

COUNTY OF BATH, VIRGINIA



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

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

Prepared by

Michael Bender, County Administrator

County of Bath, Virginia

COUNTY OF BATH, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	i
GFOA Certificate of Achievement	ii
Organizational Chart	iii
List of Elected and Appointed Officials	iv

FINANCIAL SECTION

	<u>Page</u>		<u>Page</u>
Independent Auditors' Report.....	1-3		
Management's Discussion and Analysis	4-13		
		<u>Exhibit</u>	<u>Page</u>
Basic Financial Statements:			
Government-wide Financial Statements:			
Statement of Net Position	1		14
Statement of Activities	2		15-16
Fund Financial Statements:			
Balance Sheet-Governmental Funds	3		17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4		18
Statement of Revenues, Expenditures, and Changes in Fund Balances— Governmental Funds	5		19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6		20
Notes to Financial Statements			21-103

COUNTY OF BATH, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

Required Supplementary Information:

	<u>Exhibit</u>	<u>Page</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual:		
General Fund.....	7	104
Special Revenue Fund – Lodging Tax-Marketing/Capital Fund.....	8	105
Special Revenue Fund – Special Lodging Tax Fund.....	9	106
Schedule of Changes in Net Pension Liability and Related Ratios – Primary Government Pension Plans	10	107-108
Schedule of Changes in Net Pension Liability and Related Ratios – Public Service Authority Pension Plans	11	109-110
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Component Unit School Board (nonprofessional) Pension Plans.....	12	111-112
Schedule of Employer’s Share of Net Pension Liability VRS Teacher Retirement Plan Pension Plans.....	13	113-114
Schedule of Employer Contributions – Pension Plans	14	115
Notes to Required Supplementary Information – Pension Plans.....	15	116
Schedule of County’s Share of Net OPEB Liability – Group Life Insurance (GLI) Plan	16	117
Schedule of Employer Contributions– Group Life Insurance (GLI) Plan	17	118
Notes to Required Supplementary Information – Group Life Insurance (GLI) Plan	18	119
Schedule of County’s Share of Net OPEB Liability – Virginia Local Disability Program (VLDP)	19	120
Schedule of Employer Contributions– Virginia Local Disability Program (VLDP)	20	121
Notes to Required Supplementary Information – Virginia Local Disability Program (VLDP)	21	122
Schedule of School Division’s Share of Net OPEB Liability – Teacher Virginia Local Disability Program (VLDP)	22	123
Schedule of Employer Contributions– Teacher Virginia Local Disability Program (VLDP)	23	124

COUNTY OF BATH, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

Required Supplementary Information: (continued)

	<u>Exhibit</u>	<u>Page</u>
Notes to Required Supplementary Information – Teacher Virginia Local Disability Program (VLDP)	24	125
Schedule of School Board’s Share of Net OPEB Liability – Teacher Employee Health Insurance Credit (HIC) Plan	25	126
Schedule of Employer Contributions – Teacher Employee Health Insurance Credit (HIC) Plan	26	127
Notes to Required Supplementary Information – Teacher Employee Health Insurance Credit (HIC) Plan	27	128
Schedule of Changes in Net OPEB Liability and Related Ratios – Component Unit School Board (nonprofessional) Health Insurance Credit (HIC) Plan	28	129
Schedule of Employer Contributions – Component Unit School Board (nonprofessional) Health Insurance Credit (HIC) Plan.....	29	130
Notes to Required Supplementary Information – Component Unit School Board (nonprofessional) Health Insurance Credit (HIC) Plan.....	30	131
Schedule of Changes in Total OPEB Liability and Related Ratios – Primary Government.....	31	132
Schedule of Changes in Total OPEB Liability and Related Ratios – Component Unit School Board.....	32	133
Notes to Required Supplementary Information – County OPEB	33	134

Other Supplementary Information:

Combining and Individual Fund Financial Statements and Schedules:

Combining Balance Sheet—Nonmajor Special Revenue Funds	34	135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances— Nonmajor Special Revenue Funds	35	136
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds	36	137-138

Discretely Presented Component Unit—School Board:

Combining Balance Sheet	37	139
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COUNTY OF BATH, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

Other Supplementary Information: (continued)

	<u>Exhibit</u>	<u>Page</u>
Discretely Presented Component Unit – School Board: (continued)		
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	38	140
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual	39	141-142
Discretely Presented Component Unit—Service Authority:		
Statement of Net Position	40	143
Statement of Revenues, Expenses, and Changes in Net Position	41	144
Statement of Cash Flows.....	42	145
	<u>Schedule</u>	<u>Page</u>
Supporting Schedules:		
Schedule of Revenues—Budget and Actual—Governmental Funds	1	146-150
Schedule of Expenditures—Budget and Actual—Governmental Funds.....	2	151-154

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	155-156
Changes in Net Position.....	2	157-158
Governmental Activities Tax Revenues by Source.....	3	159
Fund Balances of Governmental Funds	4	160-161
Changes in Fund Balances of Governmental Funds	5	162-163
General Governmental Tax Revenues by Source	6	164
Assessed Value and Estimated Actual Value of Taxable Property	7	165-166
Property Tax Rates – Direct and Overlapping Governments.....	8	167
Principal Property Taxpayers	9	168
Property Tax Levies and Collections.....	10	169

COUNTY OF BATH, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS (CONTINUED)

STATISTICAL SECTION (CONTINUED)

	<u>Table</u>	<u>Page</u>
Ratios of Outstanding Debt by Type.....	11	170
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	12	171
Demographic and Economic Statistics	13	172
Principal Employers	14	173
Full-time Equivalent County Government Employees by Function	15	174-175
Operating Indicators by Function	16	176-177
Capital Asset Statistics by Function	17	178-179

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>	180-181
Independent Auditors' Report on Compliance for Each Major Program and Internal Control over Compliance Required by the Uniform Guidance.....	182-184
Schedule of Expenditures of Federal Awards	185-187
Schedule of Findings and Questioned Costs.....	188

INTRODUCTORY SECTION

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County Administrator
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Bath County Courthouse
P.O. Box 309
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January 16, 2026

To the Honorable Board of Supervisors and the Citizens of the County of Bath, Virginia:

Commonwealth of Virginia law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control 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.

Robinson, Farmer, Cox Associates, Certified Public Accountants, have issued an unmodified ("clean") opinion on the County of Bath's financial statements for the year ended June 30, 2025. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. This examination was conducted using guidelines set forth by Government Auditing Standards and the Specification for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts. The independent auditor's report is located at the front of the financial section of this document.

In addition to meeting requirements set forth by state statutes, the independent audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance) to meet the special needs of federal grantor agencies. As a part of the County's single audit, tests are made to determine the adequacy of the system of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2025, provided no instances of material weaknesses in the system of internal control and no violations of applicable laws and regulations. The auditors' report related specifically to the single audit is included in the Compliance Section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management discussion and analysis (MD&A). The MD&A complements the letter of transmittal and should be read in conjunction with it. The County of Bath MD&A immediately follows the independent auditor's report.

Mission Statement

Bath County respects the rights of its citizens guaranteed in the Constitution. Further, the County governs responsibly by encouraging growth while preserving our history, heritage, and beauty.

Governance

Bath County is a political subdivision of the Commonwealth of Virginia that is governed by a five-member Board of Supervisors. Board members are residents of and elected from designated magisterial districts: Cedar Creek, Millboro, Warm Springs, Williamsville, and Valley Springs. Policy-making and legislative authority is vested in the governing body (Board). The Board of Supervisors appoints the County Administrator who oversees the County's operations.

Bath County is also served by five Constitutional Officers: Sheriff, Commonwealth Attorney, Treasurer, Commissioner of the Revenue, and Circuit Court Clerk.

The County seat is located in Warm Springs.

Core Government Services

The County provides a wide range of services to its residents: law enforcement, E-911, emergency management, judicial services, sanitation and waste disposal, parks and recreation, tourism, community and economic development, animal control and animal shelter, buildings and grounds maintenance, and general and financial administration.

Utility services (water and sewer) are provided by the Bath County Service Authority.

The Bath County Economic Development Authority assists with the attraction of new businesses and the expansion of existing businesses to help improve the local economy.

Public Education

The Bath County Public School System (BCPS) is fully accredited by the Virginia Department of Education and provides education to approximately 477 students in grades K-12. The County has three schools: two elementary schools (Pre-Kindergarten- Grade 7), one high school (Grades 8-12), and a career and technical center.

Higher Education

Bath County is located within an hour's drive of several higher education institutions. These include Washington and Lee University and Virginia Military Institute in Lexington; Southern Virginia University in Buena Vista; and Mountain Gateway Community College in Clifton Forge.

History

Bath County was formed from parts of Augusta, Botetourt, and Greenbrier counties in December 1790. Named for the English resort city of Bath, Bath County was, similarly, to become a resort area of national reputation because of its soothing mineral waters.

At one time, Bath County had 22 commercial springs operating within its boundaries. These mineral waters were used for healing purposes and attracted patrons to the inns and hotels located at Hot Springs, Warm Springs, Bolar Springs, Millboro Springs, Healing Springs, and Bath-Alum Springs. The construction of the resort hotel, The Homestead, turned the community of Hot Springs into a nationally recognized resort center. Tourism continues to be the main industry in Bath County.

Geography

Bath County encompasses 529 square miles and lies within the Allegheny Mountains and is part of the Valley and Ridge Physiographic Province. The County is characterized by high, narrow, mountain ridges that run northeast to southwest and that form relatively narrow river valleys. Most of the level areas are found on the terraces adjacent to streams and rivers.

The Jackson, Bullpasture, and Cowpasture rivers and other streams lie within Bath County and are subject to moderate to severe flooding during periods of heavy rain or rapid thawing. Soil in the County is primarily mountain soils derived from the weathering of acidic sandstone, shale, quartz, and granite parent material. These soils are often shallow, rocky, and excessively drained. Soil in the valleys range from carbonate soils to alluvial soils along rivers and streams. Colluvial soils resulting from the weathering of sandstone and shale mountains are also found in the valleys. The predominant geological structure underlying the area is a complex formation of sandstone, limestone, shale, and dolomite.

Demographics

According to the figures from the Census Bureau, the County has 4,209 residents as of April 1, 2020 with an estimated 4,255 residents as of July 1, 2024 according to the Weldon Cooper Center for Public Service. Median household income was \$55,807. The poverty level was 11.2%. The educational attainment was 90.3% with a high school degree or higher and 15.9% with a bachelor's degree or higher. For more demographic information, visit the Central Shenandoah Planning District Commission website at cspdc.org.

Healthcare

Bath Community Hospital, located in Hot Springs, is a full-service medical facility offering 24-hour emergency care. The Lewis Gale Hospital Alleghany, located in nearby Alleghany County, offers full-service, acute and emergency medical care. The Springs Nursing Center is a 90-bed facility providing skilled nursing care in private and shared accommodations.

Culture and Recreation

The cultural blend of the community is comprised of families who have lived in the County for generations and residents from around the country and world who have chosen to live in Bath County.

The County operates three playing fields, two tennis courts, a pickleball court, a skatepark, two swimming pools and offers a variety of public recreational programs.

The Bath area offers a wide range of recreation and leisure activities that appeal to both the outdoorsman and those who wish to experience the ultimate in relaxation. Abundant opportunities exist to enjoy camping, hunting, fly and trout fishing, biking and hiking trails, and resorts and spas.

The nationally known Omni Homestead is located on 3,000 acres in Hot Springs. The Omni Homestead includes two championship golf courses, horseback riding, hiking, fishing, tennis, swimming, skeet and trap shooting, falconry, skiing, snowboarding and ice skating.

The Dominion Back Creek recreational area is located adjacent to the world's most powerful pumped storage generating station, a Dominion Resources owned property that is a major taxpayer in the County and provides electricity for millions of homes across six different states. This 325-acre public recreational area contains two lakes that are open on a seasonal basis located just downstream from the lower dam. This area is a popular destination for fishing, non-power boating, picnicking, swimming, hiking and camping.

As a traditional family park for more than 70 years, Douthat State Park is listed on the National Register of Historic Places because its design influenced the development of parks nationwide. Located amid some of Virginia's most breathtaking mountain scenery, visitors enjoy miles of stream fishing, a 50-acre recreation lake stocked with trout, a sandy swimming beach, boat and bicycle rentals, a camp store, miles of hiking, biking, horseback riding trails, cabins, campgrounds and picnic areas.

Lake Moomaw and the Bolar Mountain recreational areas are among the most popular developed recreational areas in the George Washington National Forest and provide an endless array of activities including boating, fishing, hiking, biking and camping. The Grouse Point Overlook and the Islands Overlook are also two popular vista locations in the Bolar Mountain region which offer a scenic panoramic view of Lake Moomaw. Approved by Congress in 1947 the Gathright Dam and most of the recreation facilities were constructed by the Army Corps of Engineers between 1965 and 1979. Gathright Dam and Lake Moomaw provide flood and water quality control along the Jackson and the James Rivers. Adjacent to the dam is 13,428 acres known as the T.M. Gathright Wildlife Management Area which is managed by the Virginia Department of Wildlife Resources. The area is devoted to the enhancement and management of wildlife, especially wild turkey.

Economic Development

The Bath County Economic Development Authority is prepared to assist qualified businesses and industries to expand or locate in the County. The Authority is comprised of a seven-member Board comprised of one member from each Magisterial District and two at-large members appointed by the Board of Supervisors. The County is committed to free enterprise and maintaining a business-friendly environment.

The County is accessible to Interstate 81 and Interstate 64 via U.S. Route 220 which provides the main routes of transportation to and from Bath County. General aviation service is available through the Ingalls Field Airport located in Hot Springs. Domestic flights are accessible within 66 miles of the County via the Shenandoah Valley Regional Airport and within 73 miles via the Greenbrier Valley Airport in Lewisburg, West Virginia.

The Bath County Board of Supervisors and the Economic Development Authority Board of Directors have adopted an Economic Development Strategic Plan. The primary objective of the Bath County Economic Development Strategic Plan is to present a range of implementable action steps that capitalize on the County's existing strengths and opportunities to increase the level of economic activity within the County. The Strategic Plan is available for public review and is on the County's website www.bathcountyva.gov.

Taxes

The property tax rate is \$0.67 per \$100 in assessed valuation. The personal property tax rate is \$0.55 per \$100 in assessed valuation.

The sales tax rate is 1%.

The meals tax rate is 4%.

The lodging tax rate is 4%. The General Fund receives 2% of the taxes and the Lodging Tax Fund receives 2%.

The historic lodging tax rate is 5%. Designated for stays at the Omni Homestead.

Relevant Financial Policies

The County Administrator works with constitutional officers and department heads to prepare line-item budgets to fund the needs of each department. Once the budget is approved and appropriated by the Board of Supervisors, it is the county's policy that constitutional officers and department heads shall seek approval from the Board of Supervisors before transferring funds or requesting supplemental appropriations, to avoid overspending.

The Bath County Fund Balance Policy includes the goal to maintain a fund balance for cash liquidity purposes. At the close of each fiscal year, the County's unassigned General Fund balance should be equal to at least 20% of the County's total General Fund expenditures. If the County does not meet its target, it will develop a plan during the annual budget adoption process to replenish the unassigned fund balance to the 20% target level over a period of not more than three to five fiscal years. The County's unassigned General Fund balance is 51.81% for the fiscal year ending June 30, 2025.

Major Initiatives

The County has instituted an additional lodging tax of 5% on specific historic lodging establishments for the purpose of providing economic incentive grants to said historic lodging establishments. The County has entered into a 30-year agreement with The Homestead, L.C. and the EDA to incentivize significant capital improvements to the Omni Homestead resort, Bath County's largest employer and a major taxpayer.

Bath County, along with neighboring Highland County, expect to have full broadband coverage by mid-2026 as a result of major state grant funding provided by the Virginia Telecommunications Initiative and federal funds provided by the American Recovery Plan Act. Access to broadband will help Bath County meet the technology needs of existing and future businesses, education, and healthcare.

Bath County is also working to address the availability of market rate housing and meeting the child-care needs of working parents.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officer's Association of the United States and Canada (GFOA) awards Certificate of Achievement for Excellence in Financial Reporting to governmental units that exemplify excellence in financial reporting and conform to stringent reporting requirements promulgated by that Association and various authoritative bodies.

To earn a Certificate of Achievement, the County has to publish an easily readable and efficiently organized Annual Report that satisfies both generally accepted accounting principles and applicable program requirements.

Bath County is proud to receive its sixth Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ending June 30, 2024.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current Annual Report meets the Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

Conclusion

I want to thank the dedicated staff of the County Administrator's Office and the Office of the County Treasurer for their hard work in helping prepare this report. Additionally, all Constitutional officers and departments heads should be commended for making the most efficient use of their budgets. Finally, credit is due to the Board of Supervisors for their strong commitment to maintaining sound fiscal policy. My office looks forward to continuing to work with the Board of Supervisors and all County departments in ensuring the health, safety, and welfare of our citizens.

Respectfully Submitted,



Michael J. Bender, Jr.
County Administrator
County of Bath, Virginia



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bath County
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

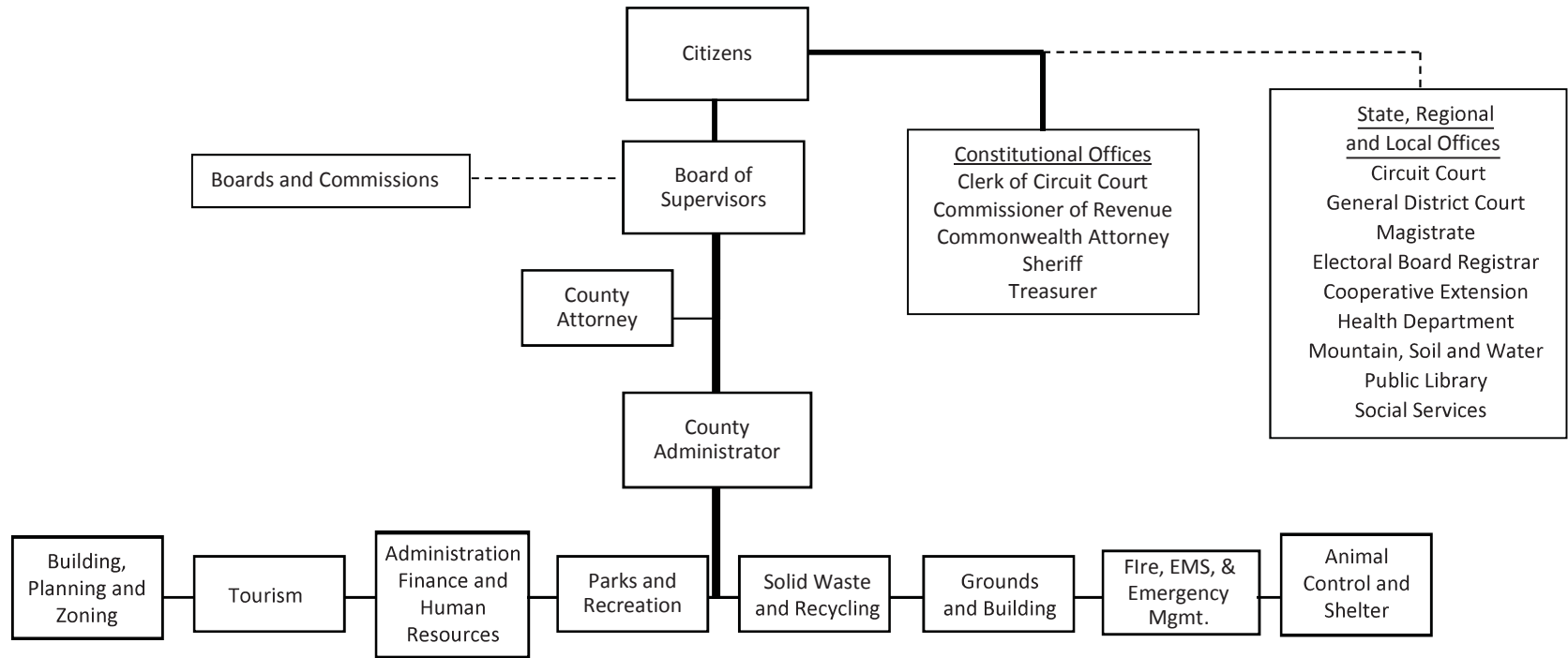
June 30, 2024

Christopher P. Morill

Executive Director/CEO



County of Bath Organizational Chart



COUNTY OF BATH, VIRGINIA

BOARD OF SUPERVISORS

Roy Burns, Vice-Chairman
Ron Shifflett

John Lockridge, Chairperson

Lee Fry
Lynn Ellen Black

COUNTY SCHOOL BOARD

Linda Puhle
Zach Burns

Karen Hise, Chairman

Clara Tennant, Vice-Chairman
Cathy Lowry

DEPARTMENT OF SOCIAL SERVICES BOARD

Roy Burns

Perlita Henry, Chairman

Mary M. King, Vice-Chairman

PUBLIC SERVICE AUTHORITY

Greg Tunning, Vice-Chairman
Daniel Plecker

Bartlett Ailstock, Chairman

David Lindsay, Secretary/Treasurer
Kenny Baugh

OTHER OFFICIALS

Judge of the Circuit Court Edward K. Stein
Clerk of the Circuit Court..... Annette T. Loan
Judge of the General District Court..... Christopher M. Billias
Judge of the Juvenile & Domestic Relations Court..... Linda Schorsch Jones
Commonwealth's Attorney Charles Moore
Commissioner of the Revenue Angel M. Grimm
Treasurer Pamela H. Webb
Sheriff Robert W. Plecker
Superintendent of Schools Dr. Jerry G. Jessee
Director of Social Services Jason Miller
County Administrator Michael Bender
Public Service Authority Administrator Bart Perdue

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

**TO THE HONORABLE MEMBERS
OF THE BOARD OF SUPERVISORS
COUNTY OF BATH, VIRGINIA**

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 22 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 23 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101, and also to correct construction in progress reported in the component unit School Board. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Bath, Virginia's basic financial statements. The accompanying other supplementary information, 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 other supplementary information 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 opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2026, on our consideration of County of Bath, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Bath, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Bath, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
January 16, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the County of Bath, Virginia for the fiscal year ended June 30, 2025.

Financial Highlights

Government-Wide Financial Statements

The assets and deferred outflows of the primary government of County of Bath, Virginia exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$15,112,159. Of this amount, \$9,175,214 was unrestricted (an increase of \$2,087,279 from the previous fiscal year) and may be used to meet the government's ongoing obligations to creditors and citizens. Of the net position, there is \$5,055,884 invested in capital assets, net of related debt (an increase of \$1,266,554 from the previous fiscal year), and \$881,061 restricted (a decrease of \$127,490 from the previous fiscal year). The School Board's net position was \$7,721,136 of which there was an unrestricted deficit in the amount of (\$5,940,191). The Service Authority's net position was \$5,687,896, of which there was an unrestricted net position of \$162,218. The Economic Development Authority's net position was \$948,921, of which there was an unrestricted net position of \$744,422. Visit Bath County's net position was \$504,729, of which \$0 was unrestricted. Exhibit 1 contains the Statement of Net Position for the Primary Government and the Component Units.

The Primary Government's net position increased by \$3,548,263, and overall net position increased \$3,226,343 which includes the restatement of \$321,920 for the implementation of GASB Statement No. 101, *Compensated Absences*. The School Board's net position increased by \$961,754, and overall net position increased \$68,912 which includes the restatement of \$677,892 for the implementation of GASB Statement No. 101, *Compensated Absences*, and \$214,950 to correct the prior year value for construction in progress. Visit Bath County's net position increased by \$425,280, the Economic Development Authority's net position increased by \$17,895, and the Service Authority's net position decreased by \$92,300. (See Exhibit 2.)

Fund Financial Statements

At the end of the current fiscal year, the unassigned fund balance for the general fund was \$9,481,404. (See Exhibit 3.) This amount includes taxes and other accounts receivable collected within 60 days of the fiscal year end reflected in the fiscal year 2024-25 budget. At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,983,456 of which \$9,481,404 is available for spending at the government's discretion (unassigned fund balance). (See Exhibit 3.)

Overview of the Financial Statements

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

Local government accounting and financial reporting originally focused on funds designed to enhance and demonstrate fiscal accountability. Now, accompanied by government-wide financial statements, the objective of operational accountability is also met. These objectives will provide financial statement users with justification from the government that public funds have been used to comply with public decisions and whether operating objectives have been met efficiently and effectively and can continue to be met in the future.

Government-Wide Financial Statements

Government-wide financial statements provide financial statement users with a general overview of County finances. The statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. All current year revenue and expenses are taken into account regardless of when cash is received or paid. Both the financial overview and accrual accounting factors are used in the reporting of a private-sector business. Two financial statements are used to present this information: 1) the statement of net position and 2) the statement of activities.

The statement of net position presents all the County's permanent accounts or assets, deferred outflows, liabilities, deferred inflows, and net position. The difference between assets and deferred outflows and liabilities and deferred inflows is reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other non-financial factors will also need to be considered to determine the overall financial position of the County.

The statement of activities presents information showing how the government's net position changed during the fiscal year. The statement is focused on the gross and net cost of various government functions that are supported by general tax and other revenue. The statement of activities presents expenses before revenues, emphasizing that in governments, revenues are generated for the express purpose of providing services rather than as an end in themselves.

Both government-wide financial statements separate government activities and business-type activities of the County. The primary sources of funding for government activities are taxes and intergovernmental revenues. Government activities include general government administration, judicial administration, public safety, public works, health and welfare, education, parks, recreation, cultural, and community development. Business-type activities recover all or a significant portion of their costs through user fees and charges. The County currently presents the Bath County Public Service Authority as a component unit that is classified as a business-type activity.

The government-wide financial statements include, in addition to the primary government or County, three component units: 1) the Bath County School Board, 2) Visit Bath County, 3) the Bath County Economic Development Authority, and 4) the Bath County Public Service Authority. Although the component units are legally separate entities, the County is accountable or financially accountable for them. A primary government is accountable for an organization if the primary government appoints a majority of the organization's governing body. A primary government is financially accountable if the government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. For example, the primary government may approve debt issuances, rate structures and/or provide significant operational funding of the component unit.

Fund Financial Statements

Only major or significant funds are presented in separate columns of the fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions, or services, reported as governmental activities in the government-wide financial statements. Whereas, the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances.

Proprietary Funds

There are two types of proprietary funds: enterprise funds, which are established to account for the delivery of goods and services to the general public and internal service funds, which account for the delivery of goods and services to other departments or agencies of the government. Proprietary funds use the accrual basis of accounting, similarly to private sector business.

Fiduciary Funds

Fiduciary funds account for assets held by the government as a trustee or agent for another organization or individual. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the government-wide financial statements because the funds are not available to support the County's own activities.

Notes to the financial statements

The notes provide additional information that is needed to fully understand the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As previously noted, net position may serve as a useful indicator of a government's financial position. For the County of Bath, assets and deferred outflows exceeded liabilities and deferred inflows by \$15,112,159 at the end of the fiscal year.

The County's net position is divided into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Net Position June 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Current and other assets	\$ 14,046,397	\$ 12,182,129
Capital assets	5,149,531	3,909,030
Total assets	<u>\$ 19,195,928</u>	<u>\$ 16,091,159</u>
Deferred Outflows of Resources	<u>\$ 1,033,879</u>	<u>\$ 646,287</u>
Long-term liabilities	\$ 2,748,560	\$ 2,328,276
Other liabilities	1,545,047	1,749,489
Total liabilities	<u>\$ 4,293,607</u>	<u>\$ 4,077,765</u>
Deferred Inflows of Resources	<u>\$ 824,041</u>	<u>\$ 773,865</u>
Net investment in capital assets	\$ 5,055,884	\$ 3,789,330
Restricted	881,061	1,008,551
Unrestricted	9,175,214	7,087,935
Total net position	<u>\$ 15,112,159</u>	<u>\$ 11,885,816</u>

For the County, investment in capital assets (i.e., land, buildings, and machinery and equipment), net of related debt used to acquire those assets that is still outstanding, represents 33.46% of total net position. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$881,061, representing 5.83% of total net position is subject to external restrictions and must be used for economic development, opioid abatement, or employee pension and OPEB plans.

The remaining balance of unrestricted net position, which is \$9,175,214 or 60.71% percent of total net position, may be used to meet government's ongoing obligations to citizens and creditors.

The government's net position increased by \$3,548,263 during the current fiscal year, compared to an increase of \$1,579,019 in FY 2024.

Governmental Activities

Governmental activities increased the County's net position by \$3,548,263. Key elements of this increase are as follows:

Statement of Activities		
June 30, 2025 and 2024		
	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 251,689	\$ 224,757
Operating grants and contributions	2,742,207	3,205,312
Capital grants and contributions	1,508,607	81,610
General revenues:		
General property taxes	13,045,044	13,330,796
Other local taxes	6,109,661	4,565,995
Use of money	309,006	270,757
Miscellaneous	145,463	129,639
Grants and contributions not restricted to specific programs	572,476	542,414
Total revenues	<u>\$ 24,684,153</u>	<u>\$ 22,351,280</u>
Expenses:		
General government	\$ 1,509,011	\$ 1,456,719
Judicial administration	575,563	544,192
Public safety	3,262,661	3,699,189
Public works	2,936,749	1,762,092
Health and welfare	1,552,448	1,569,890
Education	7,200,618	9,013,224
Parks, recreation, and cultural	424,526	515,085
Community development	3,541,705	2,071,943
Nondepartmental	126,929	132,340
Interest on long-term debt	5,680	7,587
Total expenses	<u>\$ 21,135,890</u>	<u>\$ 20,772,261</u>
Increase (decrease) in net position	\$ 3,548,263	\$ 1,579,019
Beginning net position	11,885,816	10,306,797
Restatement	(321,920)	-
Ending net position	<u>\$ 15,112,159</u>	<u>\$ 11,885,816</u>

Total revenues increased by \$2,332,873 from fiscal year 2024 to 2025. This change is primarily attributable to:

- There was an overall increase across all state Compensation Board funding categories of \$89,670 from 2024 to 2025. There was an increase in Virginia Public Assistance combined state and federal funding of \$47,539 from 2024 to 2025. Tourism grant revenue increased \$75,895. Radio grant revenue increased \$683,792.
- A decrease in property taxes of \$285,752, primarily due to decreased assessments from 2024 to 2025.
- A net increase in other local taxes of \$1,543,666, primarily due to an increase in local sales and use tax of \$228,208, an increase in regular hotel and motel room taxes of \$441,440, an increase in historic lodging establishment transient occupancy tax of \$570,572, and an increase in restaurant food taxes of \$308,142.
- An increase in revenue from the use of money of \$38,249, due to increased investment returns.

