325 and \$30,262,581, respectively, for the Water Fund. Of total net position for the Water fund, unrestricted net position represented 9.0% and 7.9% at June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, unrestricted net position was \$24,210,270 and \$15,427,675, respectively, for the WPC Fund. Of total net position for the WPC fund, unrestricted net position represented 8.2% and 5.4% for fiscal year 2024 and 2023, respectively.

Table A

Condensed Statement of Net Position Years ended June 30, 2024 and 2023							
	Water Fund		Water Pollution Control Fund		Total		
	2024	2023	2024	2023	2024	2023	
Assets:							
Current and other assets	\$ 75,701,083	\$ 68,923,314	\$ 33,364,264	\$ 30,452,129	\$ 109,065,347	\$ 99,375,443	
Capital assets, net	436,219,164	413,209,053	331,255,510	328,519,494	767,474,674	741,728,547	
Total assets	\$ 511,920,247	\$ 482,132,367	\$ 364,619,774	\$ 358,971,623	\$ 876,540,021	\$ 841,103,990	
Deferred outflows of resources	\$ 2,326,893	\$ 2,414,189	\$ 2,687,865	\$ 2,675,238	\$ 5,014,758	\$ 5,089,427	
Liabilities:							
Long-term debt outstanding	\$ 88,327,190	\$ 79,056,233	\$ 58,820,832	\$ 64,856,127	\$ 147,148,022	\$ 143,912,360	
Other liabilities	18,209,500	19,255,356	10,368,561	11,829,375	28,578,061	31,084,731	
Total liabilities	\$ 106,536,690	\$ 98,311,589	\$ 69,189,393	\$ 76,685,502	\$ 175,726,083	\$ 174,997,091	
Deferred inflows of resources	\$ 3,529,469	\$ 3,467,670	\$ 1,660,147	\$ 1,761,591	\$ 5,189,616	\$ 5,229,261	
Net Position:							
Net investment in capital assets	\$ 367,740,071	\$ 351,852,383	\$ 272,195,014	\$ 266,988,499	\$ 639,935,085	\$ 618,840,882	
Restricted for net pension asset	44,585	652,333	52,815	783,594	97,400	1,435,927	
Unrestricted	36,396,325	30,262,581	24,210,270	15,427,675	60,606,595	45,690,256	
Total net position	\$ 404,180,981	\$ 382,767,297	\$ 296,458,099	\$ 283,199,768	\$ 700,639,080	\$ 665,967,065	

Financial Analysis (Continued)

The total long-term debt outstanding to net capital assets is 20.2% for the Water fund and 17.8% for the WPC fund at June 30, 2024.

The total long-term debt outstanding to net capital assets was 19.1% for the Water fund and 19.7% for the WPC fund at June 30, 2023. This ratio shows the existing debt leverage of capital assets and indicates that the Authority is not heavily leveraged relative to the size of its net capital assets.

The current ratio for the Water fund for the years ended June 30, 2024 and 2023 was 2.15 and 1.89 respectively. The current ratio for the WPC fund for the years ended June 30, 2024 and 2023 was 2.32 and 1.49, respectively. The combined funds have a current ratio for the years ended June 30, 2024 and 2023 was 2.21 and 1.74, respectively. The current ratio compares current assets to current liabilities. This ratio is a liquidity ratio and shows the ability of the company to pay its current liabilities with its current assets.

Table B presents the Condensed Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2024 and 2023 by each fund.

	Water Fund		Water Pollution Control Fund		Total	
	2024	2023	2024	2023	2024	2023
Operating Revenues:						
Customer charges	\$ 35,901,192	\$ 34,108,652	\$ 37,232,064	\$ 34,584,605	\$ 73,133,256	\$ 68,693,257
Connection fees	356,069	313,800	115,750	101,500	471,819	415,300
Bulk sales	111,650	61,458	1,204,672	1,233,085	1,316,322	1,294,543
Fire services/Septic disposal fees	1,787,359	1,685,374	560,969	513,804	2,348,328	2,199,178
Other revenues	3,046,172	1,723,851	1,157,414	1,995,767	4,203,586	3,719,618
Total operating revenues	\$ 41,202,442	\$ 37,893,135	\$ 40,270,869	\$ 38,428,761	\$ 81,473,311	\$ 76,321,896
Operating Expenses:						
Operating expenses	\$ 13,392,700	\$ 9,921,648	\$ 13,241,124	\$ 12,182,397	\$ 26,633,824	\$ 22,104,045
Field operations	7,849,330	6,098,086	5,864,263	5,112,574	13,713,593	11,210,660
Internal Services	5,159,524	4,959,587	5,159,524	5,021,525	10,319,048	9,981,112
Depreciation and amortization expense	9,300,151	9,418,539	8,320,528	8,708,180	17,620,679	18,126,719
Total operating expenses	\$ 35,701,705	\$ 30,397,860	\$ 32,585,439	\$ 31,024,676	\$ 68,287,144	\$ 61,422,536
Operating income	\$ 5,500,737	\$ 7,495,275	\$ 7,685,430	\$ 7,404,085	\$ 13,186,167	\$ 14,899,360
Nonoperating Income (Expenses):						
Interest earned	\$ 1,393,400	\$ 861,262	\$ 896,226	\$ 535,590	\$ 2,289,626	\$ 1,396,852
Rental income	869,713	933,475	69,162	131,362	938,875	1,064,837
Gain (loss) on disposal of assets	33,633	25,460	14,478	5,203	48,111	30,663
Noncapital contributions	3,575,130	528,740	942,839		4,517,969	528,740
Rental expense	(144,591)	(197,374)	(144,591)	(134,985)	(289,182)	(332,359)
Interest expense	(1,806,626)	(1,986,964)	(1,039,796)	(1,232,418)	(2,846,422)	(3,219,382)
Total nonoperating income (expenses)	\$ 3,920,659	\$ 164,599	\$ 738,318	\$ (695,248)	\$ 4,658,977	\$ (530,649)
Income (loss) before contributions	\$ 9,421,396	\$ 7,659,874	\$ 8,423,748	\$ 6,708,837	\$ 17,845,144	\$ 14,368,711
Capital contributions	11,992,288	5,232,405	4,834,583	3,144,408	16,826,871	8,376,813
Special item - Transfer of Vinton operations	-	(2,287,532)	-	(2,579,928)	-	(4,867,460)
Changes in net position	\$ 21,413,684	\$ 10,604,747	\$ 13,258,331	\$ 7,273,317	\$ 34,672,015	\$ 17,878,064
Net position, beginning of year	382,767,297	372,162,550	283,199,768	275,926,451	665,967,065	648,089,001
Net position, end of year	\$ 404,180,981	\$ 382,767,297	\$ 296,458,099	\$ 283,199,768	\$ 700,639,080	\$ 665,967,065

Review of Operations

Operating revenues for the Water fund increased \$3,309,307 from the year ended June 30, 2023 to the year ended June 30, 2024. Customer charges increased 5.3% in fiscal year 2024. Bulk sales increased \$50,192 from 2023 revenues due to decreased quantities sold. Income from connection fees increased by \$42,269. Fire service revenues increased \$101,985 over last year while other revenues increased from last year by \$1,322,321.

Operating revenues for the WPC fund increased \$1,842,108 from the year ended June 30, 2023 to year ended June 30, 2024. Customer charges increased \$2,647,459 or 7.7% over 2023. Revenue from other charges decreased \$838,353 from the year ended June 30, 2023 to the year ended June 30, 2024. Bulk sales decreased by \$28,413 from fiscal year 2023.

The operating margins for the Water and WPC funds were 36% and 45%, 40% and 42%, respectively, for the years ended June 30, 2024 and 2023. The operating margin indicates the financial margin by comparing operating expenses (less depreciation) with operating revenues. A healthy operating margin indicates that the organization has adequate funds to cover interest and capital requirements. Median operating margins typically range from 30% to 40% for water and sewer utilities.

Capital Asset and Debt Administration

Capital Assets. The Authority's investment in capital assets (net of accumulated depreciation) totaled \$767,474,674 and \$741,728,547, at June 30, 2024 and 2023. Tables C and D present the Net Capital Assets by fund for the years ended June 30, 2024 and 2023.

The Water funds' net capital assets increased \$23,010,111 or 5.6% from June 30, 2023 to June 30, 2024. Capital assets increased \$32,310,262 during the year while depreciation expense totaled \$9,300,151.

Net capital assets for the WPC fund increased \$2,736,016 from June 30, 2023 to June 30, 2024. Construction in progress increased \$784,125. Depreciation expense totaled \$8,320,528. Capital projects closed and assets placed in service for the WPC fund included various sewer line projects.

Additional information regarding the Authority's capital assets is located in Note 3 of the Notes to Financial Statements.

Remainder of this page left blank intentionally.

Capital Asset and Debt Administration: (Continued)

Table C

Capital Assets - Water Fund		
Net of Accumulated Depreciation		
Years Ended June 30, 2024 and 2023		
	Fiscal Year	
	2024	2023
Water supply	\$ 74,230,748	\$ 74,213,139
Treatment	75,041,567	73,444,769
Transmission and distribution lines	254,444,479	236,373,835
Pumping and storage	29,768,769	29,238,894
Services	96,486,711	94,135,880
General equipment and transportation	18,253,969	17,249,168
Lease land	32,959	32,959
Lease structures, lines and accessories	50,473	50,473
Subscription asset	291,833	291,833
Less accumulated depreciation/amortization	(164,315,113)	(155,067,622)
Net assets being depreciated/amortized	\$ 384,286,395	\$ 369,963,328
Construction in progress	\$ 32,129,825	\$ 23,424,781
Land	19,802,944	19,820,944
Net capital assets	\$ 436,219,164	\$ 413,209,053

Remainder of this page left blank intentionally.

Capital Asset and Debt Administration: (Continued)

Table D

Capital Assets - Water Pollution Control Fund
Net of Accumulated Depreciation
Years Ended June 30, 2024 and 2023

	Fiscal Year	
	2024	2023
Collection facilities	\$ 302,703,893	\$ 296,829,512
General Plant	62,472	62,472
Treatment	154,648,606	152,215,667
Pumping and metering	7,748,017	7,748,017
Services	31,606,446	30,619,069
General equipment and transportation	17,903,873	16,945,987
Other Plant	319,693	319,693
Power generation equipment	385,272	385,272
Lease structures, lines and accessories	63,551	63,551
Subscription asset	291,834	291,834
Less accumulated depreciation/amortization	<u>(208,505,028)</u>	<u>(200,204,336)</u>
Net assets being depreciated/amortized	\$ 307,228,629	\$ 305,276,738
Construction in progress	21,061,472	20,277,347
Land	<u>2,965,409</u>	<u>2,965,409</u>
Net capital assets	<u>\$ 331,255,510</u>	<u>\$ 328,519,494</u>

Major capital asset events during the fiscal year ended June 30, 2024 included the following:

- The Authority's continuing Paving Blitz project had fiscal year spending of \$2,753,206.
- Improvements to the Crystal Spring and Spring Hollow Water Treatment Plants totaled \$1,708,293.
- Expenses related to the Exit 150 to 1580 Suction Line project totaled \$1,383,915.
- The Sanderson 1385 interconnection project took place totaling \$1,388,294.
- Improvements to the Southern Smith Mountain Lake system continued totaling \$2,093,907.
- The Angel Lane Connection project had fiscal year 2024 spending of \$2,315,627.
- The Authority spent \$2,546,326 in fiscal year 2024 on the Orange to Gus Nicks project.
- The Harvest Lane to Cove Road Sewer Extension project totaling \$1,310,750.
- Work continued on the Digester Project at the Wastewater Treatment Plant totaling \$1,136,950.

Major capital asset events during the fiscal year ended June 30, 2023 included the following:

- Replacement of the Washington Heights waterline continued totaling \$1,481,238.
- The Plantation Road waterline replacement project totaled \$678,762.

Capital Asset and Debt Administration: (Continued)

- Improvements to water storage tanks totaled \$616,269.
- The Ore Branch Sewer Stabilization project continued in fiscal year 2023 totaling \$3,306,361.
- Work on the Westside Boulevard Sewer Lining project totaled \$2,000,005 in fiscal year 2023.
- The Richards Avenue Force Main Extension project took place totaling \$719,356.
- The 23rd Street & Melrose Avenue Streetscape project totaled \$599,110 in fiscal year 2023.
- Work on the Digester Improvements project continued at the Regional Water Pollution Control Plant totaling \$6,165,360.
- Sewer work in the Summit View Business Park continued totaling \$1,279,323 in fiscal year 2022.
- The Ore Branch Sewer Stabilization project continued in fiscal year 2022 totaling \$1,577,200.

Debt Administration. Table E presents the long-term debt outstanding of the Authority at June 30, 2024 and 2023. Note 4 of the Notes to Financial Statements provides additional information about the activity during the fiscal year and balances at June 30, 2024.

During the fiscal year ended June 30, 2024, the Water Fund closed on a loan with the Virginia Resources Authority totaling \$15,505,000 and submitted requisitions assuming an additional \$293,969, in debt with the Virginia Department of Health (VDH). The agreement with VDH is 38% loan and 62% principal forgiveness. The Water Fund retired debt totaling \$7,057,224. The WPC fund continued drawing on the 2021 VRA loan for the Digester Project with requisitions totaling \$1,910,218. The WPC fund also retired debt totaling \$7,494,838 in fiscal year 2024.

During the fiscal year ended June 30, 2023, the Water Fund closed on a loan with the Virginia Resources Authority totaling \$10,735,000 and assumed debt from the Town of Vinton transfer totaling \$3,147,500. The Water Fund retired debt totaling \$6,790,021. The WPC fund continued drawing on the 2021 VRA loan for the Digester Project with requisitions totaling \$2,930,911 and assumed debt from the Town of Vinton transfer totaling \$4,902,609. The WPC fund also retired debt totaling \$7,275,771 in fiscal year 2023.

Remainder of this page left blank intentionally.

Capital Asset and Debt Administration: (Continued)

Table E

Long-Term Debt Outstanding Years Ended June 30, 2024 and 2023

	Fiscal Year	
	2024	2023
Water Fund		
Revenue bonds	\$ 79,745,191	\$ 70,650,445
Locality compensation payments	2,448,500	2,801,500
Premiums on issuances	5,890,015	5,299,425
Lease liabilities	50,357	65,476
Subscription liabilities	193,127	239,387
	<u> </u>	<u> </u>
Long-term debt	\$ <u>88,327,190</u>	\$ <u>79,056,233</u>
Water Pollution Control Fund		
Revenue bonds	\$ 52,490,171	\$ 56,661,791
Locality compensation payments	4,133,500	5,546,500
Premiums on issuances	1,973,793	2,365,753
Lease liabilities	30,241	42,696
Subscription liabilities	193,127	239,387
	<u> </u>	<u> </u>
Long-term debt	\$ <u>58,820,832</u>	\$ <u>64,856,127</u>

In fiscal year 2024, the Authority continued drawing funds for the Digester project at the Regional Water Pollution Control Plant in the amount of \$1,910,218.

In fiscal year 2023, the Authority continued drawing funds for the Digester project at the Regional Water Pollution Control Plant in the amount of \$2,930,911.

The Authority has a debt policy which sets forth comprehensive guidelines for the financing of capital expenditures. The policy details a number of ratios to be monitored throughout the year and in the five year budget plan to ensure that the debt level and creditworthiness of the Authority remain sound.

Capital Asset and Debt Administration: (Continued)

The Authority's debt service coverage for the year ended June 30, 2024 was 2.22 times for the Water fund. The Water fund's debt service coverage for the year ended June 30, 2023 was 2.12 times. The debt service coverage for the WPC fund was 2.11 times for the year ended June 30, 2024. The debt service coverage for the WPC fund was 1.99 times for the year ended June 30, 2023. The Authority's bond issues require a minimum coverage of 1.15 times for its water and wastewater revenue bonds. Locality compensation debt of the Water and WPC funds require only 1.0 times. The Authority has met its debt service coverage for the fiscal year.

Net take down is a ratio to measure the share of revenues remaining after payment of operating expenses. The net take down for the Water fund for the year ended June 30, 2024 is 45% and 44% for the WPC fund. The ratio for the combined funds is 44%. The net take down for the Water fund for the year ended June 30, 2023 was 49% and 44% for the WPC fund. The ratio for the combined funds was 46% for fiscal year 2023.

Total outstanding long-term debt per customer is a measurement that indicates the existing debt burden attributable to each customer. The total outstanding long-term debt at year ended June 30, 2024 per customer is \$1,304 for the Water fund and \$946 for the WPC fund. The total outstanding long-term debt at year ended June 30, 2023 per customer was \$1,172 for the water fund and \$1,047 for the WPC fund. This information is presented in Table 11.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for the reader. Questions concerning information provided in this report or requests for additional financial information should be addressed to the Western Virginia Water Authority, Finance Department, 601 South Jefferson St., Suite 210, Roanoke, VA 24011.