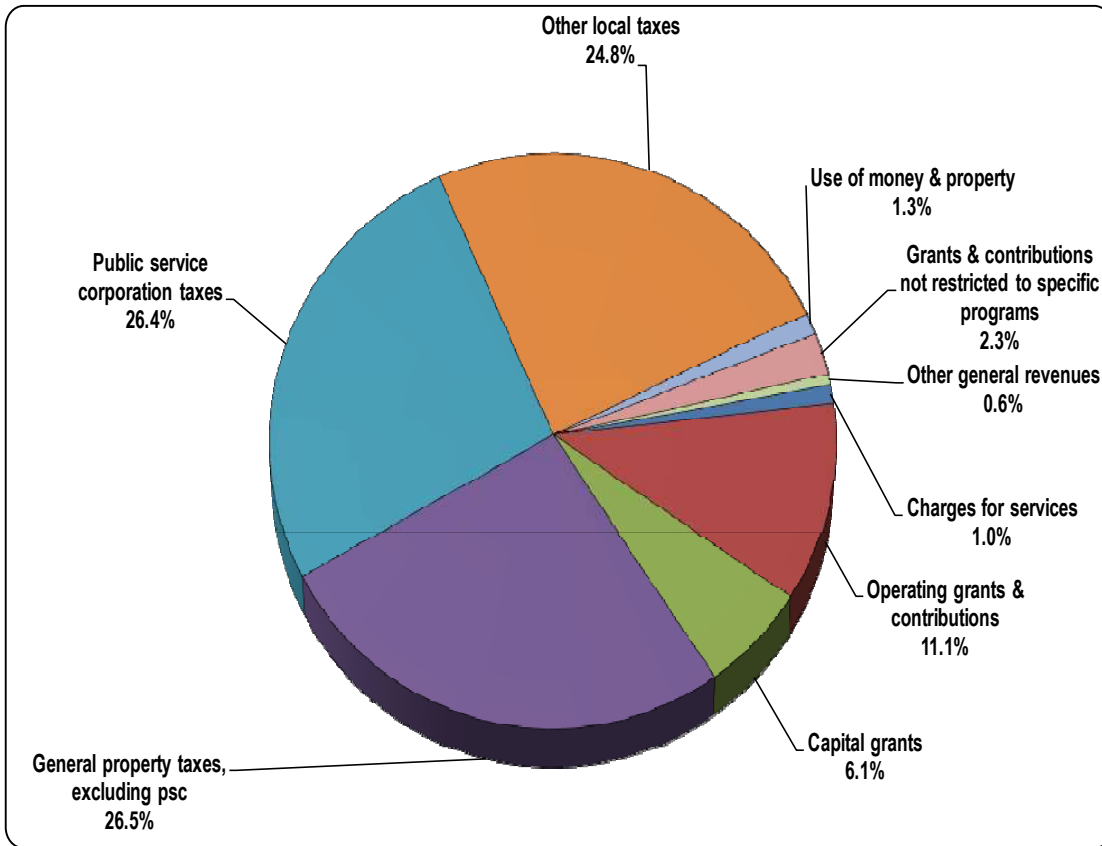
Total expenses increased by \$363,629 from fiscal year 2024 to 2025. Some of the significant factors affecting this net increase are:

- an increase in general government expenses of \$52,292, due primarily to adjustments for recognizing pension and other post-employment benefit changes in liabilities and deferred items and depreciation expense.
- an increase in judicial administration expenses of \$31,371, mainly due to increases in salary and benefit costs, including adjustments for pension and OPEB, as compared to prior year.
- a decrease in public safety expenses of \$436,528, due in part to decreased contributions to the volunteer fire and rescue squad departments for capital purchases.
- an increase in public works expenses of \$1,174,657, mainly attributable to the consolidation of County and School Board maintenance into one County department. There were increases in sanitation and waste removal service costs of \$189,707 for the year as well as an increase in buildings and grounds expense of \$818,200.
- a decrease in health and welfare expenses of \$17,442, attributable primarily to an decrease in children's services act program costs.
- a decrease in education expense of \$1,812,606. This decrease is attributable to a decrease in funding of School operations as compared to the prior year due to the consolidation of County and School Board maintenance into one County department.
- a decrease in parks, recreation, and cultural expense of \$90,559, mainly associated with a decrease in salaries and benefits of \$31,625, a decrease in maintenance and pool supplies of \$19,936, a decrease in capital expenses of \$11,862, and a decrease in the Wings & Wheels program of \$12,650, as compared to the prior year.
- an increase in community development expense of \$1,469,762. There was an increase in contributions to Visit Bath County from the Lodging Marketing Fund and the Lodging Capital Fund of \$411,103 for 2025. Another significant component of the overall category increase in expenses is attributable to the EDA Economic Incentive Grant Program where accumulated historic lodging establishment transient occupancy tax was passed through to the EDA, of which there was \$1,965,851 transferred in 2025 as compared to \$944,081 transferred in 2024, an increase of \$1,021,770.

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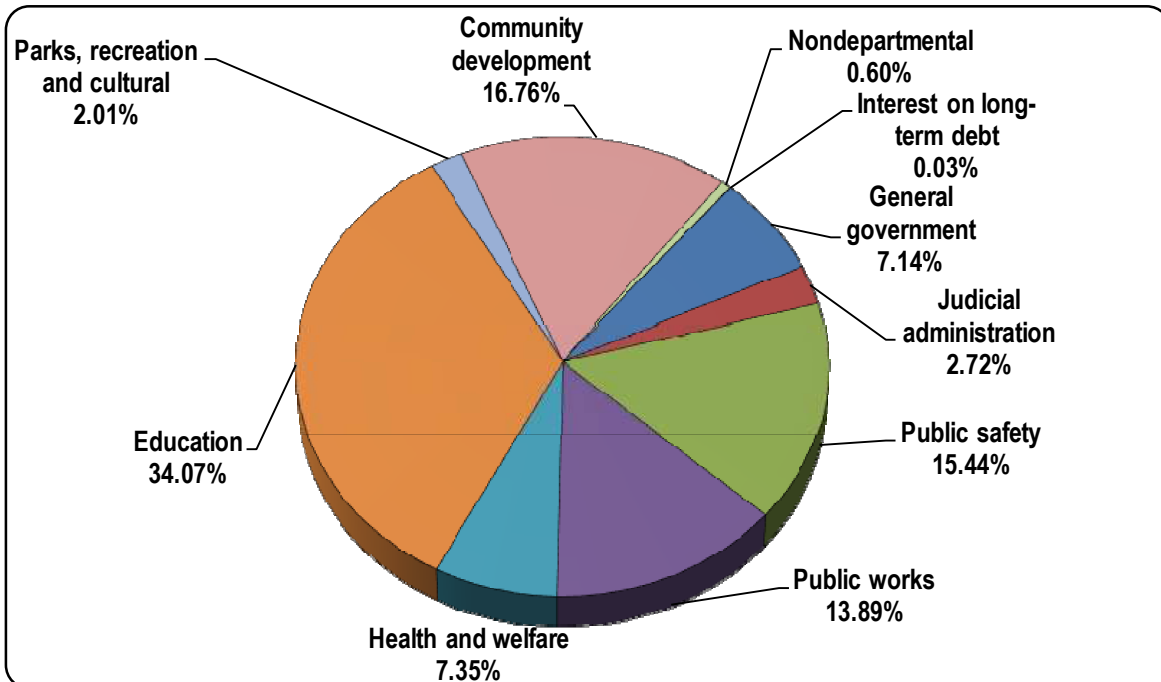
The chart below provides a visual analysis of the sources of revenue by percentage for the County for the year ended June 30, 2025.

Sources of Revenue of Governmental Activities for Fiscal Year 2025



Similarly, the following chart provides an analysis of the expenses of the Governmental Activities by major functional category for the year ended June 30, 2025:

Total Functional Expenses of Governmental Activities for Fiscal Year 2025



Financial Analysis of the Government's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

At the end of the fiscal year, the County's governmental funds reported combined ending fund balances of \$11,983,456, an increase of \$1,893,135 from the prior year. Approximately, 79.12 percent of this total amount constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is earmarked.

The general fund is the chief operating fund of the County. As of June 30, 2025, total fund balance of the general fund was \$10,448,134 of which \$9,481,404 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total general fund expenditures. The unassigned fund balance represents 51.81 percent of total general fund expenditures, which includes transfers to the School Board component unit of \$7,194,618. Total general fund balance represents 52.09 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$2,476,927 during the current fiscal year as compared to an increase of \$510,125 in fiscal 2024.

Fiscal 2025 expenditures unrelated to debt service decreased \$577,669 from fiscal 2024. Departmental fluctuations in expenditures as compared to the prior year are as follows:

- \$10,618 increase in General Government Administration
- \$28,801 increase in Judicial Administration
- \$890,617 increase in Public Safety
- \$1,251,787 increase in Public Works
- \$29,000 increase in Health and Welfare
- \$1,890,874 decrease in Education
- \$109,778 decrease in Parks, Recreation, and Cultural
- \$691,295 decrease in Community Development
- \$5,411 decrease in Nondepartmental
- \$91,134 decrease in capital projects

The fluctuations in fund expenditures correlate to the details noted above in the government-wide analysis of expenses by function.

Total general fund revenues in fiscal year 2025 increased by \$1,397,495 as compared to fiscal year 2024, or a 7.09% increase. Comparisons to prior year by major revenue category are as follows:

- \$526,496 decrease in General Property Taxes
- \$883,081 increase in Other Local Taxes
- \$23,026 decrease in Permits, Privilege Fees, and Licenses
- \$3,388 decrease in Fines and Forfeitures
- \$39,403 increase in Revenue from the Use of Money and Property
- \$52,192 increase in Charges for Services
- \$15,765 increase in Miscellaneous Revenue
- \$37,278 decrease in Recovered Costs
- \$307,036 increase in State Funding
- \$690,206 increase in Federal Funding

Details of these fluctuations correlate to the increases in revenues on the government-wide basis as noted above.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, only in more detail. Total net position of the component unit, Bath County Public Service Authority, at the end of the fiscal year was \$5,687,896. Additional financial information for the Bath County Public Service Authority for the year ended June 30, 2025, can be found in Exhibits 40-42 of the accompanying financial statements.

General Fund Budgetary Highlights

The general fund's original budgeted appropriations amounted to \$20,361,687, the final amended general fund budget was \$21,075,992 representing an increase of \$714,305, or 3.51 percent of the original general fund budget. Notable amendments to the budget are as follows:

- Increase in County Administrator budget of \$20,266, due to increase in salaries and benefits and increased auditor costs.
- Increase in Circuit Court budget of \$28,775 attributable to capital outlay associated with digitizing records.
- Increase in Sheriff budget of \$133,223 mainly attributable to increased courthouse security fees expenditure of \$66,239, maintenance costs of \$19,161, K-9 program, crime prevention and special programs, and Sheriff's grant costs of \$32,012, and an increase in budget for capital outlay of \$42,987.
- Increase in Emergency Management budget of \$28,269, due to increase Four for Life Expenses and Fire Programs.
- Increase in Emergency Communications budget of \$236,401, due to the E911 Grant received.
- Increase in Buildings & Grounds of \$59,106 for gas and oil.

Overall, total General Fund actual expenses amounted to \$18,300,582, which were \$2,061,105 lower than the original adopted budget and \$2,775,410 below the amended budget in total.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2025, is \$5,149,351 (net of accumulated depreciation) and is an increase of \$1,240,501 from the previous fiscal year. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress. The most significant asset addition for fiscal year 2025 was the Viking Portable Radios.

Summary of Capital Assets for Governmental Activities (net of depreciation)

As of June 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Land	\$ 634,478	\$ 634,478
Buildings and improvements	2,509,817	2,548,854
Machinery and equipment	1,876,434	609,773
Construction in progress	39,795	-
Lease assets	89,007	115,925
Total	<u>\$ 5,149,531</u>	<u>\$ 3,909,030</u>

Additional information on the County's capital assets can be found at Note 7 of the notes to the financial statements.

Long-term debt

At the end of the fiscal year the County had the following outstanding debt:

Summary of Outstanding Debt			
For the Year Ended June 30, 2025 and 2024			
		Governmental Activities	
		2025	2024
Net OPEB liabilities (Notes 10-16)*	\$	544,029	\$ 415,303
Lease liabilities		93,647	119,700
Compensated absences		477,907	175,799
Net pension liability		1,632,977	1,617,474
Total	\$	<u>2,748,560</u>	<u>\$ 2,328,276</u>

All bonded debt reported by the Discretely Presented Component Unit - School Board, has been assumed by the Primary Government as required by Section 15.2-1800.1, Code of Virginia, 1950, as amended. The most significant change in debt activity for the current fiscal year was the increase in compensated absences of \$302,108, which is comprised of the current year amount \$19,812 and the prior year restatement of \$321,920 as compared to prior year due to the implementation of GASB101.

The Other Post Employment Benefit liability is an indebtedness pursuant to GASB Statement No.75 as discussed in detail in Notes 10-16. On June 30, 2025, the County's net pension liability and OPEB obligation represent 59.41% and 19.79% of the County's total outstanding debt, respectively.

Much more detail on the Pension Plan of the County can be found in Note 9 of these financial statements. Additional information on the County's long-term debt can be found in Note 8 of the notes to the financial statements.

The lease liabilities are reported as long-term debt pursuant to GASB 87. Additional information on the lease liabilities can also be found in Note 8.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County as of June 30, 2025, was 3.2 percent, which was an increase from the prior year rate of 2.5 percent. This compares favorably to both the state's average unemployment rate of 3.5 percent and the national average rate of 4.1 percent for the same fiscal period (data from U.S. Bureau of Labor Statistics). The unemployment rates still appear to reflect the toll the Coronavirus Pandemic has continued to take on the tourism industry in Bath County.

Real property taxes on public service corporations have long been the single highest source of revenue for the County. A major drop in the revenue source after the general property reassessment has required greater use of reserves and the consideration of budget cuts and/or future tax increases in 2026 to balance the upcoming FY2026 budget.

Omni Resorts completed the two-year, \$150 million property wide renovation of the iconic Omni Homestead resort in October 2023. The Omni Homestead renovations coupled with the \$4.6 million reconstruction of the historic Warm Springs Pools in December 2022, is a testament to Omni's commitment to the tourism industry in Bath County for years to come.

The Bath-Highland Network Authority 2022 Universal Broadband Project began in June 2022 and continues through June 2025. The \$10,995,506 project budget is sourced from \$7,876,800 in Virginia Telecommunication Initiative funding (VATI), managed by the Department of Housing and Community Development (DHCD). Remaining project funding is \$2,013,200 from MGW Communications, Inc. and \$1,105,506 in local dollars (Bath and Highland funds received via the federal American Rescue Plan Act). Through December 2024, MGW Communications, Inc. has completed 341,730 linear feet of broadband fiber/coax in the region. This resulted in 1,027 serviceable passings and 156 subscribers. Access to broadband will help Bath County meet the technological needs of existing and future businesses, education, and healthcare.

Requests for Information

This financial report is designed to provide readers with a general overview of the County of Bath's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Administrator, County of Bath, Post Office Box 309, Warm Springs, Virginia 24484.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2025

	Primary Government		Component Units		
	Governmental Activities	School Board	Visit Bath County	Economic Development Authority	Service Authority
ASSETS					
Cash and cash equivalents	\$ 11,565,904	\$ 1,117,218	\$ 555,446	\$ 743,989	\$ 4,095,705
Receivables (net of allowance for uncollectibles):					
Taxes receivable	551,112	-	-	-	-
Accounts receivable	756,351	-	-	-	126,233
Due from component unit	-	865,291	-	-	-
Due from other governmental units	1,068,759	151,396	-	-	-
Inventories	-	16,325	-	-	-
Prepaid items	99,626	252,774	14,007	1,495	12,364
Restricted assets:					
Cash and cash equivalents	-	62,386	-	-	44,678
Investments	-	751,089	-	-	-
Net pension asset	-	370,827	-	-	-
Net OPEB asset	4,645	4,303	-	-	467
Right of use asset - office lease	-	-	41,923	-	-
Capital assets (net of accumulated depreciation):					
Land and land improvements	634,478	238,282	-	162,799	116,187
Buildings and improvements	2,509,817	11,085,740	80,161	41,700	-
Machinery and equipment	1,876,434	2,073,159	1,217	-	121,908
Utility plant in service	-	-	-	-	5,483,997
Construction in progress	39,795	32,760	-	-	56,888
Lease assets - equipment	89,007	18,615	-	-	-
Total assets	\$ 19,195,928	\$ 17,040,165	\$ 692,754	\$ 949,983	\$ 10,058,427
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 869,498	\$ 1,715,978	\$ -	\$ -	\$ 83,218
OPEB related items	164,381	304,074	-	-	5,034
Total deferred outflows of resources	\$ 1,033,879	\$ 2,020,052	\$ -	\$ -	\$ 88,252
LIABILITIES					
Accounts payable	\$ 210,179	\$ -	\$ 137,727	\$ 1,062	\$ 132,581
Accrued payroll	-	831,319	-	-	-
Customers' deposits	-	-	-	-	42,534
Accrued interest payable	1,568	64	-	-	-
Due to component unit	865,291	-	-	-	-
Unearned revenue	468,009	1,230,233	-	-	3,746,195
Long-term liabilities:					
Due within one year	155,990	327,175	23,622	-	24,217
Due in more than one year	2,592,570	7,446,798	26,676	-	420,673
Total liabilities	\$ 4,293,607	\$ 9,835,589	\$ 188,025	\$ 1,062	\$ 4,366,200
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 24,866	\$ -	\$ -	\$ -	\$ -
Pension related items	524,681	1,133,393	-	-	89,721
OPEB related items	274,494	370,099	-	-	2,862
Total deferred inflows of resources	\$ 824,041	\$ 1,503,492	\$ -	\$ -	\$ 92,583
NET POSITION					
Net investment in capital assets	\$ 5,055,884	\$ 12,196,777	\$ 81,378	\$ 204,499	\$ 5,523,067
Restricted -					
Economic development	791,663	-	-	-	-
Opioid abatement	84,753	-	-	-	-
Employee pension and OPEB plans	4,645	375,130	-	-	467
Tourism	-	-	503,512	-	-
School band	-	751,089	-	-	-
Scholarships	-	62,386	-	-	-
School activities	-	275,945	-	-	-
Debt service reserve fund	-	-	-	-	2,144
Unrestricted (deficit)	9,175,214	(5,940,191)	(80,161)	744,422	162,218
Total net position	\$ 15,112,159	\$ 7,721,136	\$ 504,729	\$ 948,921	\$ 5,687,896

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

County of Bath, Virginia

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,509,011	\$ 30,689	\$ 325,573	\$ -
Judicial administration	575,563	56,346	379,569	-
Public safety	3,262,661	30,343	872,940	1,508,607
Public works	2,936,749	130,138	11,033	-
Health and welfare	1,552,448	-	853,915	-
Education	7,200,618	-	-	-
Parks, recreation, and cultural	424,526	4,173	-	-
Community development	3,541,705	-	299,177	-
Nondepartmental	126,929	-	-	-
Interest on long-term debt	5,680	-	-	-
Total governmental activities	<u>\$ 21,135,890</u>	<u>\$ 251,689</u>	<u>\$ 2,742,207</u>	<u>\$ 1,508,607</u>
COMPONENT UNITS:				
School Board	\$ 11,430,493	\$ 23,935	\$ 4,614,873	\$ -
Visit Bath County	825,411	-	1,220,245	-
Economic Development Authority	1,974,739	-	1,965,851	-
Service Authority	1,890,077	1,642,273	55,000	-
Total component units	<u>\$ 16,120,720</u>	<u>\$ 1,666,208</u>	<u>\$ 7,855,969</u>	<u>\$ -</u>

General revenues:

- General property taxes
- Other local taxes
 - Local sales and use taxes
 - Restaurant food tax
 - Motor vehicle licenses taxes
 - Taxes on recordation and wills
 - Bank stock taxes
 - Hotel and motel room taxes
 - Other local taxes
- Unrestricted revenues from use of money
- Gain on sale of capital assets
- Miscellaneous
- Grants and contributions not restricted to specific programs
- Total general revenues
- Change in net position
- Net position - beginning, as previously reported
- Restatement
- Net position - beginning, as restated
- Net position - ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government	Component Units			
Governmental Activities	School Board	Visit Bath County	Economic Development Authority	Service Authority
\$ (1,152,749)	\$ -	\$ -	\$ -	\$ -
(139,648)	-	-	-	-
(850,771)	-	-	-	-
(2,795,578)	-	-	-	-
(698,533)	-	-	-	-
(7,200,618)	-	-	-	-
(420,353)	-	-	-	-
(3,242,528)	-	-	-	-
(126,929)	-	-	-	-
(5,680)	-	-	-	-
<u>\$ (16,633,387)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (6,791,685)	\$ -	\$ -	\$ -
-	-	394,834	-	-
-	-	-	(8,888)	-
-	-	-	-	(192,804)
<u>\$ -</u>	<u>\$ (6,791,685)</u>	<u>\$ 394,834</u>	<u>\$ (8,888)</u>	<u>\$ (192,804)</u>
\$ 13,045,044	\$ -	\$ -	\$ -	\$ -
1,349,510	-	-	-	-
1,146,645	-	-	-	-
57,379	-	-	-	-
62,330	-	-	-	-
54,131	-	-	-	-
3,416,722	-	-	-	-
22,944	-	-	-	-
309,006	-	29,555	26,783	100,504
-	-	-	-	-
145,463	558,821	891	-	-
572,476	7,194,618	-	-	-
<u>\$ 20,181,650</u>	<u>\$ 7,753,439</u>	<u>\$ 30,446</u>	<u>\$ 26,783</u>	<u>\$ 100,504</u>
<u>\$ 3,548,263</u>	<u>\$ 961,754</u>	<u>\$ 425,280</u>	<u>\$ 17,895</u>	<u>\$ (92,300)</u>
\$ 11,885,816	\$ 7,652,224	\$ 79,449	\$ 931,026	\$ 5,780,196
(321,920)	(892,842)	-	-	-
<u>\$ 11,563,896</u>	<u>\$ 6,759,382</u>	<u>\$ 79,449</u>	<u>\$ 931,026</u>	<u>\$ 5,780,196</u>
<u>\$ 15,112,159</u>	<u>\$ 7,721,136</u>	<u>\$ 504,729</u>	<u>\$ 948,921</u>	<u>\$ 5,687,896</u>

FUND FINANCIAL STATEMENTS

Balance Sheet
 Governmental Funds
 June 30, 2025

	<u>General</u>	<u>Lodging Tax Marketing/ Capital Fund</u>	<u>Special Lodging Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 10,364,048	\$ 644,636	\$ 557,220	\$ -	\$ 11,565,904
Receivables (net of allowance for uncollectibles):					
Taxes receivable	551,112	-	-	-	551,112
Accounts receivable	422,885	99,023	234,443	-	756,351
Due from other funds	72,790	-	-	-	72,790
Due from other governmental units	988,082	-	-	80,677	1,068,759
Prepaid items	99,626	-	-	-	99,626
Total assets	<u>\$ 12,498,543</u>	<u>\$ 743,659</u>	<u>\$ 791,663</u>	<u>\$ 80,677</u>	<u>\$ 14,114,542</u>
LIABILITIES					
Accounts payable	\$ 202,292	\$ -	\$ -	\$ 7,887	\$ 210,179
Due to other funds	-	-	-	72,790	72,790
Due to component unit	865,291	-	-	-	865,291
Unearned revenue	468,009	-	-	-	468,009
Total liabilities	<u>\$ 1,535,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,677</u>	<u>\$ 1,616,269</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	\$ 457,897	\$ -	\$ -	\$ -	\$ 457,897
Unavailable revenue - opioid settlement	56,920	-	-	-	56,920
Total deferred inflows of resources	<u>\$ 514,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,817</u>
Fund balances:					
Nonspendable:					
Prepaid items	\$ 99,626	\$ -	\$ -	\$ -	\$ 99,626
Advances to other funds	72,790	-	-	-	72,790
Restricted for:					
Economic development	-	-	791,663	-	791,663
Opioid abatement	27,833	-	-	-	27,833
Committed:					
Special revenue funds	-	743,659	-	-	743,659
Assigned:					
Sheriff's office special programs	130,326	-	-	-	130,326
Brush disposal	30,000	-	-	-	30,000
Veterans program	3,593	-	-	-	3,593
Capital projects	602,562	-	-	-	602,562
Unassigned	9,481,404	-	-	-	9,481,404
Total fund balances	<u>\$ 10,448,134</u>	<u>\$ 743,659</u>	<u>\$ 791,663</u>	<u>\$ -</u>	<u>\$ 11,983,456</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,498,543</u>	<u>\$ 743,659</u>	<u>\$ 791,663</u>	<u>\$ 80,677</u>	<u>\$ 14,114,542</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2025

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	11,983,456	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land and land improvements	\$	634,478	
Buildings and improvements		2,509,817	
Machinery and equipment		1,876,434	
Construction in progress		39,795	
Lease assets		<u>89,007</u>	
			5,149,531
Net OPEB asset is not an available resource and, therefore, is not reported in the funds.			
Net OPEB asset	\$	<u>4,645</u>	
			4,645
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.			
Unavailable revenue - property taxes	\$	433,031	
Unavailable revenue - opioid settlement		<u>56,920</u>	
			489,951
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	869,498	
OPEB related items		<u>164,381</u>	
			1,033,879
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Net OPEB liabilities	\$	(140,229)	
Total OPEB liability		(403,800)	
Net pension liability		(1,632,977)	
Compensated absences		(477,907)	
Lease liabilities		(93,647)	
Accrued interest payable		<u>(1,568)</u>	
			(2,750,128)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(524,681)	
OPEB related items		<u>(274,494)</u>	
			(799,175)
Net position of governmental activities	\$		<u><u>15,112,159</u></u>

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

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

	General	Lodging Tax Marketing/ Capital Fund	Special Lodging Tax Fund	Other Governmental Funds	Total
REVENUES					
General property taxes	\$ 12,875,960	\$ -	\$ -	\$ -	\$ 12,875,960
Other local taxes	3,613,925	661,428	1,834,308	-	6,109,661
Permits, privilege fees, and regulatory licenses	25,714	-	-	-	25,714
Fines and forfeitures	3,138	-	-	-	3,138
Revenue from the use of money and property	310,160	-	-	-	310,160
Charges for services	221,683	-	-	-	221,683
Miscellaneous	145,313	150	-	-	145,463
Recovered costs	48,871	-	-	-	48,871
Intergovernmental:					
Commonwealth	2,096,314	-	-	379,871	2,476,185
Federal	1,770,351	106,418	-	474,044	2,350,813
Total revenues	\$ 21,111,429	\$ 767,996	\$ 1,834,308	\$ 853,915	\$ 24,567,648
EXPENDITURES					
Current:					
General government administration	\$ 1,472,118	\$ -	\$ -	\$ -	\$ 1,472,118
Judicial administration	592,251	-	-	-	592,251
Public safety	4,647,435	-	-	-	4,647,435
Public works	3,062,376	-	-	-	3,062,376
Health and welfare	369,420	-	-	1,193,475	1,562,895
Education	7,200,618	-	-	-	7,200,618
Parks, recreation, and cultural	412,292	-	-	-	412,292
Community development	374,490	1,220,245	1,965,851	-	3,560,586
Nondepartmental	126,929	-	-	-	126,929
Capital projects	5,640	-	-	-	5,640
Debt service:					
Principal retirement	31,693	-	-	-	31,693
Interest and other fiscal charges	5,320	-	-	-	5,320
Total expenditures	\$ 18,300,582	\$ 1,220,245	\$ 1,965,851	\$ 1,193,475	\$ 22,680,153
Excess (deficiency) of revenues over (under) expenditures	\$ 2,810,847	\$ (452,249)	\$ (131,543)	\$ (339,560)	\$ 1,887,495
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ -	\$ -	\$ 339,560	\$ 339,560
Transfers out	(339,560)	-	-	-	(339,560)
Leases (as lessee)	5,640	-	-	-	5,640
Total other financing sources (uses)	\$ (333,920)	\$ -	\$ -	\$ 339,560	\$ 5,640
Net change in fund balances	\$ 2,476,927	\$ (452,249)	\$ (131,543)	\$ -	\$ 1,893,135
Fund balances - beginning	7,971,207	1,195,908	923,206	-	10,090,321
Fund balances - ending	\$ 10,448,134	\$ 743,659	\$ 791,663	\$ -	\$ 11,983,456

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

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

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

Net change in fund balances - total governmental funds \$ 1,893,135

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

Capital outlays	\$ 1,714,716	
Depreciation /amortization expense	<u>(474,215)</u>	
		1,240,501

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents unavailable revenue.