Basic Financial Statements

Statement of Net Position
At June 30, 2024

	Water Fund	Water Pollution Control Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 37,514,286	\$ 18,678,298	\$ 56,192,584
Investments	2,302,373	2,302,373	4,604,746
Accounts receivable (net of allowance for uncollectibles)	4,679,204	4,797,414	9,476,618
Inventory of materials and supplies, at cost	761,053	2,123,739	2,884,792
Prepaid expenses	177,341	174,147	351,488
Notes receivable - current portion	204,863	285,706	490,569
Leases receivable - current portion	855,521	85,996	941,517
Other receivables	1,065,728	330,712	1,396,440
Total current assets	\$ 47,560,369	\$ 28,778,385	\$ 76,338,754
Noncurrent Assets:			
Restricted Assets:			
Cash and cash equivalents	\$ 23,114,618	\$ 540,967	\$ 23,655,585
Total restricted assets	\$ 23,114,618	\$ 540,967	\$ 23,655,585
Other Assets:			
Net pension asset	\$ 44,585	\$ 52,815	\$ 97,400
Leases receivable - net of current portion	1,853,925	803,303	2,657,228
Notes receivable - net of current portion	3,127,586	3,188,794	6,316,380
Total other assets	\$ 5,026,096	\$ 4,044,912	\$ 9,071,008
Capital assets:			
Capital assets, not being depreciated/amortized:			
Land	\$ 19,802,944	\$ 2,965,409	\$ 22,768,353
Construction in progress	32,129,825	21,061,472	53,191,297
Capital assets, net of accumulated depreciation/amortization	384,286,395	307,228,629	691,515,024
Total capital assets, net	\$ 436,219,164	\$ 331,255,510	\$ 767,474,674
Total noncurrent assets	\$ 464,359,878	\$ 335,841,389	\$ 800,201,267
Total assets	\$ 511,920,247	\$ 364,619,774	\$ 876,540,021
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 312,416	\$ 192,942	\$ 505,358
Pension related items	1,747,464	2,098,549	3,846,013
OPEB related items	267,013	396,374	663,387
Total deferred outflows of resources	\$ 2,326,893	\$ 2,687,865	\$ 5,014,758
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 6,381,160	\$ 3,185,824	\$ 9,566,984
Customers' deposits	2,382,282	11,622	2,393,904
Accrued interest payable	775,412	363,979	1,139,391
Unearned revenue	3,496,976	448,412	3,945,388
Compensated absences-current portion	943,982	1,075,907	2,019,889
Lease liabilities-current portion	16,919	11,093	28,012
Subscription liabilities-current portion	38,241	38,241	76,482
Revenue bonds payable-current portion	7,595,775	6,584,577	14,180,352
Locality compensation payments payable-current portion	360,000	502,909	862,909
Total OPEB liability-current portion	174,553	197,665	372,218
Total current liabilities	\$ 22,165,300	\$ 12,420,229	\$ 34,585,529
Noncurrent liabilities:			
Compensated absences-net of current portion	\$ 314,661	\$ 358,636	\$ 673,297
Lease liabilities-net of current portion	33,438	19,148	52,586
Subscription liabilities-net of current portion	154,886	154,886	309,772
Revenue bonds payable-net of current portion	78,039,431	47,757,021	125,796,452
Locality compensation payments payable-net of current portion	2,088,500	3,752,957	5,841,457
Net pension liability	2,414,440	3,200,554	5,614,994
Net OPEB liabilities	365,904	438,705	804,609
Total OPEB liability	960,130	1,087,257	2,047,387
Total noncurrent liabilities	\$ 84,371,390	\$ 56,769,164	\$ 141,140,554
Total liabilities	\$ 106,536,690	\$ 69,189,393	\$ 175,726,083
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 510,787	\$ 265,280	\$ 776,067
OPEB related items	550,210	527,651	1,077,861
Lease related items	2,468,472	867,216	3,335,688
Total deferred inflows of resources	\$ 3,529,469	\$ 1,660,147	\$ 5,189,616
NET POSITION			
Net investment in capital assets	\$ 367,740,071	\$ 272,195,014	\$ 639,935,085
Restricted for net pension asset	44,585	52,815	97,400
Unrestricted	36,396,325	24,210,270	60,606,595
Total net position	\$ 404,180,981	\$ 296,458,099	\$ 700,639,080

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

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2024

	Water Fund	Water Pollution Control Fund	Total
Operating revenues:			
Customer charges	\$ 35,901,192	\$ 37,232,064	\$ 73,133,256
Connection fees	356,069	115,750	471,819
Bulk sales	111,650	1,204,672	1,316,322
Fire service/Septic disposal fees	1,787,359	560,969	2,348,328
Other revenues	3,046,172	1,157,414	4,203,586
Total operating revenues	\$ 41,202,442	\$ 40,270,869	\$ 81,473,311
Operating expenses:			
Operating expenses	\$ 13,392,700	\$ 13,241,124	\$ 26,633,824
Field operations	7,849,330	5,864,263	13,713,593
Administration/internal services	5,159,524	5,159,524	10,319,048
Depreciation and amortization	9,300,151	8,320,528	17,620,679
Total operating expenses	\$ 35,701,705	\$ 32,585,439	\$ 68,287,144
Operating income (loss)	\$ 5,500,737	\$ 7,685,430	\$ 13,186,167
Nonoperating income (expenses):			
Interest earned	\$ 1,393,400	\$ 896,226	\$ 2,289,626
Rental income	869,713	69,162	938,875
Gain (loss) on disposal of assets	33,633	14,478	48,111
Noncapital contributions	3,575,130	942,839	4,517,969
Rental expenses	(144,591)	(144,591)	(289,182)
Interest expense	(1,806,626)	(1,039,796)	(2,846,422)
Total nonoperating income (expenses)	\$ 3,920,659	\$ 738,318	\$ 4,658,977
Income before contributions	\$ 9,421,396	\$ 8,423,748	\$ 17,845,144
Capital contributions	\$ 11,992,288	\$ 4,834,583	\$ 16,826,871
Change in net position	\$ 21,413,684	\$ 13,258,331	\$ 34,672,015
Net position, beginning of year	382,767,297	283,199,768	665,967,065
Net position, end of year	\$ 404,180,981	\$ 296,458,099	\$ 700,639,080

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

Statement of Cash Flows
Year Ended June 30, 2024

	Water Fund	Water Pollution Control Fund	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 41,018,614	\$ 39,769,844	\$ 80,788,458
Payments to suppliers	(13,755,268)	(10,584,873)	(24,340,141)
Payments to employees	(12,766,055)	(14,133,265)	(26,899,320)
Net cash provided by (used for) operating activities	\$ 14,497,291	\$ 15,051,706	\$ 29,548,997
Cash flows from noncapital financing activities:			
Noncapital contributions	\$ 3,575,130	\$ 942,839	\$ 4,517,969
Net cash provided by (used for) noncapital financing activities	\$ 3,575,130	\$ 942,839	\$ 4,517,969
Cash flows from capital and related financing activities:			
Additions to utility plant	\$ (30,873,881)	\$ (10,968,800)	\$ (41,842,681)
Proceeds from the sale of assets	51,633	14,478	66,111
Principal payments on bonds	(6,704,223)	(6,081,838)	(12,786,061)
Principal payments on locality compensation payments	(353,000)	(1,413,000)	(1,766,000)
Contributions in aid of construction	10,441,880	4,842,447	15,284,327
Proceeds from indebtedness	17,616,618	1,910,218	19,526,836
Interest payments	(2,861,281)	(1,508,814)	(4,370,095)
Principal payments on lease liabilities	(15,119)	(12,455)	(27,574)
Principal payments on subscription liabilities	(46,260)	(46,260)	(92,520)
Rental income	821,225	44,850	866,075
Rental expenses	(144,591)	(144,591)	(289,182)
Net cash provided by (used for) capital and related financing activities	\$ (12,066,999)	\$ (13,363,765)	\$ (25,430,764)
Cash flows from investing activities:			
Interest income	\$ 1,264,996	\$ 767,822	\$ 2,032,818
Net cash provided by (used for) investing activities	\$ 1,264,996	\$ 767,822	\$ 2,032,818
Increase (decrease) in cash and cash equivalents	\$ 7,270,418	\$ 3,398,602	\$ 10,669,020
Cash and cash equivalents at beginning of year (including \$20,117,276 and \$4,381,974, respectively reported in restricted accounts)	53,358,486	15,820,663	69,179,149
Cash and cash equivalents at end of year (including \$23,114,618 and \$540,967, respectively reported in restricted accounts)	\$ 60,628,904	\$ 19,219,265	\$ 79,848,169
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income	\$ 5,500,737	\$ 7,685,430	\$ 13,186,167
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	9,300,151	8,320,528	17,620,679
Changes in operating assets, liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in receivables	(242,506)	(500,469)	(742,975)
(Increase) decrease in inventories	(42,741)	(117,507)	(160,248)
(Increase) decrease in prepaid expenses	8,083	12,213	20,296
(Increase) decrease in net pension asset	607,748	730,779	1,338,527
(Increase) decrease in pension related deferred outflows	(6,769)	(114,783)	(121,552)
(Increase) decrease in OPEB related deferred outflows	9,188	68,551	77,739
Increase (decrease) in operating payables and accrued expenses	(360,837)	(652,997)	(1,013,834)
Increase (decrease) in customer deposits	58,678	(556)	58,122
Increase (decrease) in compensated absences	29,564	(6,130)	23,434
Increase (decrease) in net pension liability	(228,683)	97,776	(130,907)
Increase (decrease) in net OPEB liabilities	24,326	29,600	53,926
Increase (decrease) in total OPEB liability	(347,429)	(513,979)	(861,408)
Increase (decrease) in pension related deferred inflows	38,751	(188,570)	(149,819)
Increase (decrease) in OPEB related deferred inflows	149,030	201,820	350,850
Net cash provided by (used for) operating activities	\$ 14,497,291	\$ 15,051,706	\$ 29,548,997
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ 690,450	\$ 397,560	\$ 1,088,010
Capital asset additions included in accounts payable at end of year	3,578,937	973,573	4,552,510
Construction contributions receivable at year end	4,074,436	3,504,349	7,578,785

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

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024

Note 1—Summary of Significant Accounting Policies:

Western Virginia Water Authority was formed in early 2004 by the Board of Supervisors of Roanoke County, Virginia and the Council of the City of Roanoke, Virginia pursuant to the Virginia Water and Waste Water Authorities Act (Chapter 51, Title 15.2 of the 1950 Code of Virginia, as amended) (“Act”). On November 5, 2009 Franklin County, on July 1, 2015 Botetourt County, and on July 1, 2023 the Town of Vinton joined as members of the Authority when the involved parties reorganized under amended and restated Articles of Incorporation. The purposes for which the Authority was formed are to exercise all powers granted to the Authority to acquire, finance, construct, operate, manage and maintain a water, wastewater, sewage disposal and storm water control system and related facilities pursuant to the Act. The Authority shall have all of the rights, powers, and duties of an authority under the Act. The Authority serves the Counties of Roanoke, Franklin and Botetourt; the City of Roanoke and the Town of Vinton and to the extent permitted by the Act and by the terms of the Articles of Incorporation and the Western Virginia Water Authority Operating Agreement, such other public or private entities as the Authority may determine upon the terms and conditions established pursuant to such contracts.

The financial statements of the Western Virginia Water Authority have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The following is a summary of the more significant policies.

A. Financial Reporting Entity

The Authority’s governing body is comprised of three members appointed by Roanoke County, three members appointed by the City of Roanoke, one member appointed by Franklin County and one member appointed by Botetourt County. Therefore, none of the participants appoints a voting majority of board members.

The Authority is formed for a term of fifty years. No participating government has access to its resources or surpluses, nor is any participant liable for the Authority’s debts or deficits with the exception of the participants’ continuing obligations under their water and sewer general obligation bonds. The Authority also has the ability to finance its capital projects through user charges or the sale of revenue bonds.

The Governmental Accounting Standards Board (GASB) has determined that, under certain circumstances, related organizations should be considered component units of a primary entity and, as such, reported as part of the primary entity. In so doing, GASB established criteria for determining whether a related entity should be reported as a component unit and, under different circumstances, how component units must be presented. In defining the Authority as a primary reporting entity, related organizations were evaluated for possible inclusion, using the criteria established by the GASB. The criteria would require the reporting entity to include entities that hold resources entirely or almost entirely for the direct benefit of the Authority where the Authority has the ability to access a majority of those resources and those resources are significant to the Authority. Based on these criteria, the Authority does not have any component units, nor is the Authority considered a component unit of any of the participating jurisdictions. Therefore, these financial statements are for the primary entity only.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

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

A. Financial Reporting Entity (Continued)

The Western Virginia Water Authority has been determined to be a joint venture of the City of Roanoke, the Counties of Roanoke, Franklin and Botetourt, and the Town of Vinton.

B. Basis of Presentation

The financial statements have been prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB).

The Authority follows the business-type activities requirements of GASB, which provides that the following sections be included in the annual financial report:

1. Management's discussion and analysis
2. Basic financial statements including a statement of net position, statement of revenues, expenses and changes in net position, and a statement of cash flows
3. Notes to financial statements
4. Required supplementary information including schedules related to pension and other postemployment benefits funding

C. Basis of Accounting

For financial reporting purposes, the Western Virginia Water Authority is considered a special-purpose government, engaged only in business-type activities. Accordingly, the Authority's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Proprietary Funds

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

Enterprise Funds

Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. The Authority prepares its financial reports utilizing two enterprise funds. The Water Fund is used to account for water services and the Water Pollution Control (WPC) Fund is used to account for wastewater treatment services.

Notes to Financial Statements
At June 30, 2024 (Continued)

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

D. Proprietary Fund Revenue and Expense Classifications

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, including gifts, and other revenue sources that are defined as nonoperating revenues, such as government appropriations, rental income, and interest and other investment income.

Nonoperating expenses include interest on debt related to the purchase of capital assets, losses on the disposal of capital assets, and rental expenses. All other expenses are classified as operating expenses.

E. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 Authority has multiple items that qualify for reporting in this category. Certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

F. Net Position

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.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

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

F. Net Position (Continued)

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

G. Net Position Flow Assumption

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

H. Restricted Assets

Certain proceeds of the Authority's revenue bonds and funds held in escrow are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts, and their use is limited by applicable bond covenants or escrow agreements. The bond proceeds account receives proceeds from Authority debt issuances and holds the proceeds until project costs are incurred. These assets are held by a trustee financial institution in separate accounts and consist of cash and cash equivalents. At year end, restricted assets consisted of unspent bond proceeds of \$23,655,585.

I. Budgets and Budgetary Accounting

A budget is prepared for information, fiscal planning purposes, and to provide the basis for setting user rates. None of the participating entities are required to approve the budget. The budget is adopted as a planning document and is not a legal control on expenses.

J. 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, demand deposits and all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash and cash equivalents.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

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

K. Investments

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

L. Inventory

Inventories of material and supplies are recorded at cost, using the first-in, first-out method of valuation.

M. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

N. Allowance for Uncollectible Accounts

Accounts receivable are stated at book value net of the allowance for uncollectible accounts. The allowance for uncollectible accounts amounted to \$319,428 and \$319,428 at June 30, 2024 for water and water pollution control, respectively.

O. Capital Assets

Capital assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., pipes, hydrants, pumps, and similar items), are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. As the Authority 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. The capital assets donated to the Authority by the organizing localities were valued by a consulting engineer. 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.

Notes to Financial Statements
At June 30, 2024 (Continued)

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

O. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, subscription assets, and infrastructure of the Authority are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Land lease (term of lease)	5 to 10
Structures, lines and accessories	10 to 80
Machinery and equipment	5 to 15
Lease machinery and equipment	5
Subscription asset	4 to 7

P. Interest on Indebtedness

Interest costs of the Authority are treated as nonoperating expenses.

Q. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid accumulated leave balances. The liability is based on the leave accumulated at June 30. Limited leave may be accumulated until retirement or termination. Accumulated leave is paid at the employee's current wage upon retirement or termination.

R. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plans and the additions to/deductions from the Authority's Retirement Plans' fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS) and the City of Roanoke Pension Plan. 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.

S. Other Postemployment Benefits (OPEB)

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

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

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

T. Long-Term Obligations

The Authority assumed existing revenue bond obligations of both Roanoke County and the City of Roanoke upon the formation of the Authority. The obligations of the County and the City which could not be assumed by the Authority are reported as locality compensation payments. These amounts are paid to the locality in accordance with the locality's existing debt service requirements.

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

U. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these amounts.

V. Leases and Subscription-Based IT Arrangements

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

Lessor

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

Lessee

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

Notes to Financial Statements
At June 30, 2024 (Continued)

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

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

Subscriptions

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

Key Estimates and Judgments

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

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

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

Note 2—Deposits and Investments:

Deposits

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

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 2—Deposits and Investments: (Continued)

Investments

Statutes authorize the Authority 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).

A summary of the Authority’s deposits and investments at June 30, 2024 is as follows:

	<u>Water</u>	<u>Water Pollution Control</u>	<u>Total</u>
Petty cash	\$ 2,500	\$ 2,500	\$ 5,000
VACO/VML Virginia Investment Pool	1,093,397	1,093,397	2,186,794
Local Government Investment Pool	1,247,518	1,247,518	2,495,036
State Non-arbitrage Pool (SNAP)	23,114,619	540,967	23,655,586
Bank Deposits	35,170,870	16,334,883	51,505,753
Certificates of Deposit	2,302,373	2,302,373	4,604,746
Totals	<u>\$ 62,931,277</u>	<u>\$ 21,521,638</u>	<u>\$ 84,452,915</u>

Credit Risk

The Authority’s investment policy provides that securities purchased for the Authority shall be held by the Authority Treasurer or by the Treasurer’s custodian. If held by a custodian, the securities must be in the Authority’s name or in the custodian’s nominee name and identifiable on the custodian’s books as belonging to the Authority. Further, if held by a custodian, the custodian must be a third party, not a counterparty (buyer or seller) to the transaction. At June 30, 2024, all of the Authority’s investments were held in accordance with this policy.

The following investment types and quality levels are approved for use by the Treasurer in the investment of its public funds:

1. U.S. Treasury Bills, Notes, Bonds, and other direct obligations of the United States Government.
2. Obligations of Agencies of the Federal Government including but not limited to the Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and Student Loan Marketing Association.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 2—Deposits and Investments: (Continued)

Credit Risk (Continued)

3. Obligations of the Commonwealth of Virginia and of its local governments and public bodies, including the Local Government Investment Pool, provided such obligations have a debt rating of at least “AA” or equivalent by Moody’s and/or Standard & Poor’s.
4. Repurchase Agreements executed through Federal Reserve Member Banks or Primary Dealers in U. S. Government securities, and collateralized by Treasury or Agency obligations the fair value of which is at least 102% of the purchase price of the repo.
5. Certificates of deposit or other deposits of national banks located within the Commonwealth and state-chartered banks under Commonwealth supervision provided such deposits are insured or collateralized as provided by the Virginia Security for Public Deposits Act.
6. U. S. dollar denominated Bankers’ Acceptances issued by a domestic bank or a foreign bank with an agency domiciled in the U. S., and rated by Thomson Bankwatch at least B/C (issuing bank) and I (country of origin). Not more than 40% of the total funds available for investment may be invested in Bankers’ acceptances.
7. U. S. dollar denominated Commercial Paper issued by an entity incorporated in the U. S. and rated by at least two of the following: Moody’s Investors Service, Inc., within its NCO/Moody’s rating of prime 1, by Standard & Poor’s Inc., within its rating of A-1, by Fitch Investor Services, Inc., within its rating of F-1, by Duff and Phelps, Inc., within its rating of D-1, or by their corporate successors. Not more than 35% of the total funds available for investment may be invested in commercial paper, and not more than 5% in the obligations of any one issuer.
8. U. S. dollar denominated high quality corporate notes and bonds with a duration of no more than five years and a rating of at least A by two rating agencies, one of which must be either Moody’s Investor Services, Inc., or Standard & Poor’s, Inc.
9. Money Market Mutual Funds which trade on a constant net asset value and which invest solely in securities otherwise eligible for investment under these guidelines.
10. Asset-backed securities with a duration of no more than 5 years and a rating of no less than AAA by two rating agencies, one of which must be either Moody’s Investor Services, Inc., or Standard & Poor’s, Inc.

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 2—Deposits and Investments: (Continued)

Credit Risk (Continued)

The Authority's rated debt investments as of June 30, 2024 were rated by Standard & Poor's and the ratings are presented below using the Standard & Poor's rating scale.

Authority's Rated Debt Investments' Values			
		Fair Quality Ratings	
		AAAm	AA+f
VACO/VML Virginia Investment Pool	\$	-	\$ 2,186,794
Local Government Investment Pool		2,495,036	-
SNAP		23,655,586	-
Total	\$	26,150,622	\$ 2,186,794

Concentration of Credit Risk

The Authority's investment policy limits the investment in bankers' acceptances to 40% of total funds available for investment. Not more than 35% of the Authority's total investments may be in commercial paper and not more than 5% of commercial paper investments in the obligations of any one issuing corporation.

Interest Rate Risk

All Authority investments must be in securities maturing within five years to reduce the volatility associated with interest rate risk. Investments subject to interest rate risk are presented below along with their corresponding maturities.

Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1 Year	1-5 Years
Local Government Investment Pool	\$ 2,495,036	\$ 2,495,036	\$ -
VACO/VML Virginia Investment Pool	2,186,794	2,186,794	-
SNAP	23,655,586	23,655,586	-
Certificates of Deposit	4,604,746	-	4,604,746
Total	\$ 32,942,162	\$ 28,337,416	\$ 4,604,746

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 2—Deposits and Investments: (Continued)

External Investment Pools

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

Redemption Restrictions

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

Fair Value Measurements

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

Note 3—Capital Assets:

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Water Fund:				
Capital assets not being depreciated/amortized:				
Land	\$ 19,820,944	\$ -	\$ (18,000)	\$ 19,802,944
Construction in progress	23,424,781	28,825,647	(20,120,603)	32,129,825
Total capital assets not being depreciated/amortized	\$ 43,245,725	\$ 28,825,647	\$ (20,138,603)	\$ 51,932,769
Capital assets being depreciated/amortized:				
Lease land	\$ 32,959	\$ -	\$ -	\$ 32,959
Structures, lines and accessories	512,794,748	22,621,036	-	535,415,784
Lease machinery and equipment	50,473	-	-	50,473
Machinery and equipment	11,860,937	1,002,182	(52,661)	12,810,458
Subscription asset	291,833	-	-	291,833
Total capital assets, being depreciated/amortized	\$ 525,030,950	\$ 23,623,218	\$ (52,661)	\$ 548,601,507
Accumulated depreciation/amortization:				
Lease land	\$ (8,137)	\$ (6,121)	\$ -	\$ (14,258)
Structures, lines and accessories	(145,196,914)	(8,597,152)	-	(153,794,066)
Lease machinery and equipment	(15,348)	(10,962)	-	(26,310)
Machinery and equipment	(9,803,875)	(633,661)	52,661	(10,384,875)
Subscription asset	(43,348)	(52,255)	-	(95,603)
Total accumulated depreciation/amortization	\$ (155,067,622)	\$ (9,300,151)	\$ 52,661	\$ (164,315,112)
Total capital assets being depreciated/amortized, net	\$ 369,963,328	\$ 14,323,067	\$ -	\$ 384,286,395
Total Water Fund	\$ 413,209,053	\$ 43,148,714	\$ (20,138,603)	\$ 436,219,164

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 3—Capital Assets: (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Water Pollution Control Fund:				
Capital assets not being depreciated/amortized:				
Land	\$ 2,965,409	\$ -	\$ -	\$ 2,965,409
Construction in progress	20,277,347	8,906,700	(8,122,575)	21,061,472
Total capital assets not being depreciated/amortized	\$ 23,242,756	\$ 8,906,700	\$ (8,122,575)	\$ 24,026,881
Capital assets being depreciated/amortized:				
Structures, lines and accessories	\$ 493,506,038	\$ 9,658,568	\$ -	\$ 503,164,606
Lease machinery and equipment	63,551	-	-	63,551
Machinery and equipment	11,619,651	613,851	(19,836)	12,213,666
Subscription asset	291,834	-	-	291,834
Total capital assets, being depreciated/amortized	\$ 505,481,074	\$ 10,272,419	\$ (19,836)	\$ 515,733,657
Accumulated depreciation/amortization:				
Structures, lines and accessories	\$ (190,597,870)	\$ (7,613,374)	\$ -	\$ (198,211,244)
Lease machinery and equipment	(23,379)	(14,993)	-	(38,372)
Machinery and equipment	(9,539,739)	(639,906)	19,836	(10,159,809)
Subscription asset	(43,348)	(52,255)	-	(95,603)
Total accumulated depreciation/amortization	\$ (200,204,336)	\$ (8,320,528)	\$ 19,836	\$ (208,505,028)
Total capital assets being depreciated/amortized, net	\$ 305,276,738	\$ 1,951,891	\$ -	\$ 307,228,629
Total Water Pollution Control Fund	\$ 328,519,494	\$ 10,858,591	\$ (8,122,575)	\$ 331,255,510
Total Authority Capital Assets	\$ 741,728,547	\$ 54,007,305	\$ (28,261,178)	\$ 767,474,674

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY**Notes to Financial Statements
At June 30, 2024 (Continued)****Note 3—Capital Assets: (Continued)****Construction Commitments:**

The Authority has active construction projects as of June 30, 2024 detailed below:

Project Description	Contract Amount	Spent- to-Date	Remaining Commitment
Water Fund:			
Beaverdam Upgrade & Renovations	\$ 4,431,999	\$ 278,500	\$ 4,153,499
Spring Hollow-Finished Water Improvements	6,743,709	553,517	6,190,192
Lindenwood Waterline Replacement	2,903,637	1,461,449	1,442,188
Melrose Avenue Area Improvements-Phase 1A	8,929,010	4,581,298	4,347,712
Southern SML Improvements	3,257,809	2,330,994	926,815
Hollins Pump Station Relocation	232,131	45,563	186,568
Orange to Gus Nicks Watermain Replacement	2,493,191	2,311,606	181,585
Water Pollution Control Fund:			
Commonwealth Drive Sewer Replacement	2,891,306	1,090,771	1,800,535
Small Sewer Replacement Project	45,000	-	45,000
Computerized Maintenance Management Software	429,726	286,915	142,811
Vinton Sanitary Sewer Modeling	69,500	10,000	59,500
Master Plan Study	129,000	59,000	70,000
Total	\$ 32,556,018	\$ 13,009,613	\$ 19,546,405

The above projects are to be funded from the proceeds of revenue bonds and funds generated from operations.

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 4—Long-Term Obligations:

Business-type Activities Indebtedness:

The following is a summary of long-term obligation transactions of the Authority for the year ended June 30, 2024:

	Beginning Balance	Issuances/ Additions	Retirement/ Reductions	Ending Balance	Due Within One Year
Water Fund:					
Direct borrowings and placements:					
Revenue bonds	\$ 70,650,445	\$ 15,798,969	\$ (6,704,223)	\$ 79,745,191	\$ 6,623,940
Locality compensation payments	2,801,500	-	(353,000)	2,448,500	360,000
Unamortized bond premium	5,299,425	1,817,649	(1,227,059)	5,890,015	971,835
Total direct borrowings and placements	\$ 78,751,370	\$ 17,616,618	\$ (8,284,282)	\$ 88,083,706	\$ 7,955,775
Lease liabilities	65,476	-	(15,119)	50,357	16,919
Subscription liabilities	239,387	-	(46,260)	193,127	38,241
Compensated absences	1,229,079	951,373	(921,809)	1,258,643	943,982
Net pension liability	2,643,123	661,481	(890,164)	2,414,440	-
Net OPEB liabilities	341,578	177,214	(152,888)	365,904	-
Total OPEB liability	1,482,112	128,755	(476,184)	1,134,683	174,553
Total Water Fund	\$ 84,752,125	\$ 19,535,441	\$ (10,786,706)	\$ 93,500,860	\$ 9,129,470
Water Pollution Control Fund:					
Direct borrowings and placements:					
Revenue bonds	\$ 56,661,791	\$ 1,910,218	\$ (6,081,838)	\$ 52,490,171	\$ 6,236,580
Locality compensation payments	5,546,500	-	(1,413,000)	4,133,500	480,000
Unamortized bond premium	2,365,753	-	(391,960)	1,973,793	370,906
Total direct borrowings and placements	\$ 64,574,044	\$ 1,910,218	\$ (7,886,798)	\$ 58,597,464	\$ 7,087,486
Lease liabilities	42,696	-	(12,455)	30,241	11,093
Subscription liabilities	239,387	-	(46,260)	193,127	38,241
Compensated absences	1,440,673	1,074,375	(1,080,505)	1,434,543	1,075,907
Net pension liability	3,102,778	876,852	(779,076)	3,200,554	-
Net OPEB liabilities	409,105	208,237	(178,637)	438,705	-
Total OPEB liability	1,798,901	81,786	(595,765)	1,284,922	197,665
Total Water Pollution Control Fund	\$ 71,607,584	\$ 4,151,468	\$ (10,579,496)	\$ 65,179,556	\$ 8,410,392
Total business-type activities	\$ 156,359,709	\$ 23,686,909	\$ (21,366,202)	\$ 158,680,416	\$ 17,539,862

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 4—Long-Term Obligations: (Continued)

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

Water Fund							
Direct Borrowings and Placements:							
Year Ending June 30	Revenue Bonds		Lease Liabilities		Subscription Liabilities		
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 6,983,940	\$ 3,185,352	\$ 16,919	\$ 980	\$ 38,241	\$ 6,528	
2026	7,802,327	2,909,231	16,617	624	40,635	5,253	
2027	8,223,698	2,568,474	15,577	226	35,643	3,897	
2028	5,460,897	2,285,261	1,244	6	38,044	2,681	
2029	4,421,321	2,089,970	-	-	40,564	1,383	
2030-2034	18,197,556	8,143,946	-	-	-	-	
2035-2039	16,998,465	4,606,160	-	-	-	-	
2040-2044	12,900,487	1,544,403	-	-	-	-	
2045	1,205,000	25,900	-	-	-	-	
Total	\$ 82,193,691	\$ 27,358,697	\$ 50,357	\$ 1,836	\$ 193,127	\$ 19,742	

Water Pollution Control Fund							
Direct Borrowings and Placements:							
Year Ending June 30	Revenue Bonds and Locality Compensation Payments		Lease Liabilities		Subscription Liabilities		
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	6,716,580	\$ 1,256,805	11,093	\$ 620	\$ 38,241	\$ 6,528	
2026	7,380,867	1,088,881	9,639	401	40,635	5,253	
2027	6,401,593	903,728	9,509	143	35,643	3,897	
2028	4,996,169	753,570	-	-	38,044	2,681	
2029	3,673,019	640,294	-	-	40,564	1,383	
2030-2034	15,291,662	2,159,211	-	-	-	-	
2035-2039	7,863,719	883,694	-	-	-	-	
2040-2044	4,248,179	138,775	-	-	-	-	
2045-2046	51,883	288	-	-	-	-	
Total	56,623,671	\$ 7,825,246	30,241	\$ 1,164	\$ 193,127	\$ 19,742	

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 4—Long-Term Obligations: (Continued)

Details of the Authority's outstanding long-term indebtedness at June 30, 2024 are as follows:

Water Fund						
Type	Interest Rates	Installment Amounts	Final Maturity Date	Amount of Original Issue	Balance Enterprise Activities	Amount Due Within One Year
<i>Direct Borrowings and Placements - Locality Compensation Payments:</i>						
Vinton 2021 GO Bond - New Money Issuance	1.66%	\$212,000-\$237,500 (sa+)	3/1/2031	2,004,500	\$ 1,584,000	\$ 215,500
Vinton 2021 GO Bond - Refinance 2013 Issuance	1.66%	\$49,000-\$55,000 (sa+)	3/1/2033	564,500	469,500	49,000
2016B Vinton Bond	2.05%	\$46,500-\$50,750 (sa+)	8/1/2027	578,500	395,000	95,500
<i>Total Direct Borrowings and Placements - Locality Compensation Payments</i>					<u>\$ 2,448,500</u>	<u>\$ 360,000</u>
<i>Direct Borrowings and Placements - Revenue Bonds:</i>						
VRA Water Revolving Loan Series 2008	1.00%	\$5,928-\$11,768 (sa+)	11/1/2028	\$ 389,557	\$ 104,608	\$ 22,842
VRA Water Revolving Loan Series 2010	0.00%	\$13,397 (sa+)	1/1/2041	803,823	455,500	26,794
VRA Water Revolving Loan Series 2011	1.15%	\$15,043-\$16,871 (sa+)	3/1/2032	564,401	259,396	31,138
ARRA - VRA Water Revolving Loan Series 2009	0.00%	\$597 (sa+)	6/1/2040	35,919	19,089	1,193
ARRA - VRA Water Revolving Loan Series 2009	0.00%	\$353 (sa+)	6/1/2040	21,242	11,294	706
VRA Water Revolving Loan Series 2011	1.15%	\$5,965-\$6,613(sa+)	6/1/2031	216,850	89,474	12,347
VRA Water Revolving Loan Series 2012	1.45%	\$22,631-\$26,149 (sa+)	4/1/2033	907,965	450,078	47,267
VRA VPFP Refunding Bond Series 2013B	3.435-4.826%	\$2,810,000-\$3,510,000 (a+)	10/1/2026	35,855,000	10,065,000	3,205,000
VRA Pool Bond Water Series 2014B Refunding	2.00-5.25%	\$555,000-\$765,000 (a+)	10/1/2028	6,355,000	3,510,000	640,000
2016A VRA Refunding of 2011B	4.80-5.13%	\$1,150,000-\$1,475,000 (a+)	10/1/2027	7,870,000	5,505,000	1,280,000
VRA 2011 Bond Series 2011A	2.125-5.125%	\$25,000-\$40,000 (a+)	10/1/2031	510,000	265,000	30,000
2017C VRA Bond	2.287-5.125%	\$325,000-\$655,000 (a+)	4/1/2038	10,000,000	7,130,000	365,000
2018C VRA Bond	4.125-5.125%	\$180,000-\$415,000 (a+)	10/1/2038	5,490,000	4,585,000	210,000
2021 Revenue Refunding	1.54%	\$345,034-\$533,420 (sa+)	4/1/2033	9,774,110	6,588,851	734,746
2021 Boones Mill Assumption	2.46%	\$8,001-\$9,611 (sa+)	4/1/2030	148,434	107,932	16,907
VRA Bond Series 2021C	2.30-2.90%	\$1,060,000-\$1,150,000 (a+)	10/1/2041	14,065,000	14,065,000	-
2023A VRA	4.125-5.125%	\$222,500-\$465,000 (sa+)	4/1/2044	10,735,000	10,735,000	-
2024A VRA	2.91-4.1%	\$222,500-\$602,500 (sa+)	11/1/2044	15,505,000	15,505,000	-
VRA BIL-09S-22*	2.30%	\$23,240-\$82,967 (sa+)	3/1/2045	3,985,261	293,969	-
Add: Premium on issuance					5,890,015	971,835
<i>Total Direct Borrowings and Placements - Revenue Bonds</i>					<u>\$ 85,635,206</u>	<u>\$ 7,595,775</u>
<i>Lease Liabilities</i>						
Copier	0.50%	\$127-\$130 (m+)	9/1/2025	\$ 6,536	\$ 1,935	\$ 1,548
Copier	0.50%	\$607-\$609 (m+)	6/16/2025	12,137	3,056	3,057
Tower site	2.00%	\$227-\$250 (m+)	3/1/2027	13,337	8,021	2,866
Tower site	2.00%	\$91-\$100 (m+)	3/1/2027	5,335	3,208	1,147
Tower site	2.00%	\$227-\$250 (m+)	11/1/2027	14,287	9,900	2,828
Copier	2.76%	\$307-\$803 (m+)	6/1/2027	31,801	24,237	5,473
<i>Total lease liabilities</i>					<u>\$ 50,357</u>	<u>\$ 16,919</u>
<i>Subscription Liabilities</i>						
IT software	3.41%	\$29,094-\$40,564 (a+)	7/1/2029	\$ 242,515	\$ 178,776	\$ 31,172
IT software	3.00%	\$6,864-\$7,500 (a+)	9/7/2026	28,715	14,351	7,069
<i>Total subscription liabilities</i>					<u>\$ 193,127</u>	<u>\$ 38,241</u>
<i>Other Long-Term Obligations:</i>						
Compensated absences					\$ 1,258,643	\$ 943,982
Net pension liability					2,414,440	-
Net OPEB liabilities					365,904	-
Total OPEB liability					1,134,683	174,553
<i>Total Other Long-Term Obligations</i>					<u>\$ 5,173,670</u>	<u>\$ 1,118,535</u>
Total Long-Term Obligations Payable from the Water Fund					<u>\$ 93,500,860</u>	<u>\$ 9,129,470</u>

(a+)-annual principal installments shown, does not include semi-annual interest installments

(sa+)-semi-annual principal installments shown, does not include semi-annual interest installments

(m+)-monthly principal installments shown, does not include monthly interest installments

*As of June 30, 2024, VRA bond is in draw down phase and only \$293,969 has been drawn down.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 4—Long-Term Obligations: (Continued)

Details of the Authority's outstanding long-term indebtedness at June 30, 2024 are as follows: (Continued)

Water Pollution Control Fund						
Type	Interest Rates	Installment Amounts	Final Maturity Date	Amount of Original Issue	Balance Enterprise Activities	Amount Due Within One Year
<i>Direct Borrowings and Placements - Locality Compensation Payments:</i>						
VRA Bond Series 2016B	2.125-5.125%	\$105,000-\$185,000 (a+)	10/1/2034	2,155,000	\$ 1,685,000	\$ 120,000
Vinton 2021 GO Bond - New Money Issuance	1.66%	\$212,000-\$237,500 (sa+)	3/1/2031	2,004,500	1,584,000	215,500
Vinton 2021 GO Bond - Refinance 2013 Issuance	1.66%	\$49,000-\$55,000 (sa+)	3/1/2033	564,500	469,500	49,000
2016B Vinton Bond	2.05%	\$46,500-\$50,750 (sa+)	8/1/2027	578,500	395,000	95,500
Add: Premium on issuance					122,366	22,909
<i>Total Direct Borrowings and Placements - Locality Compensation Payments</i>					\$ 4,255,866	\$ 502,909
<i>Direct Borrowings - Revenue Bonds:</i>						
VRA Wastewater Revolving Loan Series 2003	2.30%	\$146,727-\$288,469 (sa+)	10/1/2026	\$ 9,000,000	\$ 1,434,295	\$ 563,894
VRA Wastewater Revolving Loan Series 2003	2.30%	\$503,418-\$989,731 (sa+)	10/1/2026	31,665,134	4,921,004	1,934,707
VRA Wastewater Revolving Loan Series 2007	2.50%	\$164,009-\$321,968 (sa+)	8/1/2028	9,993,612	2,810,493	597,685
VRA Clean Water Revolving Loan Series 2011	2.35%	\$37,507-\$46,284 (sa+)	3/1/2032	1,500,000	686,160	82,513
VRA Wastewater Revolving Loan Series 2011	2.35%	\$60,049-\$145,676 (sa+)	9/1/2033	4,660,693	2,483,028	248,817
VRA Wastewater Revolving Loan Series 2011	2.35%	\$53,622-\$186,581 (sa+)	9/1/2032	5,952,344	2,967,225	267,452
VRA Wastewater Revolving Loan Series 2012	1.45%	\$175,199-\$354,660 (sa+)	4/1/2035	12,318,074	6,991,870	628,365
VRA Pool Bond Sewer Series 2014B Refunding	1.18-5.13%	\$165,000-\$235,000 (a+)	10/1/2028	1,930,000	1,075,000	195,000
VRA Refunding Bond Series 2016A	4.80-5.13%	\$770,000-\$990,000 (a+)	10/1/2027	5,270,000	3,685,000	855,000
VRA Bond Series 2012	2.40%	\$65,888-\$84,627 (sa+)	3/1/2033	2,700,000	1,379,671	146,064
VRA Bond Series 2004	1.00%	\$48,104-\$95,491 (sa+)	9/1/2026	4,032,975	476,276	189,086
VRA Bond Series 2013	1.45%	\$5,353-\$33,223 (sa+)	4/1/2035	1,169,808	639,523	60,030
VRA Bond Series 2020	3.00%	\$125,000-\$310,000 (a+)	10/1/2040	4,160,000	3,765,000	145,000
VRA Bond Series 2021*	1.00%	\$2,500-\$11,946 (sa+)	10/1/2043	9,933,058	9,231,499	10,000
VRA Bond Series 2021C	2.125-5.125%	\$380,000-\$666,000 (a+)	10/1/2041	8,470,000	8,470,000	-
2021 Boones Mill Assumption	0.00%	\$6,267 (sa+)	4/1/2030	195,547	157,947	12,533
Vinton VRA Bond**	0.50%	\$5,140-\$5,766 (sa+)	10/1/2047	710,808	634,412	28,504
VRA Bond 2022A	1.00%	\$67,140-\$68,835 (sa+)	10/1/2026	1,200,594	681,768	271,930
Add: Premium on issuance					1,851,427	347,997
<i>Total Direct Borrowings and Placements - Revenue Bonds</i>					\$ 54,341,598	\$ 6,584,577
<i>Lease Liabilities</i>						
Copier	0.50%	\$127-\$130 (m+)	9/1/2025	\$ 6,536	\$ 1,935	\$ 1,548
Copier	0.50%	\$332-\$337 (m+)	9/1/2024	13,077	1,013	1,013
Copier	0.50%	\$607-\$609 (m+)	6/16/2025	12,137	3,056	3,056
Copier	2.76%	\$307-\$803 (m+)	6/1/2027	31,801	24,237	5,476
<i>Total lease liabilities</i>					\$ 30,241	\$ 11,093
<i>Subscription Liabilities</i>						
IT software	3.41%	\$29,094-\$40,564 (a+)	7/1/2029	\$ 242,515	\$ 178,776	\$ 31,172
IT software	3.00%	\$6,864-\$7,500 (a+)	9/7/2026	28,715	14,351	7,069
<i>Total subscription liabilities</i>					\$ 193,127	\$ 38,241
<i>Other Long-Term Obligations:</i>						
Compensated absences					\$ 1,434,543	\$ 1,075,907
Net pension liability					3,200,554	-
Net OPEB liabilities					438,705	-
Total OPEB liability					1,284,922	197,665
<i>Total Other Long-Term Obligations</i>					\$ 6,358,724	\$ 1,273,572
Total Long-Term Obligations Payable from the Water Pollution Control Fund					\$ 65,179,556	\$ 8,410,392
Grand Total All Funds					\$ 158,680,416	\$ 17,539,862

(a+)-annual principal installments shown, does not include semi-annual interest installments

(sa+)-semi-annual principal installments shown, does not include semi-annual interest installments

(m+)-monthly principal installments shown, does not include monthly interest installments

*As of June 30, 2024, VRA bond is in draw down phase and only \$9,236,475 has been drawn down.