Property taxes	\$ 169,084	
Opioid settlement	<u>(3,708)</u>	
		165,376

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

Principal repayments - leases	\$ 31,693	
Issuance of leases	(5,640)	
Accrued interest	<u>(360)</u>	
		25,693

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in compensated absences	\$ 19,812	
Pension expense	235,556	
OPEB expense	<u>(31,810)</u>	
		<u>223,558</u>

Change in net position of governmental activities \$ 3,548,263

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Financial Reporting Entity

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

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

The Bath County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The Bath County School Board does not prepare separate financial statements.

The Bath County Service Authority has been determined to be a component unit of Bath. The Authority is a legally separate organization whose Board members are appointed by the Bath County Board of Supervisors. Since the Board of Supervisors is able to impose its will on the Authority, the Authority is a component unit of Bath County. The Bath County Service Authority does not prepare separate financial statements.

The Economic Development Authority of Bath County, Virginia has been determined to be a component unit of Bath County because the Authority's primary use of funds is to provide for economic development of the County, thereby benefiting the County even though it does not provide services directly to the County. The Economic Development Authority of Bath County, Virginia does prepare separate financial statements. Complete financial statements for the Authority may be obtained by contacting Patrick Haynes at the Authority's administrative office at PO Box 13 Warm Springs, VA 24484.

Visit Bath County has been determined to be a component unit of Bath County because the Organization is funded entirely by appropriation of funding from the County, representing a benefit, burden relationship. Additionally, the Organization's primary use of funds is to provide tourism services to the County. Visit Bath County does prepare separate financial statements. Complete financial statements for the Organization may be obtained by contacting Mark Shore at the administrative office of Visit Bath County at 2696 Main Street, Suite 6, Hot Springs, VA 24445.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

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

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for and reported in another fund. The general fund includes the activities of the crime prevention, sheriff's carryover, sheriff's forfeited, and recycling funds.

The *special revenue fund* accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special revenue funds consist of the Lodging Tax – Marketing/Capital Fund and the Special Lodging Tax Fund. Lodging Tax is the primary revenue source for the Lodging Tax – Marketing/Capital Fund and the Special Lodging Tax Fund.

Additionally, the government reports the following fund types:

Special Revenue funds account for and report the proceeds of the specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Comprehensive Services Act (CSA) and Virginia Public Assistance funds are nonmajor special revenue funds of the County.

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

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

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

1. Cash and cash equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

External investment pools are measured at amortized cost. All other investments are reported at fair value. The State Treasurer's Local Government Investment Pool operates in accordance with appropriate state laws and regulations.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

2. *Receivables and payables*

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. *Inventory*

Inventory, consisting of cafeteria food items and supplies are stated at cost (first-in, first-out method). Inventory is expensed as it is consumed.

4. *Property Taxes*

Real estate and personal property is assessed at its value on July 1 at which time taxes attach as an enforceable lien. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property taxes are due and collectible annually on December 5th. The County bills and collects its own property taxes.

5. *Allowance for Uncollectible Accounts*

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$39,147 at June 30, 2025 and is comprised of uncollectible local taxes of the primary government in the amount of \$9,870 and uncollectible water and sewer accounts receivable of the component unit – Service Authority in the amount of \$29,277.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

6. Use of Estimates

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

7. Restricted assets

Certain resources are classified as restricted assets on the balance sheet and are maintained in separate bank accounts. At June 30, 2025, \$2,144 was set aside for the repayment of the component unit – Service Authority’s enterprise fund revenue bonds and their use is limited by applicable bond covenants. In addition, the component unit – Service Authority had \$42,534 in a bank account restricted for customer deposits. The component unit – School Board held restricted cash and investments totaling \$813,475 which carry donor restrictions limiting the use of the funds to band purchases and scholarships.

8. Capital assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30-50
Machinery and equipment	5-15
Utility plant	40
Lease equipment	5

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

9. *Compensated Absences*

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

10. *Leases*

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

Lessee

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

Key estimates and judgements

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

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

11. Long-term obligations

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

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

12. Fund balance

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

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

12. Fund balance (continued)

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

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

In the general fund, the County's policy is to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses. If the unassigned fund balance falls below the established 20% of GAAP basis expenditures minimum, during the annual budget adoption process, a plan to replenish the unassigned fund balance to the target level over a period of not more than three to five fiscal years.

13. Net Position

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

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

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

14. *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 represents a consumption of net that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on this item, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources 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 Primary Government has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, and the opioid settlement are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

15. *Pensions*

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

16. *Other Postemployment Benefits (OPEB)*

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

Medical, Dental, and Prescription Insurance – Pay as You Go Program

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined based on an actuarial valuation. Benefit payments are recognized when due and payable in accordance with the benefit terms.

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A. Budgetary Information

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A. Budgetary Information (continued)

B. Excess of expenditures over appropriations

For the year ended June 30, 2025, the following fund incurred expenditures exceeding appropriations:

<u>Fund</u>	<u>Function</u>		<u>Excess of Expenditures over Appropriations</u>
General	Health and Welfare	\$	20,825
General	Capital outlay		5,640
General	Debt Service		37,013
Total General Fund		\$	<u>63,478</u>
CSA Fund	Health and Welfare	\$	128,604
Special Lodging Tax Fund	Economic development		265,851
School Activity Funds	School Activities		437,233
Total All Other Funds		\$	<u>565,837</u>

C. Deficit fund equity

At June 30, 2025, there were no funds with deficit fund equity.

NOTE 3—DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

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

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the County’s investing activities are managed under the custody of the County Treasurer. Investing is performed in accordance with investment policies adopted by the County Board of Supervisors complying with state statutes. In accordance with the County’s investment policy, County funds may be invested in:

1. Certificates of deposits 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.
2. U.S. Treasury Bills (T-Bills).
3. Local Government Investment Pool (LGIP) administered by the Virginia Treasury Board.

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

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 6,108,053

External Investment Pool

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

Interest Rate Risk

All County investments must be in securities maturing within five years. Maturities of the County’s investments are as follows:

Investment	Fair Value	Maturity
		Less than 1 year
Local Government Investment Pool	\$ 6,108,053	\$ 6,108,053

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

School Activity Fund Investments

In October 2018, the School Activity Funds received donations from the Estate of Louise C. Welcher as follows:

Bath County High School	\$	388,286
Millboro Elementary School		194,143
Valley Elementary School		194,143
Total	\$	<u>776,572</u>

These funds are restricted to be used for the purchase and/or rental of band instruments, uniforms, and other band expenses.

In February 2020, these funds were moved into two brokerage accounts. Currently there are no formally adopted investment policies regarding types of investments allowed and the related risks. Investments are reported at cost basis due to these financial statements being presented on the basis of cash receipts and cash disbursements.

Investments were as of June 30, 2025 were as follows:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash and money market	\$ 5,000	\$ 5,000	\$ -
Fixed income - bonds	379,609	342,023	(37,586)
Equities - stocks	242,813	404,066	161,253
Total	\$ <u>627,422</u>	\$ <u>751,089</u>	\$ <u>123,667</u>

Credit Risk: The fixed income investments were in five corporate bonds with Moody's ratings of A1 to A3 and S&P ratings of A to BBB+.

Concentration of Credit Risk: Individual securities representing more than five percent of total investments were as follows:

- Bond—13%
- Bond—9%
- Bond—12%
- Bond— 8%
- Stock— 6%

Interest Rate Risk: Interest rate risk is the risk that interest rate variations may adversely affect the fair value of an investment. The bods held have the following maturity/callable dates:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Callable Date</u>
Bond 1	2.00%	12/22/2026	12/22/2025
Bond 2	2.80%	8/15/2029	5/15/2029
Bond 3	2.65%	6/26/2030	3/26/2030
Bond 4	1.25%	10/15/2030	7/15/2030
Bond 5	2.00%	9/16/2031	N/A

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 4—DUE FROM OTHER GOVERNMENTAL UNITS:

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
State sales taxes	\$ -	\$ 115,006
Local sales taxes	251,362	-
Communications Tax	11,952	-
Rolling Stock	114	-
Public assistance and welfare administration	18,253	-
Comprehensive Services Act funds	25,611	-
E-911 wireless	10,054	-
Shared expenses	157,706	-
Other	19,011	-
Federal Government:		
Radio grant	530,383	-
Public assistance and welfare administration	36,813	-
Local emergency planning grant	7,500	-
Title VI-B	-	2,341
School cafeteria	-	34,049
Total	<u>\$ 1,068,759</u>	<u>\$ 151,396</u>

NOTE 5—INTERFUND COMPONENT-UNIT OBLIGATIONS:

The following balances represent amounts due between funds at June 30, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Due to Primary Government/ Component Unit</u>	<u>Due from Primary Government/ Component Unit</u>
Primary Government:				
General Fund	\$ 72,790	\$ -	\$ 865,291	\$ -
CSA Fund	-	17,724	-	-
VPA Fund	-	55,066	-	-
Total	<u>\$ 72,790</u>	<u>\$ 72,790</u>	<u>\$ 865,291</u>	<u>\$ -</u>
Component Unit-School Board:				
School Fund	\$ -	\$ -	\$ -	\$ 865,291
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 865,291</u>

The purpose of interfund obligations is to report the balance of local appropriations unspent at year-end due back to the respective funds.

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 6—INTERFUND TRANSFERS:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 339,560
Virginia Public Assistance Fund	165,512	-
CSA Fund	174,048	-
Total	<u>\$ 339,560</u>	<u>\$ 339,560</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

NOTE 7—CAPITAL ASSETS:

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

Primary Government Governmental Activities:

	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
Capital assets not being depreciated:				
Land	\$ 634,478	\$ -	\$ -	\$ 634,478
Construction in progress	-	39,795	-	39,795
Total capital assets not being depreciated	<u>\$ 634,478</u>	<u>\$ 39,795</u>	<u>\$ -</u>	<u>\$ 674,273</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 5,383,903	\$ 90,039	\$ (85,100)	\$ 5,388,842
Machinery and equipment	2,511,390	1,579,242	(40,538)	4,050,094
Total capital assets being depreciated	<u>\$ 7,895,293</u>	<u>\$ 1,669,281</u>	<u>\$ (125,638)</u>	<u>\$ 9,438,936</u>
Accumulated depreciation:				
Buildings and improvements	\$ (2,835,049)	\$ (129,076)	\$ 85,100	\$ (2,879,025)
Machinery and equipment	(1,901,617)	(312,581)	40,538	(2,173,660)
Total accumulated depreciation	<u>\$ (4,736,666)</u>	<u>\$ (441,657)</u>	<u>\$ 125,638</u>	<u>\$ (5,052,685)</u>
Right-to-use lease assets being amortized:				
Lease assets:				
Equipment	\$ 157,857	\$ 5,640	\$ -	\$ 163,497
Accumulated amortization:				
Equipment	\$ (41,932)	\$ (32,558)	\$ -	\$ (74,490)
Net right-to-use lease assets	<u>\$ 115,925</u>	<u>\$ (26,918)</u>	<u>\$ -</u>	<u>\$ 89,007</u>
Capital assets being depreciated, net	<u>\$ 3,274,552</u>	<u>\$ 1,200,706</u>	<u>\$ -</u>	<u>\$ 4,475,258</u>
Net capital assets	<u>\$ 3,909,030</u>	<u>\$ 1,240,501</u>	<u>\$ -</u>	<u>\$ 5,149,531</u>

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 7—CAPITAL ASSETS: (CONTINUED)

Primary Government Governmental Activities: (continued)

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

Governmental activities:	
General government administration	\$ 131,996
Judicial administration	2,739
Public safety	288,672
Public works	37,216
Parks, recreation, cultural	13,592
Total depreciation expense - governmental activities	<u>\$ 474,215</u>

Discretely Presented Component Units:

School Board:

	Balance July 1, 2024, as restated	Increases	Decreases	Balance June 30, 2025
Capital assets not being depreciated:				
Land and land improvements	\$ 238,282	\$ -	\$ -	\$ 238,282
Construction in progress	32,760	-	-	32,760
Total capital assets not being depreciated	<u>\$ 271,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,042</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 26,235,985	\$ 180,423	\$ -	\$ 26,416,408
Machinery and equipment	5,201,924	667,211	(37,788)	5,831,347
Total capital assets being depreciated	<u>\$ 31,437,909</u>	<u>\$ 847,634</u>	<u>\$ (37,788)</u>	<u>\$ 32,247,755</u>
Accumulated depreciation:				
Buildings and improvements	\$ (14,748,942)	\$ (581,726)	\$ -	\$ (15,330,668)
Machinery and equipment	(3,329,114)	(466,862)	37,788	(3,758,188)
Total accumulated depreciation	<u>\$ (18,078,056)</u>	<u>\$ (1,048,588)</u>	<u>\$ 37,788</u>	<u>\$ (19,088,856)</u>
Lease assets being amortized:				
Equipment	\$ 31,080	\$ 17,969	\$ (6,408)	\$ 42,641
Accumulated amortization:				
Equipment	\$ (19,981)	\$ (7,621)	\$ 3,576	\$ (24,026)
Net right-to-use lease assets	\$ 11,099	\$ 10,348	\$ (2,832)	\$ 18,615
Capital assets being depreciated, net	<u>\$ 13,370,952</u>	<u>\$ (190,606)</u>	<u>\$ (2,832)</u>	<u>\$ 13,177,514</u>
Net capital assets	<u>\$ 13,641,994</u>	<u>\$ (190,606)</u>	<u>\$ (2,832)</u>	<u>\$ 13,448,556</u>

Depreciation expense allocated to education \$ 1,056,209

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 7—CAPITAL ASSETS: (CONTINUED)

Discretely Presented Component Units: (continued)

Service Authority:

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

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 116,187	\$ -	\$ -	\$ 116,187
Construction in progress	56,888	-	-	56,888
Total capital assets not being depreciated	<u>\$ 173,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,075</u>
Capital assets being depreciated:				
Water System	\$ 10,882,797	\$ -	\$ -	\$ 10,882,797
Sewer System	11,164,647	109,051	-	11,273,698
Machinery and equipment	663,609	32,154	-	695,763
Total capital assets being depreciated	<u>\$ 22,711,053</u>	<u>\$ 141,205</u>	<u>\$ -</u>	<u>\$ 22,852,258</u>
Accumulated depreciation:				
Water System	\$ (7,222,888)	\$ (287,525)	\$ -	\$ (7,510,413)
Sewer System	(8,989,780)	(172,305)	-	(9,162,085)
Machinery and equipment	(533,168)	(40,687)	-	(573,855)
Total accumulated depreciation	<u>\$ (16,745,836)</u>	<u>\$ (500,517)</u>	<u>\$ -</u>	<u>\$ (17,246,353)</u>
Capital assets being depreciated, net	<u>\$ 5,965,217</u>	<u>\$ (359,312)</u>	<u>\$ -</u>	<u>\$ 5,605,905</u>
Net capital assets	<u>\$ 6,138,292</u>	<u>\$ (359,312)</u>	<u>\$ -</u>	<u>\$ 5,778,980</u>

Depreciation expense for the Service Authority amounted to \$500,517.

Visit Bath County:

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

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets being depreciated:				
Buildings and improvements	\$ -	\$ 100,327	\$ -	\$ 100,327
Machinery and equipment	2,704	-	-	2,704
Total capital assets being depreciated	<u>\$ 2,704</u>	<u>\$ 100,327</u>	<u>\$ -</u>	<u>\$ 103,031</u>
Accumulated depreciation:				
Water System	\$ -	\$ (20,166)	\$ -	\$ (20,166)
Machinery and equipment	(946)	(541)	-	(1,487)
Total accumulated depreciation	<u>\$ (946)</u>	<u>\$ (20,707)</u>	<u>\$ -</u>	<u>\$ (21,653)</u>
Capital assets being depreciated, net	<u>\$ 1,758</u>	<u>\$ 79,620</u>	<u>\$ -</u>	<u>\$ 81,378</u>
Net capital assets	<u>\$ 1,758</u>	<u>\$ 79,620</u>	<u>\$ -</u>	<u>\$ 81,378</u>

Depreciation expense for Visit Bath County amounted to \$20,707.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS:

Primary Government-Governmental Activities:

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

	Balance July 1, <u>2024, as restated</u>	Increases/ Issuances	Decreases/ Retirements	Balance June 30, <u>2025</u>
Other long-term obligations:				
Lease liabilities	\$ 119,700	\$ 5,640	\$ 31,693	\$ 93,647
Compensated absences	497,719	-	19,812	477,907
Net pension liability	1,617,474	2,039,222	2,023,719	1,632,977
Total OPEB liability	267,500	143,700	7,400	403,800
Net OPEB liabilities	147,803	61,908	69,482	140,229
Total other long-term obligations	<u>\$ 2,650,196</u>	<u>\$ 2,250,470</u>	<u>\$ 2,152,106</u>	<u>\$ 2,748,560</u>
Total Long-Term Obligations	<u>\$ 2,650,196</u>	<u>\$ 2,250,470</u>	<u>\$ 2,152,106</u>	<u>\$ 2,748,560</u>

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

Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Lease liabilities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 33,413	\$ 3,600
2027	35,284	1,730
2028	21,296	405
2029	3,654	30
Total	<u>\$ 93,647</u>	<u>\$ 5,765</u>

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COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government-Governmental Activities: (continued)

Details of long-term obligations:

Type/Project	Issue Date/Term	Amount of Original Issue	Interest Rates	Amount of Installments	Final Maturity Date	Balance	Amount Due Within One Year
Governmental activities:							
Lease liabilities:							
VIN#137106	7/1/2022	\$ 30,539	9.62%	\$ 638 M	6/1/2027	\$ 13,880	\$ 6,608
VIN#137108	7/1/2022	\$ 30,544	9.62%	\$ 638 M	6/1/2027	13,879	6,608
2023 Dodge Durango	7/17/2023	\$ 46,428	2.66%	\$ 799 M	7/31/2028	28,362	8,945
2023 Dodge Durango	7/17/2023	\$ 46,428	2.66%	\$ 799 M	7/31/2028	28,362	8,945
Kyocera TA-406ci- Sheriff	3/28/2024	\$ 6,188	2.28%	\$ 109 M	3/27/2029	4,597	1,216
Konica Minolta 361i+DF-714	6/13/2024	\$ 5,640	2.99%	\$ 101 M	6/30/2029	4,567	1,091
Total lease liabilities						\$ 93,647	\$ 33,413
Other obligations:							
Net pension liability						\$ 1,632,977	\$ -
Total OPEB liability						403,800	3,100
Net OPEB liability						140,229	-
Compensated absences						477,907	119,477
Total other obligations						\$ 2,654,913	\$ 122,577
governmental activities						\$ 2,748,560	\$ 155,990

A = annual installments M = monthly installments SA= Semi-annual installments

The general fund is the primary governmental fund typically used in prior years to liquidate pension and OPEB liabilities.

Discretely Presented Component Unit-Service Authority:

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

	Balance July 1, 2024	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Direct borrowings and placements:				
Revenue bonds	\$ 276,386	\$ -	\$ 20,473	\$ 255,913
Other long-term obligations:				
Compensated absences	14,976	3,567	-	18,543
Net OPEB liabilities	19,141	1,561	6,599	14,103
Net pension liability	162,673	194,540	200,882	156,331
Total long-term obligations	\$ 473,176	\$ 199,668	\$ 227,954	\$ 444,890

The Service Authority's outstanding revenue bonds from direct borrowings and direct placements of \$255,913 contain a provision that in the event of default the entire unpaid principal and interest become immediately due and payable. The Service Authority has pledged to secure the payment and performance of the Authority's obligations under the bonds with the Authority's right, title, and interest to the revenues and receipts received by the Authority.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Discretely Presented Component Unit-Service Authority: (continued)

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

Fiscal Year	Direct borrowings and placements:	
	Revenue Bonds	
	Principal	Interest
2026	\$ 20,473	\$ -
2027	20,473	-
2028	20,473	-
2029	20,473	-
2030	20,473	-
2031-2035	102,365	-
2036-2038	51,183	-
Total	\$ 255,913	\$ -

Details of long-term obligations:

Type/Project	Issue Date/Term	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Business-type activities:							
Direct borrowings and direct placements:							
Virginia Resources Authority Revenue Bonds	4/5/2007	\$ 634,057	0.00%	\$ 10,236 SA	10/1/2037	\$ 255,913	\$ 20,473
Total direct borrowings and direct placements						\$ 255,913	\$ 20,473
Other obligations:							
Net pension liability						\$ 156,331	\$ -
Net OPEB liability						14,103	-
Compensated absences						18,543	3,744
Total other obligations						\$ 188,977	\$ 3,744
Total Long-term obligations from governmental activities						\$ 444,890	\$ 24,217

A = annual installments M = monthly installments SA= Semi-annual installments

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COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Discretely Presented Component Unit-School Board:

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

	Balance July 1, 2024, as restated	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Direct borrowings and placements:				
Note payable	\$ 1,312,692	\$ -	\$ 79,640	\$ 1,233,052
Lease liabilities	\$ 11,312	\$ 17,969	\$ 10,554	\$ 18,727
Other long-term obligations:				
Compensated absences	\$ 946,671	\$ -	\$ 128,779	\$ 817,892
Net OPEB liabilities	983,633	233,296	317,337	899,592
Total OPEB liability	334,100	44,900	35,900	343,100
Net pension liability	4,904,016	1,987,536	2,429,942	4,461,610
Total other long-term obligations	\$ 7,168,420	\$ 2,265,732	\$ 2,911,958	\$ 6,522,194
Total Long-Term Obligations	\$ 8,492,424	\$ 2,283,701	\$ 3,002,152	\$ 7,773,973

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

Fiscal Year	Direct Borrowings and Placements:			
	Note Payable		Lease Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 82,064	\$ 35,945	\$ 6,538	\$ 344
2027	84,560	33,449	3,557	246
2028	87,132	30,877	3,641	162
2029	89,782	28,226	3,727	77
2030	92,513	25,496	1,264	6
2031-2035	506,522	83,519	-	-
2036-2038	290,479	11,865	-	-
Total	\$ 1,233,052	\$ 249,377	\$ 18,727	\$ 835

The School Board's outstanding note payable from direct borrowings and direct placements of \$1,233,052 contains a provision that in the event of default the entire unpaid principal and interest become immediately due and payable. The School Board has pledged collateral consisting of all property, improvements, fixtures, and equipment installed at Bath County High School, Millboro Elementary School, and Valley Elementary School by Reliable Energy LLC to secure the payment and performance of the obligation under the note payable.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Discretely Presented Component Unit-School Board: (continued)

Details of long-term obligations:

Type/Project	Issue Date/Term	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Governmental activities:							
Direct borrowings and direct placements:							
Note payable to Reliable Energy, LLC	3/31/2018	\$ 1,773,180	3.00% M	\$ 9,834 M	1/28/2038	\$ 1,233,052	\$ 82,064
Total direct borrowings and direct placements						\$ 1,233,052	\$ 82,064
Lease liabilities:							
			1.335% -				
Copier leases (7)		\$ 46,807	2.331% M	\$ 705 M	11/3/2029	\$ 18,727	\$ 6,538
Total lease liabilities						\$ 18,727	\$ 6,538
Other obligations:							
Net pension liability						\$ 4,461,610	\$ -
Total OPEB liability						343,100	34,100
Net OPEB liability						899,592	-
Compensated absences						817,892	204,473
Total other obligations						\$ 6,522,194	\$ 238,573
Total Long-term obligations from governmental activities						\$ 7,773,973	\$ 327,175

A = annual installments M = monthly installments SA= Semi-annual installments

Discretely Presented Component Unit – Visit Bath County

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

	Balance July 1, 2024	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2025
Lease liabilities	\$ -	\$ 58,595	\$ 9,961	\$ 48,634
Other long-term obligations:				
Compensated absences	\$ 87	\$ 11,000	\$ 9,423	\$ 1,664
Total Long-Term Obligations	\$ 87	\$ 69,595	\$ 19,384	\$ 50,298

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

Fiscal Year	Lease Liabilities	
	Principal	Interest
2026	\$ 21,958	\$ 1,442
2027	24,576	524
2028	2,100	-
Total	\$ 48,634	\$ 1,966

Details of long-term obligations:

Type/Project	Issue Date/Term	Amount of Original Issue	Interest Rates	Amount of Installments	Final Maturity Date	Balance	Amount Due Within One Year
Lease liabilities:							
Office space	8/15/2024	\$ 58,595	3.90% M	\$ 1756 (P&I) M	8/14/2027	\$ 48,634	\$ 21,958
Other obligations:							
Compensated absences						\$ 1,664	\$ 1,664
Total Long-term obligations from governmental activities						\$ 50,298	\$ 23,622

M = monthly installments

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS:

Plan Description

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

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit 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.

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 9—PENSION PLANS: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	52	29
Inactive members:		
Vested inactive members	12	8
Non-vested inactive members	18	9
Inactive members active elsewhere in VRS	18	6
Total inactive members	48	23
Active members	72	24
Total covered employees	172	76

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (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 County contractually required employer contribution rate for the year ended June 30, 2025 was 12.33% of covered employee compensation for the County and Component Unit Public Service Authority. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$446,847 and \$406,276 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the pension plan from the Component Unit Public Service Authority were \$45,774 and \$38,894 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2025 was 2.49% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$15,245 and \$14,003 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$13,422 and \$3,836 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$20,097 and \$4,466 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,321,812 and \$430,300 for the County and School Board, respectively, for the year ended June 30, 2025.

Net Pension Liability

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

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 9—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – General Employees

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

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

Mortality rates:

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

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 9—PENSION PLANS: (CONTINUED)

Actuarial Assumptions – General Employees (continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

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

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COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 9—PENSION PLANS: (CONTINUED)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

Discount Rate

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

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 16,820,179	\$ 15,202,705	\$ 1,617,474
Changes for the year:			
Service cost	\$ 340,629	\$ -	\$ 340,629
Interest	1,130,225	-	1,130,225
Differences between expected and actual experience	551,426	-	551,426
Impact of change in proportion	74,276	67,133	7,143
Contributions - employer	-	406,156	(406,156)
Contributions - employee	-	152,093	(152,093)
Net investment income	-	1,465,166	(1,465,166)
Benefit payments, including refunds	(982,016)	(982,016)	-
Administrative expenses	-	(9,799)	9,799
Other changes	-	304	(304)
Net changes	\$ 1,114,540	\$ 1,099,037	\$ 15,503
Balances at June 30, 2024	\$ 17,934,719	\$ 16,301,742	\$ 1,632,977

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

Changes in Net Pension Liability (Asset) (continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at June 30, 2023	\$ 4,484,108	\$ 4,889,675	\$ (405,567)
Changes for the year:			
Service cost	\$ 45,424	\$ -	\$ 45,424
Interest	291,845	-	291,845
Differences between expected and actual experience	196,076	-	196,076
Contributions - employer	-	14,003	(14,003)
Contributions - employee	-	29,636	(29,636)
Net investment income	-	458,164	(458,164)
Benefit payments, including refunds	(411,817)	(411,817)	-
Administrative expenses	-	(3,258)	3,258
Other changes	-	60	(60)
Net changes	\$ 121,528	\$ 86,788	\$ 34,740
Balances at June 30, 2024	\$ 4,605,636	\$ 4,976,463	\$ (370,827)
	Component Unit Public Service Authority		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 1,691,649	\$ 1,528,976	\$ 162,673
Changes for the year:			
Service cost	\$ 32,611	\$ -	\$ 32,611
Interest	108,201	-	108,201
Differences between expected and actual experience	52,790	-	52,790
Impact of change in proportion	(74,276)	(67,133)	(7,143)
Contributions - employer	-	38,883	(38,883)
Contributions - employee	-	14,561	(14,561)
Net investment income	-	140,266	(140,266)
Benefit payments, including refunds	(94,012)	(94,012)	-
Administrative expenses	-	(938)	938
Other changes	-	29	(29)
Net changes	\$ 25,314	\$ 31,656	\$ (6,342)
Balances at June 30, 2024	\$ 1,716,963	\$ 1,560,632	\$ 156,331

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (6.75%)
County			
Net Pension Liability	\$ 3,942,885	\$ 1,632,977	\$ (259,676)
Component Unit Public Service Authority			
Net Pension Liability	\$ 377,468	\$ 156,331	\$ (24,860)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 119,027	\$ (370,827)	\$ (785,404)

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

For the year ended June 30, 2025, the County, Component Unit Public Service Authority, and Component Unit School Board (nonprofessional) recognized pension expense of \$211,176, (\$5,269), and (\$103,848), respectively. At June 30, 2025, the County, Component Unit Public Service Authority, and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit Public Service Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 391,128	\$ 113,046	\$ 37,444	\$ 11,618
Change in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	411,635	-	46,580
Impact of change in proportional allocation	31,523	-	-	31,523
Employer contributions subsequent to the measurement date	446,847	-	45,774	-
Total	\$ 869,498	\$ 524,681	\$ 83,218	\$ 89,721

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

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

	Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,545	\$ 12,724
Net difference between projected and actual earnings on pension plan investments	-	136,699
Employer contributions subsequent to the measurement date	15,245	-
Total	\$ 112,790	\$ 149,423

\$446,847, \$45,774, and \$15,245 reported as deferred outflows of resources related to pensions resulting from the County's, Component Unit Service Authority's, and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit Public Service Authority	Component Unit School Board (nonprofessional)
2026	\$ (253,696)	\$ (56,281)	\$ (39,219)
2027	251,218	15,453	40,943
2028	(9,737)	(2,851)	(25,473)
2029	(89,815)	(8,598)	(28,129)
2030	-	-	-

Pension Plan Data

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$747,668 and \$801,692 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$23,553 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$30,099 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,749,997 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$4,461,610 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was .04753% as compared to .04852% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$254,959. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 774,026	\$ 91,868
Change in assumptions	80,984	-
Net difference between projected and actual earnings on pension plan investments	-	614,143
Changes in proportion and differences between employer contributions and proportionate share of contributions	510	277,959
Employer contributions subsequent to the measurement date	<u>747,668</u>	<u>-</u>
Total	<u>\$ 1,603,188</u>	<u>\$ 983,970</u>

\$747,668 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	
2026	\$ (410,300)
2027	297,716
2028	52,033
2029	(67,899)
2030	-

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

Component Unit School Board (Professional) (continued)

Net Pension Liability

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

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

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

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability	\$ 8,288,797	\$ 4,461,610	\$ 1,327,266

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 9—PENSION PLANS: (CONTINUED)

Pension Plan Fiduciary Net Position

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

Aggregate Pension Information

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
Primary Government	\$ 869,498	\$ 524,681	\$ 1,632,977	\$ 211,176
School Board Nonprofessional	\$ 112,790	\$ 149,423	\$ (370,827)	\$ (103,848)
School Board Professional	1,603,188	983,970	4,461,610	254,959
Total School Board	<u>\$ 1,715,978</u>	<u>\$ 1,133,393</u>	<u>\$ 4,090,783</u>	<u>\$ 151,111</u>
Public Service Authority	<u>\$ 83,218</u>	<u>\$ 89,721</u>	<u>\$ 156,331</u>	<u>\$ (5,269)</u>

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

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

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

The specific information for GLI Program 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.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Benefit Amounts

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

Contributions

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

Primary Government contributions to the GLI Plan were \$17,154 and \$17,429 for the years ended June 30, 2025 and June 30, 2024, respectively. Component Unit Public Service Authority contributions to the GLI Plan were \$1,642 and \$1,753 for the years ended June 30, 2025 and June 30, 2024, respectively. School Board contributions to the GLI Plan for nonprofessional employees were \$2,878 and \$3,713, for the years ended June 30, 2025 and June 30, 2024, respectively. School Board contributions to the GLI Plan for professional employees were \$24,729 and \$27,950, for the years ended June 30, 2025 and June 30, 2024 respectively.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 10—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 Group Life Insurance Plan OPEB

At June 30, 2025, the Primary Government and Public Service Authority reported liabilities of \$140,229 and \$14,103 for their respective proportionate shares of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer’s proportion of the Net GLI OPEB Liability was based on the covered employer’s actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer’s proportion for the Primary Government was 0.0126% as compared to 0.0127% at June 30, 2023. At June 30, 2024, the participating employer’s proportion for the Public Service Authority was 0.00126% as compared to 0.00164% at June 30, 2023.