**As of June 30, 2024, VRA bond is in draw down phase and only \$662,329 has been drawn down.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 4—Long-Term Obligations: (Continued)

Loans from the Virginia Resources Authority (VRA) are governed by rate covenants with which the Authority has been in compliance through June 30, 2024. Revenue bonds and locality compensation payments are secured by the Authority's revenues.

If an event of default occurs with VRA bonds, the principal of the bond(s) may be declared immediately due and payable to the registered owner of the bond(s) by written notice to the Authority.

Note 5—Capital Contributions:

The Authority received capital contributions from the following sources during the year:

Year Ended June 30, 2024:

	Water Fund	Water Pollution Control Fund	Total
Availability fees	\$ 1,458,000	\$ 1,215,500	\$ 2,673,500
Developer contributions	690,450	397,560	1,088,010
Contributions from other governments	6,523,691	3,065,176	9,588,867
Other capital contributions	3,320,147	156,347	3,476,494
Total Capital Contributions	\$ 11,992,288	\$ 4,834,583	\$ 16,826,871

Note 6—Pension Plans:

Aggregate Pension Information

The following is a summary of deferred outflows, deferred inflows, net pension liabilities (assets), and pension expense for the year ended June 30, 2024.

	Water Fund				Water Pollution Control Fund			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Pension Plans:								
Virginia Retirement System Plan	\$ 744,333	\$ 223,815	\$ (44,585)	\$ 386,770	\$ 878,757	\$ 186,550	\$ (52,815)	\$ 464,114
City of Roanoke Pension Plan	1,003,131	286,972	2,414,440	393,327	1,219,792	78,730	3,200,554	634,865
Totals	\$1,747,464	\$ 510,787	\$ 2,369,855	\$ 780,097	\$2,098,549	\$ 265,280	\$ 3,147,739	\$1,098,979

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

Aggregate Pension Information (Continued)

Below is the aggregate pension expense for the Authority for the year ended June 30, 2024.

Water and Water Pollution Control Fund Total	
	Pension Expense
Pension Plans:	
Virginia Retirement System Plan	\$ 850,884
City of Roanoke Pension Plan	1,028,192
Totals	<u>\$ 1,879,076</u>

Virginia Retirement System Plan

Plan Description

All full-time, salaried permanent employees of the Authority (that are not covered under the Roanoke City Pension Plan) are automatically covered by 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. However, one entity whose financial information is not included in the primary government’s report participates in the VRS plan through the Authority and the participating entity reports its proportionate information on the basis of a cost-sharing plan. 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.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

Virginia Retirement System Plan (Continued)

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

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 and 1.85% for sheriffs and regional jail superintendents. 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 and 1.85% for sheriffs and regional jail superintendents. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

Virginia Retirement System Plan (Continued)

Contributions

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

The Authority’s contractually required employer contribution rate for the year ended June 30, 2024 was 4.90% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 Authority were \$552,352 and \$511,898 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Asset

At June 30, 2024, the Authority reported an asset of \$97,400 for its proportionate share of the net pension asset. The Authority’s net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. In order to allocate the net pension asset to all employers included in the plan, the Authority is required to determine its proportionate share of the net pension asset. Contributions as of June 30, 2023 and 2022 were used as a basis for allocation to determine the Authority’s proportionate share of the net pension asset. At June 30, 2023 and 2022, the Authority’s proportion was 98.9656% and 98.6137%, respectively.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Authority’s Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

WESTERN VIRGINIA WATER AUTHORITY

**Notes to Financial Statements
At June 30, 2024 (Continued)**

Note 6—Pension Plans: (Continued)

Virginia Retirement System Plan (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvements:

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

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

Virginia Retirement System Plan (Continued)

Actuarial Assumptions - General Employees (Continued)

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

Virginia Retirement System Plan (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, 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%.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

Virginia Retirement System Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net pension liability (asset) using the discount rate of 6.75%, as well as what the Authority’s proportionate share of the 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%)
Authority's proportionate share of the Authority Retirement Plan Net Pension Liability (Asset)	\$ 3,811,566	\$ (97,400)	\$ (3,277,103)

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

Virginia Retirement System Plan (Continued)

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

For the year ended June 30, 2024, the Authority recognized pension expense of \$386,770 for the water fund and \$464,114 for the water pollution control fund. The aggregate pension expense recognized for the Authority was \$850,884. 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 difference between employee contributions and the proportionate share of employer contributions.

At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,027,739	\$ 87,144
Changes in assumptions	41,892	-
Change in proportionate shares	1,107	5,625
Net difference between projected and actual earnings on pension plan investments	-	317,596
Employer contributions subsequent to the measurement date	552,352	-
Total	\$ 1,623,090	\$ 410,365

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

Virginia Retirement System Plan (Continued)

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

\$552,352 reported as deferred outflows of resources related to pensions resulting from the Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2025	\$ 248,351
2026	59,465
2027	341,825
2028	10,732
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report-pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

City of Roanoke Pension Plan

Employees of the Authority who transferred their employment from the City of Roanoke are eligible to continue their participation in the City’s Pension Plan.

General Information about the Pension Plan

The Pension Plan is a cost-sharing multiple-employer defined benefit plan established by City Council and is included in the City’s basic financial statements as a Pension Trust Fund. The Pension Plan was established by City Ordinance No. 8559 dated May 27, 1946, effective July 1, 1946. The Pension Plan covers substantially all employees of the City, all employees of the Roanoke Regional Airport Commission, and the Roanoke Valley Detention Center, as well as certain employees of the City of Roanoke School Board, the Roanoke Valley Resource Authority, and the Western Virginia Water Authority. The Roanoke Valley Resource Authority no longer has an active membership. The City is the major contributor of employer contributions to the Pension Plan. City Council appoints members of the Pension Plan Board of Trustees to administer the Pension Plan. The Pension Plan is not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

City of Roanoke Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Effective July 1, 1984, the Pension Plan changed its name from the Employees' Retirement System of the City of Roanoke, Virginia (ERS) to City of Roanoke Pension Plan and incorporated a provision for an Employees' Supplemental Retirement System (ESRS) which modified certain benefits as defined by the ERS. All employees covered under the provisions of the ERS at June 30, 1984, could elect to remain with the ERS or be covered under the provisions of the ESRS. Coverage under the ESRS was mandatory for all employees hired or rehired on or after July 1, 1984. On November 28, 1994, June 1, 1998, November 2, 1998, and June 5, 2000, City Council authorized the Pension Plan to offer members of the ERS an opportunity to transfer to the ESRS. The option was available from February 1, 1995 to May 16, 1995, July 1, 1998 through August 31, 1998, December 1, 1998 through December 31, 1998, and July 1, 2000 through July 31, 2000. Both the ERS and the ESRS share a common trust fund from which all benefits are paid without distinction as to the source of funds and are administered by the Board of Trustees. The Pension Plan provides retirement benefits as well as death and disability benefits.

Effective July 16, 2012, City Council adopted a restatement of the chapter of the City Code governing the Pension Plan. The restated Chapter 22.3, Pensions and Retirement, provides for the introduction of an Internal Revenue Code Section 401(h) health savings account, established as a component of the Pension Plan effective July 1, 2013, and established new benefit tiers effective July 1, 2014. The restated Chapter 22.3 also provides for a defined cost of living adjustment effective July 1, 2013.

Employees who are members of the ERS with 30 years of service and age 60 (normal retirement age) are entitled to an annual retirement benefit equal to $1/70$ (1.429%) of their average final compensation (highest consecutive 12 months), excluding overtime, for each year of service. Employees may retire with 20 years of service and receive a reduced retirement benefit. For employees who are married at their retirement date, a joint and survivor annuity is payable monthly. There is no mandatory retirement age.

Employees who are members of the ESRS, hired prior to July 1, 2014, with 5 years or more of credited service and age 65 or over, general employees who have attained age 50 with age plus service equal to 80, and deputized police officers and firefighters who have attained age 45 with age plus service equal to 70, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 2.1% of their final average compensation for each year of credited service up to a maximum of 63%. Final average compensation is the employee's average salary, excluding overtime, over the highest 36 consecutive months of credited service. Employees with 5 years of credited service may retire at age 55 and receive a reduced retirement benefit. Employees may elect to receive their retirement benefits in the form of a single life annuity or a joint and survivor annuity payable monthly from retirement. If employees terminate before rendering five years of service, they forfeit the right to receive any Pension Plan benefits. There is no mandatory retirement age.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

City of Roanoke Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Employees hired after June 30, 2014 become members of ESRS and choose between participation as a traditional defined benefit ESRS member or as a Hybrid member. Employees hired after June 30, 2014 were required to contribute 5% of earnable compensation to the plan. Effective July 1, 2015, the required contribution of 5% of earnable compensation was extended to employees hired prior to July 1, 2015. Employees have 60 days from their date of hire to make an irrevocable election to participate as either a traditional defined benefit ESRS member or a Hybrid member. Employees electing Hybrid membership participate in ESRS and accrue a lesser defined benefit than traditional defined benefit ESRS members and also participate in a defined contribution plan established under Section 401(a) of the Internal Revenue Code. Employees who make no election participate as traditional defined benefit ESRS members.

ESRS members hired after June 30, 2014, choosing participation as a traditional defined benefit member may retire with 5 years or more of credited service and age 65 or over, general employees who have attained age 55 with age plus service equal to 85, and deputized police officers and firefighters who have attained age 50 with age plus service equal to 75, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 2.0% of their final average compensation for each year of credited service up to a maximum of 63%. Final average compensation is the employee's average salary, excluding overtime, over the highest 60 consecutive months of credited service. Employees with 15 years of credited service may retire at age 55 (age 50 for deputized police officers and firefighters) and receive a reduced retirement benefit. Employees may elect to receive their retirement benefits in the form of a single life annuity or a joint and survivor annuity payable monthly from retirement. If employees terminate before rendering five years of service, they forfeit the right to receive any Pension Plan benefits. There is no mandatory retirement age. Member contributions for traditional defined benefit participants are invested in the pension trust fund.

Employees choosing participation as Hybrid members participate in ESRS for the defined benefit component of their retirement benefit, subject to the same eligibility criteria as outlined for the traditional defined benefit participants. Hybrid members' defined benefit component is payable monthly for life in an amount equal to 1.0% of their final average compensation for each year of credited service up to a maximum of 63%. Final average compensation is the employee's average salary, excluding overtime, over the highest 60 consecutive months of credited service. Hybrid member contributions are deposited in a defined contribution plan established under Section 401(a) of the Internal Revenue Code. Hybrid members are responsible for the investment of funds in their defined contribution plan account.

Effective July 1, 2000, an additional monthly supplement equal to the greater of (a) \$159 or (b) 75% of the amount the City contributes toward the cost of a single active employee's health insurance shall be paid for eligible retirees terminating the month in which the retiree attains age 65. Any member of the Pension Plan who was an employee of one of the participating employers of the Pension Plan (not including employees of the School Board) and who retired after earning 20 or more years of creditable service but prior to attaining the age of 65 is eligible for this supplement. This supplement is not available to retirees receiving the early retiree incentive plan supplement granted in 1991. Employees hired after June 30, 2013 are not eligible for this supplement.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

City of Roanoke Pension Plan (Continued)

General Information about the Pension Plan (Continued)

The Internal Revenue Code Section 401(h) health savings account operates similarly to a defined contribution plan. Employees eligible to participate in the Pension Plan are required to contribute 1% of earnable compensation in their health savings account. Employees hired after June 30, 2013 and employees hired prior to July 1, 2014, who made an irrevocable election to forego eligibility for the monthly supplemental benefit enacted effective July 1, 2000, receive an employer paid matching contribution equal to 1% of their earnable compensation. Employees vest in the employer paid matching contribution upon the attainment of 5 years of creditable service in the Pension Plan. The Board of Trustees has delegated authority for the oversight of the 401(h) health savings account to the Defined Contribution Board established under the Chapter 22.3 of the City Code. The Defined Contribution Board has contracted with an independent financial services organization for the custody and administration of the 401(h) accounts. Assets accumulated in the individual accounts are available for use upon separation from service for reimbursement of qualified medical expenses, as defined in section 213(d) of the Internal Revenue Code, as a tax-free distribution. Non-vested employer contributions, including earnings thereon, are forfeited upon separation from service. Any balance remaining in the account is forfeited upon death or attainment of maximum age of the last eligible recipient.

Contributions

Effective July 1, 2015, employees contribute 5.00% of earnable compensation into the pension trust. Employees hired on or after July 1, 2014, electing participation as a Hybrid plan member contribute 5% of earnable compensation into a defined contribution plan member account. Employer contributions to the Pension Plan are based on a percentage of the earnable compensation of the active members. The City's contribution rate for the fiscal year ended June 30, 2024 was 21.14%, which, when combined with the required employee contribution of 5.00%, totaled 26.14%. For fiscal year 2023, the total contribution rate of 19.37% of earnable compensation, actuarially determined as an amount that is expected to finance the cost 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 Authority were \$382,887 and \$259,355 for fiscal year ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, the Authority reported a liability of \$5,614,994 for its' proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to projected contributions of all participants, as actuarially determined. At June 30, 2023 and 2022, the Authority's proportion was 2.1250% and 2.3137%, respectively.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

City of Roanoke Pension Plan (Continued)

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

For the year ended June 30, 2024, the Authority recognized pension expense of \$393,327 for the water fund and \$634,865 for the water pollution control fund. The aggregate pension expense recognized for the Authority was \$1,028,192. 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.

At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to this pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 427,256	\$ 13,268
Changes in assumptions	1,006,658	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	352,434
Net difference between projected and actual earnings on pension plan investments	406,122	-
Contributions subsequent to the measurement date	382,887	-
Totals	\$ 2,222,923	\$ 365,702

\$382,887 reported as deferred outflows of resources related to the pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ 618,035
2026	566,049
2027	335,364
2028	(45,114)

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

City of Roanoke Pension Plan (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%, no change from the prior year
Salary increases, including inflation	3.50% average, including inflation
Investment rate of return	7.00%, net of investment expenses, no change from the prior year
Cost of Living Adjustments	1.67% for eligible participants, based on 2/3 of assumed 2.50% inflation

Mortality rates of pre-retirement and healthy annuitants were based on Pub-2010 table, for both General Employees and Public Safety Employees, amount-weighted with Scale MP-2021. For disabled, mortality rates were based on Pub-2010 table, for both General Disabled Employees and Public Safety Disabled Employees, amount weighted with Scale MP-2021.

Actuarial assumptions are based on the last experience study performed as of June 30, 2021 for the period July 1, 2016 through June 30, 2021. City Code requires that the Plan have an experience study performed every 5 years. The experience study covers a 5 year period.

Long-term Expected Rate of Return

The long-term expected rate of return on Pension Plan investments was determined using projected long-term rates of returns developed for each asset class. The expected long-term rate of return for each asset class as weighted by the Investment Policy target asset allocation was used, to derive the overall expected rate of return for the portfolio. The following table reflected the long-term expected arithmetic real rate of return based upon the defined target allocation for each asset class as defined in the Statement of Investment Policy:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Equity		
US Equity	48.00%	4.80%
International Equity	16.00%	1.76%
Real Estate	6.00%	0.42%
Fixed Income		
US Fixed Income	30.00%	1.50%
Total	<u>100.00%</u>	<u>8.48%</u>

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 6—Pension Plans: (Continued)

City of Roanoke Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions to the Plan would be made based on actuarially determined contribution rates. Based on these assumptions, the Plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the Authority’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Authority’s proportionate share of the net pension liability (asset)	\$ 7,417,933	\$ 5,614,994	\$ 4,115,820

Pension Plan Data

The Roanoke City Pension Plan issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information. A copy of the most recent report may be obtained by writing to the City of Roanoke Retirement Office, Attention: Retirement Administrator, P.O. Box 1220, Roanoke, Virginia, 24006.

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 7—Aggregate OPEB Information:

The following is a summary of deferred outflows, deferred inflows, total/net OPEB liabilities, and OPEB expense for the year ended June 30, 2024.

	Water Fund				Water Pollution Control Fund			
	Deferred Outflows	Deferred Inflows	Total/Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Total/Net OPEB Liabilities	OPEB Expense
Health Insurance OPEB Plan	\$ 147,760	\$ 494,915	\$ 1,134,683	\$ 22,791	\$ 255,106	\$ 461,042	\$ 1,284,922	\$ 25,808
VRS OPEB Plans - Group Life Insurance (GLI) Plan:								
Western Virginia Water Authority GLI Plan	110,651	47,424	328,441	23,581	129,539	56,175	389,045	27,932
City of Roanoke GLI Plan	8,602	7,871	37,463	577	11,729	10,434	49,660	765
Totals	\$ 267,013	\$ 550,210	\$ 1,500,587	\$ 46,949	\$ 396,374	\$ 527,651	\$ 1,723,627	\$ 54,505

Below is the aggregate OPEB expense for the Authority for the year ended June 30, 2024.

Water and Water Pollution Control Fund Total	
	OPEB Expense
Health Insurance OPEB Plan	\$ 48,599
VRS OPEB Plans - Group Life Insurance (GLI) Plan:	
Western Virginia Water Authority GLI Plan	51,513
City of Roanoke GLI Plan	1,342
Totals	<u>\$ 101,454</u>

Note 8—Other Postemployment Benefits - Health Insurance:

Plan Description

In addition to the pension benefits described in Note 6, the Authority administers a single-employer defined benefit healthcare plan, Western Virginia Water Authority OPEB Plan. The plan provides for participation by eligible retirees of the Authority and their dependents in the health insurance programs available to Authority employees. The plan does not issue a publicly available financial report.

Benefits Provided

The plan will provide retiring employees the option to continue health insurance offered by the Authority. An eligible Authority retiree may receive this benefit until the retiree is eligible to receive Medicare. To be eligible for this benefit a retiree must meet the following criteria:

- The retiree must be a full time employee retiring on or after July 1, 2004.
- The employee must be eligible to retire with the Virginia Retirement System (VRS) or the current City of Roanoke retirement plan.
- Active employees must have at least 10 years of service with combined VRS or City of Roanoke and/or the Water Authority, with a minimum of five continuous years of service with the Water Authority and must be hired before July 1, 2010.
- Disabled employees are eligible after they meet retirement eligibilities

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 8—Other Postemployment Benefits - Health Insurance: (Continued)

Benefits Provided (Continued)

The benefits, employee contributions and the employer contributions are governed by the Board of Directors of the Western Virginia Water Authority and can be amended through Board action.

Plan Membership

At January 1, 2024 (valuation date), the following employees were covered by the benefit terms:

Total active members	72
Total retirees and spouses	25
Total beneficiaries	<u>1</u>
Total	<u>98</u>

Contributions

The 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 Authority’s Board. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2024 was \$372,218.

Total OPEB Liability

The Authority’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation performed as of January 1, 2024, and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	2.50% to 5.00%
Discount Rate	3.93% as of June 30, 2024; 3.65% as of June 30, 2023

Mortality rates for pre-retirement and post-retirement employees were 125% of RP-2000 Combined Healthy mortality rates for males and females with generational mortality projections using Scale AA. Mortality rates for post-disabled employees were based on RP-2014 adjusted to 2006 Disabled Retiree mortality rates for males and females.

The healthcare trend rate assumption starts at 5.30% in 2024 gradually grading to 3.70% by the year 2073.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 8—Other Postemployment Benefits - Health Insurance: (Continued)

Discount Rate

The discount rate (as the entity has not established a trust for this OPEB) is based on the Bond Buyer 20-Year Bond GO Index as of the respective measurement dates. The final equivalent single discount rate used for this year's valuation is 3.93% as of the end of the fiscal year with the expectation that the Authority will continue to fund the program on a pay-as-you-go basis.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2023	\$ 3,281,013
Changes for the year:	
Service cost	39,540
Interest on total OPEB liability	114,468
Effect of economic/demographic gains or losses	(619,172)
Effect of assumptions changes or inputs	(24,026)
Benefit payments	(372,218)
Net changes	\$ (861,408)
Balances at June 30, 2024	\$ <u>2,419,605</u>

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

The following amounts present the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

<u>Rate</u>		
1% Decrease (2.93%)	Current Discount (3.93%)	1% Increase (4.93%)
\$ 2,531,666	\$ 2,419,605	\$ 2,310,614

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 8—Other Postemployment Benefits - Health Insurance: (Continued)

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

The following presents the total OPEB liability of the Authority, 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 (4.30% in 2024 and gradually decreasing to an ultimate rate of 2.70%) or one percentage point higher (6.30% in 2024 and gradually decreasing to an ultimate rate of 4.70%) than the current healthcare cost trend rates:

Rates		
Healthcare Cost		
1% Decrease (4.30% decreasing to 2.70%)	Trend (5.30% decreasing to 3.70%)	1% Increase (6.30% decreasing to 4.70%)
\$ 2,296,400	\$ 2,419,605	\$ 2,557,028

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

For the year ended June 30, 2024, the Authority recognized OPEB expense of \$22,791 for the water fund and \$25,808 for the water pollution control fund. The aggregate OPEB expense recognized for the Authority was \$48,599. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 228,792	\$ 530,784
Effect of assumption changes or inputs	86,293	337,392
Change in proportionate shares	87,781	87,781
Total	\$ 402,866	\$ 955,957

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

Year Ended June 30	
2025	\$ (104,225)
2026	(106,072)
2027	(111,748)
2028	(106,553)
2029	(103,741)
Thereafter	(20,752)

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

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 9—Group Life Insurance (GLI) Plan (OPEB Plan):

The Authority participates in two Group Life Insurance (GLI) Plans through the Virginia Retirement System (VRS). Employees of the Authority who transferred their employment from the City of Roanoke are eligible to continue their participation in the City's VRS plan. All other employees who participate in VRS through Western Virginia Water Authority are part of the Authority's VRS Plan.

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 9—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% 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, 2023 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 Western Virginia Water Authority GLI Plan from the entity were \$83,056 and \$74,631 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the City of Roanoke GLI Plan from the entity were \$9,766 and \$8,917 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$40.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session 1, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity did not record any special contributions.

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

Western Virginia Water Authority GLI Plan

At June 30, 2024, the entity reported a liability of \$717,486 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.0598% compared to 0.0544% at June 30, 2022.

For the year ended June 30, 2024, the Authority recognized OPEB expense of \$23,581 for the water fund and \$27,932 for the water pollution control fund. The aggregate OPEB expense recognized for the Authority was \$51,513. 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.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 9—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

City of Roanoke GLI Plan

At June 30, 2024, the entity reported a liability of \$87,123 for its proportionate share of the City's Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.0073% as compared to 0.0080% at June 30, 2022.

For the year ended June 30, 2024, the Authority recognized OPEB expense of \$577 for the water fund and \$765 for the water pollution control fund. The aggregate OPEB expense recognized for the Authority was \$1,342. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Western Virginia Water Authority GLI Plan		City of Roanoke GLI Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,659	\$ 21,780	\$ 8,702	\$ 2,644
Net difference between projected and actual earnings on GLI OPEB plan investments	-	28,833	-	3,501
Change in assumptions	15,337	49,711	1,863	6,037
Changes in proportionate share	70,138	3,275	-	6,123
Employer contributions subsequent to the measurement date	83,056	-	9,766	-
Total	\$ 240,190	\$ 103,599	\$ 20,331	\$ 18,305

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 9—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)

\$83,056 and \$9,766 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. 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	Western Virginia	
	Water Authority GLI Plan	City of Roanoke GLI Plan
2025	\$ 10,620	\$ (2,749)
2026	(14,842)	(5,314)
2027	26,962	100
2028	12,784	(542)
2029	18,011	765

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023. The assumptions include several employer groups. Salary increase and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Comprehensive Financial Report.

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

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 9—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 9—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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.

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 9—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	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year return of 8.25%. 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 7.14%, 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%.

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 9—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, 2023, 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, 2023 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Authority's proportionate share of the GLI Plan Net OPEB Liability	\$ 1,063,538	\$ 717,486	\$ 437,700
Authority's proportionate share of the City's GLI Plan Net OPEB Liability	\$ 129,144	\$ 87,123	\$ 53,149

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 10—Risk Management:

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority joined together with other local governments in the Commonwealth to form the Virginia Risk Sharing Association, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The Authority pays an annual premium to the pool for its workers compensation, general liability, automobile liability, property, crime and public official's insurance coverages. The Agreement for Formation of the pool provides that the pool will be self-sustaining through member premiums. Settled claims have not exceeded pool coverage in any of the past three fiscal years.

Note 11—Contingencies:

The Authority is operating under the terms of a Consent Special Order dated March 18, 2005 issued by the Virginia State Water Control Board requiring certain improvements to the Authority's water pollution control plant. The Authority intends to comply with the provisions of this consent order through projects already started or future improvements.

Note 12—Arbitrage Rebate Compliance:

As of June 30, 2024, the Authority was liable for amounts due under current rules governing arbitrage earnings totaling \$625,759. Such amount has been recorded as accounts payable in the accompanying financial statements.

Note 13—Litigation:

Authority officials estimate that no claims, not covered by insurance, would have a material effect on the Authority's financial position.

Note 14—Joint Use Facility:

The Authority entered into a cooperative agreement with the Bedford Regional Water Authority for the operation of the Smith Mountain Lake Water Facility. Under terms of the agreement, the participants jointly operate the facility and are responsible for their prorated share of operating cost based on usage. The Authority reports its' undivided interest (the assets owned and liabilities for which it is responsible) related to this agreement in these financial statements.

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 15—Notes Receivable:

Notes receivable at year end consist of capital contributions financed by participating localities. Each note bears interest at 3% (subject to resets at five year intervals based on SOFR) and principal and interest payments are due annually on October 1st and April 1st throughout the 20 year terms. A summary of notes receivable follows:

<u>Locality</u>	<u>Initial Amount</u>	<u>Installment Amounts</u>	<u>Amount Outstanding</u>	<u>Due in One Year</u>
Franklin County	\$ 767,300	\$ 25,608	\$ 662,715	\$ 47,711
Franklin County	600,000	20,056	494,310	38,497
Franklin County	538,145	18,091	445,880	34,725
Franklin County	965,190	33,381	822,701	64,071
Franklin County	2,265,618	75,959	1,872,097	145,798
Franklin County	1,094,891	36,599	779,702	75,837
Town of Rocky Mount	1,119,082	45,987	1,104,424	59,283
Bernard's Landing	750,000	25,070	625,120	24,647
Totals	<u>\$ 8,100,226</u>		<u>\$ 6,806,949</u>	<u>\$ 490,569</u>

Note 16—Leases Receivable:

The following is a summary of lessor activity transactions of the Authority for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance</u>	<u>Interest Revenue</u>
Water Fund:					
Leases receivable	<u>\$ 2,786,940</u>	<u>\$ 702,417</u>	<u>\$ (779,911)</u>	<u>\$ 2,709,446</u>	<u>\$ 98,342</u>
Water Pollution Control Fund:					
Leases receivable	<u>\$ 979,681</u>	<u>\$ -</u>	<u>\$ (90,382)</u>	<u>\$ 889,299</u>	<u>\$ 8,567</u>

Remainder of this page left blank intentionally.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 16-Leases Receivable: (Continued)

Details of leases receivable:

Water Fund						
Lease Description	Lease Origination Date*	End Date	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Tower site	7/1/2007	6/30/2027	Monthly	3.50%	\$ 142,492	\$ 44,148
Tower site	7/1/2007	6/30/2027	Monthly	3.50%	142,492	44,148
Tower site	7/1/2007	6/30/2027	Monthly	3.50%	142,492	44,148
Tower site	8/20/2008	6/30/2027	Monthly	3.50%	142,492	44,148
Tower site	7/1/2016	6/30/2026	Monthly	3.50%	78,663	37,944
Tower site	7/1/2012	6/30/2027	Monthly	3.50%	117,963	36,546
Tower site	7/1/2016	6/30/2026	Monthly	3.50%	78,663	37,943
Tower site	7/1/2016	6/30/2026	Monthly	3.50%	78,662	37,943
Tower site	7/1/2016	6/30/2026	Monthly	3.50%	81,207	39,170
Tower site	10/1/2021	6/30/2031	Monthly	3.50%	35,115	3,778
Tower site	7/1/2007	6/30/2027	Monthly	3.50%	142,067	44,014
Tower site	7/1/2007	6/30/2027	Monthly	3.50%	134,065	41,534
Tower site	7/1/2017	6/30/2026	Monthly	3.50%	93,417	45,060
Tower site	8/1/2007	6/30/2027	Monthly	3.50%	134,571	41,691
Office Building Lease	11/1/2021	7/31/2025	Monthly	2.00%	48,543	44,765
Office Building Lease	7/5/1988	6/30/2027	Monthly	3.00%	87,786	27,494
Tower site	8/1/2005	6/30/2030	Monthly	3.00%	240,877	31,812
Tower site	10/7/2002	9/30/2027	Monthly	2.00%	18,865	5,675
Tower site	7/1/2019	6/30/2024	Monthly	3.50%	38,025	38,025
Tower site	8/1/2007	6/30/2027	Monthly	3.50%	114,014	35,323
Tower site	7/1/2023	12/31/2028	Monthly	3.50%	213,503	41,633
Tower site	7/1/2023	6/30/2028	Monthly	3.50%	157,267	35,155
Tower site	5/1/2024	5/31/2029	Monthly	1.92%	103,500	20,634
Tower site	3/1/2024	7/31/2028	Monthly	2.00%	142,705	32,790
Totals					<u>\$ 2,709,446</u>	<u>\$ 855,521</u>

Water Pollution Control Fund						
Lease Description	Lease Origination Date*	End Date	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Office Building Lease	11/1/2021	7/31/2025	Monthly	2.00%	\$ 48,543	\$ 44,765
Land	11/1/2021	10/31/2024	Monthly	2.00%	1,991	1,991
Office Building Lease	7/5/1988	6/30/2027	Monthly	3.00%	87,786	27,494
Land	7/1/2022	4/30/2024	Monthly	1.92%	750,979	11,746
Totals					<u>\$ 889,299</u>	<u>\$ 85,996</u>
Grand Total					<u>\$ 3,598,745</u>	<u>\$ 941,517</u>

*Date shown is the original lease commencement date. GASB Statement No. 87 was implemented as of July 1, 2021.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 17-Self Health Insurance:

The Authority established a limited risk management program for health and dental insurance during the fiscal year 2021. Premiums are paid into the health plan fund from the Authority and are available to pay claims, and administrative costs of the program. During the fiscal year 2024, a total of \$5,327,683 was paid in benefits and administrative costs. The risk assumed by the Authority is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type. Incurred but not reported claims of \$94,636 have been accrued as a liability (accounts payable in the accompanying financial statements) based primarily on actual cost incurred prior to June 30 but paid after year-end. Changes in the claims liability for the current year and prior two years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2023-24	\$ 78,286	\$ 5,154,761	\$ (5,327,683)	\$ 94,636
2022-23	82,520	5,211,290	(5,215,524)	78,286
2021-22	329,076	4,278,864	(4,525,420)	82,520

Note 18-Unearned Revenue:

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the accrual basis of accounting, assessment for future periods are deferred.

	<u>Water Fund</u>	<u>Water Pollution Control Fund</u>
Unearned revenue:		
Unspent ARPA funds received during the previous fiscal years	\$ 3,320,225	\$ 448,412
Unspent local funding received during the previous fiscal year	176,751	-
Total unearned revenue	\$ <u>3,496,976</u>	\$ <u>448,412</u>

Note 19-Subsequent Event-Transfer of Operations:

The Western Virginia Water Authority (Authority) is currently working with the Ferrum Water and Sewer Authority (FWSA) to transfer operations of the FWSA to the Authority. Terms of the agreement are still under negotiation; however, it is expected that the transfer will occur prior to June 30, 2025.

Note 20-Upcoming Pronouncements:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

WESTERN VIRGINIA WATER AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

Note 20-Upcoming Pronouncements: (Continued)

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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.

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

Required Supplementary Information

Schedule of Authority's Proportionate Share of the Net Pension Liability (Asset)
VRS Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2023

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Employer's Proportionate Share of the NPLA (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
Virginia Retirement System Plan					
2023	98.9656% \$	(97,400) \$	14,041,324	-0.69%	100.39%
2022	98.6137%	(1,435,927)	11,820,229	-12.15%	106.62%
2021	98.4059%	(2,523,101)	11,076,357	-22.78%	112.45%
2020	98.9800%	329,375	10,794,174	3.05%	98.17%
2019	99.2288%	(448,215)	10,303,051	-4.35%	102.69%
2018	98.6714%	(1,170,056)	9,901,457	-11.82%	108.13%
2017	98.5944%	(954,863)	9,644,034	-9.90%	107.42%
2016	98.7264%	375,007	8,976,762	4.18%	96.87%
2015	100.0000%	139,166	8,650,612	1.61%	98.74%
2014	100.0000%	(399,624)	8,243,754	-4.85%	104.34%

Schedule of Employer Contributions

VRS Pension Plan

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contributions in Relation to			Contributions as a % of	
	Contractually Required Contribution (1)*	Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Covered Payroll (5)
2024	\$ 552,352	\$ 552,352	\$ -	\$ 15,539,074	3.55%
2023	511,898	511,898	-	14,041,324	3.65%
2022	457,663	457,663	-	11,820,229	3.87%
2021	443,820	443,820	-	11,076,357	4.01%
2020	411,061	411,061	-	10,794,174	3.81%
2019	412,555	412,555	-	10,303,051	4.00%
2018	558,333	558,333	-	9,901,457	5.64%
2017	532,816	532,816	-	9,644,034	5.52%
2016	577,393	577,393	-	8,976,762	6.43%
2015	563,177	563,177	-	8,650,612	6.51%

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

Notes to Required Supplementary Information
VRS Pension Plan
Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Schedule of Authority's Proportionate Share of the Net Pension Liability (Asset)
 Roanoke City Pension Plan
 For the Measurement Dates of June 30, 2014 through June 30, 2023

Authority's Share of Roanoke City's Pension Plan (a cost-sharing multiple employer plan)

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Employer's Proportionate Share of the NPLA (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
Roanoke City Pension Plan					
2023	2.1250% \$	5,614,994 \$	1,804,836	311.11%	62.84%
2022	2.3137%	5,745,901	1,777,230	323.31%	63.67%
2021	2.3276%	1,074,525	1,757,817	61.13%	92.02%
2020	2.3218%	3,512,493	1,747,735	200.97%	74.35%
2019	2.5193%	3,500,805	1,895,201	184.72%	75.62%
2018	2.6667%	3,388,704	1,997,207	169.67%	77.32%
2017	2.9178%	4,191,261	2,169,469	193.19%	73.96%
2016	3.1591%	5,359,429	2,449,994	218.75%	68.70%
2015	3.4588%	4,847,558	2,354,112	205.92%	73.81%
2014	3.5119%	4,122,465	2,505,800	164.52%	77.23%

Schedule of Employer Contributions

Roanoke City Pension Plan

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contributions in Relation to			Contributions as a % of	
	Contractually Required Contribution (1)*	Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Covered Payroll (5)
2024	\$ 382,887	\$ 382,887	\$ -	\$ 1,811,197	21.14%
2023	259,355	259,355	-	1,804,836	14.37%
2022	286,134	286,134	-	1,777,230	16.10%
2021	286,700	286,700	-	1,757,817	16.31%
2020	290,124	290,124	-	1,747,735	16.60%
2019	315,172	315,172	-	1,895,201	16.63%
2018	340,324	340,324	-	1,997,207	17.04%
2017	342,993	342,993	-	2,169,469	15.81%
2016	383,179	383,179	-	2,449,994	15.64%
2015	523,319	523,319	-	2,354,112	22.23%

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

Notes to Required Supplementary Information
 Roanoke City Pension Plan
 For the Year Ended June 30, 2024

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

Changes in assumptions - For the Roanoke City Retirement Plan, the following changes in actuarial assumptions were made effective June 30, 2023 based on the most recent experience study for the System for the five years period ending June 30, 2021.

Interest Rate	7.00% as of June 30, 2023, no change from the prior year.
Inflation	2.50% as of June 30, 2023, no change from the prior year.
Mortality Rates	Mortality rates of pre-retirement and healthy annuitants were based on Pub-2010 table, for both General Employees and Public Safety Employees, amount-weighted with Scale MP-2021. For disabled, mortality rates were based on Pub-2010 table, for both General Disabled Employees and Public Safety Disabled Employees, amount weighted with Scale MP-2021.
Salary Increases average, including inflation	3.50% as of June 30, 2023
COLA Supplement	1.67% for eligible participants, based on 2/3 of assumed 2.50% inflation

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Health Insurance
For the Measurement Dates of June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 39,540	\$ 52,388	\$ 79,697	\$ 92,287	\$ 77,347	\$ 71,887	\$ 74,108
Interest	114,468	116,294	79,242	85,504	139,921	156,844	149,623
Effect of economic/demographic gains or losses	(619,172)	-	419,451	-	(38,803)	-	-
Effect of assumption changes or inputs	(24,026)	74,458	(563,367)	9,350	75,389	90,434	(97,052)
Benefit payments	(372,218)	(386,400)	(357,453)	(392,023)	(401,867)	(357,613)	(336,000)
Net change in total OPEB liability	\$ (861,408)	\$ (143,260)	\$ (342,430)	\$ (204,882)	\$ (148,013)	\$ (38,448)	\$ (209,321)
Total OPEB liability - beginning	3,281,013	3,424,273	3,766,703	3,971,585	4,119,598	4,158,046	4,367,367
Total OPEB liability - ending	\$ 2,419,605	\$ 3,281,013	\$ 3,424,273	\$ 3,766,703	\$ 3,971,585	\$ 4,119,598	\$ 4,158,046
Covered-employee payroll	\$ 12,888,482	\$ 12,888,482	\$ 12,888,482	\$ 12,888,482	\$ 12,888,482	\$ 12,160,246	\$ 12,160,246
Authority's total OPEB liability (asset)							
as a percentage of covered payroll	18.77%	25.46%	26.57%	29.23%	30.81%	33.88%	34.19%

Note: The 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.