At June 30, 2025, the School Board reported liability of \$29,907 for nonprofessional employees and \$224,970 for professional employees for its proportionate share of the Net GLI OPEB Liability. At June 30, 2024 the participating employer’s proportion for nonprofessional employees was 0.00268% as compared to 0.00317% at June 30, 2023. At June 30, 2024, the participating employer’s proportion for School Board professional employees was 0.02016% as compared to 0.02084% at June 30, 2023.

For the year ended June 30, 2025, the Primary Government recognized GLI OPEB expense of \$3,352, while the Public Service Authority recognized GLI OPEB expense of \$337. The School Board recognized GLI OPEB expense of (\$1,299) and (\$4,852) for nonprofessional and professional employees, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the Primary Government and Component Unit Public Service Authority reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Component Unit Public Service Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,118	\$ 3,425	\$ 2,224	\$ 345
Net difference between projected and actual earnings on GLI OPEB program investments	-	11,820	-	1,189
Change in assumptions	800	6,949	80	699
Changes in proportion	1,646	4,575	166	460
Employer contributions subsequent to the measurement date	17,154	-	1,642	-
Total	\$ 41,718	\$ 26,769	\$ 4,112	\$ 2,693

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 10—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 Group Life Insurance Plan OPEB (continued)

\$17,154 and \$1,642 for the Primary Government and Public Service Authority, respectively were reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Primary Government		Component Unit	
		Public Service Authority	
Year Ended June 30,		Year Ended June 30,	
2026	\$ (6,663)	2026	\$ (670)
2027	1,859	2027	187
2028	(97)	2028	(10)
2029	663	2029	67
2030	2,033	2030	203
Thereafter	-	Thereafter	-

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

	Component Unit School Board			
	Nonprofessional Employees		Professional Employees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,717	\$ 731	\$ 35,483	\$ 5,495
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,521	-	18,963
Change in assumptions	170	1,482	1,282	11,149
Changes in proportion	1,648	6,339	-	21,828
Employer contributions subsequent to the measurement date	2,878	-	24,729	-
Total	\$ 9,413	\$ 11,073	\$ 61,494	\$ 57,435

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 10—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 Group Life Insurance Plan OPEB (continued)

\$2,878 and \$24,729 for the School Board nonprofessional and professional employees, respectively were reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Component Unit School Board					
Nonprofessional Employees			Professional Employees		
Year Ended June 30,			Year Ended June 30,		
2026	\$	(2,620)	2026	\$	(17,908)
2027		(498)	2027		(1,489)
2028		(705)	2028		(3,659)
2029		(293)	2029		122
2030		(422)	2030		2,264
Thereafter		-	Thereafter		-

Actuarial Assumptions

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (continued)

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

NET GLI OPEB Liability

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

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

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

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COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 10—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:

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

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

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

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

Proportionate Share of the GLI Plan Net OPEB Liability	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (6.75%)
Primary Government	\$ 218,074	\$ 140,229	\$ 77,340
Public Service Authority	\$ 21,932	\$ 14,103	\$ 7,778
School Board			
Nonprofessional employees	\$ 46,509	\$ 29,907	\$ 16,494
School Board			
Professional employees	\$ 349,857	\$ 224,970	\$ 124,077

GLI Program Fiduciary Net Position

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

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 11—VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN):

Plan Description

Political subdivisions are required by Title 51.1 of the Code of Virginia, as amended, to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the Virginia Local Disability Program (VLDP). This is a multiple-employer, cost-sharing plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia.

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

Eligible Employees

The Political Subdivision VLDP was implemented January 1, 2014 to provide benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits. All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision VLDP.

Benefit Amounts

The VLDP provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer. During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability. Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.

The VLDP provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week. Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

VLDP Notes

Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible. VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for active hybrid plan employees is governed by §51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2025 was 0.74% of covered employee compensation for employees in the VRS Political Subdivision VDLP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the VRS Political Subdivision VDLP were \$8,926 and \$8,465 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions from the Public Service Authority to the VRS Political Subdivision Employee VLDP were \$855 and \$851 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions from the Component Unit School Board for nonprofessional employees to the VRS Political Subdivision Employee VLDP were \$3,184 and \$4,035 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the Primary Government reported an asset of (\$4,645) for its proportionate share of the VLDP Net OPEB Liability. The Net VLDP OPEB Liability was measured as of June 30, 2024 and the total VLDP OPEB liability used to calculate the Net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The Primary Government's proportion of the Net VLDP OPEB Liability was based on the County's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the Primary Government's proportion of the VLDP was 0.12875% as compared to 0.12067% at June 30, 2023.

At June 30, 2025, the Public Service Authority reported an asset of (\$467) for its proportionate share of the VLDP Net OPEB Liability. The Net VLDP OPEB Liability was measured as of June 30, 2024 and the total VLDP OPEB liability used to calculate the Net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The Public Service Authority's proportion of the Net VLDP OPEB Liability was based on the County's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the Public Service Authority's proportion of the VLDP was 0.01295% as compared to 0.01563% at June 30, 2023.

At June 30, 2025, the School Board reported an asset of (\$2,214) for its proportionate share of the VLDP Net OPEB Liability for nonprofessional employees. The Net VLDP OPEB Liability was measured as of June 30, 2024 and the total VLDP OPEB liability used to calculate the Net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The School Board's proportion of the Net VLDP OPEB Liability for nonprofessional employees was based on the School Board's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board's proportion of the VLDP was 0.06138% as compared to 0.07660% at June 30, 2023.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 11—VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN): (CONTINUED)

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

For the year ended June 30, 2025, the Primary Government, Public Service Authority, and School Board (for nonprofessional employees) recognized VLDP OPEB expense of \$6,328, \$636, and \$2,979 respectively. Since there was a change in proportionate share between measurement dates a portion of the VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

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

	Primary Government		Component Unit Service Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 552	\$ 979	\$ 55	\$ 98
Net difference between projected and actual earnings on VLDP OPEB plan investments	-	420	-	42
Change in assumptions	-	108	-	11
Changes in proportion	120	175	12	18
Employer contributions subsequent to the measurement date	\$ 8,926	\$ -	\$ 855	\$ -
Total	\$ 9,598	\$ 1,682	\$ 922	\$ 169

	Component Unit School Board	
	Nonprofessional Employees Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 263	\$ 467
Net difference between projected and actual earnings on VLDP OPEB plan investments	-	200
Change in assumptions	-	51
Changes in proportion	140	139
Employer contributions subsequent to the measurement date	3,184	-
Total	\$ 3,587	\$ 857

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 11—VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN): (CONTINUED)

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

\$8,926, \$855, and \$3,184 reported as deferred outflows of resources related to the VLDP OPEB resulting from the Primary Government, Public Service Authority, and School Board’s respective contributions subsequent to the measurement date will be recognized as a reduction of the Net VLDP OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Primary Government		Component Unit Service Authority		Component Unit School Board - Nonprofessional	
Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
2026	\$ (419)	2026	\$ (42)	2026	\$ (233)
2027	(42)	2027	(4)	2027	(22)
2028	(137)	2028	(14)	2028	(60)
2029	(250)	2029	(25)	2029	(96)
2030	(165)	2030	(17)	2030	(48)
Thereafter	3	Thereafter	-	Thereafter	5

Actuarial Assumptions

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 11—VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (continued)

Mortality Rates – Non-Largest Ten Locality Employers – General and Non-Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

Pub-2010 Amount Weighted General 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 General Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 11—VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN): (CONTINUED)

Net VLDP OPEB Liability (Asset)

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

	Political Subdivision VLDP OPEB Plan	
	<hr/>	
Total Political Subdivision VLDP OPEB Liability	\$	12,230
Plan Fiduciary Net Position		15,837
Political Subdivision net VLDP OPEB Liability (Asset)	\$	<hr/> <u>(3,607)</u>
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability		129.49%

The total Political Subdivision VLDP OPEB liability is calculated by the System’s actuary, and the plan’s fiduciary net position is reported in the System’s financial statements. The net Political Subdivision VLDP 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.

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COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 11—VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 11—VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN): (CONTINUED)

Discount Rate

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

Sensitivity of the County’s Proportionate Share of the VLDP Net OPEB Liability to Changes in the Discount Rate

The following presents the County’s proportionate share of the net VLDP OPEB liability using the discount rate of 6.75%, as well as what the County’s proportionate share of the net VLDP OPEB 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:

Proportionate Share of Net VLDP OPEB Asset	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Primary Government	\$ (3,377) \$	(4,645) \$	(5,760)
Public Service Authority	\$ (340) \$	(467) \$	(579)
Component Unit School Board - Nonprofessional	\$ (1,610) \$	(2,214) \$	(2,746)

Political Subdivision VLDP OPEB Fiduciary Net Position

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 12—TEACHER VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN):

Plan Description:

All full-time, salaried permanent (professional) employees of public school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee Virginia Local Disability Program (VLDP). This is a multiple-employer, cost-sharing plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. School divisions are required by Title 51.1 of the Code of Virginia, as amended, to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the VLDP.

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

Eligible Employees

The Teacher VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. These employees include teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Benefit Amounts

The Teacher VLDP provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer. During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability. Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.

The Teacher VLDP provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week. Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

VLDP Notes

Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible. VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 12—TEACHER VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN):
 (CONTINUED)

Contributions

The contribution requirements for active hybrid plan employees is governed by §51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division’s contractually required employer contribution rate for the year ended June 30, 2025 was 0.45% of covered employee compensation for employees in the VRS Teacher VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee VLDP were \$12,375 and \$11,827 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the school division reported an asset of (\$2,089) for its proportionate share of the Teacher VLDP Net OPEB Liability. The Net Teacher VLDP OPEB Liability was measured as of June 30, 2024 and the total Teacher VLDP OPEB liability used to calculate the Net Teacher VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division’s proportion of the Net Teacher VLDP OPEB Liability was based on the school division’s actuarially determined employer contributions to the Teacher VLDP OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division’s proportion of the Teacher VLDP was 0.23318% as compared to 0.25080% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized Teacher VLDP OPEB expense of \$9,106. Since there was a change in proportionate share between measurement dates a portion of the Teacher VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,392	\$ 562
Net difference between projected and actual earnings on Teacher VLDP OPEB program investments	-	353
Change in assumptions	564	-
Changes in proportion	370	926
Employer contributions subsequent to the measurement date	<u>12,375</u>	<u>-</u>
Total	<u>\$ 19,701</u>	<u>\$ 1,841</u>

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 12—TEACHER VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN):
 (CONTINUED)

Teacher VLDP OPEB Liabilities, Teacher VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Teacher VLDP OPEB (continued)

\$12,375 reported as deferred outflows of resources related to the Teacher VLDP OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher VLDP OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher VLDP OPEB will be recognized in the Teacher VLDP OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	
2026	\$ 409
2027	772
2028	542
2029	543
2030	668
Thereafter	2,551

Actuarial Assumptions

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

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

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 12—TEACHER VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN):
 (CONTINUED)

Actuarial Assumptions (continued)

Mortality Rates – Teachers (continued)

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

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

Net Teacher VLDP OPEB Liability

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

	Teacher VLDP OPEB Plan
Total Teacher VLDP OPEB Liability	\$ 12,741
Plan Fiduciary Net Position	13,637
Teacher VLDP Net OPEB Liability (Asset)	\$ <u><u>(896)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher VLDP OPEB Liability	107.03%

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

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

**NOTE 12—TEACHER VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN):
(CONTINUED)**

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

**NOTE 12—TEACHER VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) (OPEB PLAN):
 (CONTINUED)**

Sensitivity of the School Division's Proportionate Share of the Teacher VLDP Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the Teacher Net VLDP OPEB Liability	\$ 1,270	\$ (2,089)	\$ (5,019)

Teacher Employee VLDP OPEB Fiduciary Net Position

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

NOTE 13—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

**NOTE 13—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)**

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$63,665 and \$62,543 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

**NOTE 13—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
 (CONTINUED)**

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

At June 30, 2025, the school division reported a liability of \$557,485 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division’s proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division’s proportion of the VRS Teacher Employee HIC Plan was 0.04824% as compared to 0.04920% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$22,743. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 26,412
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,983
Change in assumptions	9,604	-
Changes in proportionate share and differences between actual and expected contributions	12	50,988
Employer contributions subsequent to the measurement date	<u>63,665</u>	
Total	<u>\$ 73,281</u>	<u>\$ 79,383</u>

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

**NOTE 13—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
 (CONTINUED)**

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

\$63,665 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2026	\$	(21,414)
2027		(15,771)
2028		(13,719)
2029		(11,044)
2030		(5,370)
Thereafter		(2,449)

Actuarial Assumptions

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

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

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 13—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
 (CONTINUED)

Actuarial Assumptions (continued)

Mortality Rates – Teachers (continued)

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

Net Teacher Employee HIC OPEB Liability

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 13—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
 (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

**NOTE 13—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
 (CONTINUED)**

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 633,999	\$ 557,485	\$ 492,632

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Employees Covered by Benefit Terms

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

	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	16
Inactive members:	
Vested inactive members	1
Inactive members active elsewhere in VRS	5
Total inactive members	6
Active members	24
Total covered employees	46

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board's contractually required employer contribution rate for the year ended June 30, 2025 was 1.25% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board for nonprofessional employees to the HIC Plan were \$7,653 and \$8,596 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

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

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the HIC OPEB was 100% 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 HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Changes in Net HIC OPEB Liability

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 109,397	\$ 11,765	\$ 97,632
Changes for the year:			
Service cost	\$ 481	\$ -	\$ 481
Interest	7,130	-	7,130
Differences between expected and actual experience	(8,359)	-	(8,359)
Contributions - employer	-	8,595	(8,595)
Net investment income	-	1,072	(1,072)
Benefit payments	(8,490)	(8,490)	-
Administrative expenses	-	(14)	14
Other changes	-	1	(1)
Net changes	\$ (9,238)	\$ 1,164	\$ (10,402)
Balances at June 30, 2024	\$ 100,159	\$ 12,929	\$ 87,230

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board (nonprofessional) Net HIC OPEB Liability	\$ 95,895	\$ 87,230	\$ 79,719

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 14—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

For the year ended June 30, 2025, the School Board recognized HIC Plan OPEB expense of \$2,180. At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Program from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 10,230
Net difference between projected and actual earnings on HIC OPEB plan investments	-	223
Change in assumptions	1,410	-
Employer contributions subsequent to the measurement date	<u>7,653</u>	<u>-</u>
Total	<u>\$ 9,063</u>	<u>\$ 10,453</u>

\$7,653 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	
2026	\$ (5,039)
2027	(3,141)
2028	(808)
2029	(55)
2030	-
Thereafter	-

HIC Program Plan Data

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

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

NOTE 15—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN):

Plan Description

In addition to the pension and other postemployment benefits described in Notes 9-14, the County administers a single-employer defined benefit healthcare plan, the County of Bath OPEB Plan. The plan provides post-employment health care benefits to all eligible permanent employees of the County and School Board who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Post-employment benefits are provided to eligible retirees include Medical, Dental, and Prescription insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County and School Board who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits if they have at least 5 years of service with the County or School Board.

Plan Membership

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

	Primary Government and Component Unit School Board
Total active employees with coverage	179
Total	179

Contributions

The County and School Board do 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 County or the School board for the respective plans. The amounts paid by the Primary Government and School Board for OPEB as the benefits came due during the years ended June 30, 2025 and June 30, 2024 were \$37,200, and \$30,700, respectively.

Total OPEB Liability

The County’s and School Board’s total OPEB liabilities were measured as of July 1, 2024. The total OPEB liabilities were determined by actuarial valuations as July 1, 2024.

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 15—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuations for the County and for the School Board were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Salary Increases	2.50% per year for general salary inflations
Discount Rate	The discount rate has been set to equal 4.09% representing the Municipal GO AA 20-year yield curve rate as of the measurement date
Investment Rate of Return	N/A

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 11-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year’s valuation is 4.09% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2024	\$ 267,500	\$ 334,100
Changes for the year:		
Service cost	16,300	19,900
Interest	10,900	13,000
Difference between expected and actual experience	116,500	12,000
Changes in assumptions	(3,100)	(34,100)
Benefit payments	(4,300)	(1,800)
Net changes	<u>136,300</u>	<u>9,000</u>
Balances at June 30, 2025*	<u>\$ 403,800</u>	<u>\$ 343,100</u>

*Measurement date of July 1, 2024

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 15—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

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

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

	Rate		
	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Primary Government			
\$	437,914	\$ 403,800	\$ 372,551
Component Unit School Board			
\$	372,086	\$ 343,100	\$ 316,549

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (5.50% decreasing to 4.00%)	Healthcare Cost Trend (6.50% decreasing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
Primary Government			
\$	362,874	\$ 403,800	\$ 451,376
Component Unit School Board			
\$	308,326	\$ 343,100	\$ 383,524

COUNTY OF BATH, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 (CONTINUED)

NOTE 15—MEDICAL, DENTAL, AND PRESCRIPTION INSURANCE – PAY AS YOU GO (OPEB PLAN): (CONTINUED)

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

For the year ended June 30, 2025, the Primary Government recognized OPEB expense in the amount of (\$6,700). The School Board recognized OPEB expense in the amount of (\$57,100). At June 30, 2025, the Primary Government and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,530	\$ 198,089	\$ 79,470	\$ 168,311
Changes in assumptions	16,435	47,954	13,965	40,746
Employer contributions subsequent to the measurement date	3,100	-	34,100	-
Total	<u>\$ 113,065</u>	<u>\$ 246,043</u>	<u>\$ 127,535</u>	<u>\$ 209,057</u>

\$3,100 and \$34,100 reported as deferred outflows related to OPEB resulting from the Primary Government’s and School Board’s contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the fiscal year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Primary Government		Component Unit School Board	
Year Ended June 30,		Year Ended June 30,	
2025	\$ (73,310)	2025	\$ (62,290)
2026	(53,793)	2026	(45,707)
2027	(19,193)	2027	(16,307)
2028	4,920	2028	4,180
2029	5,298	2029	4,502
Thereafter	-	Thereafter	-

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

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 16—SUMMARY OF POSTEMPLOYMENT BENEFIT (OPEB) PLANS:

The following is a summary of the County’s OPEB plans as of June 30, 2025:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total/Net OPEB Liability/ (Asset)</u>	<u>OPEB Expense</u>
OPEB Plans:				
Primary Government				
Group Life Insurance Program (Note 10)	\$ 41,718	\$ 26,769	\$ 140,229	\$ 3,352
Virginia Local Disability Program (Note 11)	9,598	1,682	(4,645)	6,328
Stand-Alone Plan (Note 15)	113,065	246,043	403,800	(6,700)
Total OPEB Plans - Primary Government	<u>\$ 164,381</u>	<u>\$ 274,494</u>	<u>\$ 539,384</u>	<u>\$ 2,980</u>
Public Service Authority				
Group Life Insurance Program (Note 10)	\$ 4,112	\$ 2,693	\$ 14,103	\$ 337
Virginia Local Disability Program (Note 11)	922	169	(467)	636
Total OPEB Plans - Public Service Authority	<u>\$ 5,034</u>	<u>\$ 2,862</u>	<u>\$ 13,636</u>	<u>\$ 973</u>
School Board				
Group Life Insurance (Note 10):				
School Board Professional	\$ 61,494	\$ 57,435	\$ 224,970	\$ (4,852)
School Board Nonprofessional	9,413	11,073	29,907	(1,299)
Health Insurance Credit Program:				
School Board Professional (Note 13)	73,281	79,383	557,485	22,743
School Board Nonprofessional Note 14)	9,063	10,453	87,230	2,180
Virginia Local Disability Program				
School Board Professional (Note 12)	19,701	1,841	(2,089)	9,106
School Board Nonprofessional (Note 11)	3,587	857	(2,214)	2,979
Stand-Alone Plan (Note 15)	127,535	209,057	343,100	(57,100)
Total OPEB Plans - School Board	<u>\$ 304,074</u>	<u>\$ 370,099</u>	<u>\$ 1,238,389</u>	<u>\$ (26,243)</u>

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COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 17—DEFERRED/ UNAVAILABLE/ UEARNED REVENUE:

Deferred/ unavailable/ unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The following is a summary of deferred and unavailable revenue for the year ended June 30, 2025:

	<u>Government- wide Financial Statements</u>	<u>Fund Financial Statements</u>
Primary Government deferred/unavailable property tax revenue:		
Unavailable revenue representing uncollected property tax billings for the second half of calendar year 2025. The uncollected tax billings are not available for the funding of current expenditures.	\$ -	\$ 433,031
Deferred prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	<u>24,866</u>	<u>24,866</u>
Total primary government deferred/unavailable revenue	\$ <u>24,866</u>	\$ <u>457,897</u>
Primary Government deferred/unavailable opioid settlement revenue:		
Unavailable revenue representing opioid settlement proceeds to be distributed to the County annually through fiscal year 2039.	\$ -	\$ 56,920
Total primary government deferred/unavailable revenue	\$ <u>24,866</u>	\$ <u>514,817</u>

Unearned revenue of the Primary Government, Component Unit School Board, and Component Unit Services Authority, totaling \$468,009, \$1,230,233, and \$3,746,195 is comprised of the following:

Payments in Lieu of Taxes – Unearned revenue representing payments in lieu of taxes not available for funding of current expenditures totaled \$468,009 and \$192,460 for the Primary Government and Component Unit School Board, respectively.

Unearned Grant Revenue – The School Board has received grant funding under school construction and school security grants unspent at year end totaling \$1,037,773.

Prepaid Capital Expenditures – The Bath County Public Service Authority entered into a contract with Warm Springs Investment, LLC (WSIC) to provide Wastewater Treatment and Water Supply upgrades to the customers located within Homestead Preserve when such upgrades are deemed necessary based on the number of customers being served. WSIC is making yearly payments to the PSA to offset these future expenses. To date the PSA has received \$3,353,709 from WSIC.

Prepaid Development Fees – Development fees prepaid to the Bath County Public Service Authority by the WSIC totaled \$355,794 at June 30, 2025.

Prepaid Water and Sewer Fees – Prepaid fees for water and sewer usage received from customers amounted to \$36,692 at June 30, 2025.

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 18—CONTINGENT LIABILITIES:

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

NOTE 19—SURETY BONDS:

Hartford Accident and Indemnity Company:	
Annette T. Loan, Clerk of Circuit Court	\$ 5,000
Pam Webb, Treasurer	500,000
Angel M. Grimm, Commissioner of the Revenue	3,000
Robert Plecker, Sheriff	5,000
Roy Burns, Supervisor	1,000
Lee Fry, Supervisor	1,000
Ron Shifflett, Supervisor	1,000
John Lockridge, Supervisor	1,000
Lynn Ellen Black, Supervisor	1,000
All County employees; blanket bond	175,000
Virginia School Board Association Property and Casualty Pool:	
Rick N. Bolling, Superintendent of Schools	10,000
Justin S. Rider, Finance Director	10,000
All School Board employees; blanket bond	1,000,000
Nationwide Insurance:	
Department of Social Services - Director and Employees	250,000
Western Surety Company:	
County Administrator	2,000

NOTE 20—RISK MANAGEMENT:

The County 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 County joined together with other local governments in Virginia to form the Virginia Municipal Group Self Insurance Association, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The County pays an annual premium to the Association for its general workers compensation insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss, including general liability and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

NOTE 21—LITIGATION CLAIMS AND ASSESSMENTS:

At June 30, 2025, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

COUNTY OF BATH, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

NOTE 22—ADOPTION OF ACCOUNTING STANDARDS:

During 2025, the County implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the County now recognizes an estimated amount of vacation and sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. Beginning net position in the government-wide financial statements has been restated to record the impact of implementing GASB Statement No. 101. Refer to Note 24 for the full details of the restatement of beginning balances.

NOTE 23—RESTATEMENT OF BEGINNING NET POSITION:

Beginning net position has been restated due to the adoption of GASB Statement No. 101, *Compensated Absences*, and the correction of an error in the in the previously issued financial statements. The details of the restatement are as follows:

	Government-Wide Financial Statements	
	Primary Government	Component Unit School Board
Net Position, as reported, June 30, 2024	\$ 11,885,816	\$ 7,652,224
Restatement to remove the cost for a paving project that was duplicated in the prior year. This cost was reflected in the construction in progress and building categories of capital assets in the previously issued financial statements.	-	(214,950)
Restatement for GASB No. 101 implementation	(321,920)	(677,892)
Net Position, as restated, June 30, 2024	\$ 11,563,896	\$ 6,759,382

NOTE 24—UPCOMING PRONOUNCEMENTS:

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

(Note: Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.)