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

Notes to Required Supplementary Information
Health Insurance
For the Year Ended June 30, 2024

Valuation Date: 1/1/2024
Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.93% as of June 30, 2024; 3.65% as of June 30, 2023
Inflation	2.50% per year as of June 30, 2024; 2.50% per year as of June 30, 2023
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.30% in 2024 decreasing gradually to 3.70% by the year 2073.
Salary Increase Rates	Salary increase rates range from 2.50% to 5.00%
Retirement Age	The average age at retirement is 62.5
Mortality Rates	Mortality rates for pre-retirement and post-retirement employees were 125% of RP-2000 Combined Healthy mortality rates for males and females with generational mortality projections using Scale AA. Mortality rates for post-disabled employees were based on RP-2014 adjusted to 2006 Disabled Retiree mortality rates for males and females.

Schedule of Authority's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2023

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)
Western Virginia Water Authority Group Life Insurance Plan					
2023	0.0598% \$	717,486	\$ 13,820,556	5.19%	69.30%
2022	0.0544%	654,853	11,804,259	5.55%	67.21%
2021	0.0544%	633,006	11,581,687	5.47%	67.45%
2020	0.0532%	886,694	10,961,923	8.09%	52.64%
2019	0.0536%	873,239	10,444,808	8.36%	52.00%
2018	0.0528%	802,199	9,901,457	8.10%	51.22%
2017	0.0523%	787,116	9,644,034	8.16%	48.86%

City of Roanoke Group Life Insurance Plan

2023	0.0073% \$	87,123	\$ 1,651,296	5.28%	69.30%
2022	0.0080%	95,830	1,774,259	5.40%	67.21%
2021	0.0083%	96,669	1,803,191	5.36%	67.45%
2020	0.0085%	142,364	1,802,500	7.90%	52.64%
2019	0.0094%	153,278	1,894,038	8.09%	52.00%
2018	0.0101%	153,868	1,997,207	7.70%	51.22%
2017	0.0113%	170,613	2,169,469	7.86%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2015 through June 30, 2024

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)
Western Virginia Water Authority Group Life Insurance Plan					
2024	\$ 83,056	\$ 83,056	\$ -	\$ 15,380,741	0.54%
2023	74,631	74,631	-	13,820,556	0.54%
2022	63,743	63,743	-	11,804,259	0.54%
2021	60,966	60,966	-	11,581,687	0.53%
2020	57,002	57,002	-	10,961,923	0.52%
2019	54,313	54,313	-	10,444,808	0.52%
2018	51,611	51,611	-	9,901,457	0.52%
2017	50,175	50,175	-	9,644,034	0.52%
2016	43,575	43,575	-	8,976,762	0.49%
2015	41,523	41,523	-	8,650,612	0.48%
City of Roanoke Group Life Insurance Plan					
2024	\$ 9,766	\$ 9,766	\$ -	\$ 1,808,519	0.54%
2023	8,917	8,917	-	1,651,296	0.54%
2022	9,581	9,581	-	1,774,259	0.54%
2021	9,492	9,492	-	1,803,191	0.53%
2020	9,373	9,373	-	1,802,500	0.52%
2019	9,849	9,849	-	1,894,038	0.52%
2018	10,854	10,854	-	1,997,207	0.54%
2017	9,888	9,888	-	2,169,469	0.46%
2016	11,893	11,893	-	2,449,994	0.49%
2015	11,300	11,300	-	2,354,112	0.48%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Other Supplementary Information

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Water Fund
Year Ended June 30, 2024

	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Water sales	\$ 36,321,788	\$ 35,901,192	\$ (420,596)
Water connection charges	250,000	356,069	106,069
Bulk sales	69,906	111,650	41,744
Fire service	1,711,258	1,787,359	76,101
Other fees	2,065,166	3,046,172	981,006
Total operating revenues	\$ 40,418,118	\$ 41,202,442	\$ 784,324
Operating Expenses:			
Water treatment administration	\$ 1,360,152	\$ 803,414	\$ 556,738
Water treatment plants/systems:			
Carvin's Cove	2,499,721	2,614,655	(114,934)
Spring Hollow	3,798,439	3,856,081	(57,642)
Crystal Spring	779,853	850,978	(71,125)
Falling Creek	67,500	59,449	8,051
Muse Spring	272,617	269,255	3,362
Smith Mountain Lake systems	508,500	531,672	(23,172)
Laboratory services	277,563	343,111	(65,548)
Water scada	27,819	24,819	3,000
Pump and storage operations	1,646,530	1,580,506	66,024
Well operations	612,819	567,097	45,722
Meter operations	1,504,034	1,473,125	30,909
Reservoir operations	442,698	418,538	24,160
Internal services	5,364,047	5,141,724	222,323
Field operations	7,286,885	7,849,330	(562,445)
Occupancy costs	18,500	17,800	700
Depreciation and amortization	9,300,151	9,300,151	-
Total operating expenses	\$ 35,767,828	\$ 35,701,705	\$ 66,123
Income from operations	\$ 4,650,290	\$ 5,500,737	\$ 850,447
Nonoperating Income (Expenses):			
Interest earned	\$ 350,000	\$ 1,393,400	\$ 1,043,400
Tower site rental	809,083	800,551	(8,532)
Office building lease income	91,419	69,162	(22,257)
Noncapital contributions	3,575,130	3,575,130	-
Gain (loss) on disposal of assets	-	33,633	33,633
Office building maintenance expense	(118,400)	(144,591)	(26,191)
Interest expense	(2,741,667)	(1,806,626)	935,041
Total nonoperating income (expenses)	\$ 1,965,565	\$ 3,920,659	\$ 1,955,094
Income (loss) before contributions, transfers, and special item	\$ 6,615,855	\$ 9,421,396	\$ 2,805,541
Capital contributions	\$ 10,832,397	\$ 11,992,288	\$ 1,159,891
Total capital contributions, transfers, and special item	\$ 10,832,397	\$ 11,992,288	\$ 1,159,891
Change in net position	\$ 17,448,252	\$ 21,413,684	\$ 3,965,432

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Water Pollution Control Fund
Year Ended June 30, 2024

	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Water pollution control charges	\$ 36,432,637	\$ 37,232,064	\$ 799,427
Sewer connection charges	115,000	115,750	750
Bulk sales	1,400,000	1,204,672	(195,328)
Septic disposal fees	525,000	560,969	35,969
Other fees	953,646	1,157,414	203,768
Total operating revenues	\$ 39,426,283	\$ 40,270,869	\$ 844,586
Operating Expenses:			
Water pollution control:			
Administration	\$ 1,144,037	\$ 709,294	\$ 434,743
Operations	6,393,380	6,650,731	(257,351)
Biosolids handling	1,247,500	1,093,959	153,541
Maintenance	1,967,521	1,800,544	166,977
Contract operations	74,419	67,516	6,903
Collection system metering	119,000	82,802	36,198
Metering and lift stations	368,735	317,026	51,709
Pretreatment	1,413,999	1,497,682	(83,683)
Internal services	5,364,047	5,141,724	222,323
Field operations	6,129,334	5,864,263	265,071
Westlake system	132,000	134,438	(2,438)
Botetourt system	754,137	682,546	71,591
Sewer scada	169,604	204,586	(34,982)
Occupancy costs	18,500	17,800	700
Depreciation and amortization	8,327,528	8,320,528	7,000
Total operating expenses	\$ 33,623,741	\$ 32,585,439	\$ 1,038,302
Income from Operations	\$ 5,802,542	\$ 7,685,430	\$ 1,882,888
Nonoperating Income (Expenses):			
Interest earned	\$ 300,000	\$ 896,226	\$ 596,226
Office building lease income	91,419	69,162	(22,257)
Noncapital contributions	702,287	942,839	240,552
Gain (loss) on sale of assets	-	14,478	14,478
Office building maintenance expense	(118,400)	(144,591)	(26,191)
Interest expense	(1,410,284)	(1,039,796)	370,488
Total nonoperating income (expenses)	\$ (434,978)	\$ 738,318	\$ 1,173,296
Income before contributions and special item	\$ 5,367,564	\$ 8,423,748	\$ 3,056,184
Capital contributions	\$ 2,516,877	\$ 4,834,583	\$ 2,317,706
Total capital contributions and special item	\$ 2,516,877	\$ 4,834,583	\$ 2,317,706
Change in net position	\$ 7,884,441	\$ 13,258,331	\$ 5,373,890

STATISTICAL SECTION

Statistical Section

This part of Western Virginia Water Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Contents

Financial Trends – Tables 1-6

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time as well as show how the revenue and expenses are split between the water and sewer departments.

Revenue Trends and Capacity – Tables 7-10

These schedules contain trend information to help the reader assess the Authority's most significant revenue sources, user rates, and the growth in water and sewer connections.

Debt Service Trends and Capacity – Tables 11-12

These schedules present trend information to help the reader assess the Authority's current levels of outstanding debt and the capacity to acquire additional debt with appropriate revenue coverage.

Demographic and Economic Information – Tables 13-14

These schedules offer demographic and economic indicators for the participating localities to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information – Tables 15-18

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year.

WESTERN VIRGINIA WATER AUTHORITY

Table 1

Net Position By Component
Last Ten Fiscal Years

Water Fund	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 367,740,071	\$ 351,852,383	\$ 342,088,180	\$ 331,520,925	\$ 314,740,182	\$ 301,974,321	\$ 287,890,542	\$ 282,942,997	\$ 275,106,163	\$ 270,599,041
Restricted	44,585	652,333	1,213,408	-	-	-	-	-	-	-
Unrestricted	36,396,325	30,262,581	28,860,962	26,234,892	26,565,703	26,236,924	29,178,886	23,204,697	24,852,838	19,563,477
Total water fund net position	\$ 404,180,981	\$ 382,767,297	\$ 372,162,550	\$ 357,755,817	\$ 341,305,885	\$ 328,211,245	\$ 317,069,428	\$ 306,147,694	\$ 299,959,001	\$ 290,162,518

Water Pollution Control Fund

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 272,195,014	\$ 266,988,499	\$ 262,038,095	\$ 251,025,723	\$ 240,257,886	\$ 228,054,486	\$ 210,243,831	\$ 201,691,716	\$ 197,395,104	\$ 253,826,266
Restricted	52,815	783,594	1,309,693	-	-	-	-	-	-	-
Unrestricted	24,210,270	15,427,675	12,578,663	12,138,249	13,519,382	16,628,357	25,205,455	26,014,831	26,549,498	24,792,661
Total water pollution control fund net position	\$ 296,458,099	\$ 283,199,768	\$ 275,926,451	\$ 263,163,972	\$ 253,777,268	\$ 244,682,843	\$ 235,449,286	\$ 227,706,547	\$ 223,944,602	\$ 278,618,927

Western Virginia Water Authority (Total all funds)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 639,935,085	\$ 618,840,882	\$ 604,126,275	\$ 582,546,648	\$ 554,998,068	\$ 530,028,807	\$ 498,134,373	\$ 484,634,713	\$ 472,501,267	\$ 524,425,307
Restricted	97,400	1,435,927	2,523,101	-	-	-	-	-	-	-
Unrestricted	60,606,595	45,690,256	41,439,625	38,373,141	40,085,085	42,865,281	54,384,341	49,219,528	51,402,336	44,356,138
Total Western Virginia Water Authority	\$ 700,639,080	\$ 665,967,065	\$ 648,089,001	\$ 620,919,789	\$ 595,083,153	\$ 572,894,088	\$ 552,518,714	\$ 533,854,241	\$ 523,903,603	\$ 568,781,445

Restatements have been applied retroactively to the extent possible with available data.

Note: GASB No. 87 was implemented in fiscal year 2022. Prior year information has not been adjusted to reflect the impact of GASB No. 87.

Note: GASB No. 96 was implemented in fiscal year 2023. Prior year information has not been adjusted to reflect the impact of GASB No. 96.

Changes in Net Position
Last Ten Fiscal Years

Water Fund

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues/ (Expenses)	Income/(Loss) before Capital Contributions	Capital Contributions	Change in Net Position
2015	\$ 28,344,557	\$ 24,106,927	\$ 4,237,630	\$ (571,705)	\$ 3,665,925	\$ 1,412,193	\$ 5,078,118
2016	30,594,647	22,493,540	8,101,107	33,364	8,134,471	10,425,679	18,560,150
2017	31,692,276	23,146,458	8,545,818	(800,091)	7,745,727	987,935	8,733,662
2018	32,535,962	23,850,906	8,685,056	(623,955)	8,061,101	2,860,633	10,921,734
2019	33,024,141	24,612,088	8,412,053	(475,385)	7,936,668	3,205,149	11,141,817
2020	33,906,922	25,510,520	8,396,402	(550,472)	7,845,930	5,248,710	13,094,640
2021	34,139,592	26,026,337	8,113,255	(234,404)	7,878,851	8,571,081	16,449,932
2022	35,156,245	26,179,012	8,977,233	(375,340)	8,601,893	5,804,840	14,406,733
2023	37,893,135	30,397,860	7,495,275	164,599	7,659,874	2,944,873	10,604,747
2024	41,202,442	35,701,705	5,500,737	3,920,659	9,421,396	11,992,288	21,413,684

Water Pollution Control Fund

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues/ (Expenses)	Income/(Loss) before Capital Contributions	Capital Contributions	Change in Net Position
2015	\$ 28,850,165	\$ 23,734,208	\$ 5,115,957	\$ (1,713,406)	\$ 3,402,551	\$ 3,674,333	\$ 7,076,884
2016	31,427,048	23,976,771	7,450,277	(2,368,015)	5,082,262	3,776,313	8,858,575
2017	31,414,514	24,904,557	6,509,957	(2,107,103)	4,402,854	2,081,666	6,484,520
2018	31,773,686	25,668,356	6,105,330	(1,440,239)	4,665,091	3,077,648	7,742,739
2019	33,164,342	25,429,006	7,735,336	(1,091,578)	6,643,758	2,589,799	9,233,557
2020	33,078,636	27,755,649	5,322,987	(1,047,312)	4,275,675	4,818,750	9,094,425
2021	33,522,333	26,257,539	7,264,794	(1,196,716)	6,068,078	3,318,626	9,386,704
2022	34,678,941	26,165,921	8,513,020	(1,248,576)	7,264,444	5,498,035	12,762,479
2023	38,428,761	31,024,676	7,404,085	(695,248)	6,708,837	564,480	7,273,317
2024	40,270,869	32,585,439	7,685,430	738,318	8,423,748	4,834,583	13,258,331

Western Virginia Water Authority (Total all funds)

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues/ (Expenses)	Income/(Loss) before Capital Contributions	Capital Contributions	Change in Net Position
2015	\$ 57,194,722	\$ 47,841,135	\$ 9,353,587	\$ (2,285,111)	\$ 7,068,476	\$ 5,086,526	\$ 12,155,002
2016	62,021,695	46,470,311	15,551,384	(2,334,651)	13,216,733	14,201,992	27,418,725
2017	63,106,790	48,051,015	15,055,775	(2,907,194)	12,148,581	3,069,601	15,218,182
2018	64,309,648	49,519,262	14,790,386	(2,064,194)	12,726,192	5,938,281	18,664,473
2019	66,188,483	50,041,094	16,147,389	(1,566,963)	14,580,426	5,794,948	20,375,374
2020	66,985,558	53,266,169	13,719,389	(1,597,784)	12,121,605	10,067,460	22,189,065
2021	67,661,925	52,283,876	15,378,049	(1,431,120)	13,946,929	11,889,707	25,836,636
2022	69,835,186	52,344,933	17,490,253	(1,623,916)	15,866,337	11,302,875	27,169,212
2023	76,321,896	61,422,536	14,899,360	(530,649)	14,368,711	3,509,353	17,878,064
2024	81,473,311	68,287,144	13,186,167	4,658,977	17,845,144	16,826,871	34,672,015

Restatements have been applied retroactively to the extent possible with available data.

Note: GASB No. 87 was implemented in fiscal year 2022. Prior year information has not been adjusted to reflect the impact of GASB No. 87.

Note: GASB No. 96 was implemented in fiscal year 2023. Prior year information has not been adjusted to reflect the impact of GASB No. 96.