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 12,273,964	\$ 12,273,964	\$ 12,875,960	\$ 601,996
Other local taxes	2,309,600	2,309,600	3,613,925	1,304,325
Permits, privilege fees, and regulatory licenses	43,100	43,100	25,714	(17,386)
Fines and forfeitures	2,000	2,000	3,138	1,138
Revenue from the use of money and property	20,000	20,000	310,160	290,160
Charges for services	187,000	189,064	221,683	32,619
Miscellaneous	164,885	164,885	145,313	(19,572)
Recovered costs	-	62,058	48,871	(13,187)
Intergovernmental:				
Commonwealth	1,718,578	1,954,979	2,096,314	141,335
Federal	2,650,730	2,650,730	1,770,351	(880,379)
Total revenues	<u>\$ 19,369,857</u>	<u>\$ 19,670,380</u>	<u>\$ 21,111,429</u>	<u>\$ 1,441,049</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,655,134	\$ 1,712,245	\$ 1,472,118	\$ 240,127
Judicial administration	584,167	612,942	592,251	20,691
Public safety	5,336,915	5,767,192	4,647,435	1,119,757
Public works	3,661,750	3,721,049	3,062,376	658,673
Health and welfare	348,595	348,595	369,420	(20,825)
Education	7,626,968	7,815,830	7,200,618	615,212
Parks, recreation, and cultural	488,035	491,493	412,292	79,201
Community development	371,616	378,116	374,490	3,626
Nondepartmental	288,507	228,530	126,929	101,601
Capital projects	-	-	5,640	(5,640)
Debt service:				
Principal retirement	-	-	31,693	(31,693)
Interest and other fiscal charges	-	-	5,320	(5,320)
Total expenditures	<u>\$ 20,361,687</u>	<u>\$ 21,075,992</u>	<u>\$ 18,300,582</u>	<u>\$ 2,775,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (991,830)</u>	<u>\$ (1,405,612)</u>	<u>\$ 2,810,847</u>	<u>\$ 4,216,459</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (536,401)	\$ (536,401)	\$ (339,560)	\$ 196,841
Leases (as lessee)	-	-	5,640	5,640
Total other financing sources (uses)	<u>\$ (536,401)</u>	<u>\$ (536,401)</u>	<u>\$ (333,920)</u>	<u>\$ 202,481</u>
Net change in fund balances	\$ (1,528,231)	\$ (1,942,013)	\$ 2,476,927	\$ 4,418,940
Fund balances - beginning	1,528,231	1,942,013	7,971,207	6,029,194
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,448,134</u>	<u>\$ 10,448,134</u>

Special Revenue Fund - Lodging Tax -Marketing/Capital Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other local taxes	\$ 500,000	\$ 500,000	\$ 661,428	\$ 161,428
Miscellaneous	-	-	150	150
Intergovernmental:				
Federal	-	-	106,418	106,418
Total revenues	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 767,996</u>	<u>\$ 267,996</u>
EXPENDITURES				
Current:				
Community development	\$ 1,220,245	\$ 1,220,245	\$ 1,220,245	\$ -
Total expenditures	<u>\$ 1,220,245</u>	<u>\$ 1,220,245</u>	<u>\$ 1,220,245</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (720,245)	\$ (720,245)	\$ (452,249)	\$ 267,996
Net change in fund balances	\$ (720,245)	\$ (720,245)	\$ (452,249)	\$ 267,996
Fund balances - beginning	720,245	720,245	1,195,908	475,663
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 743,659</u>	<u>\$ 743,659</u>

Special Revenue Fund - Special Lodging Tax Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,834,308	\$ 334,308
Total revenues	\$ 1,500,000	\$ 1,500,000	\$ 1,834,308	\$ 334,308
EXPENDITURES				
Current:				
Community development	\$ 1,700,000	\$ 1,700,000	\$ 1,965,851	\$ (265,851)
Total expenditures	\$ 1,700,000	\$ 1,700,000	\$ 1,965,851	\$ (265,851)
Excess (deficiency) of revenues over (under) expenditures	\$ (200,000)	\$ (200,000)	\$ (131,543)	\$ 68,457
Net change in fund balances	\$ (200,000)	\$ (200,000)	\$ (131,543)	\$ 68,457
Fund balances - beginning	200,000	200,000	923,206	723,206
Fund balances - ending	\$ -	\$ -	\$ 791,663	\$ 791,663

County of Bath, Virginia

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios
 Primary Government
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 340,629	\$ 333,855	\$ 303,443	\$ 304,812
Interest	1,130,225	1,101,880	1,031,651	946,496
Differences between expected and actual experience	551,426	(241,862)	(44,962)	(219,796)
Impact of change in proportion	74,276	418,852	136,539	4,505
Changes in assumptions	-	-	-	475,351
Benefit payments	(982,016)	(727,984)	(669,942)	(700,633)
Net change in total pension liability	<u>\$ 1,114,540</u>	<u>\$ 884,741</u>	<u>\$ 756,729</u>	<u>\$ 810,735</u>
Total pension liability - beginning	16,820,179	15,935,438	15,178,709	14,367,974
Total pension liability - ending (a)	<u><u>\$ 17,934,719</u></u>	<u><u>\$ 16,820,179</u></u>	<u><u>\$ 15,935,438</u></u>	<u><u>\$ 15,178,709</u></u>
Plan fiduciary net position				
Impact of change in proportion	\$ 67,133	\$ 371,072	\$ 127,437	\$ 3,544
Contributions - employer	406,156	377,875	384,551	357,906
Contributions - employee	152,093	141,183	132,755	124,328
Net investment income	1,465,166	931,832	(15,440)	3,083,741
Benefit payments	(982,016)	(727,984)	(669,942)	(700,633)
Administrator charges	(9,799)	(9,259)	(8,879)	(7,679)
Other	304	376	332	290
Net change in plan fiduciary net position	<u>\$ 1,099,037</u>	<u>\$ 1,085,095</u>	<u>\$ (49,186)</u>	<u>\$ 2,861,497</u>
Plan fiduciary net position - beginning	15,202,705	14,117,610	14,166,796	11,305,299
Plan fiduciary net position - ending (b)	<u><u>\$ 16,301,742</u></u>	<u><u>\$ 15,202,705</u></u>	<u><u>\$ 14,117,610</u></u>	<u><u>\$ 14,166,796</u></u>
 County's net pension liability - ending (a) - (b)	 \$ 1,632,977	 \$ 1,617,474	 \$ 1,817,828	 \$ 1,011,913
 Plan fiduciary net position as a percentage of the total pension liability	 90.89%	 90.38%	 88.59%	 93.33%
 Covered payroll	 \$ 3,241,909	 \$ 2,975,310	 \$ 2,762,907	 \$ 2,558,958
 County's net pension liability as a percentage of covered payroll	 50.37%	 54.36%	 65.79%	 39.54%

	2020	2019	2018	2017	2016	2015
\$	305,829	\$ 262,911	\$ 247,187	\$ 273,697	\$ 259,627	\$ 248,054
	888,053	871,135	838,107	828,584	789,786	758,108
	356,768	57,182	(367,052)	(45,544)	80,983	120,191
	(195,497)	405,877	(210,891)	112,327	-	(8,319)
	-	390,793	-	(76,727)	-	-
	(678,052)	(671,881)	(632,681)	(633,465)	(743,484)	(604,144)
\$	677,101	\$ 1,316,017	\$ (125,330)	\$ 458,872	\$ 386,912	\$ 513,890
	13,690,873	12,374,856	12,500,186	12,041,314	11,654,402	11,140,512
\$	14,367,974	\$ 13,690,873	\$ 12,374,856	\$ 12,500,186	\$ 12,041,314	\$ 11,654,402
\$	(164,536)	\$ 351,410	\$ (175,285)	\$ 87,664	\$ -	\$ (6,970)
	290,886	283,599	277,876	279,957	298,180	286,900
	125,434	121,921	111,939	120,958	116,621	146,741
	216,615	731,128	749,862	1,144,882	156,983	424,375
	(678,052)	(671,881)	(632,681)	(633,465)	(743,484)	(604,144)
	(7,419)	(7,318)	(6,542)	(6,702)	(6,057)	(5,891)
	(255)	(460)	(665)	(1,016)	(70)	(88)
\$	(217,327)	\$ 808,399	\$ 324,504	\$ 992,278	\$ (177,827)	\$ 240,923
	11,522,626	10,714,227	10,389,723	9,397,445	9,575,272	9,334,349
\$	11,305,299	\$ 11,522,626	\$ 10,714,227	\$ 10,389,723	\$ 9,397,445	\$ 9,575,272
\$	3,062,675	\$ 2,168,247	\$ 1,660,629	\$ 2,110,463	\$ 2,643,869	\$ 2,079,130
	78.68%	84.16%	86.58%	83.12%	78.04%	82.16%
\$	2,555,312	\$ 2,490,532	\$ 2,334,682	\$ 2,280,650	\$ 2,352,914	\$ 2,255,503
	119.86%	87.06%	71.13%	92.54%	112.37%	92.18%

County of Bath, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Public Service Authority
 For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 32,611	\$ 33,577	\$ 39,296	\$ 42,570
Interest	108,201	110,819	133,599	132,188
Differences between expected and actual experience	52,790	(24,325)	(5,823)	(30,697)
Impact of change in proportion	(74,276)	(418,852)	(136,539)	(4,505)
Assumption changes	-	-	-	66,388
Benefit payments	(94,012)	(73,215)	(86,758)	(97,851)
Net change in total pension liability	\$ 25,314	\$ (371,996)	\$ (56,225)	\$ 108,093
Total pension liability - beginning	1,691,649	2,063,645	2,119,870	2,011,777
Total pension liability - ending (a)	\$ 1,716,963	\$ 1,691,649	\$ 2,063,645	\$ 2,119,870
Plan fiduciary net position				
Impact of change in proportion	\$ (67,133)	\$ (371,072)	\$ (127,437)	\$ (3,544)
Contributions - employer	38,883	38,004	49,800	49,985
Contributions - employee	14,561	14,199	17,192	17,364
Net investment income	140,266	93,717	(2,000)	430,678
Benefit payments	(94,012)	(73,215)	(86,758)	(97,851)
Administrator charges	(938)	(931)	(1,150)	(1,073)
Other	29	38	43	41
Net change in plan fiduciary net position	\$ 31,656	\$ (299,260)	\$ (150,310)	\$ 395,600
Plan fiduciary net position - beginning	1,528,976	1,828,236	1,978,546	1,582,946
Plan fiduciary net position - ending (b)	\$ 1,560,632	\$ 1,528,976	\$ 1,828,236	\$ 1,978,546
Public Service Authority's net pension liability - ending (a) - (b)	\$ 156,331	\$ 162,673	\$ 235,409	\$ 141,324
Plan fiduciary net position as a percentage of the total pension liability	90.89%	90.38%	88.59%	93.33%
Covered payroll	\$ 310,361	\$ 299,235	\$ 348,503	\$ 349,545
Public Service Authority's net pension liability as a percentage of covered payroll	50.37%	54.36%	67.55%	40.43%

Exhibit 11

	2020	2019	2018	2017	2016	2015
\$	42,822	\$ 32,533	\$ 39,697	\$ 38,596	\$ 39,375	\$ 37,620
	124,344	107,794	134,597	116,843	119,779	114,975
	49,954	7,076	(58,947)	(6,422)	12,282	18,228
	195,497	(405,877)	210,891	(112,327)	-	8,319
	-	48,357	-	(10,820)	-	-
	(94,940)	(83,138)	(101,606)	(89,329)	(112,757)	(91,624)
\$	317,677	\$ (293,255)	\$ 224,632	\$ (63,459)	\$ 58,679	\$ 87,518
	1,694,100	1,987,355	1,762,723	1,826,182	1,767,503	1,679,985
\$	<u>2,011,777</u>	<u>1,694,100</u>	<u>1,987,355</u>	<u>1,762,723</u>	<u>1,826,182</u>	<u>1,767,503</u>
\$	164,536	\$ (351,410)	\$ 175,285	\$ (87,664)	\$ -	\$ 6,970
	40,729	35,092	44,626	39,478	45,222	43,511
	17,563	15,086	17,977	17,057	17,687	22,255
	30,330	90,469	120,425	161,446	23,808	64,361
	(94,940)	(83,138)	(101,606)	(89,329)	(112,757)	(91,624)
	(1,036)	(905)	(1,051)	(945)	(919)	(894)
	(36)	(57)	(107)	(143)	(9)	(13)
\$	157,146	\$ (294,863)	\$ 255,549	\$ 39,900	\$ (26,968)	\$ 44,566
	1,425,800	1,720,663	1,465,114	1,425,214	1,452,182	1,407,616
\$	<u>1,582,946</u>	<u>1,425,800</u>	<u>1,720,663</u>	<u>1,465,114</u>	<u>1,425,214</u>	<u>1,452,182</u>
\$	428,831	\$ 268,300	\$ 266,692	\$ 297,609	\$ 400,968	\$ 315,321
	78.68%	84.16%	86.58%	83.12%	78.04%	82.16%
\$	367,834	\$ 304,024	\$ 300,566	\$ 320,655	\$ 355,519	\$ 342,068
	116.58%	88.25%	88.73%	92.81%	112.78%	92.18%

County of Bath, Virginia

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 45,424	\$ 56,592	\$ 51,315	\$ 49,304
Interest	291,845	306,550	296,898	290,622
Differences between expected and actual experience	196,076	(244,054)	30,030	(205,277)
Assumption changes			-	148,708
Benefit payments	(411,817)	(239,740)	(241,306)	(242,087)
Net change in total pension liability	\$ 121,528	\$ (120,652)	\$ 136,937	\$ 41,270
Total pension liability - beginning	4,484,108	4,604,760	4,467,823	4,426,553
Total pension liability - ending (a)	<u>\$ 4,605,636</u>	<u>\$ 4,484,108</u>	<u>\$ 4,604,760</u>	<u>\$ 4,467,823</u>
Plan fiduciary net position				
Contributions - employer	\$ 14,003	\$ 16,128	\$ 24,833	\$ 25,509
Contributions - employee	29,636	32,671	28,714	28,495
Net investment income	458,164	302,867	(2,750)	1,093,320
Benefit payments	(411,817)	(239,740)	(241,306)	(242,087)
Refund of contributions				
Administrator charges	(3,258)	(3,114)	(3,134)	(2,829)
Other	60	121	112	102
Net change in plan fiduciary net position	\$ 86,788	\$ 108,933	\$ (193,531)	\$ 902,510
Plan fiduciary net position - beginning	4,889,675	4,780,742	4,974,273	4,071,763
Plan fiduciary net position - ending (b)	<u>\$ 4,976,463</u>	<u>\$ 4,889,675</u>	<u>\$ 4,780,742</u>	<u>\$ 4,974,273</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (370,827)	\$ (405,567)	\$ (175,982)	\$ (506,450)
Plan fiduciary net position as a percentage of the total pension liability	108.05%	109.04%	103.82%	111.34%
Covered payroll	\$ 687,650	\$ 747,158	\$ 641,603	\$ 632,416
School Division's net pension liability as a percentage of covered payroll	-53.93%	-54.28%	-27.43%	-80.08%

	2020	2019	2018	2017	2016	2015
\$	50,739	\$ 48,901	\$ 56,896	\$ 55,777	\$ 64,626	\$ 74,534
	285,444	279,666	276,821	292,977	292,531	281,906
	8,523	98,139	(24,349)	(260,563)	(119,113)	(25,192)
	-	109,672	-	(66,278)	-	-
	(293,920)	(311,677)	(225,789)	(279,629)	(183,722)	(175,196)
\$	50,786	\$ 224,701	\$ 83,579	\$ (257,716)	\$ 54,322	\$ 156,052
	4,375,767	4,151,066	4,067,487	4,325,203	4,270,881	4,114,829
\$	<u>4,426,553</u>	<u>\$ 4,375,767</u>	<u>\$ 4,151,066</u>	<u>\$ 4,067,487</u>	<u>\$ 4,325,203</u>	<u>\$ 4,270,881</u>
\$	14,365	\$ 15,969	\$ 43,353	\$ 46,903	\$ 69,463	\$ 71,030
	29,174	28,417	30,294	32,479	33,631	40,750
	80,769	271,314	299,787	453,312	66,059	171,408
	(293,920)	(311,677)	(225,789)	(279,629)	(183,722)	(175,196)
	(2,876)	(2,908)	(2,664)	(2,746)	(2,422)	(2,375)
	(92)	(170)	(263)	(401)	(28)	(34)
\$	(172,580)	\$ 945	\$ 144,718	\$ 249,918	\$ (17,019)	\$ 105,583
	4,244,343	4,243,398	4,098,680	3,848,762	3,865,781	3,760,198
\$	<u>4,071,763</u>	<u>\$ 4,244,343</u>	<u>\$ 4,243,398</u>	<u>\$ 4,098,680</u>	<u>\$ 3,848,762</u>	<u>\$ 3,865,781</u>
\$	354,790	\$ 131,424	\$ (92,332)	\$ (31,193)	\$ 476,441	\$ 405,100
	91.98%	97.00%	102.22%	100.77%	88.98%	90.51%
\$	650,585	\$ 627,250	\$ 651,019	\$ 681,625	\$ 685,146	\$ 694,956
	54.53%	20.95%	-14.18%	-4.58%	69.54%	58.29%

County of Bath, Virginia

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.04753%	0.04852%	0.04947%	0.05144%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,461,610	\$ 4,904,016	\$ 4,709,840	\$ 3,993,337
Employer's Covered Payroll	\$ 5,168,875	\$ 4,909,176	\$ 4,632,082	\$ 4,562,061
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	86.32%	99.89%	101.68%	87.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.52%	82.45%	82.61%	85.46%

The amounts presented have a measurement date of the previous fiscal year end.

Exhibit 13

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.05290%	0.05439%	0.05689%	0.05875%	0.05993%	0.06123%
\$ 7,693,974	\$ 7,158,033	\$ 6,690,000	\$ 7,225,000	\$ 8,398,000	\$ 7,706,000
\$ 4,621,057	\$ 4,367,633	\$ 4,603,280	\$ 4,634,534	\$ 4,569,661	\$ 4,552,058
166.50%	163.89%	145.33%	155.89%	183.78%	169.29%
71.47%	72.92%	72.92%	72.92%	68.28%	70.68%

Schedule of Employer Contributions
Pension Plans
Years Ended June 30, 2016 through June 30, 2025

Date	Contributions in Relation to					Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)*	Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)		
Primary Government						
2025	\$ 446,847	\$ 446,847	\$ -	\$ 3,624,063		12.33%
2024	406,276	406,276	-	3,241,909		12.53%
2023	377,894	377,894	-	2,975,310		12.70%
2022	384,829	384,829	-	2,762,907		13.93%
2021	357,903	357,903	-	2,558,958		13.99%
2020	291,079	291,079	-	2,555,312		11.39%
2019	288,154	288,154	-	2,490,532		11.57%
2018	285,396	285,396	-	2,334,682		12.22%
2017	280,582	280,582	-	2,280,650		12.30%
2016	298,180	298,180	-	2,352,914		12.67%
Component Unit Public Service Authority						
2025	\$ 45,774	\$ 45,774	\$ -	\$ 371,240		12.33%
2024	38,894	38,894	-	310,361		12.53%
2023	38,006	38,006	-	299,235		12.70%
2022	49,836	49,836	-	348,503		14.30%
2021	49,985	49,985	-	349,545		14.30%
2020	40,756	40,756	-	367,834		11.08%
2019	30,631	30,631	-	304,024		10.08%
2018	37,180	37,180	-	300,566		12.37%
2017	39,665	39,665	-	320,655		12.37%
2016	45,222	45,222	-	355,519		12.72%
Component Unit School Board (nonprofessional)						
2025	\$ 15,245	\$ 15,245	\$ -	\$ 612,263		2.49%
2024	14,003	14,003	-	687,650		2.04%
2023	16,697	16,697	-	747,158		2.23%
2022	25,287	25,287	-	641,603		3.94%
2021	25,509	25,509	-	632,416		4.03%
2020	14,165	14,165	-	650,585		2.18%
2019	15,858	15,858	-	627,250		2.53%
2018	43,353	43,353	-	651,019		6.66%
2017	47,270	47,270	-	681,625		6.93%
2016	70,090	70,090	-	685,146		10.23%
Component Unit School Board (professional)						
2025	\$ 747,668	\$ 747,668	\$ -	\$ 5,261,562		14.21%
2024	801,692	801,692	-	5,168,875		15.51%
2023	765,925	765,925	-	4,909,176		15.60%
2022	734,928	734,928	-	4,632,082		15.87%
2021	727,755	727,755	-	4,562,061		15.95%
2020	702,753	702,753	-	4,621,057		15.21%
2019	696,179	696,179	-	4,367,633		15.94%
2018	735,371	735,371	-	4,603,280		15.97%
2017	679,423	679,423	-	4,634,534		14.66%
2016	642,494	642,494	-	4,569,661		14.06%

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

Notes to Required Supplementary Information
 Pension Plans
 Year Ended June 30, 2025

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of County's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2024	0.0126%	\$ 140,229	\$ 3,227,656	4.34%	73.41%
2023	0.0127%	147,803	2,979,380	4.96%	69.30%
2022	0.0124%	152,444	2,754,678	5.53%	67.21%
2021	0.0124%	143,943	2,552,080	5.64%	67.45%
2020	0.0125%	207,869	2,555,312	8.13%	52.64%
2019	0.0127%	206,496	2,490,532	8.29%	52.00%
2018	0.0119%	181,803	2,334,682	7.79%	51.22%
2017	0.0124%	185,799	2,280,640	8.15%	48.86%
Component Unit Public Service Authority					
2024	0.00126%	\$ 14,103	\$ 324,615	4.34%	73.41%
2023	0.00164%	19,141	299,645	6.39%	69.30%
2022	0.00173%	19,742	356,732	5.53%	67.21%
2021	0.00173%	20,103	356,423	5.64%	67.45%
2020	0.00174%	29,106	359,038	8.11%	52.64%
2019	0.00157%	25,552	304,024	8.40%	52.00%
2018	0.00192%	29,197	300,566	9.71%	51.22%
2017	0.00174%	26,201	320,665	8.17%	48.86%
Component Unit School Board (nonprofessional)					
2024	0.00268%	\$ 29,907	\$ 687,650	4.35%	73.41%
2023	0.00317%	38,018	747,158	5.09%	69.30%
2022	0.00300%	35,882	648,999	5.53%	67.21%
2021	0.00310%	35,627	632,416	5.63%	67.45%
2020	0.00320%	52,735	650,585	8.11%	52.64%
2019	0.00320%	52,073	627,250	8.30%	52.00%
2018	0.00342%	51,000	651,019	7.83%	51.22%
2017	0.00373%	56,000	687,506	8.15%	48.86%
Component Unit School Board (professional)					
2024	0.02016%	\$ 224,970	\$ 5,176,002	4.35%	73.41%
2023	0.02084%	249,937	4,909,176	5.09%	69.30%
2022	0.02130%	256,473	4,634,340	5.53%	67.21%
2021	0.02210%	257,304	4,562,061	5.64%	67.45%
2020	0.02250%	374,654	4,621,057	8.11%	52.64%
2019	0.02340%	380,130	4,578,736	8.30%	52.00%
2018	0.02421%	368,000	4,603,280	7.99%	51.22%
2017	0.02513%	378,000	4,634,534	8.16%	48.86%

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

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 17,154	\$ 17,154	\$ -	\$ 3,649,712	0.47%
2024	17,429	17,429	-	3,227,656	0.54%
2023	16,089	16,089	-	2,979,380	0.54%
2022	14,786	14,786	-	2,754,678	0.54%
2021	13,781	13,781	-	2,552,080	0.54%
2020	13,333	13,333	-	2,555,312	0.52%
2019	12,521	12,521	-	2,490,532	0.50%
2018	12,010	12,010	-	2,334,682	0.51%
2017	11,855	11,855	-	2,280,640	0.52%
2016	11,306	11,306	-	2,355,213	0.48%
Component Unit Public Service Authority					
2025	\$ 1,642	\$ 1,642	\$ -	\$ 349,402	0.47%
2024	1,753	1,753	-	324,615	0.54%
2023	1,618	1,618	-	299,645	0.54%
2022	1,926	1,926	-	356,732	0.54%
2021	1,925	1,925	-	356,423	0.54%
2020	1,867	1,867	-	359,038	0.52%
2019	2,011	2,011	-	304,024	0.66%
2018	1,693	1,693	-	300,566	0.56%
2017	1,672	1,672	-	320,665	0.52%
2016	1,706	1,706	-	355,519	0.48%
Component Unit School Board (nonprofessional)					
2025	\$ 2,878	\$ 2,878	\$ -	\$ 612,263	0.47%
2024	3,713	3,713	-	687,650	0.54%
2023	4,035	4,035	-	747,158	0.54%
2022	3,505	3,505	-	648,999	0.54%
2021	3,415	3,415	-	632,416	0.54%
2020	3,383	3,383	-	650,585	0.52%
2019	3,262	3,262	-	627,250	0.52%
2018	3,385	3,385	-	651,019	0.52%
2017	3,575	3,575	-	687,506	0.52%
2016	3,298	3,298	-	687,052	0.48%
Component Unit School Board (professional)					
2025	\$ 24,729	\$ 24,729	\$ -	\$ 5,261,562	0.47%
2024	27,950	27,950	-	5,176,002	0.54%
2023	26,510	26,510	-	4,909,176	0.54%
2022	25,025	25,025	-	4,634,340	0.54%
2021	24,635	24,635	-	4,562,061	0.54%
2020	24,029	24,029	-	4,621,057	0.52%
2019	23,809	23,809	-	4,578,736	0.52%
2018	23,937	23,937	-	4,603,280	0.52%
2017	24,100	24,100	-	4,634,534	0.52%
2016	21,934	21,934	-	4,569,661	0.48%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 Year Ended June 30, 2025

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of County's Share of Net OPEB Liability
 Virginia Local Disability Program (VLDP)
 For the Measurement Dates June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net VLDP OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net VLDP OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net VLDP OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total VLDP OPEB Liability (6)
Primary Government					
2024	0.12875%	\$ (4,645)	\$ 995,842	-0.47%	129.49%
2023	0.12067%	(1,942)	758,311	-0.26%	116.89%
2022	0.10624%	(625)	497,869	-0.13%	107.99%
2021	0.09294%	(826)	327,607	-0.25%	119.59%
2020	0.07441%	743	277,175	0.27%	76.84%
2019	0.07839%	1,588	234,509	0.68%	49.19%
2018	0.06552%	-	161,807	0.00%	51.39%
2017	0.07324%	876	134,501	0.65%	38.40%
Component Unit Public Service Authority					
2024	0.01295%	\$ (467)	\$ 100,154	-0.47%	129.49%
2023	0.01563%	(252)	76,265	-0.33%	116.89%
2022	0.01376%	(81)	64,458	-0.13%	107.99%
2021	0.01139%	(115)	45,783	-0.25%	119.59%
2020	0.01039%	104	38,888	0.27%	76.84%
2019	0.00970%	197	37,661	0.52%	49.19%
2018	0.01052%	-	22,818	0.00%	51.39%
2017	0.01033%	124	18,967	0.65%	38.40%
Component Unit School Board (nonprofessional)					
2024	0.06138%	\$ (2,214)	\$ 474,678	-0.47%	129.49%
2023	0.07660%	(1,232)	468,722	-0.26%	116.89%
2022	0.07180%	(422)	336,620	-0.13%	107.99%
2021	0.07780%	(787)	312,584	-0.25%	119.59%
2020	0.09010%	899	335,602	0.27%	76.84%
2019	0.09533%	1,931	294,547	0.66%	49.19%
2018	0.09296%	-	225,725	0.00%	51.39%
2017	0.08725%	1,000	160,222	0.62%	38.40%

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
 Virginia Local Disability Program (VLDP)
 Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
Primary Government					
2025	\$ 8,926	\$ 8,926	\$ -	\$ 1,206,325	0.74%
2024	8,465	8,465	-	995,842	0.85%
2023	6,446	6,446	-	758,311	0.85%
2022	4,133	4,133	-	497,869	0.83%
2021	2,719	2,719	-	327,607	0.83%
2020	1,996	1,996	-	277,175	0.72%
2019	1,689	1,689	-	234,509	0.72%
2018	971	971	-	161,807	0.60%
2017	807	807	-	134,501	0.60%
2016	585	585	-	97,562	0.60%
Component Unit Public Service Authority					
2025	\$ 855	\$ 855	\$ -	\$ 115,486	0.74%
2024	851	851	-	100,154	0.85%
2023	648	648	-	76,265	0.85%
2022	535	535	-	64,458	0.83%
2021	380	380	-	45,783	0.83%
2020	280	280	-	38,888	0.72%
2019	271	271	-	37,661	0.72%
2018	137	137	-	22,818	0.60%
2017	114	114	-	18,967	0.60%
2016	83	83	-	13,758	0.60%
Component Unit School Board (nonprofessional)					
2025	\$ 3,184	\$ 3,184	\$ -	\$ 430,300	0.74%
2024	4,035	4,035	-	474,678	0.85%
2023	3,984	3,984	-	468,722	0.85%
2022	2,794	2,794	-	336,620	0.83%
2021	2,594	2,594	-	312,584	0.83%
2020	2,416	2,416	-	335,602	0.72%
2019	2,121	2,121	-	294,547	0.72%
2018	1,354	1,354	-	225,725	0.60%
2017	961	961	-	160,222	0.60%
2016	376	376	-	62,667	0.60%

Notes to Required Supplementary Information
 Virginia Local Disability Program (VLDP)
 Year Ended June 30, 2025

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

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

Non-Largest Ten Locality Employers - General and Non-Hazardous Duty 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

Schedule of School Division's Share of Net OPEB Liability
 Teacher Virginia Local Disability Program (VLDP)
 For the Measurement dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net VLDP OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net VLDP OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net VLDP OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total VLDP OPEB Liability (6)
2024	0.23318%	\$ (2,089)	\$ 2,516,314	-0.08%	107.03%
2023	0.25080%	1,665	\$ 2,342,414	0.07%	93.77%
2022	0.20760%	(233)	1,671,095	-0.01%	101.57%
2021	0.20432%	(1,438)	1,374,886	-0.10%	114.46%
2020	0.20820%	1,671	1,231,493	0.14%	78.28%
2019	0.24994%	1,453	1,198,625	0.12%	74.12%
2018	0.27396%	2,000	1,021,504	0.20%	46.18%
2017	0.28974%	2,000	817,660	0.24%	31.96%

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
 Teacher Virginia Local Disability Program (VLDP)
 Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 12,375	\$ 12,375	\$ -	\$ 2,749,997	0.45%
2024	11,827	11,827	-	2,516,314	0.47%
2023	11,009	11,009	-	2,342,414	0.47%
2022	7,854	7,854	-	1,671,095	0.47%
2021	6,462	6,462	-	1,374,886	0.47%
2020	5,049	5,049	-	1,231,493	0.41%
2019	4,914	4,914	-	1,198,625	0.41%
2018	3,167	3,167	-	1,021,504	0.31%
2017	2,535	2,535	-	817,660	0.31%
2016	1,406	1,406	-	484,760	0.29%

Notes to Required Supplementary Information
 Teacher Virginia Local Disability Program (VLDP)
 Year Ended June 30, 2025

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

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

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.04824%	\$ 557,485	\$ 5,168,875	10.79%	21.82%
2023	0.04920%	596,381	4,909,176	12.15%	17.90%
2022	0.04970%	620,776	4,632,082	13.40%	15.08%
2021	0.05158%	662,065	4,562,061	14.51%	13.15%
2020	0.05270%	687,610	4,621,057	14.88%	9.95%
2019	0.05441%	712,280	4,563,687	15.61%	8.97%
2018	0.05692%	722,000	4,603,280	15.68%	8.08%
2017	0.05872%	745,000	4,634,534	16.07%	7.04%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 63,665	\$ 63,665	\$ -	\$ 5,261,562	1.21%
2024	62,543	62,543	-	5,168,875	1.21%
2023	59,401	59,401	-	4,909,176	1.21%
2022	56,048	56,048	-	4,632,082	1.21%
2021	55,201	55,201	-	4,562,061	1.21%
2020	55,453	55,453	-	4,621,057	1.20%
2019	54,764	54,764	-	4,563,687	1.20%
2018	56,620	56,620	-	4,603,280	1.23%
2017	51,443	51,443	-	4,634,534	1.11%
2016	48,438	48,438	-	4,569,661	1.06%

Notes to Required Supplementary Information
 Teacher Employee Health Insurance Credit (HIC) Plan
 Year Ended June 30, 2025