Operating Revenues By Source
Last Ten Fiscal Years

Water Fund

Fiscal Year	Customer Charges	Connection Fees	Bulk Sales	Fire Service	Other Revenues	Total
2015	\$ 25,460,809	\$ 268,972	\$ 413,312	\$ 1,293,822	\$ 907,642	\$ 28,344,557
2016	28,039,511	199,344	145,539	1,390,143	820,110	30,594,647
2017	28,650,637	208,811	134,933	1,383,328	1,314,567	31,692,276
2018	29,488,341	202,362	141,951	1,408,434	1,294,874	32,535,962
2019	30,055,104	168,350	158,745	1,454,906	1,187,036	33,024,141
2020	30,787,729	261,673	207,235	1,499,946	1,150,339	33,906,922
2021	31,275,232	260,392	242,530	1,530,169	831,269	34,139,592
2022	31,593,057	307,678	205,784	1,590,309	1,459,417	35,156,245
2023	34,108,652	313,800	61,458	1,685,374	1,723,851	37,893,135
2024	35,901,192	356,069	111,650	1,787,359	3,261,516	41,417,786

Water Pollution Control Fund

Fiscal Year	Customer Charges	Connection Fees	Bulk Sales	Septic Disp. Fees	Other Revenues	Total
2015	\$ 25,864,309	\$ 73,050	\$ 2,257,530	\$ -	\$ 655,276	\$ 28,850,165
2016	28,190,896	73,625	2,550,203	-	612,324	31,427,048
2017	28,122,335	122,380	1,836,774	-	1,333,025	31,414,514
2018	28,620,774	95,750	1,645,759	-	1,411,403	31,773,686
2019	29,275,296	86,400	2,299,175	-	1,503,471	33,164,342
2020	29,806,176	156,750	1,750,580	483,658	881,472	33,078,636
2021	30,145,178	95,250	2,234,472	474,893	572,540	33,522,333
2022	31,060,128	97,000	1,878,673	461,150	1,181,990	34,678,941
2023	34,584,605	101,500	1,233,085	513,804	1,995,767	38,428,761
2024	37,232,064	115,750	1,204,672	560,969	1,372,758	40,486,213

Western Virginia Water Authority (Total all funds)

Fiscal Year	Customer Charges	Connection Fees	Bulk Sales	Fire Service/ Septic Fees	Other Revenues	Total
2015	\$ 51,325,118	\$ 342,022	\$ 2,670,842	\$ 1,293,822	\$ 1,562,918	\$ 57,194,722
2016	56,230,407	272,969	2,695,742	1,390,143	1,432,434	62,021,695
2017	56,772,972	331,191	1,971,707	1,383,328	2,647,592	63,106,790
2018	58,109,115	298,112	1,787,710	1,408,434	2,706,277	64,309,648
2019	59,330,400	254,750	2,457,920	1,454,906	2,690,507	66,188,483
2020	60,593,905	418,423	1,957,815	1,983,604	2,031,811	66,985,558
2021	61,420,410	355,642	2,477,002	2,005,062	1,403,809	67,661,925
2022	62,653,185	404,678	2,084,457	2,051,459	2,641,407	69,835,186
2023	68,693,257	415,300	1,294,543	2,199,178	3,719,618	76,321,896
2024	73,133,256	471,819	1,316,322	2,348,328	4,634,274	81,903,999

Operating Expenses
Last Ten Fiscal Years

Water Fund

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water Purchases	\$ -	\$ -	\$ -	\$ 2,198	\$ 2,162	\$ 7,165	\$ 1,955	\$ 1,727	\$ 1,659	\$ 1,826
Water Treatment	9,353,434	6,035,713	5,699,366	5,228,931	4,931,876	4,637,924	3,844,175	3,960,397	3,788,986	3,771,537
Contract Operations	-	-	-	130,231	-	18,298	21,286	17,651	21,556	14,264
Pump & Storage Operations	1,580,506	1,541,980	1,314,841	1,489,809	1,137,013	1,644,778	1,506,112	1,396,956	1,008,631	1,031,549
Reservoir & Well Operations	985,635	914,572	723,899	571,075	625,825	696,280	729,604	502,054	459,828	464,107
Meter Operations	1,473,125	1,395,470	1,170,340	1,261,646	1,894,090	1,532,228	1,842,268	1,805,187	1,677,561	1,603,979
Water Distribution	7,849,330	6,098,086	4,722,862	5,249,463	4,780,859	4,553,201	4,098,177	4,419,301	4,277,866	4,087,283
Utility Administration	5,357,068	4,959,587	3,869,659	3,625,982	3,805,630	3,552,951	4,294,457	4,084,798	4,068,471	3,804,364
Occupancy Cost	17,800	33,913	23,023	26,716	26,368	25,582	24,505	24,433	20,926	22,120
Depreciation and amortization	9,300,151	9,418,539	8,655,022	8,440,286	8,306,697	7,943,681	7,488,367	6,933,954	7,168,056	9,305,898
Total Operating Expenses	\$ 35,917,049	\$ 30,397,860	\$ 26,179,012	\$ 26,026,337	\$ 25,510,520	\$ 24,612,088	\$ 23,850,906	\$ 23,146,458	\$ 22,493,540	\$ 24,106,927

Water Pollution Control Fund

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
WPC Utility Administration	\$ 7,564,044	\$ 6,891,164	\$ 5,399,906	\$ 5,495,857	\$ 5,457,646	\$ 4,695,251	\$ 4,879,362	\$ 4,284,332	\$ 4,391,189	\$ 4,244,370
WPC Operations	6,855,317	6,479,039	4,678,417	4,524,015	4,662,896	4,740,064	3,925,718	4,219,644	4,276,047	4,172,866
WPC Maintenance	1,800,544	1,734,654	1,460,853	1,535,753	2,054,275	1,887,451	1,887,471	1,806,221	1,947,470	1,817,113
Contract Operations	67,516	75,821	127,890	110,124	197,389	217,115	299,555	180,510	149,539	115,032
Biosolids Handling	1,093,959	678,000	1,183,311	1,146,939	1,301,614	936,103	1,337,939	1,258,615	1,217,458	1,097,311
WPC Distribution	6,681,247	6,097,433	5,070,262	5,285,126	5,535,287	3,800,125	3,815,666	3,840,369	3,550,305	3,322,875
Inflow & Infiltration Control	-	-	-	-	-	911,061	1,225,231	1,086,491	1,134,758	1,293,613
Metering & Lift Stations	399,828	326,472	232,455	413,866	551,055	358,897	394,873	431,223	436,005	348,152
Occupancy Cost	17,800	33,913	23,023	26,715	26,368	25,582	24,505	22,639	20,926	22,120
Depreciation and amortization	8,320,528	8,708,180	7,989,804	7,719,144	7,969,119	7,857,357	7,878,036	7,774,513	6,853,074	7,300,756
Total Operating Expenses	\$ 32,800,783	\$ 31,024,676	\$ 26,165,921	\$ 26,257,539	\$ 27,755,649	\$ 25,429,006	\$ 25,668,356	\$ 24,904,557	\$ 23,976,771	\$ 23,734,208

Western Virginia Water Authority (Total all funds)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Utility Administration	\$ 12,921,112	\$ 11,850,751	\$ 9,269,565	\$ 9,121,839	\$ 9,263,276	\$ 8,248,202	\$ 9,173,819	\$ 8,369,130	\$ 8,459,660	\$ 8,048,734
Operations and Maintenance	12,762,643	12,141,536	9,476,240	9,622,653	10,571,488	10,736,214	10,212,014	9,928,223	9,540,632	9,218,910
Distribution	14,530,577	12,195,519	9,793,124	10,534,589	10,316,146	8,353,326	7,913,843	8,259,670	7,828,171	7,410,158
Water Purchases	-	-	-	2,198	2,162	7,165	1,955	1,727	1,659	1,826
Water Treatment	9,353,434	6,035,713	5,699,366	5,228,931	4,931,876	4,637,924	3,844,175	3,960,397	3,788,986	3,771,537
Biosolids Handling	1,093,959	678,000	1,183,311	1,146,939	1,301,614	936,103	1,337,939	1,258,615	1,217,458	1,097,311
Inflow & Infiltration Control	-	-	-	-	-	911,061	1,225,231	1,086,491	1,134,758	1,293,613
Metering & Lift Stations	399,828	326,472	232,455	413,866	551,055	358,897	394,873	431,223	436,005	348,152
Occupancy Cost	35,600	67,826	46,046	53,431	52,736	51,164	49,010	47,072	41,852	44,240
Depreciation and amortization	17,620,679	18,126,719	16,644,826	16,159,430	16,275,816	15,801,038	15,366,403	14,708,467	14,021,130	16,606,654
Total Operating Expenses	\$ 68,717,832	\$ 61,422,536	\$ 52,344,933	\$ 52,283,876	\$ 53,266,169	\$ 50,041,094	\$ 49,519,262	\$ 48,051,015	\$ 46,470,311	\$ 47,841,135

Nonoperating Revenues and Expenses
Last Ten Fiscal Years

Water Fund

Fiscal Year	Interest Earned	Rental Income	Gain (Loss) on Disposal of Assets	Insurance Recoveries	Rental Expense	Interest Expense	Noncapital Contributions	Total Nonoperating Income/ (Expenses)
2015	\$ 17,230	\$ 587,917	\$ 45,144	\$ 30,887	\$ (125,829)	\$ (1,817,881)	\$ 690,827	\$ (571,705)
2016	25,459	617,475	1,114,048	-	(122,976)	(2,202,770)	602,128	33,364
2017	72,331	633,115	(173,635)	-	(141,648)	(1,929,990)	739,736	(800,091)
2018	347,712	719,081	3,408	-	(128,439)	(2,298,009)	732,292	(623,955)
2019	465,200	757,539	28,127	-	(120,599)	(2,329,826)	724,174	(475,385)
2020	341,835	730,152	20,842	-	(103,217)	(2,084,038)	543,954	(550,472)
2021	137,056	761,067	303,563	-	(113,915)	(1,860,521)	538,346	(234,404)
2022	267,258	829,462	27,747	-	(107,659)	(1,923,732)	531,584	(375,340)
2023	861,262	933,475	25,460	-	(197,374)	(1,986,964)	528,740	164,599
2024	1,393,400	869,713	33,633	-	(144,591)	(1,806,626)	3,575,130	3,920,659

Water Pollution Control Fund

Fiscal Year	Interest Earned	Rental Income	Gain (Loss) on Disposal of Assets	Insurance Recoveries	Rental Expense	Interest Expense	Noncapital Contributions	Total Nonoperating Income/ (Expenses)
2015	\$ 44,840	\$ 97,195	\$ 23,650	\$ 241	\$ (125,829)	\$ (1,753,503)	\$ -	\$ (1,713,406)
2016	62,754	97,471	32,566	-	(122,976)	(2,437,830)	-	(2,368,015)
2017	115,549	100,326	5,004	-	(141,648)	(2,186,334)	-	(2,107,103)
2018	351,586	104,635	6,990	-	(128,439)	(1,775,011)	-	(1,440,239)
2019	501,009	96,213	11,970	-	(120,599)	(1,580,171)	-	(1,091,578)
2020	486,946	69,295	18,204	-	(103,217)	(1,518,540)	-	(1,047,312)
2021	148,391	69,302	42,327	-	(113,915)	(1,342,821)	-	(1,196,716)
2022	108,873	68,973	9,740	-	(107,659)	(1,328,503)	-	(1,248,576)
2023	535,590	131,362	5,203	-	(134,985)	(1,232,418)	-	(695,248)
2024	896,226	69,162	14,478	-	(144,591)	(1,039,796)	942,839	738,318

Western Virginia Water Authority (Total all funds)

Fiscal Year	Interest Earned	Rental Income	Gain (Loss) on Disposal of Assets	Insurance Recoveries	Rental Expense	Interest Expense	Noncapital Contributions	Total Nonoperating Income/ (Expenses)
2015	\$ 62,070	\$ 685,112	\$ 68,794	\$ 31,128	\$ (251,658)	\$ (3,571,384)	\$ 690,827	\$ (2,285,111)
2016	88,213	714,946	1,146,614	-	(245,952)	(4,640,600)	602,128	(2,334,651)
2017	187,880	733,441	(168,631)	-	(283,296)	(4,116,324)	739,736	(2,907,194)
2018	699,298	823,716	10,398	-	(256,878)	(4,073,020)	732,292	(2,064,194)
2019	966,209	853,752	40,097	-	(241,198)	(3,909,997)	724,174	(1,566,963)
2020	828,781	799,447	39,046	-	(206,434)	(3,602,578)	543,954	(1,597,784)
2021	285,447	830,369	345,890	-	(227,830)	(3,203,342)	538,346	(1,431,120)
2022	376,131	898,435	37,487	-	(215,318)	(3,252,235)	531,584	(1,623,916)
2023	1,396,852	1,064,837	30,663	-	(332,359)	(3,219,382)	528,740	(530,649)
2024	2,289,626	938,875	48,111	-	(289,182)	(2,846,422)	4,517,969	4,658,977

Note: GASB No. 87 was implemented in fiscal year 2022. Prior year information has not been adjusted to reflect the impact of GASB No. 87.

Note: GASB No. 96 was implemented in fiscal year 2023. Prior year information has not been adjusted to reflect the impact of GASB No. 96.

Annual Capital Contributions by Source
Last Ten Fiscal Years

Water Fund

Fiscal Year	Water Availability Fees	Developer Contributions	Governments	Other	Total
2015	\$ 890,376	\$ 316,900	\$ 204,917	\$ -	\$ 1,412,193
2016	815,750	3,322,487	832,744	-	4,970,981
2017	771,828	181,220	34,887	-	987,935
2018	1,322,250	807,785	730,598	-	2,860,633
2019	963,250	1,295,170	946,729	-	3,205,149
2020	1,135,500	1,201,525	2,711,685	200,000	5,248,710
2021	1,063,500	1,169,850	668,579	5,669,252	8,571,181
2022	1,597,500	781,340	2,985,150	440,850	5,804,840
2023	1,061,667	1,145,050	2,057,583	968,105	5,232,405
2024	1,458,000	690,450	6,523,691	3,320,147	11,992,288

Water Pollution Control Fund

Fiscal Year	Sewer Availability Fees	Developer Contributions	Governments	Other	Total
2015	\$ 726,500	\$ 347,910	\$ 2,599,923	\$ -	\$ 3,674,333
2016	842,500	1,574,298	809,475	-	3,226,273
2017	825,500	220,450	1,035,716	-	2,081,666
2018	1,274,400	710,295	1,092,953	-	3,077,648
2019	1,053,350	632,950	903,499	-	2,589,799
2020	1,043,000	690,270	3,085,480	-	4,818,750
2021	1,018,250	1,022,900	1,277,476	-	3,318,626
2022	1,448,500	731,400	2,626,739	691,396	5,498,035
2023	894,250	994,890	1,171,780	83,488	3,144,408
2024	1,215,500	397,560	3,065,176	156,347	4,834,583

Western Virginia Water Authority (Total all funds)

Fiscal Year	Availability Fees	Developer Contributions	Governments	Other	Total
2015	\$ 1,616,876	\$ 664,810	\$ 2,804,840	\$ -	\$ 5,086,526
2016	1,658,250	4,896,785	1,642,219	-	8,197,254
2017	1,597,328	401,670	1,070,603	-	3,069,601
2018	2,596,650	1,518,080	1,823,551	-	5,938,281
2019	2,016,600	1,928,120	1,850,228	-	5,794,948
2020	2,178,500	1,891,795	5,797,165	200,000	10,067,460
2021	2,081,750	2,192,750	1,946,055	5,669,252	11,889,807
2022	3,046,000	1,512,740	5,611,889	1,132,246	11,302,875
2023	1,955,917	2,139,940	3,229,363	1,051,593	8,376,813
2024	2,673,500	1,088,010	9,588,867	3,476,494	16,826,871

Water Produced, Consumed and Wastewater Treated
 Gallons In Thousands
 Last Ten Fiscal Years

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated (1)
2015	6,971,725	5,074,953	1,896,772	27%	13,351,400
2016	7,178,773	5,272,062	1,906,711	27%	16,324,800
2017	7,459,384	5,133,048	2,326,336	31%	13,714,900
2018	7,362,390	5,224,934	2,137,456	29%	11,490,800
2019	6,861,308	5,127,958	1,733,350	25%	16,591,900
2020	6,645,576	5,055,073	1,590,503	24%	13,772,300
2021	6,826,918	5,026,836	1,800,082	26%	14,276,300
2022	6,904,483	4,999,486	1,904,997	28%	11,247,600
2023	6,799,402	5,335,641	1,463,761	22%	12,620,500
2024	6,892,425	5,331,785	1,560,640	23%	11,234,300

(1) Regional flow

Data provided by Western Virginia Water Authority Billing & Customer Service.

Number of Customer Locations
Last Ten Fiscal Years

Fiscal Year	Water			Sewer				Total	
	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Bulk	Water	Sewer
2015	52,560	5,157	27	47,872	4,086	12	3	57,744	51,973
2016	53,831	5,257	34	49,704	4,491	22	2	59,122	54,219
2017	56,551	5,578	35	51,292	4,572	23	2	62,163	55,889
2018	57,037	5,615	33	51,567	4,502	19	2	62,685	56,090
2019	57,342	5,597	34	51,876	4,611	23	2	62,973	56,512
2020	57,729	5,699	34	52,115	4,601	23	2	63,462	56,741
2021	58,125	5,735	35	52,614	4,685	23	2	63,895	57,324
2022	58,276	5,760	35	52,374	4,666	23	2	64,071	57,065
2023	61,595	5,294	27	55,028	5,132	27	1	66,916	60,188
2024	63,405	6,363	38	55,163	5,110	26	1	69,806	60,300

Data provided by Western Virginia Water Authority Billing & Customer Service.

Schedule of User Rates (1)
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water Rates:										
City of Roanoke Residents (3)										
Water Fixed Rate	\$14.50	\$13.00	\$13.00	\$12.75	\$12.75	\$12.25	\$11.75	\$11.25	\$10.75	\$10.25
Water Variable Rate	3.35	3.35	3.20	3.20	3.20	3.00	3.00	3.00	3.00	3.00
Average monthly residential bill	31.25	29.75	29.00	28.75	28.75	27.25	26.75	26.25	25.75	25.25
County of Roanoke Residents (3)										
Water Fixed Rate	\$14.50	\$13.00	\$13.00	\$12.75	\$12.75	\$12.25	\$11.75	\$11.25	\$10.75	\$10.25
Water Variable Rate	3.35	3.35	3.20	3.20	3.20	3.00	3.00	3.00	3.00	3.00
Average monthly residential bill	31.25	29.75	29.00	28.75	28.75	27.25	26.75	26.25	25.75	25.25
County of Franklin Residents (3)										
Water Fixed Rate	\$14.50	\$13.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Water Variable Rate	3.35	3.35	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Average monthly residential bill	31.25	29.75	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
County of Botetourt Residents (3)										
Water Fixed Rate	\$14.50	\$13.00	\$13.00	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25	na
Water Variable Rate	3.35	3.35	4.00	4.75	4.75	4.75	4.75	4.75	4.75	na
Average monthly residential bill	31.25	29.75	33.00	36.00	36.00	36.00	36.00	36.00	36.00	na
Sewer Rates:										
City of Roanoke Residents (3)										
Sewer Fixed Rate	\$20.35	\$18.00	\$16.50	\$16.50	\$16.50	\$15.50	\$14.75	\$14.25	\$13.75	\$13.00
Sewer Variable Rate	4.20	4.20	4.20	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Average monthly residential bill	41.35	39.00	37.50	35.25	35.25	34.25	33.50	33.00	32.50	31.75
County of Roanoke Residents (3)										
Sewer Fixed Rate	\$20.35	\$18.00	\$16.50	\$16.50	\$16.50	\$15.50	\$14.75	\$14.25	\$13.75	\$13.00
Sewer Variable Rate	4.20	4.20	4.20	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Average monthly residential bill	41.35	39.00	37.50	35.25	35.25	34.25	33.50	33.00	32.50	31.75
County of Franklin Residents (3)										
Sewer Fixed Rate	\$20.35	\$18.00	\$16.50	\$16.50	\$16.50	\$15.50	\$14.75	\$14.25	\$11.00	\$11.00
Sewer Variable Rate	4.20	4.20	4.20	4.20	4.20	6.00	6.35	6.75	7.60	7.60
Average monthly residential bill	41.35	39.00	37.50	37.50	37.50	45.50	46.50	48.00	49.00	49.00
County of Botetourt Residents (2)										
Sewer Fixed Rate	\$20.35	\$18.00	\$16.50	\$16.50	\$16.50	\$15.50	\$14.75	\$14.25	\$14.00	na
Sewer Variable Rate	4.20	4.20	4.20	3.75	3.75	3.75	3.75	3.75	3.75	na
Average monthly residential bill	41.35	39.00	37.50	35.25	35.25	34.25	33.50	33.00	32.75	na

Residential bill based on 5/8 inch meter using 5,000 gallons

(1) Beginning in fiscal year 2024, rates increased October 1. For fiscal years 2023-2015 rates increased January 1 of each year.

(2) County of Botetourt joined the Authority in fiscal year 2016, rates are not applicable for years before fiscal year 2016

(3) Rates approved by the Western Virginia Water Authority Board of Directors.

Data provided by Western Virginia Water Authority Billing & Customer Service.