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

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

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

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total HIC OPEB Liability								
Service cost	\$ 481	\$ 580	\$ 667	\$ 949	\$ 963	\$ 870	\$ 886	\$ 976
Interest	7,130	7,814	7,579	7,403	6,630	6,122	6,000	6,000
Changes of benefit terms	-	-	-	-	5,696	-	-	-
Differences between expected and actual experience	(8,359)	(10,298)	(1,592)	(1,481)	6,224	9,802	5,000	-
Changes of assumptions	-	-	4,868	3,108	-	2,345	-	(4,000)
Benefit payments	(8,490)	(7,770)	(8,127)	(7,951)	(8,179)	(8,186)	(7,149)	(5,352)
Net change in total HIC OPEB liability	\$ (9,238)	\$ (9,674)	\$ 3,395	\$ 2,028	\$ 11,334	\$ 10,953	\$ 4,737	\$ (2,376)
Total HIC OPEB Liability - beginning	109,397	119,071	115,676	113,648	102,314	91,361	86,624	89,000
Total HIC OPEB Liability - ending (a)	\$ 100,159	\$ 109,397	\$ 119,071	\$ 115,676	\$ 113,648	\$ 102,314	\$ 91,361	\$ 86,624
Plan fiduciary net position								
Contributions - employer	\$ 8,595	\$ 9,339	\$ 7,892	\$ 7,779	\$ 6,311	\$ 6,084	\$ 5,664	\$ 5,930
Net investment income	1,072	654	(9)	1,992	175	609	795	1,193
Benefit payments	(8,490)	(7,770)	(8,127)	(7,951)	(8,179)	(8,186)	(7,149)	(5,352)
Administrator charges	(14)	(16)	(14)	(24)	(14)	(2)	(17)	(19)
Other	1	(1)	-	-	-	178	(59)	59
Net change in plan fiduciary net position	\$ 1,164	\$ 2,206	\$ (258)	\$ 1,796	\$ (1,707)	\$ (1,317)	\$ (766)	\$ 1,811
Plan fiduciary net position - beginning	11,765	9,559	9,817	8,021	9,728	11,045	11,811	10,000
Plan fiduciary net position - ending (b)	\$ 12,929	\$ 11,765	\$ 9,559	\$ 9,817	\$ 8,021	\$ 9,728	\$ 11,045	\$ 11,811
School Division's net HIC OPEB liability - ending (a) - (b)	\$ 87,230	\$ 97,632	\$ 109,512	\$ 105,859	\$ 105,627	\$ 92,586	\$ 80,316	\$ 74,813
Plan fiduciary net position as a percentage of the total HIC OPEB liability	12.91%	10.75%	8.03%	8.49%	7.06%	9.51%	12.09%	13.63%
Covered payroll	\$ 687,650	\$ 747,158	\$ 641,603	\$ 632,416	\$ 650,585	\$ 627,250	\$ 651,019	\$ 681,625
School Division's net HIC OPEB liability as a percentage of covered payroll	12.69%	13.07%	17.07%	16.74%	16.24%	14.76%	12.34%	10.98%

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
 Component Unit School Board (nonprofessional)
 Health Insurance Credit (HIC) Plan
 Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 7,653	\$ 7,653	\$ -	\$ 612,263	1.25%
2024	8,596	8,596	-	687,650	1.25%
2023	9,339	9,339	-	747,158	1.25%
2022	7,892	7,892	-	641,603	1.23%
2021	7,779	7,779	-	632,416	1.23%
2020	6,311	6,311	-	650,585	0.97%
2019	6,084	6,084	-	627,250	0.97%
2018	5,664	5,664	-	651,019	0.87%
2017	5,930	5,930	-	681,625	0.87%
2016	5,139	5,139	-	685,146	0.75%

Notes to Required Supplementary Information
 Component Unit School Board (nonprofessional)
 Health Insurance Credit (HIC) Plan
 Year Ended June 30, 2025

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

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

Non-Largest Ten Locality Employers - General Employees

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Primary Government
 For the Measurement Dates of July 1, 2017 through July 1, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service cost	\$ 16,300	\$ 15,500	\$ 25,400	\$ 24,100	\$ 20,500	\$ 23,000	\$ 26,000	\$ 25,400
Interest	10,900	9,100	5,900	7,500	11,900	15,500	20,200	18,800
Changes in assumptions	(4,300)	(4,200)	(105,000)	12,400	16,400	15,500	-	-
Differences between expected and actual experience	116,500	17,000	32,000	(39,200)	(126,700)	(102,100)	(163,900)	-
Benefit payments	(3,100)	(1,600)	(11,700)	-	-	-	(6,900)	(5,500)
Other charges	-	-	-	-	-	-	(13,100)	-
Net change in total OPEB liability	\$ 136,300	\$ 35,800	\$ (53,400)	\$ 4,800	\$ (77,900)	\$ (48,100)	\$ (137,700)	\$ 38,700
Total OPEB liability - beginning	267,500	231,700	285,100	280,300	358,200	406,300	544,000	505,300
Total OPEB liability - ending	\$ 403,800	\$ 267,500	\$ 231,700	\$ 285,100	\$ 280,300	\$ 358,200	\$ 406,300	\$ 544,000
Covered-employee payroll	\$ 4,982,798	\$ 3,330,952	\$ 3,176,099	\$ 3,665,256	\$ 3,586,198	\$ 3,619,215	\$ 3,619,215	\$ 3,252,015
Primary Government's total OPEB liability (asset) as a percentage of covered-employee payroll	8.10%	8.03%	7.30%	7.78%	7.82%	9.90%	11.23%	16.73%

There are no assets accumulated in a trust to pay related benefits for the OPEB plan. Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Component Unit School Board
 For the Measurement Dates of July 1, 2017 through July 1, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service cost	\$ 19,900	\$ 18,700	\$ 25,600	\$ 24,400	\$ 31,000	\$ 34,600	\$ 44,700	\$ 43,600
Interest	13,000	11,800	5,900	8,300	14,800	19,600	34,200	32,400
Changes in assumptions	(1,800)	(3,200)	(67,600)	9,600	12,500	13,200	-	-
Differences between expected and actual experience	12,000	21,300	79,600	(77,500)	(209,300)	(141,300)	(427,600)	-
Benefit payments	(34,100)	(29,100)	(24,100)	27,500	23,000	-	(27,300)	(25,000)
Other changes	-	-	-	-	-	-	(49,200)	-
Net change in total OPEB liability	\$ 9,000	\$ 19,500	\$ 19,400	\$ (7,700)	\$ (128,000)	\$ (73,900)	\$ (425,200)	\$ 51,000
Total OPEB liability - beginning	<u>334,100</u>	<u>314,600</u>	<u>295,200</u>	<u>302,900</u>	<u>430,900</u>	<u>504,800</u>	<u>930,000</u>	<u>879,000</u>
Total OPEB liability - ending	<u>\$ 343,100</u>	<u>\$ 334,100</u>	<u>\$ 314,600</u>	<u>\$ 295,200</u>	<u>\$ 302,900</u>	<u>\$ 430,900</u>	<u>\$ 504,800</u>	<u>\$ 930,000</u>
Covered-employee payroll	\$ 4,235,802	\$ 4,160,648	\$ 4,315,501	\$ 3,794,344	\$ 3,873,402	\$ 4,423,485	\$ 4,423,485	\$ 3,974,685
School Division's total OPEB liability (asset) as a percentage of covered-employee payroll	8.10%	8.03%	7.29%	7.78%	7.82%	9.74%	11.41%	23.40%

There are no assets accumulated in a trust to pay related benefits for the OPEB plan. Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information - OPEB
 Year Ended June 30, 2025

Valuation Date: 7/1/2024
 Measurement Date: 7/1/2024

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 actuarial cost method
Discount Rate	4.09% representing the Municipal GO AA 20-year yield curve rate as of the measurement date
Inflation	2.50% per year
Healthcare Trend Rate	6.50% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	<p>Employees: PUB – 2010 Amount-Weighted General Mortality Table – Employees with MP-2021 Projection Scale Fully Generational PUB – 2010 Amount-Weighted Teacher Mortality Table – Employees with MP-2021 Projection Scale Fully Generational PUB – 2010 Amount-Weighted Safety Mortality Table – Employees with MP-2021 Projection Scale Fully Generational</p> <p>Retirees: PUB – 2010 Amount-Weighted General Mortality Table – Retiree with MP-2021 Projection Scale Fully Generational PUB – 2010 Amount-Weighted Teacher Mortality Table – Retiree with MP-2021 Projection Scale Fully Generational PUB – 2010 Amount-Weighted Safety Mortality Table – Retiree with MP-2021 Projection Scale Fully Generational</p> <p>Surviving Spouse: PUB – 2010 Amount-Weighted Mortality Table – Contingent Survivor with MP-2021 Projection Scale Fully Generational</p> <p>Disabled Retiree: PUB – 2010 Amount-Weighted Non-Safety Mortality Table – Disabled Retiree with MP-2021 Projection Scale Fully Generational</p>

OTHER SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2025

	<u>CSA Fund</u>	<u>Virginia Public Assistance</u>	<u>Total</u>
ASSETS			
Due from other governmental units	\$ 25,611	\$ 55,066	\$ 80,677
Total assets	<u>\$ 25,611</u>	<u>\$ 55,066</u>	<u>\$ 80,677</u>
LIABILITIES			
Accounts payable	\$ 7,887	\$ -	\$ 7,887
Due to other funds	<u>17,724</u>	<u>55,066</u>	<u>72,790</u>
Total liabilities	<u>\$ 25,611</u>	<u>\$ 55,066</u>	<u>\$ 80,677</u>
FUND BALANCES			
Committed	\$ -	\$ -	\$ -
Total fund balances	\$ -	\$ -	\$ -
Total liabilities and fund balances	<u>\$ 25,611</u>	<u>\$ 55,066</u>	<u>\$ 80,677</u>

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

	<u>CSA Fund</u>	<u>Virginia Public Assistance</u>	<u>Total</u>
REVENUES			
Intergovernmental:			
Commonwealth	\$ 177,983	\$ 201,888	\$ 379,871
Federal	-	474,044	474,044
Total revenues	<u>\$ 177,983</u>	<u>\$ 675,932</u>	<u>\$ 853,915</u>
EXPENDITURES			
Current:			
Health and welfare	\$ 352,031	\$ 841,444	\$ 1,193,475
Total expenditures	<u>\$ 352,031</u>	<u>\$ 841,444</u>	<u>\$ 1,193,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (174,048)</u>	<u>\$ (165,512)</u>	<u>\$ (339,560)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 174,048	\$ 165,512	\$ 339,560
Total other financing sources (uses)	<u>\$ 174,048</u>	<u>\$ 165,512</u>	<u>\$ 339,560</u>
Net change in fund balances	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

County of Bath, Virginia

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

	CSA Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Commonwealth	23,427	23,427	177,983	154,556
Federal	-	-	-	-
Total revenues	<u>\$ 23,427</u>	<u>\$ 23,427</u>	<u>\$ 177,983</u>	<u>\$ 154,556</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 223,427	\$ 223,427	\$ 352,031	\$ (128,604)
Total expenditures	<u>\$ 223,427</u>	<u>\$ 223,427</u>	<u>\$ 352,031</u>	<u>\$ (128,604)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ (174,048)</u>	<u>\$ 25,952</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 200,000	\$ 200,000	\$ 174,048	\$ (25,952)
Total other financing sources (uses)	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 174,048</u>	<u>\$ (25,952)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Exhibit 36

Virginia Public Assistance Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 163,692	\$ 163,692	\$ -	\$ (163,692)
201,680	201,680	201,888	208
467,096	467,096	474,044	6,948
<u>\$ 832,468</u>	<u>\$ 832,468</u>	<u>\$ 675,932</u>	<u>\$ (156,536)</u>
\$ 1,145,442	\$ 1,153,642	\$ 841,444	\$ 312,198
<u>\$ 1,145,442</u>	<u>\$ 1,153,642</u>	<u>\$ 841,444</u>	<u>\$ 312,198</u>
<u>\$ (312,974)</u>	<u>\$ (321,174)</u>	<u>\$ (165,512)</u>	<u>\$ 155,662</u>
<u>\$ 312,974</u>	<u>\$ 321,174</u>	<u>\$ 165,512</u>	<u>\$ (155,662)</u>
<u>\$ 312,974</u>	<u>\$ 321,174</u>	<u>\$ 165,512</u>	<u>\$ (155,662)</u>
\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

MAJOR GOVERNMENTAL FUNDS

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

School Cafeteria Fund – The School Cafeteria Fund is a special revenue fund that accounts for the County’s school lunch program. Financing is provided from lunch sales and State and Federal reimbursements.

School Activity Funds – The School Activity Funds include all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the school involving personnel, students, or property. The activity funds are special revenue funds of the School Board.

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

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 777,046	\$ 64,227	\$ 275,945	\$ 1,117,218
Due from primary government	865,291	-	-	865,291
Due from other governmental units	117,347	34,049	-	151,396
Inventories	-	16,325	-	16,325
Prepaid items	247,594	5,180	-	252,774
Restricted assets:				
Cash and cash equivalents	-	-	62,386	62,386
Investments	-	-	751,089	751,089
Total assets	<u>\$ 2,007,278</u>	<u>\$ 119,781</u>	<u>\$ 1,089,420</u>	<u>\$ 3,216,479</u>
LIABILITIES				
Accrued payroll	\$ 777,045	\$ 54,274	\$ -	\$ 831,319
Unearned revenue	1,230,233	-	-	1,230,233
Total liabilities	<u>\$ 2,007,278</u>	<u>\$ 54,274</u>	<u>\$ -</u>	<u>\$ 2,061,552</u>
FUND BALANCES				
Nonspendable:				
Inventories	\$ -	\$ 16,325	\$ -	\$ 16,325
Prepaid items	247,594	-	-	247,594
Restricted:				
School band expenditures	-	-	751,089	751,089
Scholarships	-	-	62,386	62,386
School activities	-	-	275,945	275,945
Committed:				
School cafeteria	-	49,182	-	49,182
Unassigned (deficit)	(247,594)	-	-	(247,594)
Total fund balances	<u>\$ -</u>	<u>\$ 65,507</u>	<u>\$ 1,089,420</u>	<u>\$ 1,154,927</u>
Total liabilities and fund balances	<u>\$ 2,007,278</u>	<u>\$ 119,781</u>	<u>\$ 1,089,420</u>	<u>\$ 3,216,479</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Total fund balances per above				\$ 1,154,927
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Land and land improvements			\$ 238,282	
Buildings and improvements			11,085,740	
Machinery and equipment			2,073,159	
Construction in progress			32,760	
Lease assets			<u>18,615</u>	
				13,448,556
Net pension asset is not an available resource and, therefore, is not reported in the funds.				
Net pension asset			\$ 370,827	
Net OPEB asset			<u>4,303</u>	
				375,130
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.				
Pension related items			\$ 1,715,978	
OPEB related items			<u>304,074</u>	
				2,020,052
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.				
Note payable			\$ (1,233,052)	
Lease liabilities			(18,727)	
Accrued interest			(64)	
Compensated absences			(817,892)	
Net OPEB liabilities			(899,592)	
Total OPEB liability			(343,100)	
Net pension liability			<u>(4,461,610)</u>	
				(7,774,037)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items			\$ (1,133,393)	
OPEB related items			<u>(370,099)</u>	
				(1,503,492)
Net position of governmental activities				<u>\$ 7,721,136</u>

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

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Charges for services	\$ -	\$ 23,935	\$ -	\$ 23,935
Miscellaneous	27,879	-	530,942	558,821
Intergovernmental:				
Local government	6,925,104	269,514	-	7,194,618
Commonwealth	3,136,735	10,091	-	3,146,826
Federal	1,051,504	416,543	-	1,468,047
Total revenues	<u>\$ 11,141,222</u>	<u>\$ 720,083</u>	<u>\$ 530,942</u>	<u>\$ 12,392,247</u>
EXPENDITURES				
Current:				
Education	\$ 11,030,307	\$ 718,438	\$ 437,233	\$ 12,185,978
Debt service:				
Principal retirement	90,194	-	-	90,194
Interest and other fiscal charges	38,690	-	-	38,690
Total expenditures	<u>\$ 11,159,191</u>	<u>\$ 718,438</u>	<u>\$ 437,233</u>	<u>\$ 12,314,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (17,969)</u>	<u>\$ 1,645</u>	<u>\$ 93,709</u>	<u>\$ 77,385</u>
OTHER FINANCING SOURCES (USES)				
Leases (as lessee)	\$ 17,969	\$ -	\$ -	\$ 17,969
Total other financing sources (uses)	<u>\$ 17,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,969</u>
Net change in fund balances	\$ -	\$ 1,645	\$ 93,709	\$ 95,354
Fund balance - beginning	\$ -	\$ 63,862	\$ 995,711	\$ 1,059,573
Fund balances - ending	<u>\$ -</u>	<u>\$ 65,507</u>	<u>\$ 1,089,420</u>	<u>\$ 1,154,927</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ 95,354

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

Capital outlays	\$ 865,603	
Depreciation/amortization expense	<u>(1,056,209)</u>	(190,606)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (2,832)

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

Issuance of leases	\$ (17,969)	
Principal repayments	79,640	
Principal repayments - leases	10,554	
Accrued interest	<u>(31)</u>	72,194

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in compensated absences	\$ 128,779	
Pension expense	611,802	
OPEB expense	<u>247,063</u>	987,644

Change in net position of governmental activities \$ 961,754

County of Bath, Virginia

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	25,500	33,739	27,879	(5,860)
Intergovernmental:				
Local government	7,209,845	7,129,707	6,925,104	(204,603)
Commonwealth	2,875,564	3,089,184	3,136,735	47,551
Federal	598,540	1,045,812	1,051,504	5,692
Total revenues	<u>\$ 10,709,449</u>	<u>\$ 11,298,442</u>	<u>\$ 11,141,222</u>	<u>\$ (157,220)</u>
EXPENDITURES				
Current:				
Education	\$ 10,709,449	\$ 11,298,442	\$ 11,030,307	\$ 139,251
Debt service:				
Principal retirement	-	-	90,194	-
Interest and other fiscal charges	-	-	38,690	-
Total expenditures	<u>\$ 10,709,449</u>	<u>\$ 11,298,442</u>	<u>\$ 11,159,191</u>	<u>\$ 139,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,969)</u>	<u>\$ (17,969)</u>
OTHER FINANCING SOURCES (USES)				
Leases (as lessee)	\$ -	\$ -	\$ 17,969	\$ 17,969
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,969</u>	<u>\$ 17,969</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 39

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 22,000	\$ 22,000	\$ 23,935	\$ 1,935
-	-	-	-
411,123	411,123	269,514	(141,609)
10,013	10,013	10,091	78
325,000	325,000	416,543	91,543
<u>\$ 768,136</u>	<u>\$ 768,136</u>	<u>\$ 720,083</u>	<u>\$ (48,053)</u>
\$ 768,136	\$ 768,136	\$ 718,438	\$ 49,698
-	-	-	-
-	-	-	-
<u>\$ 768,136</u>	<u>\$ 768,136</u>	<u>\$ 718,438</u>	<u>\$ 49,698</u>
\$ -	\$ -	\$ 1,645	\$ 1,645
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 1,645	\$ 1,645
-	-	63,862	63,862
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,507</u>	<u>\$ 65,507</u>

**DISCRETELY PRESENTED COMPONENT UNIT
– SERVICE AUTHORITY**

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

	Component Unit Service Authority
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,095,705
Accounts receivable, net of allowances for uncollectibles	126,233
Prepaid items	12,364
Total current assets	<u>\$ 4,234,302</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents (restricted for debt service)	\$ 2,144
Cash and cash equivalents (restricted for security deposits)	42,534
Total restricted assets	<u>\$ 44,678</u>
Net OPEB asset	<u>\$ 467</u>
Capital assets:	
Land and land rights	\$ 116,187
Machinery and equipment	695,763
Utility plant in service	22,156,495
Construction in progress	56,888
Accumulated depreciation	(17,246,353)
Total capital assets	<u>\$ 5,778,980</u>
Total noncurrent assets	<u>\$ 5,824,125</u>
Total assets	<u>\$ 10,058,427</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	\$ 83,218
OPEB related items	5,034
Total deferred outflows of resources	<u>\$ 88,252</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 132,581
Customer deposits	42,534
Unearned revenue - service fees	36,692
Unearned revenue - preserve and development	3,709,503
Compensated absences - current portion	3,744
Bonds payable - current portion	20,473
Total current liabilities	<u>\$ 3,945,527</u>
Noncurrent liabilities:	
Compensated absences - net of current portion	\$ 14,799
Bonds payable - net of current portion	235,440
Net OPEB liabilities	14,103
Net pension liability	156,331
Total noncurrent liabilities	<u>\$ 420,673</u>
Total liabilities	<u>\$ 4,366,200</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 89,721
OPEB related items	2,862
Total deferred inflows of resources	<u>\$ 92,583</u>
NET POSITION	
Net investment in capital assets	\$ 5,523,067
Restricted - reserve fund	2,144
Restricted - employee OPEB plan	467
Unrestricted (deficit)	162,218
Total net position	<u>\$ 5,687,896</u>

Statement of Revenues, Expenses, and Changes in Net Position
 Discretely Presented Component Unit - Service Authority
 Year Ended June 30, 2025

	Component Unit
	Service Authority
OPERATING REVENUES	
Charges for services:	
Water revenues	\$ 501,000
Sewer revenues	1,001,379
Late and reconnect fees	62,814
Total operating revenues	\$ 1,565,193
OPERATING EXPENSES	
Payroll and related benefits	\$ 619,283
Water	155,241
Sewer	193,869
Administration	57,382
Laboratory and engineering	43,946
Maintenance	62,874
Utilities and transportation	297,572
Insurance claims and premiums	30,528
Depreciation	500,517
Total operating expenses	\$ 1,961,212
Operating income (loss)	\$ (396,019)
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 100,504
Unrealized gain on certificates of deposit	71,135
Contribution from Millboro Water Authority	55,000
Development fees	77,080
Total nonoperating revenues (expenses)	\$ 303,719
Change in net position	\$ (92,300)
Total net position - beginning	5,780,196
Total net position - ending	\$ 5,687,896

Statement of Cash Flows
Discretely Presented Component Unit - Service Authority
Year Ended June 30, 2025

	Component Unit Service Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,574,614
Payments to suppliers	(825,941)
Payments to employees	(672,240)
Net cash provided by (used for) operating activities	<u>\$ 76,433</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	\$ (141,205)
Principal payments on bonds	(20,473)
Contribution from Warm Springs Sanitation Commission	55,000
Development fees	77,080
Net cash provided by (used for) capital and related financing activities	<u>\$ (29,598)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	\$ 100,504
Unrealized loss on certificates of deposit	71,135
Net cash provided by (used for) investing activities	<u>\$ 171,639</u>
Net increase (decrease) in cash and cash equivalents	\$ 218,474
Cash and cash equivalents - beginning - including restricted	3,921,909
Cash and cash equivalents - ending - including restricted	<u><u>\$ 4,140,383</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ <u>(396,019)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 500,517
(Increase) decrease in accounts receivable	(19,866)
(Increase) decrease in net OPEB asset	(215)
(Increase) decrease in prepaid items	(12,364)
(Increase) decrease in deferred outflows of resources	(31,520)
Increase (decrease) in customer deposits	13
Increase (decrease) in accounts payable	27,835
Increase (decrease) in unearned service fees	29,274
Increase (decrease) in compensated absences	3,567
Increase (decrease) in deferred inflows of resources	(13,409)
Increase (decrease) in net OPEB liabilities	(5,038)
Increase (decrease) in net pension liability	(6,342)
Total adjustments	<u>\$ 472,452</u>
Net cash provided by (used for) operating activities	<u><u>\$ 76,433</u></u>

SUPPORTING SCHEDULES

Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2025

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,582,000	\$ 5,582,000	\$ 5,771,098	\$ 189,098
Real and personal public service corporation taxes	6,231,964	6,231,964	6,611,307	379,343
Personal property taxes	440,000	440,000	453,227	13,227
Penalties	10,000	10,000	26,336	16,336
Interest	10,000	10,000	13,992	3,992
Total general property taxes	<u>\$ 12,273,964</u>	<u>\$ 12,273,964</u>	<u>\$ 12,875,960</u>	<u>\$ 601,996</u>
Other local taxes:				
Local sales and use taxes	\$ 900,000	\$ 900,000	\$ 1,349,510	\$ 449,510
Consumption tax	18,000	18,000	19,003	1,003
Mixed beverage license taxes	1,600	1,600	1,052	(548)
Business license taxes	1,500	1,500	2,889	1,389
Motor vehicle license taxes	55,000	55,000	57,379	2,379
Bank stock taxes	38,000	38,000	54,131	16,131
Taxes on recordation and wills	20,500	20,500	62,330	41,830
Hotel and motel room taxes	575,000	575,000	920,986	345,986
Restaurant food taxes	700,000	700,000	1,146,645	446,645
Total other local taxes	<u>\$ 2,309,600</u>	<u>\$ 2,309,600</u>	<u>\$ 3,613,925</u>	<u>\$ 1,304,325</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,000	\$ 1,000	\$ 1,141	\$ 141
Permits and other licenses	42,100	42,100	24,573	(17,527)
Total permits, privilege fees, and regulatory licenses	<u>\$ 43,100</u>	<u>\$ 43,100</u>	<u>\$ 25,714</u>	<u>\$ (17,386)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 2,000	\$ 2,000	\$ 3,138	\$ 1,138
Revenue from use of money and property:				
Revenue from use of money	\$ 20,000	\$ 20,000	\$ 309,006	\$ 289,006
Revenue from use of property	-	-	1,154	1,154
Total revenue from use of money and property	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 310,160</u>	<u>\$ 290,160</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 5,000	\$ 5,000	\$ 72	\$ (4,928)
Charges for courthouse maintenance	3,000	3,000	4,224	1,224
Courthouse security fee	30,000	30,000	47,802	17,802
Concealed weapons permits	-	-	2,115	2,115
Charges for Commonwealth's Attorney	-	-	514	514
Sheriff's fees	-	-	684	684
Law library fees	-	-	668	668
Soil and erosion fees	-	-	790	790
Charges for sanitation and waste removal	125,000	125,000	129,348	4,348
Charges for parks and recreation	-	2,064	4,173	2,109
Charges for other protection	-	-	1,758	1,758
Charges for other services	24,000	24,000	29,535	5,535
Total charges for services	<u>\$ 187,000</u>	<u>\$ 189,064</u>	<u>\$ 221,683</u>	<u>\$ 32,619</u>
Miscellaneous:				
Miscellaneous	\$ 164,885	\$ 164,885	\$ 145,313	\$ (19,572)
Refunds and recoveries	-	62,058	48,871	(13,187)
Total miscellaneous	<u>\$ 164,885</u>	<u>\$ 226,943</u>	<u>\$ 194,184</u>	<u>\$ (32,759)</u>
Total revenue from local sources	<u>\$ 15,000,549</u>	<u>\$ 15,064,671</u>	<u>\$ 17,244,764</u>	<u>\$ 2,180,093</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Railroad rolling stock taxes	\$ 9,000	\$ 9,000	\$ 114	\$ (8,886)
Mobile home titling tax	4,000	4,000	6,784	2,784
Communications taxes	85,000	85,000	74,897	(10,103)
Auto rental tax	-	-	1,564	1,564
Tax on deeds	5,500	5,500	-	(5,500)
Personal property tax relief funds	40,275	40,275	40,276	1
Total noncategorical aid	<u>\$ 143,775</u>	<u>\$ 143,775</u>	<u>\$ 123,635</u>	<u>\$ (20,140)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 90,160	\$ 90,160	\$ 90,187	\$ 27
Sheriff	718,467	718,467	716,729	(1,738)
Commissioner of revenue	120,697	120,697	120,305	(392)
Treasurer	118,646	118,646	120,150	1,504
Registrar/electoral board	57,250	57,250	63,991	6,741
Clerk of the Circuit Court	249,226	249,226	272,017	22,791
Total shared expenses	<u>\$ 1,354,446</u>	<u>\$ 1,354,446</u>	<u>\$ 1,383,379</u>	<u>\$ 28,933</u>
Other categorical aid:				
Shared expenses - Mountain Soil and Water				
Conservation District	\$ 132,857	\$ 132,857	\$ 192,759	\$ 59,902
Emergency medical services division fees	5,000	5,000	-	(5,000)
Fire programs fund	30,000	30,000	30,000	-
E-911 Addressing/Mapping/Implementation Project	46,500	282,901	294,432	11,531
Virginia Juvenile Community Crime Control Act	-	-	6,586	6,586
Litter grant	6,000	6,000	11,033	5,033
Seized funds	-	-	2,049	2,049
Other state funds	-	-	52,441	52,441
Total other categorical aid	<u>\$ 220,357</u>	<u>\$ 456,758</u>	<u>\$ 589,300</u>	<u>\$ 132,542</u>
Total categorical aid	<u>\$ 1,574,803</u>	<u>\$ 1,811,204</u>	<u>\$ 1,972,679</u>	<u>\$ 161,475</u>
Total revenue from the Commonwealth	<u>\$ 1,718,578</u>	<u>\$ 1,954,979</u>	<u>\$ 2,096,314</u>	<u>\$ 141,335</u>
Revenue from the federal government:				
Noncategorical aid:				
Payment in lieu of taxes	\$ 358,230	\$ 358,230	\$ 448,841	\$ 90,611
Total noncategorical aid	<u>\$ 358,230</u>	<u>\$ 358,230</u>	<u>\$ 448,841</u>	<u>\$ 90,611</u>
Categorical aid:				
Local emergency planning grant	\$ 292,500	\$ 292,500	\$ 82,500	\$ (210,000)
Coronavirus state and local fiscal recovery funds	-	-	24,835	24,835
Rural emergency medical communications grant	2,000,000	2,000,000	1,214,175	(785,825)
Total categorical aid	<u>\$ 2,292,500</u>	<u>\$ 2,292,500</u>	<u>\$ 1,321,510</u>	<u>\$ (970,990)</u>
Total revenue from the federal government	<u>\$ 2,650,730</u>	<u>\$ 2,650,730</u>	<u>\$ 1,770,351</u>	<u>\$ (880,379)</u>
Total General Fund	<u>\$ 19,369,857</u>	<u>\$ 19,670,380</u>	<u>\$ 21,111,429</u>	<u>\$ 1,441,049</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ 163,692	\$ 163,692	\$ -	\$ (163,692)
Total miscellaneous	<u>\$ 163,692</u>	<u>\$ 163,692</u>	<u>\$ -</u>	<u>\$ (163,692)</u>
Total revenue from local sources	<u>\$ 163,692</u>	<u>\$ 163,692</u>	<u>\$ -</u>	<u>\$ (163,692)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 201,680	\$ 201,680	\$ 201,888	\$ 208
Total revenue from the Commonwealth	<u>\$ 201,680</u>	<u>\$ 201,680</u>	<u>\$ 201,888</u>	<u>\$ 208</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 467,096	\$ 467,096	\$ 474,044	\$ 6,948
Total categorical aid	<u>\$ 467,096</u>	<u>\$ 467,096</u>	<u>\$ 474,044</u>	<u>\$ 6,948</u>
Total revenue from the federal government	<u>\$ 467,096</u>	<u>\$ 467,096</u>	<u>\$ 474,044</u>	<u>\$ 6,948</u>
Total Virginia Public Assistance Fund	<u><u>\$ 832,468</u></u>	<u><u>\$ 832,468</u></u>	<u><u>\$ 675,932</u></u>	<u><u>\$ (156,536)</u></u>
CSA Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive services act	\$ 23,427	\$ 23,427	\$ 177,983	\$ 154,556
Total categorical aid	<u>\$ 23,427</u>	<u>\$ 23,427</u>	<u>\$ 177,983</u>	<u>\$ 154,556</u>
Total revenue from the Commonwealth	<u>\$ 23,427</u>	<u>\$ 23,427</u>	<u>\$ 177,983</u>	<u>\$ 154,556</u>
Total CSA Fund	<u><u>\$ 23,427</u></u>	<u><u>\$ 23,427</u></u>	<u><u>\$ 177,983</u></u>	<u><u>\$ 154,556</u></u>
Special Lodging Tax Fund				
Revenue from local sources:				
Other local taxes:				
Hotel and motel room taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,834,308	\$ 334,308
Total other local taxes	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,834,308</u>	<u>\$ 334,308</u>
Total revenue from local sources	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,834,308</u>	<u>\$ 334,308</u>
Total Special Lodging Tax Fund	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 1,834,308</u></u>	<u><u>\$ 334,308</u></u>
Lodging Tax- Marketing /Capital Fund:				
Revenue from local sources:				
Other local taxes:				
Hotel and motel room taxes-designated for marketing	\$ 250,000	\$ 250,000	\$ 330,714	\$ 80,714
Hotel and motel room taxes-designated for capital improvements	250,000	250,000	330,714	80,714
Total other local taxes	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 661,428</u>	<u>\$ 161,428</u>
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 150	\$ 150
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 150</u>
Total revenue from local sources	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 661,578</u>	<u>\$ 161,578</u>
Revenue from the federal government:				
Categorical aid:				
Coronavirus state and local fiscal recovery funds	\$ -	\$ -	\$ 106,418	\$ 106,418
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,418</u>	<u>\$ 106,418</u>
Total Lodging Tax -Marketing/Capital Fund	<u><u>\$ 500,000</u></u>	<u><u>\$ 500,000</u></u>	<u><u>\$ 767,996</u></u>	<u><u>\$ 267,996</u></u>
Total Primary Government	<u><u>\$ 22,225,752</u></u>	<u><u>\$ 22,526,275</u></u>	<u><u>\$ 24,567,648</u></u>	<u><u>\$ 2,041,373</u></u>

Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Miscellaneous:				
Refunds and recoveries	\$ 25,500	\$ 33,739	\$ 27,879	\$ (5,860)
Total revenue from local sources	<u>\$ 25,500</u>	<u>\$ 33,739</u>	<u>\$ 27,879</u>	<u>\$ (5,860)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Bath, Virginia	\$ 7,209,845	\$ 7,129,707	\$ 6,925,104	\$ (204,603)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 665,297	\$ 665,297	\$ 651,849	\$ (13,448)
Basic school aid	810,115	810,115	823,061	12,946
Gifted and talented	5,922	5,922	5,977	55
Salary supplement	33,455	33,455	133,492	100,037
Special Education	133,198	133,198	134,439	1,241
Textbook payment	15,053	15,053	15,193	140
Vocational standards of quality payments	107,984	107,984	167,235	59,251
Fringe benefits	160,364	160,364	161,858	1,494
At risk	206,052	206,052	231,792	25,740
Hold harmless	99,749	99,749	-	(99,749)
English as a second language	1,541	1,541	1,253	(288)
Early reading intervention	4,257	4,257	3,406	(851)
K-3 initiative	1,091	1,091	1,136	45
Lottery proceeds	200,000	200,000	200,000	-
Individual student alternative education program	-	-	8,027	8,027
School security equipment grant	-	155,660	223,406	67,746
Vocational occupational preparedness	-	-	4,451	4,451
Preschool Pilot Grant	39,872	39,872	3,887	(35,985)
Technology	256,000	256,000	256,000	-
Medicaid	70,000	70,000	28,931	(41,069)
Standards of Learning algebra readiness	3,483	3,483	3,483	-
Other state funds	62,131	120,091	77,859	(42,232)
Total categorical aid	<u>\$ 2,875,564</u>	<u>\$ 3,089,184</u>	<u>\$ 3,136,735</u>	<u>\$ 47,551</u>
Revenue from the federal government:				
Noncategorical aid:				
Payment in lieu of taxes	\$ 134,500	\$ 403,500	\$ 134,500	\$ (269,000)
Total noncategorical aid	<u>\$ 134,500</u>	<u>\$ 403,500</u>	<u>\$ 134,500</u>	<u>\$ (269,000)</u>
Categorical aid:				
Title VI-B, special education handicapped	\$ 159,875	\$ 338,147	\$ 180,565	\$ (157,582)
Title I	165,000	165,000	208,999	43,999
Vocational education	8,000	8,000	9,237	1,237

Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2025 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government: (Continued)				
Categorical aid: (Continued)				
Improving Teacher Quality	\$ 25,500	\$ 25,500	\$ 15,933	\$ (9,567)
Rural education achievement program	-	-	48,018	48,018
Emergency response and recovery	37,000	37,000	-	(37,000)
Immigrant and youth grant	10,000	10,000	10,974	974
Education stabilization fund (ESF)	17,488	17,488	19,738	2,250
School violence prevention program	808	808	355,605	354,797
Foster care	369	369	-	(369)
Forest reserve	40,000	40,000	67,935	27,935
Total categorical aid	<u>\$ 464,040</u>	<u>\$ 642,312</u>	<u>\$ 917,004</u>	<u>\$ 274,692</u>
Total revenue from the federal government	<u>\$ 598,540</u>	<u>\$ 1,045,812</u>	<u>\$ 1,051,504</u>	<u>\$ 5,692</u>
Total School Operating Fund	<u>\$ 10,709,449</u>	<u>\$ 11,298,442</u>	<u>\$ 11,141,222</u>	<u>\$ (157,220)</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 22,000	\$ 22,000	\$ 23,935	\$ 1,935
Total revenue from local sources	<u>\$ 22,000</u>	<u>\$ 22,000</u>	<u>\$ 23,935</u>	<u>\$ 1,935</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Bath, Virginia	\$ 411,123	\$ 411,123	\$ 269,514	\$ (141,609)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 10,013	\$ 10,013	\$ 10,091	\$ 78
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 325,000	\$ 325,000	\$ 375,864	\$ 50,864
USDA donated food	-	-	40,679	40,679
Total revenue from the federal government	<u>\$ 325,000</u>	<u>\$ 325,000</u>	<u>\$ 416,543</u>	<u>\$ 91,543</u>
Total School Cafeteria Fund	<u>\$ 768,136</u>	<u>\$ 768,136</u>	<u>\$ 720,083</u>	<u>\$ (48,053)</u>
School Activity Funds				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 530,942	\$ 530,942
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530,942</u>	<u>\$ 530,942</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530,942</u>	<u>\$ 530,942</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 11,477,585</u>	<u>\$ 12,066,578</u>	<u>\$ 12,392,247</u>	<u>\$ 325,669</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2025

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 240,457	\$ 265,457	\$ 223,464	\$ 41,993
General and financial administration:				
County administrator	\$ 370,780	\$ 391,046	\$ 374,802	\$ 16,244
Commissioner of revenue	278,107	285,107	267,667	17,440
Treasurer	323,551	328,396	302,966	25,430
Data Processing	97,700	97,700	71,042	26,658
Total general and financial administration	<u>\$ 1,070,138</u>	<u>\$ 1,102,249</u>	<u>\$ 1,016,477</u>	<u>\$ 85,772</u>
Board of elections:				
Registrar	\$ 189,512	\$ 189,512	\$ 156,318	\$ 33,194
Electoral board and officials	155,027	155,027	75,859	79,168
Total board of elections	<u>\$ 344,539</u>	<u>\$ 344,539</u>	<u>\$ 232,177</u>	<u>\$ 112,362</u>
Total general government administration	<u>\$ 1,655,134</u>	<u>\$ 1,712,245</u>	<u>\$ 1,472,118</u>	<u>\$ 240,127</u>
Judicial administration:				
Courts:				
Circuit court	\$ 9,619	\$ 9,619	\$ 3,797	\$ 5,822
General district court	22,655	22,655	20,771	1,884
Special magistrates	2,915	2,915	1,656	1,259
Clerk of the circuit court	389,487	418,262	411,198	7,064
Total courts	<u>\$ 424,676</u>	<u>\$ 453,451</u>	<u>\$ 437,422</u>	<u>\$ 16,029</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 159,491	\$ 159,491	\$ 154,829	\$ 4,662
Total commonwealth's attorney	<u>\$ 159,491</u>	<u>\$ 159,491</u>	<u>\$ 154,829</u>	<u>\$ 4,662</u>
Total judicial administration	<u>\$ 584,167</u>	<u>\$ 612,942</u>	<u>\$ 592,251</u>	<u>\$ 20,691</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,467,353	\$ 1,627,752	\$ 1,507,433	\$ 120,319
Total law enforcement and traffic control	<u>\$ 1,467,353</u>	<u>\$ 1,627,752</u>	<u>\$ 1,507,433</u>	<u>\$ 120,319</u>
Fire and rescue services:				
Fire department	\$ 294,501	\$ 294,501	\$ 285,360	\$ 9,141
Contribution to fire and rescue	150,600	156,600	159,650	(3,050)
Total fire and rescue services	<u>\$ 445,101</u>	<u>\$ 451,101</u>	<u>\$ 445,010</u>	<u>\$ 6,091</u>
Correction and detention:				
County/City operated institutions	\$ 250,000	\$ 250,000	\$ 173,554	\$ 76,446
Total correction and detention	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 173,554</u>	<u>\$ 76,446</u>
Inspections:				
Building	\$ 271,104	\$ 274,740	\$ 262,132	\$ 12,608
Total inspections	<u>\$ 271,104</u>	<u>\$ 274,740</u>	<u>\$ 262,132</u>	<u>\$ 12,608</u>
Other protection:				
Animal control	\$ 129,791	\$ 125,363	\$ 116,695	\$ 8,668
Emergency communications	673,382	909,783	878,766	31,017
Emergency management	2,099,984	2,128,253	1,263,765	864,488
Medical examiner (coroner)	200	200	80	120
Total other protection	<u>\$ 2,903,357</u>	<u>\$ 3,163,599</u>	<u>\$ 2,259,306</u>	<u>\$ 904,293</u>
Total public safety	<u>\$ 5,336,915</u>	<u>\$ 5,767,192</u>	<u>\$ 4,647,435</u>	<u>\$ 1,119,757</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
June 30, 2025 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Public works:				
Sanitation and waste removal:				
General engineering/administration	\$ 1,579,856	\$ 1,580,049	\$ 1,491,259	\$ 88,790
Total sanitation and waste removal	<u>\$ 1,579,856</u>	<u>\$ 1,580,049</u>	<u>\$ 1,491,259</u>	<u>\$ 88,790</u>
Maintenance of general buildings and grounds:				
General engineering/administration	\$ 1,991,390	\$ 2,050,496	\$ 1,481,068	\$ 569,428
Airport Authority	90,504	90,504	90,049	455
Total maintenance of general buildings and grounds	<u>\$ 2,081,894</u>	<u>\$ 2,141,000</u>	<u>\$ 1,571,117</u>	<u>\$ 569,883</u>
Total public works	<u>\$ 3,661,750</u>	<u>\$ 3,721,049</u>	<u>\$ 3,062,376</u>	<u>\$ 658,673</u>
Health and welfare:				
Health:				
Local health department	\$ 136,434	\$ 136,434	\$ 136,434	-
Total health	<u>\$ 136,434</u>	<u>\$ 136,434</u>	<u>\$ 136,434</u>	<u>-</u>
Mental health and mental retardation:				
Administration	\$ 45,506	\$ 45,506	\$ 45,506	-
Total mental health and mental retardation	<u>\$ 45,506</u>	<u>\$ 45,506</u>	<u>\$ 45,506</u>	<u>-</u>
Welfare:				
Welfare administration				
Public welfare	\$ 76,655	\$ 76,655	\$ 76,655	-
Tax relief for the elderly	90,000	90,000	110,825	(20,825)
Total welfare	<u>\$ 166,655</u>	<u>\$ 166,655</u>	<u>\$ 187,480</u>	<u>\$ (20,825)</u>
Total health and welfare	<u>\$ 348,595</u>	<u>\$ 348,595</u>	<u>\$ 369,420</u>	<u>\$ (20,825)</u>
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 6,000	\$ 6,000	\$ 6,000	-
Contributions to County School Board	7,620,968	7,809,830	7,194,618	615,212
Total education	<u>\$ 7,626,968</u>	<u>\$ 7,815,830</u>	<u>\$ 7,200,618</u>	<u>\$ 615,212</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Administration	\$ 326,551	\$ 330,009	\$ 250,808	\$ 79,201
Total parks and recreation	<u>\$ 326,551</u>	<u>\$ 330,009</u>	<u>\$ 250,808</u>	<u>\$ 79,201</u>
Library:				
Regional library	\$ 161,484	\$ 161,484	\$ 161,484	-
Total library	<u>\$ 161,484</u>	<u>\$ 161,484</u>	<u>\$ 161,484</u>	<u>-</u>
Total parks, recreation, and cultural	<u>\$ 488,035</u>	<u>\$ 491,493</u>	<u>\$ 412,292</u>	<u>\$ 79,201</u>
Community development:				
Planning and community development:				
Planning	\$ 97,429	\$ 103,929	\$ 101,001	\$ 2,928
Total planning and community development	<u>\$ 97,429</u>	<u>\$ 103,929</u>	<u>\$ 101,001</u>	<u>\$ 2,928</u>
Environmental management:				
Administration	\$ 201,311	\$ 201,311	\$ 205,362	\$ (4,051)
Total environmental management	<u>\$ 201,311</u>	<u>\$ 201,311</u>	<u>\$ 205,362</u>	<u>\$ (4,051)</u>
Cooperative extension program:				
Administration	\$ 72,876	\$ 72,876	\$ 68,127	\$ 4,749
Total cooperative extension program	<u>\$ 72,876</u>	<u>\$ 72,876</u>	<u>\$ 68,127</u>	<u>\$ 4,749</u>
Total community development	<u>\$ 371,616</u>	<u>\$ 378,116</u>	<u>\$ 374,490</u>	<u>\$ 3,626</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
June 30, 2025 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Nondepartmental:				
Miscellaneous	\$ 288,507	\$ 228,530	\$ 126,929	\$ 101,601
Total nondepartmental	<u>\$ 288,507</u>	<u>\$ 228,530</u>	<u>\$ 126,929</u>	<u>\$ 101,601</u>
Capital outlay:				
Capital projects	\$ -	\$ -	\$ 5,640	\$ (5,640)
Total capital outlay	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,640</u>	<u>\$ (5,640)</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 31,693	\$ (31,693)
Interest and other fiscal charges	-	-	5,320	(5,320)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,013</u>	<u>\$ (37,013)</u>
Total General Fund	<u>\$ 20,361,687</u>	<u>\$ 21,075,992</u>	<u>\$ 18,300,582</u>	<u>\$ 2,775,410</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 931,615	\$ 929,975	\$ 780,421	\$ 149,554
Purchased services	77,909	87,749	50,472	37,277
Child care	135,918	135,918	10,551	125,367
Total health and welfare	<u>\$ 1,145,442</u>	<u>\$ 1,153,642</u>	<u>\$ 841,444</u>	<u>\$ 312,198</u>
Total Virginia Public Assistance Fund	<u>\$ 1,145,442</u>	<u>\$ 1,153,642</u>	<u>\$ 841,444</u>	<u>\$ 312,198</u>
CSA Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 223,427	\$ 223,427	\$ 352,031	\$ (128,604)
Total CSA Fund	<u>\$ 223,427</u>	<u>\$ 223,427</u>	<u>\$ 352,031</u>	<u>\$ (128,604)</u>
Special Lodging Tax Fund:				
Economic development	\$ 1,700,000	\$ 1,700,000	\$ 1,965,851	\$ (265,851)
Total Special Lodging Tax Fund	<u>\$ 1,700,000</u>	<u>\$ 1,700,000</u>	<u>\$ 1,965,851</u>	<u>\$ (265,851)</u>
Lodging Tax Marketing & Capital Fund:				
Community development:				
Contribution to Visit Bath County	\$ 1,220,245	\$ 1,220,245	\$ 1,220,245	\$ -
Total Marketing/Capital Fund	<u>\$ 1,220,245</u>	<u>\$ 1,220,245</u>	<u>\$ 1,220,245</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 24,650,801</u>	<u>\$ 25,373,306</u>	<u>\$ 22,680,153</u>	<u>\$ 2,693,153</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Instruction	\$ 8,485,762	\$ 8,767,900	\$ 8,292,576	\$ 475,324
Operating costs:				
Administration, attendance and health services	\$ 580,641	\$ 580,641	\$ 787,702	\$ (207,061)
Pupil transportation	716,735	716,735	643,087	73,648
Operation and maintenance of school plant	926,311	1,233,166	1,306,942	(73,776)
Total operating costs	<u>\$ 2,223,687</u>	<u>\$ 2,530,542</u>	<u>\$ 2,737,731</u>	<u>\$ (207,189)</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 90,194	\$ (90,194)
Interest and other fiscal charges	-	-	38,690	(38,690)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,884</u>	<u>\$ (128,884)</u>
Total education	<u>\$ 10,709,449</u>	<u>\$ 11,298,442</u>	<u>\$ 11,159,191</u>	<u>\$ 139,251</u>
Total School Operating Fund	<u>\$ 10,709,449</u>	<u>\$ 11,298,442</u>	<u>\$ 11,159,191</u>	<u>\$ 139,251</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
June 30, 2025 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special revenue fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 768,136	\$ 768,136	\$ 718,438	\$ 49,698
Total School Cafeteria Fund	<u>\$ 768,136</u>	<u>\$ 768,136</u>	<u>\$ 718,438</u>	<u>\$ 49,698</u>
School Activity Funds				
Education:				
Education	\$ -	\$ -	\$ 437,233	\$ (437,233)
Total education	\$ -	\$ -	\$ 437,233	\$ (437,233)
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,233</u>	<u>\$ (437,233)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 11,477,585</u>	<u>\$ 12,066,578</u>	<u>\$ 12,314,862</u>	<u>\$ (248,284)</u>

STATISTICAL TABLES

STATISTICAL SECTION

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

1 - 5

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

6-10

Debt Capacity

This table presents information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

11-12

Demographic and Economic Information

This table offers demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

13-14

Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.

15-17

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

County of Bath, Virginia

Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year				
	2016	2017 (1)	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 1,474,375	\$ 1,510,211	\$ 1,313,518	\$ 1,200,664	\$ 966,079
Restricted	-	-	-	752,410	1,732,105
Unrestricted	6,712,935	6,073,950	6,625,165	6,685,387	6,390,469
Total governmental activities net position	\$ 8,187,310	\$ 7,584,161	\$ 7,938,683	\$ 8,638,461	\$ 9,088,653
Primary government					
Net investment in capital assets	\$ 1,474,375	\$ 1,510,211	\$ 1,313,518	\$ 1,200,664	\$ 966,079
Restricted	-	-	-	752,410	1,732,105
Unrestricted	6,712,935	6,073,950	6,625,165	6,685,387	6,390,469
Total primary government net position	\$ 8,187,310	\$ 7,584,161	\$ 7,938,683	\$ 8,638,461	\$ 9,088,653

(1) During fiscal year 2018, the County adopted GASB 75 which required restatement of the beginning net position for the year ended June 30, 2017. The net position for fiscal year 2017 is presented as restated.

(2) During fiscal year 2025, the County adopted GASB 101 which required restatement of the beginning net position for the year ended June 30, 2024. The net position for fiscal year 2024 is presented as restated.

Table 1

						Fiscal Year									
						2021	2022	2023	2024 (2)	2025					
\$	1,839,205	\$	3,120,128	\$	2,993,821	\$	3,789,330	\$	5,055,884						
	472,599		1,557,724		649,412		1,008,551		881,061						
	<u>6,826,797</u>		<u>6,209,531</u>		<u>6,663,564</u>		<u>6,766,015</u>		<u>9,175,214</u>						
\$	<u>9,138,601</u>	\$	<u>10,887,383</u>	\$	<u>10,306,797</u>	\$	<u>11,563,896</u>	\$	<u>15,112,159</u>						
\$	1,839,205	\$	3,120,128	\$	2,993,821	\$	3,789,330	\$	5,055,884						
	472,599		1,557,724		649,412		1,008,551		881,061						
	<u>6,826,797</u>		<u>6,209,531</u>		<u>6,663,564</u>		<u>6,766,015</u>		<u>9,175,214</u>						
\$	<u>9,138,601</u>	\$	<u>10,887,383</u>	\$	<u>10,306,797</u>	\$	<u>11,563,896</u>	\$	<u>15,112,159</u>						

County of Bath, Virginia

Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government administration	\$ 1,174,034	\$ 1,114,156	\$ 1,134,535	\$ 1,109,785	\$ 1,251,439
Judicial administration	388,586	439,940	428,181	400,581	432,280
Public safety	2,646,136	2,925,952	2,787,707	2,549,396	2,709,613
Public works	1,736,640	1,097,385	1,179,161	1,343,309	1,417,759
Health and welfare	1,051,764	1,016,210	984,438	1,032,741	1,085,540
Education	8,815,193	9,395,332	9,296,708	9,214,671	8,690,331
Parks, recreation and cultural	541,942	555,200	553,239	583,930	534,838
Community development	1,216,657	785,851	496,504	634,872	781,892
Nondepartmental	96,606	129,098	78,239	88,741	137,103
Interest on long-term debt	156,066	134,714	119,053	102,067	77,099
Total governmental activities expenses	\$ 17,823,624	\$ 17,593,838	\$ 17,057,765	\$ 17,060,093	\$ 17,117,894
Total primary government expenses	\$ 17,823,624	\$ 17,593,838	\$ 17,057,765	\$ 17,060,093	\$ 17,117,894
Program Revenues					
Governmental activities:					
Charges for services:					
General government administration	\$ 15,612	\$ 20,584	\$ 23,346	\$ 25,560	\$ 24,486
Judicial administration	27,207	32,006	25,698	22,173	23,980
Public safety	36,172	35,985	69,457	76,040	56,338
Public works	15,619	1,184	10,126	10,859	123,777
Parks, recreation and cultural	5,189	6,093	3,147	3,162	4,315
Operating grants and contributions	1,967,670	1,919,398	1,667,338	1,765,539	1,942,836
Capital grants and contributions	190,572	251,865	57,361	59,328	47,497
Total governmental activities program revenues	\$ 2,258,041	\$ 2,267,115	\$ 1,856,473	\$ 1,962,661	\$ 2,223,229
Total primary government program revenues	\$ 2,258,041	\$ 2,267,115	\$ 1,856,473	\$ 1,962,661	\$ 2,223,229
Net (expense) / revenue					
Governmental activities	\$ (15,565,583)	\$ (15,326,723)	\$ (15,201,292)	\$ (15,097,432)	\$ (14,894,665)
Total primary government net expense	\$ (15,565,583)	\$ (15,326,723)	\$ (15,201,292)	\$ (15,097,432)	\$ (14,894,665)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 11,540,509	\$ 11,608,685	\$ 11,596,114	\$ 11,511,516	\$ 11,431,037
Local sales and use taxes	789,831	937,441	849,993	827,700	704,233
Restaurant food tax	789,831	834,316	905,907	828,554	576,030
Motor vehicle licenses taxes	75,514	76,835	74,859	77,603	74,597
Taxes on recordation and wills	45,124	41,867	475,062	44,840	40,177
Bank stock taxes	46,567	40,394	39,893	48,833	42,637
Hotel and motel room taxes	1,078,690	1,103,163	1,091,064	1,762,955	1,709,035
Other local taxes	20,753	20,704	22,006	21,560	20,355
Unrestricted grants and contributions	370,041	402,731	395,213	499,335	509,199
Unrestricted revenues from use of money and property	18,009	27,767	56,350	112,172	143,974
Miscellaneous	85,087	43,306	49,353	62,142	93,583
Effect of change in accounting principle (1) (2)	-	(489,260)	-	-	-
Total governmental activities	\$ 14,859,956	\$ 14,647,949	\$ 15,555,814	\$ 15,797,210	\$ 15,344,857
Total primary government	\$ 14,859,956	\$ 14,647,949	\$ 15,555,814	\$ 15,797,210	\$ 15,344,857
Change in Net Position					
Governmental activities	\$ (705,627)	\$ (678,774)	\$ 354,522	\$ 699,778	\$ 450,192
Total primary government	\$ (705,627)	\$ (678,774)	\$ 354,522	\$ 699,778	\$ 450,192

(1) During fiscal year 2018, the County adopted GASB 75 which required restatement of the beginning net position for the year ended June 30, 2017. The resulting restatement is presented as an other change in Net Position for fiscal year 2017.

(2) During fiscal year 2025, the County adopted GASB 101 which required restatement of the beginning net position for the year ended June 30, 2024. The resulting restatement is presented as an other change in Net Position for fiscal year 2024.

Table 2

		Fiscal Year				
		2021	2022	2023	2024	2025
\$	1,303,908	\$ 1,316,574	\$ 1,482,661	\$ 1,456,719	\$ 1,509,011	
	483,149	498,534	535,620	544,192	575,563	
	2,883,198	3,222,736	3,161,868	3,699,189	3,262,661	
	1,303,686	1,299,694	1,409,177	1,762,092	2,936,749	
	1,308,558	1,167,089	1,204,821	1,569,890	1,552,448	
	7,536,411	8,632,878	8,112,402	9,013,224	7,200,618	
	488,701	561,003	618,303	515,085	424,526	
	3,309,890	514,812	3,589,030	2,071,943	3,541,705	
	132,639	132,495	130,985	132,340	126,929	
	51,650	25,878	11,116	7,587	5,680	
\$	<u>18,801,790</u>	<u>\$ 17,371,693</u>	<u>\$ 20,255,983</u>	<u>\$ 20,772,261</u>	<u>\$ 21,135,890</u>	
\$	<u>18,801,790</u>	<u>\$ 17,371,693</u>	<u>\$ 20,255,983</u>	<u>\$ 20,772,261</u>	<u>\$ 21,135,890</u>	
\$	29,298	\$ 21,035	\$ 23,870	\$ 29,702	\$ 30,689	
	36,724	45,175	47,715	57,383	56,346	
	105,276	192,541	228,520	57,140	30,343	
	1,471	21,749	1,900	79,527	130,138	
	267	936	5,201	1,005	4,173	
	2,891,799	2,022,606	3,090,403	3,205,312	2,742,207	
	63,963	59,103	52,204	81,610	1,508,607	
\$	<u>3,128,798</u>	<u>\$ 2,363,145</u>	<u>\$ 3,449,813</u>	<u>\$ 3,511,679</u>	<u>\$ 4,502,503</u>	
\$	<u>3,128,798</u>	<u>\$ 2,363,145</u>	<u>\$ 3,449,813</u>	<u>\$ 3,511,679</u>	<u>\$ 4,502,503</u>	
\$	<u>(15,672,992)</u>	<u>\$ (15,008,548)</u>	<u>\$ (16,806,170)</u>	<u>\$ (17,260,582)</u>	<u>\$ (16,633,387)</u>	
\$	<u>(15,672,992)</u>	<u>\$ (15,008,548)</u>	<u>\$ (16,806,170)</u>	<u>\$ (17,260,582)</u>	<u>\$ (16,633,387)</u>	
\$	12,410,737	\$ 12,199,771	\$ 12,088,452	\$ 13,330,796	\$ 13,045,044	
	683,915	942,980	934,323	1,121,302	1,349,510	
	473,147	685,748	616,809	838,503	1,146,645	
	60,390	49,776	57,942	59,480	57,379	
	70,008	81,663	55,995	56,181	62,330	
	40,980	48,896	60,041	62,656	54,131	
	1,317,650	1,964,091	1,566,756	2,404,710	3,416,722	
	21,451	24,493	23,842	23,163	22,944	
	535,267	584,779	505,587	542,414	572,476	
	25,159	29,494	161,615	270,757	309,006	
	84,236	145,639	154,222	129,639	145,463	
	-	-	-	(321,920)	-	
\$	<u>15,722,940</u>	<u>\$ 16,757,330</u>	<u>\$ 16,225,584</u>	<u>\$ 18,517,681</u>	<u>\$ 20,181,650</u>	
\$	<u>15,722,940</u>	<u>\$ 16,757,330</u>	<u>\$ 16,225,584</u>	<u>\$ 18,517,681</u>	<u>\$ 20,181,650</u>	
\$	<u>49,948</u>	<u>\$ 1,748,782</u>	<u>\$ (580,586)</u>	<u>\$ 1,257,099</u>	<u>\$ 3,548,263</u>	
\$	<u>49,948</u>	<u>\$ 1,748,782</u>	<u>\$ (580,586)</u>	<u>\$ 1,257,099</u>	<u>\$ 3,548,263</u>	

Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Restaurant Food Tax	Motor Vehicle License Tax	Recordation and Wills Tax	Hotel and Motel Taxes	Other Local Taxes	Total
2025	\$ 13,045,044	\$ 1,349,510	\$ 1,146,645	\$ 57,379	\$ 62,330	\$ 3,416,722	\$ 77,075	\$ 19,154,705
2024	13,330,796	1,121,302	838,503	59,480	56,181	2,404,710	85,819	17,896,791
2023	12,088,452	934,323	616,809	57,942	55,995	1,566,756	83,883	15,404,160
2022	12,199,771	942,980	685,748	49,776	81,663	1,964,091	73,389	15,997,418
2021	12,410,737	683,915	473,147	60,390	70,008	1,317,650	62,431	15,078,278
2020	11,431,037	704,233	576,030	74,597	40,177	1,709,035	62,992	14,598,101
2019	11,511,516	827,700	828,554	77,603	44,840	1,762,955	70,393	15,123,561
2018	11,596,114	849,993	905,907	74,859	475,062	1,091,064	61,899	15,054,898
2017	11,608,685	937,441	834,316	76,835	41,867	1,103,163	61,098	14,663,405
2016	11,540,509	789,831	789,831	75,514	45,124	1,078,690	67,320	14,386,819

County of Bath, Virginia

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
General fund					
Nonspendable	\$ 29,669	\$ 10,827	\$ 37,826	\$ 41,359	\$ 86,483
Restricted	-	-	-	55,403	-
Assigned	72,674	163,500	270,951	27,061	534,012
Unassigned	<u>8,204,617</u>	<u>7,794,839</u>	<u>7,918,047</u>	<u>7,841,447</u>	<u>7,039,593</u>
Total general fund	<u>\$ 8,306,960</u>	<u>\$ 7,969,166</u>	<u>\$ 8,226,824</u>	<u>\$ 7,965,270</u>	<u>\$ 7,660,088</u>
All other governmental funds					
Nonspendable	\$ 200	\$ -	\$ -	\$ -	\$ -
Restricted					
Economic development	-	-	-	697,007	1,732,105
Committed for:					
Special revenue funds	<u>465,304</u>	<u>727,725</u>	<u>1,042,371</u>	<u>1,178,719</u>	<u>1,208,331</u>
Total all other governmental funds	<u>\$ 465,504</u>	<u>\$ 727,725</u>	<u>\$ 1,042,371</u>	<u>\$ 1,875,726</u>	<u>\$ 2,940,436</u>

Table 4

		Fiscal Year							
		2021	2022	2023	2024	2025			
\$	90,794	\$	127,765	\$	83,896	\$	110,974	\$	172,416
	-		1,505		11,029		22,775		27,833
	881,357		650,084		428,082		172,338		766,481
	<u>7,188,448</u>		<u>6,441,663</u>		<u>6,938,075</u>		<u>7,665,120</u>		<u>9,481,404</u>
\$	<u>8,160,599</u>	\$	<u>7,221,017</u>	\$	<u>7,461,082</u>	\$	<u>7,971,207</u>	\$	<u>10,448,134</u>
\$	-	\$	-	\$	-	\$	-	\$	-
	472,599		1,513,583		603,552		923,206		791,663
	<u>1,257,106</u>		<u>1,512,888</u>		<u>1,403,059</u>		<u>1,195,908</u>		<u>743,659</u>
\$	<u>1,729,705</u>	\$	<u>3,026,471</u>	\$	<u>2,006,611</u>	\$	<u>2,119,114</u>	\$	<u>1,535,322</u>

County of Bath, Virginia

Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues					
General property taxes	\$ 11,520,566	\$ 11,597,266	\$ 11,613,869	\$ 11,479,901	\$ 11,439,766
Other local taxes	2,846,310	3,054,720	3,458,784	3,612,045	3,167,064
Permits, privilege fees and regulatory licenses	29,122	30,973	60,352	69,300	49,537
Fines and forfeitures	5,647	8,676	3,496	1,096	2,135
Revenue from use of money and property	18,009	27,767	56,350	112,172	143,974
Charges for services	65,030	56,203	67,926	67,398	181,224
Miscellaneous	85,087	43,306	49,353	62,142	93,583
Recovered costs	25,518	47,344	23,622	36,683	53,548
Intergovernmental:					
Commonwealth	1,583,905	1,656,392	1,607,505	1,586,774	1,598,752
Federal	944,378	917,602	512,407	737,428	900,780
Total revenues	\$ 17,123,572	\$ 17,440,249	\$ 17,453,664	\$ 17,764,939	\$ 17,630,363
Expenditures					
General government administration	\$ 1,125,533	\$ 1,105,739	\$ 1,034,464	\$ 1,137,128	\$ 1,177,629
Judicial administration	401,423	438,287	419,515	422,716	416,402
Public safety	2,600,932	2,752,004	2,681,454	2,624,468	2,703,132
Public works	1,743,951	1,103,133	1,268,853	1,347,909	1,415,121
Health and welfare	1,051,884	1,005,510	975,652	1,067,062	1,072,978
Education	7,955,783	8,419,432	8,306,608	8,162,771	7,459,631
Parks, recreation and cultural	506,166	522,250	525,185	600,276	500,956
Community development	1,551,947	851,260	496,425	644,067	779,827
Nondepartmental	96,606	129,098	78,239	88,741	137,103
Capital projects	261,585	179,128	-	-	110,000
Debt service:					
Principal	930,000	950,000	975,000	995,000	1,020,000
Interest and other fiscal charges	156,938	135,606	119,965	103,000	78,056
Total expenditures	\$ 18,382,748	\$ 17,591,447	\$ 16,881,360	\$ 17,193,138	\$ 16,870,835
Excess of revenues over (under) expenditures	\$ (1,259,176)	\$ (151,198)	\$ 572,304	\$ 571,801	\$ 759,528
Other financing sources (uses)					
Transfers in	\$ 190,527	\$ 168,674	\$ 143,663	\$ 147,455	\$ 148,677
Transfers out	(190,527)	(168,674)	(143,663)	(147,455)	(148,677)
Issuance of indebtedness	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ (1,259,176)	\$ (151,198)	\$ 572,304	\$ 571,801	\$ 759,528
Debt service as a percentage of noncapital expenditures	6.0673%	6.2947%	6.5317%	6.4875%	6.5825%

Table 5

		Fiscal Year				
		2021	2022	2023	2024	2025
\$	12,334,038	\$ 12,291,027	\$ 11,964,823	\$ 13,402,456	\$ 12,875,960	
	2,667,541	3,797,647	3,315,708	4,565,995	6,109,661	
	97,382	184,391	220,864	48,740	25,714	
	1,864	1,373	6,216	6,526	3,138	
	25,159	29,494	161,615	270,757	310,160	
	73,790	95,672	80,126	169,491	221,683	
	84,236	145,639	161,826	129,639	145,463	
	35,086	94,404	43,560	86,149	48,871	
	1,728,908	1,826,232	1,872,545	2,247,560	2,476,185	
	1,762,121	798,446	1,775,649	1,555,354	2,350,813	
\$	<u>18,810,125</u>	<u>\$ 19,264,325</u>	<u>\$ 19,602,932</u>	<u>\$ 22,482,667</u>	<u>\$ 24,567,648</u>	
\$	1,196,800	\$ 1,353,926	\$ 1,348,626	\$ 1,461,500	\$ 1,472,118	
	455,632	505,102	558,596	563,450	592,251	
	2,655,447	3,227,316	3,233,757	3,756,818	4,647,435	
	1,350,467	1,305,339	1,460,135	1,810,589	3,062,376	
	1,271,670	1,183,891	1,237,640	1,596,111	1,562,895	
	7,536,411	7,617,560	8,112,402	9,091,492	7,200,618	
	483,036	553,773	610,544	522,070	412,292	
	3,304,827	514,812	3,581,124	2,819,038	3,560,586	
	132,639	132,495	130,985	132,340	126,929	
	40,791	1,421,374	194,102	96,774	5,640	
	1,040,000	1,065,000	126,311	100,731	31,693	
	52,625	26,553	8,893	5,900	5,320	
\$	<u>19,520,345</u>	<u>\$ 18,907,141</u>	<u>\$ 20,603,115</u>	<u>\$ 21,956,813</u>	<u>\$ 22,680,153</u>	
\$	<u>(710,220)</u>	<u>\$ 357,184</u>	<u>\$ (1,000,183)</u>	<u>\$ 525,854</u>	<u>\$ 1,887,495</u>	
\$	288,672	\$ 178,809	\$ 209,639	\$ 352,714	\$ 339,560	
	(288,672)	(178,809)	(209,639)	(352,714)	(339,560)	
	-	-	220,388	96,774	5,640	
\$	<u>-</u>	<u>\$ -</u>	<u>\$ 220,388</u>	<u>\$ 96,774</u>	<u>\$ 5,640</u>	
\$	<u>(710,220)</u>	<u>\$ 357,184</u>	<u>\$ (779,795)</u>	<u>\$ 622,628</u>	<u>\$ 1,893,135</u>	
	5.6321%	5.9977%	0.6655%	0.5124%	0.1765%	

General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Meals Tax	Motor Vehicle License Tax	Recordation and Wills Tax	Hotel and Motel Room Tax (1)	Other Local Taxes	Total
2025	\$ 12,875,960	\$ 1,349,510	\$ 1,146,645	\$ 57,379	\$ 62,330	\$ 3,416,722	\$ 77,075	\$ 18,985,621
2024	13,402,456	1,121,302	838,503	59,480	56,181	2,404,710	85,819	17,968,451
2023	11,964,823	934,323	616,809	57,942	55,995	1,566,756	83,883	15,280,531
2022	12,291,027	942,980	685,748	49,776	81,663	1,964,091	73,389	16,088,674
2021	12,334,038	683,915	473,147	60,390	70,008	1,317,650	62,431	15,001,579
2020	11,439,766	704,233	576,030	74,597	40,177	1,709,035	62,992	14,606,830
2019	11,479,901	827,700	828,554	77,603	44,840	1,762,955	70,393	15,091,946
2018	11,613,869	849,993	905,907	74,859	475,062	1,091,064	61,899	15,072,653
2017	11,597,266	937,441	834,316	76,835	41,867	1,103,163	61,098	14,651,986
2016	11,520,566	789,831	789,831	75,514	45,124	1,078,690	67,320	14,366,876

(1) Includes lodging tax reported in the Lodging Tax/Marketing Capital Fund and the Special Lodging Tax Fund.

County of Bath, Virginia

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

Fiscal Year	Real Estate (1)	Personal Property	Machinery and Tools	Public Service (2)	Total Taxable Assessed Value
2025	\$ 1,009,294,100	\$ 105,042,600	\$ 7,456,500	\$ 1,100,668,442	\$ 2,222,461,642
2024	978,953,800	89,789,950	6,562,060	1,190,787,137	2,266,092,947
2023	965,395,100	94,663,500	5,701,000	1,183,689,859	2,249,449,459
2022	890,063,000	57,809,200	3,479,700	1,329,070,173	2,280,422,073
2021	885,650,700	63,434,600	4,415,100	1,376,210,049	2,329,710,449
2020	883,391,700	62,539,400	4,911,200	1,385,637,012	2,336,479,312
2019	881,058,000	60,776,540	805,600	1,411,711,020	2,354,351,160
2018	875,003,700	56,958,300	601,100	1,432,056,425	2,364,619,525
2017	981,958,400	58,050,800	368,100	1,459,194,817	2,499,572,117
2016	978,673,900	60,240,600	408,900	1,448,811,871	2,488,135,271

Source: Commissioner of Revenue

- (1) Real estate is assessed at 100% of fair value.
- (2) Assessed values are established by the State Corporation Commission
- (3) Provided for real estate values only. Actual taxable value is net of land use and tax relief for the elderly.
- (4) Source: Virginia Department of Taxation

Table 7

	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value (1)	State Sales Assessment Ratio (4)	Total Direct Rate
\$	953,911,500	105.81%	84.73%	2.30
	923,727,600	105.98%	84.05%	2.30
	911,607,900	105.90%	90.01%	2.00
	837,484,200	106.28%	103.28%	2.00
	836,582,900	105.87%	101.09%	2.00
	834,858,400	105.81%	103.48%	1.70
	829,665,900	106.19%	112.39%	1.70
	824,266,700	106.16%	107.70%	1.70
	887,437,400	110.65%	107.70%	1.66
	887,643,600	110.26%	99.82%	1.66

Property Tax Rates (1)
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Year	Direct Rates			
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2025	\$ 0.60	\$ 0.55	\$ 0.60	\$ 0.55
2024	0.60	0.55	0.60	0.55
2023	0.55	0.45	0.55	0.45
2022	0.55	0.45	0.55	0.45
2021	0.55	0.45	0.55	0.45
2020	0.50	0.35	0.50	0.35
2019	0.50	0.35	0.50	0.35
2018	0.50	0.35	0.50	0.35
2017	0.48	0.35	0.48	0.35
2016	0.48	0.35	0.48	0.35

(1) Per \$100 of assessed value

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2025		Fiscal Year 2016	
		2025 Assessed Valuation	% of Total Assessed Valuation	2016 Assessed Valuation	% of Total Assessed Valuation
Public Service	Utilities (Power, etc.)	\$ 1,190,094,418	52.517%	\$ 1,459,194,817	58.646%
The Homestead LC	Hotel	84,094,100	3.711%	104,091,200	4.184%
NA Homestead Preserve	Hotel	16,773,600	0.740%	42,325,900	1.701%
The Owners Club	Timeshares	22,154,700	0.978%	23,627,300	0.950%
DG Land Holdings	R.E. Prop. & invst.	5,950,700	0.263%	7,570,700	0.304%
Fort Lewis Lodge	Lodging	5,201,800	0.230%	4,575,400	0.184%
Bill Chambers	Real Estate Dev.	4,284,500	0.189%	2,595,300	0.104%
Plecker & Son	Construction	2,316,600	0.102%	2,625,800	0.106%
Sam Snead, Jr.	Real Estate Dev.	1,014,500	0.045%	1,226,900	0.049%
Flowing Springs Farm LLC	Farming	1,437,800	0.063%	1,290,700	0.052%
CEA Partners	Real Estate Dev.	638,200	0.028%	324,600	0.013%
VA Hot Springs Land Co.	Real Estate Dev.	139,700	0.006%	234,600	0.009%
		<u>\$ 1,334,100,618</u>	<u>58.87%</u>	<u>\$ 1,649,683,217</u>	<u>65.53%</u>

Source: Commissioner of Revenue

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 12,997,311	\$ 12,583,363	96.82%	\$ -	\$ 12,583,363	96.82%
2024	\$ 13,262,292	13,004,289	98.05%	177,036	13,181,325	99.39%
2023	12,026,745	11,700,427	97.29%	290,603	11,991,030	99.70%
2022	12,260,458	12,047,887	98.27%	202,138	12,250,025	99.91%
2021	12,523,999	12,237,546	97.71%	277,250	12,514,796	99.93%
2020	11,403,031	11,246,968	98.63%	152,334	11,399,302	99.97%
2019	11,492,138	11,314,582	98.45%	175,295	11,489,877	99.98%
2018	11,551,252	11,376,569	98.49%	172,257	11,548,826	99.98%
2017	11,555,323	11,262,008	97.46%	291,229	11,553,237	99.98%
2016	11,499,348	11,327,388	98.50%	171,126	11,498,514	99.99%

Source: Commissioner of Revenue, County Treasurer's office

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities							
Fiscal Year	Revenue Bonds	Financed Purchases	Lease Liabilities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	
2025	\$ -	\$ -	\$ 93,647	\$ 93,647	0.03%	\$ 22	
2024	-	-	119,700	119,700	0.04%	28	
2023	-	28,548	95,109	123,657	0.04%	29	
2022	-	-	29,580	29,580	0.01%	7	
2021	1,065,000	-	-	1,065,000	0.34%	252	
2020	2,105,000	-	-	2,105,000	0.76%	487	
2019	3,125,000	-	-	3,125,000	1.18%	706	
2018	4,120,000	-	-	4,120,000	1.63%	904	
2017	5,095,000	-	-	5,095,000	2.13%	1,095	
2016	6,045,000	-	-	6,045,000	2.52%	1,279	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) See the Schedule of Demographic and Economic Statistics - Table 13.

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

Fiscal Year	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2025	\$ -	\$ -	\$ -	0.00%	\$ -
2024	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2020	2,105,000	-	2,105,000	0.09%	487
2019	3,125,000	-	3,125,000	0.13%	706
2018	4,120,000	-	4,120,000	0.17%	904
2017	5,095,000	-	5,095,000	0.20%	1,095
2016	6,045,000	-	6,045,000	0.24%	1,279

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 13.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7.

(3) Includes all long-term general obligation bonded debt, revenue bonds, and Literary Fund Loans; excludes capital leases, and compensated absences.

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2025	4,255	\$ 312,717,000	\$ 77,195	52	477	3.20%
2024	4,230	312,717,000	77,195	51	473	2.50%
2023	4,228	302,572,000	74,728	49	508	2.30%
2022	4,276	308,543,332	72,157	49	499	2.60%
2021	4,341	304,087,050	70,050	48	584	5.00%
2020	4,318	277,285,000	66,864	48	530	14.10%
2019	4,429	264,509,000	61,628	48	550	2.40%
2018	4,556	252,991,000	58,876	49	552	2.60%
2017	4,652	239,666,388	51,519	49	554	2.90%
2016	4,727	239,989,790	50,770	49	541	3.30%

Source: Weldon Cooper Center; Bureau of Economic Analysis, Regional Economic Accounts; VA Department of Education, Division of Technology, Reports; U.S. Census Bureau; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2025			Fiscal Year 2016		
	(1) Employees	Rank	% of Total County Employment	(1) Employees	Rank	% of Total County Employment
The Omni Homestead	600	1	27.73%	850	1	33.32%
Bath County Community Hospital	200	2	9.24%	125	3	4.90%
Bath County Public Schools	140	3	6.47%	146	2	5.72%
Kissito Helathcare (Springs Nursing Center)	84	4	3.88%	65	5	2.55%
County of Bath	60	5	2.77%	75	4	2.94%
Speyside Bourbon Stave Mill	55	6	2.54%			
Dominion Virginia Power	50	7	2.31%	50	6	1.96%
Barc Electrical Co-op	50	8	2.31%	45	7	1.76%
Inn at Warm Springs	40	9	1.85%			
VA Department of Conservation	35	10	1.62%	35	9	1.37%
Owners Club	35	11	1.62%			
Phantom Eagle LLC				35	8	1.37%
F. Clayton Plecker & Sons				30	10	1.18%
Totals	<u>1,349</u>		<u>62.34%</u>	<u>1,456</u>		<u>58.95%</u>
Total estimated jobs in County	2,164			2,470		

(1) Estimated numbers are provided. Ranges of employees were available for employers. The mid point of the range was used for this table.

Sources:

VA Employment Commission, www.vec.virginia.gov (50 Largest Employers in Bath County for fourth quarter 2023 - latest available -and 2015).

VA Workforce Connection, 12/12/2024, www.vawc.virginia.gov (Virginia Workforce Connection - Labor Market Services - Area Profile for Bath County: Labor Force, Employment and Unemployment Statistics); total employment for November 2023 and 2015 annual.

County of Bath, Virginia

Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2015	2016	2017	2018	2019
General government	9	9	9	9	9
Judicial administration	5	5	5	5	5
Public safety					
Sheriff's department	19	19	19	19	22
911 Administrator	0	0	0	0	0
Building inspections	1	1	1	1	1
Animal control	2	2	2	2	2
Public works					
General maintenance	2	2	2	2	2
Landfill	0	0	0	0	0
Health and welfare					
Department of social services	7	7	7	7	8
Culture and recreation					
Parks and recreation	3	3	3	3	4
Library	1	1	0	0	0
Community development					
Tourism	2	1	1	1	0
Planning	2	2	2	2	2
Totals	<u>53</u>	<u>52</u>	<u>51</u>	<u>51</u>	<u>55</u>

Source: Individual county departments; excludes part-time and Board of Supervisors members.

Table 15

Fiscal Year					
2020	2021	2022	2023	2024	2025
9	9	9	9	9	9
5	5	5	5	6	6
22	22	24	23	24	24
0	0	0	0	0	0
1	1	1	1	1	1
1	2	2	2	2	2
2	2	2	2	2	7
0	0	0	0		0
8	8	8	9	9	9
4	4	4	4	3	2
0	0	0	0		0
0	0	0	0	2	2
2	2	2	2	2	2
<u>54</u>	<u>55</u>	<u>57</u>	<u>57</u>	<u>60</u>	<u>64</u>

County of Bath, Virginia

Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year				
	2015	2016	2017	2018	2019
Public safety					
Sheriff's department:					
Physical arrests	134	93	207	111	103
Traffic violations	157	159	182	47	45
Civil papers	1,149	1,020	993	955	1,013
Building inspections:					
Inspections made	336	337	395	370	303
Permits issued	116	109	133	119	120
Animal control:					
Number of calls answered	520	499	413	387	200
Public works					
Landfill:					
Refuse collected (tons/day) (1)	14	15	17	14	15
Recycling (tons/day) (1)	7	7	7	6	6
Health and welfare					
Department of Social Services:					
Caseload	900	1,176	4,295	6,183	6,121
Culture and recreation					
Parks and recreation:					
After-school program participants	n/a	n/a	n/a	n/a	n/a
Youth sports participants	355	466	492	420	445
Component Unit - School Board					
Education:					
School age population (2)	570	584	562	522	515
Number of teachers (2)	68	66	66	64	65
Local expenditures per pupil (2)	\$14,450	\$14,522	\$16,424	\$20,790	\$15,407

Source: Individual County departments, Superintendent's Annual Report, Virginia Department of Education, Solid Waste information and Assessment Forms, DEQ Annual Recycling Reports.

(1) Daily waste and recycling are based on 5.5 days/week of transfer operation (286 days).

(2) County of Bath Annual School Report

Table 16

Fiscal Year					
2020	2021	2022	2023	2024	2025
181	181	113	112	114	153
56	28	106	172	163	67
1,041	935	878	536	1,296	1,253
282	287	320	458	334	283
127	123	136	143	126	112
164	167	355	182	155	331
18	13	14	18	15	14
1	1	1	1	1	1
7,979	6,702	12,019	13,596	13,375	12,900
n/a	n/a	n/a	n/a		
400	144	370	403	453	495
495	520	477	476	474	474
62	60	58	53	58	59
\$16,551	\$18,124	\$15,825	\$18,240	\$19,570	\$16,078

County of Bath, Virginia

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2015	2016	2017	2018	2019
General government					
Administration buildings	5	5	5	5	5
Vehicles	1	2	2	2	2
Public safety					
Sheriff's department:					
Patrol units	13	13	13	13	16
Animal control:					
Vehicles	1	1	1	1	1
Public works					
Vehicles	1	1	1	1	1
Sites	1	1	1	1	1
Culture and recreation					
Parks and recreation:					
Vehicles	2	2	2	2	2
Swimming pools	2	2	2	2	2
Health and welfare					
Buildings	1	1	1	1	1
Community development					
Planning:					
Vehicles	1	1	1	1	1
Component Unit - School Board					
Education:					
Schools	4	4	4	4	4
School buses	18	16	18	19	19

Source: Individual County departments/excludes part-time and Board of Supervisors members.

Table 17

Fiscal Year					
2020	2021	2022	2023	2024	2025
5	5	5	5	5	5
2	2	2	2	2	2
17	17	17	18	17	17
1	1	1	1	1	1
-	-	-	-		5
1	1	1	1	1	1
2	2	2	2	2	1
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1		1
4	4	4	4	4	4
16	16	16	16	16	14

COMPLIANCE



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**TO THE HONORABLE MEMBERS
OF THE BOARD OF SUPERVISORS
COUNTY OF BATH, VIRGINIA**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of County of Bath, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Bath, Virginia's basic financial statements, and have issued our report thereon dated January 16, 2026.

Report on Internal Control over Financial Reporting

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

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

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

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 Assoc.

Staunton, Virginia
January 16, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**TO THE HONORABLE MEMBERS
OF THE BOARD OF SUPERVISORS
COUNTY OF BATH, VIRGINIA**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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 Assoc.

Staunton, Virginia
January 16, 2026

County of Bath, Virginia

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Guardianship Assistance	93.090	Not Available	\$ 101
Title IV-E Prevention Services	93.472	Not Available	2,149
MaryLee Allen Promoting Safe and Stable Families Program	93.556	Not Available	12,707
Temporary Assistance for Needy Families	93.558	Not Available	65,771
Refugee and Entrant Assistance State/Replacement			
Designee Administered Programs	93.566	Not Available	156
Low-Income Home Energy Assistance	93.568	Not Available	13,730
Child Care and Development Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not Available	13,588
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Available	254
Foster Care - Title IV-E	93.658	Not Available	39,358
Adoption Assistance	93.659	Not Available	18,265
Social Services Block Grant	93.667	Not Available	59,559
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not Available	455
Children's Health Insurance Program	93.767	Not Available	1,363
Medicaid Cluster:			
Medical Assistance Program	93.778	Not Available	<u>111,729</u>
Total Department of Health and Human Services			<u>\$ 339,185</u>
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - School Nutrition Program	10.555	Not Available	\$ 40,679
Virginia Department of Education:			
National School Lunch Program	10.555	202323N11994 1; 202424N11994 1	<u>259,165</u>
Subtotal AL 10.555			<u>\$ 299,844</u>
School Breakfast Program	10.553	202323N11994 1; 202424N11994 1	<u>\$ 115,276</u>
Child Nutrition Cluster Total			<u>\$ 415,120</u>
Virginia Department of Education:			
Child and Adult Care Food Program (CACFP)	10.558	202424N11994 1	\$ 1,423
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410000	67,935
Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not Available	<u>134,859</u>
Total Department of Agriculture			<u>\$ 619,337</u>

County of Bath, Virginia

Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2025

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Treasury			
Pass Through Payments:			
Virginia Department of Elections			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	\$ 24,835
Virginia Tourism Corporation			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	106,418
Subtotal CFDA 21.027			<u>\$ 131,253</u>
Total Department of Treasury			<u>\$ 131,253</u>
Department of Homeland Security:			
Direct Payments:			
Rural Emergency Medical Communications Demonstration Project	97.120	Not Applicable	\$ 1,214,175
Pass Through Payments:			
Department of Emergency Services:			
Emergency Management Performance Grants	97.042	Not available	\$ 7,500
Total Department of Homeland Security			<u>\$ 1,221,675</u>
Department of Justice			
Direct Payments:			
Public Safety Partnership and Community Policing Grants	16.710	Not Applicable	\$ 355,605
Pass Through Payments:			
Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Not Available	\$ 75,000
Total Department of Justice			<u>\$ 430,605</u>
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027	H027A230107	\$ 175,643
		H173A210112;	
Special Education - Preschool Grants	84.173	H173A230112	4,922
Total Special Education Cluster			<u>\$ 180,565</u>
		S010A210046;	
		S010A220046;	
Title I Grants to Local Educational Agencies	84.010	S010A230046	208,999
Career and Technical Education - Basic Grants to States	84.048	V048A220046	9,237
Supporting Effective Instruction State Grants	84.367	S367A200044;	15,933
		S367A210044	
Rural Education	84.358	Not available	48,018
Education Stabilization Fund			
Student Support and Academic Enrichment Program	84.424	S424A210048;	10,974
		S424A220048;	
		S424A230048	
COVID 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	19,738
Total Department of Education			<u>\$ 493,464</u>
Total Expenditures of Federal Awards			<u>\$ 3,235,519</u>

County of Bath, Virginia

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2025

Notes to Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

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

NOTE B - 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) The County of Bath, Virginia has elected not to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the County had \$16,325 of food commodities in inventory. The value of food commodities expended during the year ended June 30, 2025 amounted to \$40,679.

NOTE D - SUBRECIPIENTS

No awards were passed through to subrecipients.

NOTE E - RELATIONSHIP TO FINANCIAL STATEMENTS

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
Governmental funds	\$ 2,350,813
Less payments in lieu of tax under CFDA 15.226 not included above	(448,841)
Total primary government	<u>\$ 1,901,972</u>
Discretely presented component unit - School Board:	
School operating fund	\$ 1,051,504
School cafeteria fund	416,543
Less payments in lieu of tax under CFDA 15.226 not included above	(134,500)
Total discretely presented component unit - School Board	<u>\$ 1,333,547</u>
Total federal expenditures per basic financial statements	<u>\$ 3,235,519</u>
Total federal expenditures per the Schedule of Expenditures of Federal awards	<u><u>\$ 3,235,519</u></u>

County of Bath, Virginia
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes x no

- Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes x no

- Significant deficiency(ies) identified? yes x 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 section 2 CFR section 200.516(a)? yes x no

Identification of major programs:

<i>Assistance Listing</i> Numbers	<i>Name of Federal Program or Cluster</i>
97.120 Rural Emergency Medical Communications Demonstration Project

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

Auditee qualified as low-risk auditee? x yes no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

Section IV-Summary of Prior Year Findings

There were no prior year findings.