Principal Customers-Current Year and Nine Years Prior
Comparison of June 30, 2024 and 2015

Customer	Fiscal Year 2024			
	Water Consumption		Sewer Flow	
	in 000/gals	% of System	in 000/gals	% of System
Coca Cola	98,501	1.8%	-	0.0%
City of Roanoke Redevelopment	88,351	1.7%	87,146	2.0%
Carilion	68,405	1.3%	68,300	1.6%
Dynax America Corporation	61,855	1.2%	61,855	1.5%
Steel Dynamics Roanoke	47,023	0.9%	42,101	1.0%
Norfolk Southern Corporation	46,367	0.9%	94,946	2.3%
Precision Fabrics Group	44,809	0.8%	21,018	0.5%
New Belgium Brewing Compnay	38,363	0.7%	34,527	0.8%
Midatlantic Apt Management LLC	37,463	0.7%	37,462	0.9%
ITT Exelis	33,918	0.6%	-	0.0%
Total consumption (principal customers)	565,055	10.6%	447,355	10.6%
Balance from other customers	4,766,730	89.4%	3,807,971	89.4%
Total system annual consumption	5,331,785	100.0%	4,255,326	100.0%

Customer	Fiscal Year 2015			
	Water Consumption		Sewer Flow	
	in 000/gals	% of System	in 000/gals	% of System
Norfolk Southern Corporation	210,294	4.1%	242,457	6.0%
Carilion Hospitals	108,742	2.1%	83,686	2.1%
Wometco Coca Cola	104,050	2.1%	15,945	0.4%
Roanoke Redevelopment and Housing Authority	94,442	1.9%	93,728	2.3%
Steel Dynamics	51,860	1.0%	28,816	0.7%
Hollins University	38,964	0.8%	31,489	0.8%
Snyder Hunt Corporation	36,861	0.7%	36,861	0.9%
City of Roanoke School Board	35,704	0.7%	35,516	0.9%
Village at Garst Creek	32,883	0.6%	32,883	0.8%
ITT	29,257	0.6%	23,581	0.6%
Total consumption (principal customers)	743,057	14.7%	624,962	15.5%
Balance from other customers	4,325,896	85.3%	3,414,924	84.5%
Total system annual consumption	5,068,953	100.0%	4,039,886	100.0%

Data provided by Western Virginia Water Authority Billing & Customer Service.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Water Fund

Fiscal Year	Revenue Bonds	Locality Compensation Payments	Lease Liabilities	Subscription Liabilities	Total	Per Connection
2015	\$ 70,843,099	\$ 2,863,500	\$ -	\$ -	\$ 73,706,599	\$ 1,250
2016	67,976,059	2,300,800	-	-	70,276,859	1,165
2017	65,094,505	1,953,900	-	-	67,048,405	1,108
2018	75,426,147	1,598,200	-	-	77,024,347	1,267
2019	75,254,507	1,224,800	-	-	76,479,307	1,252
2020	68,674,647	845,516	-	-	69,520,163	1,133
2021	62,012,532	420,614	-	-	62,433,146	1,014
2022	71,016,238	-	41,229	-	71,057,467	1,150
2023	75,949,870	2,801,500	65,476	239,387	79,056,233	1,172
2024	85,635,206	2,448,500	50,357	193,127	88,327,190	1,304

Water Pollution Control Fund

Fiscal Year	Revenue Bonds	Locality Compensation Payments	Lease Liabilities	Subscription Liabilities	Total	Per Connection
2015	\$ 73,806,707	\$ 9,774,390	\$ -	\$ -	\$ 83,581,097	\$ 1,603
2016	76,034,133	9,694,420	-	-	85,728,553	1,543
2017	70,724,505	8,990,778	-	-	79,715,283	1,430
2018	64,216,604	8,013,990	-	-	72,230,594	1,291
2019	58,015,111	7,031,409	-	-	65,046,520	1,158
2020	57,463,825	6,023,156	-	-	63,486,981	1,125
2021	52,556,305	5,001,339	-	-	57,557,644	1,017
2022	60,461,456	3,956,093	30,039	-	64,447,588	1,135
2023	58,879,623	5,694,421	42,696	239,387	64,856,127	1,047
2024	54,341,598	4,255,866	30,241	193,127	58,820,832	946

Western Virginia Water Authority (Total all funds)

Fiscal Year	Revenue Bonds	Locality Compensation Payments	Lease Liabilities	Subscription Liabilities	Total	Per Connection
2015	\$ 144,649,806	\$ 12,637,890	\$ -	\$ -	\$ 157,287,696	\$ 1,416
2016	144,010,192	11,995,220	-	-	156,005,412	1,346
2017	135,819,010	10,944,678	-	-	146,763,688	1,262
2018	139,642,751	9,612,190	-	-	149,254,941	1,279
2019	133,269,618	8,256,209	-	-	141,525,827	1,207
2020	126,138,472	6,868,672	-	-	133,007,144	1,129
2021	114,568,837	5,421,953	-	-	119,990,790	1,015
2022	131,477,694	3,956,093	71,268	-	135,505,055	1,143
2023	134,829,493	8,495,921	108,172	478,774	143,912,360	1,112
2024	139,976,804	6,704,366	80,598	386,254	147,148,022	1,133

Note: GASB No. 87 was implemented in fiscal year 2022. Prior year information has not been adjusted to reflect the impact of GASB No. 87.

Note: GASB No. 96 was implemented in fiscal year 2023. Prior year information has not been adjusted to reflect the impact of GASB No. 96.

Schedule of Debt Service & Coverage
Last Ten Fiscal Years

Water Fund

Fiscal Year	Operating Revenues	Availability Fees	Interest Earnings	Non-operating Revenues	Gross Revenues	Operating Expenses (excluding depreciation and amortization)	Non-operating Expenses	Net Available Revenues	Debt Service Requirements	Coverage Ratio
2015	\$ 28,344,557	\$ 890,376	\$ 17,230	\$ 1,354,775	\$ 30,606,938	\$ 14,801,029	\$ 125,829	\$ 15,680,080	\$ 7,463,889	2.10
2016	30,594,647	815,750	25,459	2,333,651	33,769,507	15,325,484	122,976	18,321,047	8,399,023	2.18
2017	31,692,276	771,828	72,331	1,372,851	33,909,286	16,212,504	141,648	17,555,134	7,245,574	2.42
2018	32,535,962	1,322,250	347,712	1,453,781	35,659,705	16,362,539	128,439	19,168,727	7,245,574	2.65
2019	33,024,141	963,250	465,200	1,509,840	35,962,431	16,668,407	120,599	19,173,425	8,745,177	2.19
2020	33,906,922	1,135,500	341,835	1,294,948	36,679,205	17,203,823	103,217	19,372,165	9,892,532	1.96
2021	34,139,592	1,063,500	137,056	1,602,976	36,943,124	17,586,051	113,915	19,243,158	8,983,458	2.14
2022	35,156,245	1,597,500	267,258	1,388,793	38,409,796	17,523,990	107,659	20,778,147	9,250,832	2.25
2023	37,893,135	1,061,667	861,262	1,487,675	41,303,739	20,979,321	197,374	20,127,044	9,488,544	2.12
2024	41,417,786	1,458,000	1,393,400	4,478,476	48,747,662	26,616,898	144,591	21,986,173	9,918,504	2.22

Water Pollution Control Fund

Fiscal Year	Operating Revenues	Availability Fees	Interest Earnings	Non-operating Revenues	Gross Revenues	Operating Expenses (excluding depreciation and amortization)	Non-operating Expenses	Net Available Revenues	Debt Service Requirements	Coverage Ratio
2015	\$ 28,850,165	\$ 726,500	\$ 44,840	\$ 121,086	\$ 29,742,591	\$ 16,433,452	\$ 125,829	\$ 13,183,310	\$ 7,965,573	1.66
2016	31,427,048	842,500	62,754	130,037	32,462,339	17,123,697	122,976	15,215,666	11,391,519	1.34
2017	31,414,514	825,500	115,549	105,330	32,460,893	17,130,044	141,648	15,189,201	9,318,081	1.63
2018	31,773,686	1,274,400	351,586	111,625	33,511,297	17,790,320	128,439	15,592,538	9,276,408	1.68
2019	33,164,342	1,053,350	501,009	108,183	34,826,884	17,571,649	120,599	17,134,636	8,776,476	1.95
2020	33,078,636	1,043,000	486,946	87,499	34,696,081	19,786,530	103,217	14,806,334	8,161,885	1.81
2021	33,522,333	1,018,250	148,391	111,629	34,800,603	18,538,395	113,915	16,148,293	7,865,616	2.05
2022	34,678,941	1,448,500	108,873	78,713	36,315,027	18,176,117	107,659	18,031,251	8,176,966	2.21
2023	38,428,761	894,250	535,590	136,565	39,995,166	22,316,496	134,985	17,543,685	8,820,781	1.99
2024	40,486,213	1,215,500	896,226	1,026,479	43,624,418	24,480,255	144,591	18,999,572	9,003,652	2.11

Western Virginia Water Authority (Total all funds)

Fiscal Year	Operating Revenues	Availability Fees	Interest Earnings	Non-operating Revenues	Gross Revenues	Expenses (excluding depreciation)	Non-operating Expenses	Net Available Revenues	Debt Service Requirements	Coverage Ratio
2015	\$ 57,194,722	\$ 1,616,876	\$ 62,070	\$ 1,475,861	\$ 60,349,529	\$ 31,234,481	\$ 251,658	\$ 28,863,390	\$ 15,429,462	1.87
2016	62,021,695	1,658,250	88,213	2,463,688	66,231,846	32,449,181	245,952	33,536,713	19,790,542	1.69
2017	63,106,790	1,597,328	187,880	1,478,181	66,370,179	33,342,548	283,296	32,744,335	16,563,655	1.98
2018	64,309,648	2,596,650	699,298	1,565,406	69,171,002	34,152,859	256,878	34,761,265	16,521,982	2.10
2019	66,188,483	2,016,600	966,209	1,618,023	70,789,315	34,240,056	241,198	36,308,061	17,521,653	2.07
2020	66,985,558	2,178,500	828,781	1,382,447	71,375,286	36,990,353	206,434	34,178,499	18,054,417	1.89
2021	67,661,925	2,081,750	285,447	1,714,605	71,743,727	36,124,446	227,830	35,391,451	16,849,074	2.10
2022	69,835,186	3,046,000	376,131	1,467,506	74,724,823	35,700,107	215,318	38,809,398	17,427,798	2.23
2023	76,321,896	1,955,917	1,396,852	1,624,240	81,298,905	43,295,817	332,359	37,670,729	18,309,325	2.06
2024	81,903,999	2,673,500	2,289,626	5,504,955	92,372,080	51,097,153	289,182	40,985,745	18,922,156	2.17

Note: Excludes lease liabilities and subscription liabilities

Principal Area Employers-Current Year and Nine Years Prior
Comparison of June 30, 2024 and 2015

Employer	Fiscal Year 2024	
	Employees (1,2)	Rank
Wells Fargo Operations Center	2500+	1
Roanoke County Schools	2000+	2
Friendship Retirement Community	1000+	3
Roanoke Memorial Community Hospital	1000+	4
Roanoke City Public Schools	1000+	5
Carilion Services	1000+	6
Franklin County Public Schools	1000+	7
Cornerstone Building Brands Services	1000+	8
Altec Industries	1000+	9
Botetourt County School Board	500+	10

Employer	Fiscal Year 2015	
	Employees	Rank
Carilion	1,000+	1
Roanoke City Public Schools	1,000+	2
City of Roanoke	1,000+	3
Advance Auto Parts	1,000+	4
Roanoke County Schools	1,000+	5
Wells Fargo Bank, N.A.	1,000+	6
County of Roanoke	1,000+	7
Kroger	1,000+	8
Franklin County Public Schools	1,000+	9
MW Manufactures, Incorporated	950	10

(1) Per current Virginia Employment Guidelines, actual number of employees for each employer are no longer available for publication.

(2) Data provided by City of Roanoke, County of Roanoke, Franklin and Botetourt.

WESTERN VIRGINIA WATER AUTHORITY

Table 15

Number of Employees by Identifiable Activity
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water Operations										
Water Administration	3	3	7	7	7	7	7	7	7	8
Carvins Cove	12	10	10	10	10	10	10	10	10	11
Spring Hollow	11	10	11	11	11	11	11	11	11	13
Crystal Springs	4	4	2	2	2	2	2	2	2	2
Falling Creek/Muse Spring	1	2	2	2	2	2	2	2	2	2
Pump & Storage	9	10	11	11	11	11	11	12	12	5
Well Operation	1	1	3	3	3	3	3	3	2	2
Meter & Distribution Operations	15	15	27	27	27	27	27	26	26	26
Watershed Maintenance/Security	2	2	2	2	2	2	2	2	2	2
Field Operations										
Field Operations Administration	12	12	6	6	6	6	6	6	6	6
Field Operations Water	45	45	36	36	36	36	31	31	31	31
Field Operations Sewer Maintenance	25	26	19	19	19	19	19	19	19	19
Field Operations Sewer Construction	26	26	28	28	28	28	28	28	28	24
Water Pollution Control Operation										
WPC Administration	5	5	4	4	4	4	4	4	4	5
WPC Operations	29	29	28	28	28	28	28	28	28	28
WPC Maintenance	22	22	23	23	23	23	23	23	19	19
WPC Inflow & Infiltration Control	12	12	14	14	14	14	14	14	14	14
Water Pollution Pretreatment	12	12	7	7	7	7	7	7	7	6
Administration										
General Administration	2	2	3	3	3	3	3	3	3	3
Finance, Human Resources & Public Relations	12	11	10	10	10	10	10	10	9	9
Billing & Customer Service	14	14	14	14	14	14	14	15	21	15
Information Technology	6	6	5	5	4	4	4	3	3	3
Engineering	25	25	25	25	23	21	21	21	21	21
Total Employees	305	304	297	297	294	292	287	287	287	274

Data provided by Western Virginia Water Authority Payroll & Human Resources.

WESTERN VIRGINIA WATER AUTHORITY

Table 16

Operating Statistics
Last Ten Fiscal Years

Water System

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of service connections	67,714	67,434	61,801	61,575	61,354	61,080	60,772	60,530	60,315	58,951
Number of treatment plants	13	13	13	13	13	13	13	12	4	4
Treatment capacity (MGD)	58	58	58	58	58	58	58	58	56	56
Average production (MGD)	20	19	19	19	18	19	20	20	19	19
Number of storage tanks	106	107	100	102	102	101	104	116	116	123
Number of pump stations	58	58	57	57	57	57	58	76	75	88
Miles of water mains	1,356	1,338	1,258	1,241	1,237	1,222	1,217	1,202	1,174	1,123

Wastewater System

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of service connections	62,156	61,945	56,763	56,585	56,418	56,161	55,955	55,750	55,572	52,147
Number of treatment plants	6	6	6	6	6	6	6	6	5	3
WPC plant permit (MGD)	55	55	55	55	55	55	55	55	55	55
Average annual daily flow (MGD)	31	35	31	39	38	46	32	38	45	36
Number of lift stations	30	30	28	27	27	27	27	30	30	25
Miles of sewer mains	1,081	1,071	997	991	987	977	978	974	973	891

Data provided by Western Virginia Water Authority Engineering Services.

WESTERN VIRGINIA WATER AUTHORITY

Table 17

Schedule of New Connections
Last Ten Fiscal Years

Fiscal Year	Water Connections	Cumulative Connections	% Water Growth	Sewer Connections	Cumulative Connections	% Sewer Growth	Total Services
2015	243	58,951	0.41%	188	52,147	0.36%	111,098
2016	1,364	60,315	2.31%	3,425	55,572	6.57%	115,887
2017	215	60,530	0.36%	178	55,750	0.32%	116,280
2018	242	60,772	0.40%	205	55,955	0.37%	116,727
2019	308	61,080	0.51%	206	56,161	0.37%	117,241
2020	274	61,354	0.45%	257	56,418	0.46%	117,772
2021	221	61,575	0.36%	167	56,585	0.30%	118,160
2022	226	61,801	0.37%	178	56,763	0.31%	118,564
2023	5,633	67,434	9.15%	5,182	61,945	9.16%	129,379
2024	280	67,714	0.45%	211	62,156	0.37%	129,870

Data provided by Western Virginia Water Authority Billing & Customer Service.

WESTERN VIRGINIA WATER AUTHORITY

Table 18

Water Consumption and Wastewater Flow by Customer Group

Gallons In Thousands
Last Ten Fiscal Years

Water Fund

Type of Customer:	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Residential consumption	2,789,757	2,767,214	2,611,563	2,649,354	2,590,863	2,506,164	2,566,209	2,537,563	2,251,472	2,461,620
Commercial consumption	2,214,627	2,243,275	2,053,577	2,068,260	2,097,566	2,215,386	2,240,255	2,135,409	2,565,490	2,255,711
Industrial consumption	327,401	325,152	334,346	309,222	366,644	406,408	418,470	460,076	455,100	357,622
Total	5,331,785	5,335,641	4,999,486	5,026,836	5,055,073	5,127,958	5,224,934	5,133,048	5,272,062	5,074,954

Water Pollution Control Fund

Type of Customer:	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Residential flow	1,973,675	1,973,513	1,845,604	1,859,170	1,838,581	1,822,976	2,074,861	1,825,595	1,882,257	1,815,311
Commercial flow	2,068,181	2,051,462	1,931,438	1,895,872	1,918,938	2,059,914	1,839,535	2,021,710	2,075,862	1,958,585
Industrial flow	213,470	227,316	174,128	227,909	275,705	291,541	318,980	372,085	353,663	265,991
Total	4,255,326	4,252,291	3,951,170	3,982,951	4,033,224	4,174,431	4,233,376	4,219,391	4,311,781	4,039,886

Data provided by Western Virginia Water Authority Billing & Customer Service.

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 Board of Directors
Western Virginia Water Authority
Roanoke, 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 Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of the Western Virginia Water Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Western Virginia Water Authority's basic financial statements and have issued our report thereon dated October 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Western Virginia Water Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Western Virginia Water Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Western Virginia Water Authority's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Western Virginia Water Authority'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

Blacksburg, Virginia
October 30, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

To the Board of Directors
Western Virginia Water Authority
Roanoke, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Western Virginia Water Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Western Virginia Water Authority's major federal programs for the year ended June 30, 2024. The Western Virginia Water Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Western Virginia Water Authority 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, 2024.

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 the Western Virginia Water Authority 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 the Western Virginia Water Authority'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 the Western Virginia Water Authority'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 the Western Virginia Water Authority'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 the Western Virginia Water Authority'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 the Western Virginia Water Authority'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 the Western Virginia Water Authority'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 the Western Virginia Water Authority'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.

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

Blacksburg, Virginia
October 30, 2024

Western Virginia Water Authority
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/State Pass-Through Grantor/Cluster/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-Through Payments:			
Virginia Department of Social Services:			
Low Income Household Water Assistance Program	93.499	Not available	\$ 18,318
Total Department of Health and Human Services			<u>\$ 18,318</u>
Department of Treasury:			
Pass-Through Payments:			
Town of Vinton, Virginia:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not available	\$ 2,009,162
County of Roanoke, Virginia:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not available	915,815
Virginia Department of Health:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	CSFRF-06	32,492
Total Department of Treasury			<u>\$ 2,957,469</u>
Environmental Protection Agency:			
Pass-Through Payments:			
Virginia Resource Authority:			
Drinking Water State Revolving Funds	66.468	Not available	\$ 2,210,019
Total Environmental Protection Agency			<u>\$ 2,210,019</u>
Total Expenditures of Federal Awards			<u>\$ 5,185,806</u>

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Western Virginia Water Authority under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Western Virginia Water Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Western Virginia Water Authority.

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 Authority did not elect the 10 percent de minimis indirect cost rate because they only request direct costs for reimbursement.

Note 3 -- Subrecipients

The Authority did not have any subrecipients for the year ended June 30, 2024.

Note 4 -- Outstanding Balance of Federal Loans

The Authority has not received any federal funding through loans.

Note 3 -- Relationship to Financial Statements

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

Capital Contributions per financial statements	\$ 16,826,871
Less: Non-federal contributions	(12,389,800)
Federal loan proceeds	748,735
Federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 5,185,806</u>

Western Virginia Water Authority

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

Assistance Listing #	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
66.468	Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Western Virginia Water Authority

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

There were no prior audit findings.