



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025



COUNTY OF BEDFORD, VIRGINIA

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

DEPARTMENT OF FINANCE

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INTRODUCTORY SECTION





COUNTY OF BEDFORD, VIRGINIA

County Administration Building

122 East Main Street, Suite 202

Bedford, Virginia 24523

Tel: (540) 586.7601

ROBERT HISS
COUNTY ADMINISTRATOR

OFFICE OF THE COUNTY ADMINISTRATOR

December 12, 2025

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the County of Bedford (the County) for the fiscal year ended June 30, 2025. As required by the *Code of Virginia*, the Department of Finance has prepared this report in accordance with accounting principles generally accepted (GAAP) in the United States, the standards of financial reporting prescribed by the Governmental Accounting Standards Board (GASB), and those of the Auditor of Public Accounts of the Commonwealth of Virginia.

Responsibility for both the completeness and reliability of the information contained in this report rests solely with County management and is based upon a comprehensive framework of internal control that has been established for this purpose. The cost of internal controls should not exceed the anticipated benefits; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate, in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

The County's financial statements have been audited by Brown, Edwards & Company L.L.P., an independent, third-party firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2025 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Brown, Edwards & Company L.L.P. concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion and that the County's financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

The independent audit of the County’s financial statements was part of a broader, federally mandated “Single Audit” designed to meet the requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also report on the County’s compliance with federal requirements for each major program and on internal control over compliance pursuant to the audit requirements of Title 2, *U.S. Code of Federal Regulations*, Part 200, *U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditors’ report on the Single Audit for the County will be available in a separate report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County’s MD&A can be found immediately following the independent auditors’ report on the financial statements.

Profile of the County

The County was formed in 1754 and named for the Fourth Duke of Bedford, a British government official. Bedford County is located in the west central part of the state and is the fifth largest county in Virginia in land area (764 square miles). The Town of Bedford serves as the County seat. The area abounds with natural beauty and outdoor recreational opportunities, offering residents an attractive and pleasant environment in which to live, work and play. Strategically located between the metropolitan areas of Lynchburg and Roanoke, the County is one of the fastest growing areas in the state. A mix of industry, commerce and agriculture ensures a strong, diversified economy and positive business climate.



Bedford County is organized under the traditional form of government (as defined under Virginia Law), with the elected Board of Supervisors (the Board) establishing laws and policies for the administration of government operations. The Board consists of seven members; one member from each of seven districts, elected to a four-year term by the voters of the district in which the member resides. The Board appoints a County Administrator to act as the administrative head of the County.

Bedford County provides a full range of services to its residents, including education, public safety, judicial services, solid waste disposal, community and economic development, parks and recreation, public libraries, health and welfare services, and general administration. All resources required to support these services are reflected in this report.

The County provides education through its public school system administered by the Bedford County School Board (School Board), promotes industry and commerce through the Bedford County Economic Development Authority (the EDA), and provides public library services and remote access to the library collection through the Bedford Public Library System (BPLS). In accordance with GASB pronouncements, these agencies have been classified as discretely presented component units in the accompanying financial statements because they are legally separate entities for which the County is financially accountable, or whose relationships with the County are such that exclusion would cause the County’s financial statements to be misleading or incomplete. Additional information on each of these legally separate entities can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation of the County’s financial planning and control. All County departments submit appropriation requests to the Finance department on or about November 20 each year for the Capital Improvements Plan (CIP) and on or about January 5 each year for the operating budget.

The budget committee, which consists of the County Administrator, Deputy County Administrator, Assistant County Administrator, Director of Finance, Assistant Director of Finance, and two accountants, uses the departmental requests as the starting point for developing a proposed budget. The proposed

BUDGET AND PLANNING CALENDAR*	
Nov 20	Departmental CIP requests due
Nov 20 - Dec 31	Preparation of Administrator's proposed 5-Year CIP
Jan 5	Departmental operating budget requests due
Jan 5 - Feb 15	Preparation of Administrator's proposed operating budget
Feb 15 - Apr 15	Budget work sessions with Board of Supervisors
Apr 20	Tax rate and budget public hearings
May 15	Budget adoption
Jun 30	Current fiscal year ends
Jul 1	New fiscal year begins

*Dates are approximate and subject to change.

budget is finalized no later than February 15 and presented to the Board through a series of budget work sessions held between February 15 and April 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the County’s fiscal year.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff’s office) with the budget appropriation resolution adopted by the Board placing legal restriction of expenditures at the department level for the General Fund and Vehicle Replacement Fund; at the grant level for the Grants Fund; at the project level for the Capital Improvement Fund; and at the fund level for all other budgetary funds. The County’s adopted budget policy also requires Board of Supervisors approval of certain budget transfers above established thresholds and all requests for supplemental appropriations.

The School Board budget is appropriated at the fund level with transfers across funds, prior year reappropriations, and other supplemental appropriations requiring Board of Supervisors approval.

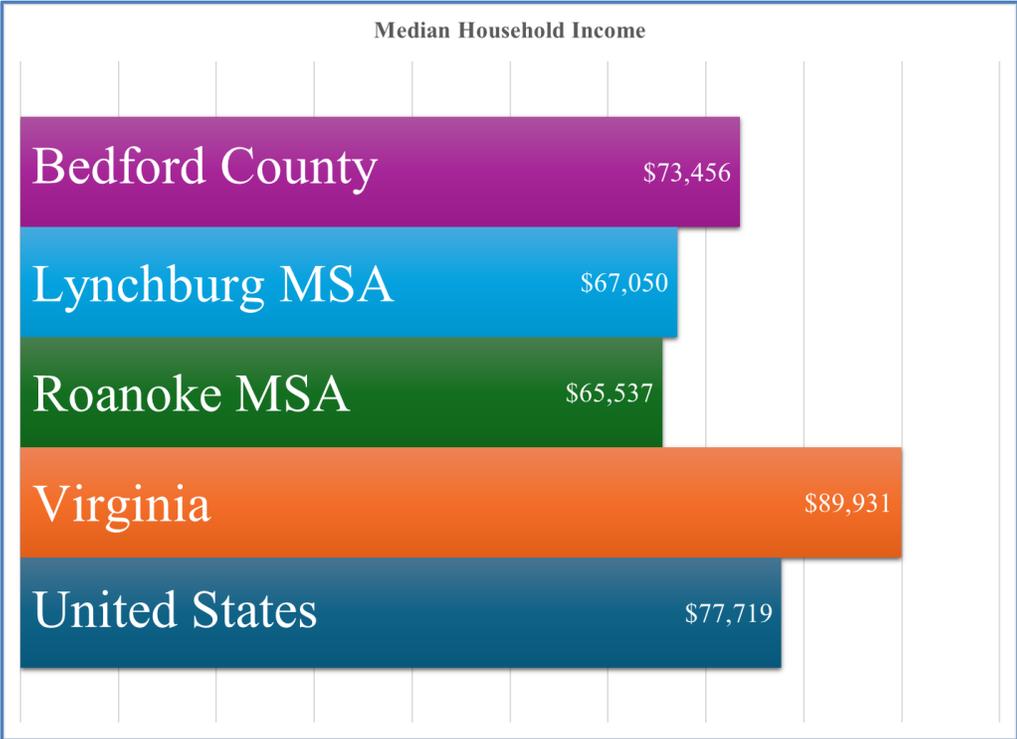
Exhibit 5 in the basic financial statements provides a budget-to-actual comparison for the General Fund. A more detailed, department level comparison is presented in Schedule 1 in the Supporting Schedules subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Bedford County operates.

Local Economy

Bedford County financial position remains favorable due, in large part, to the financial strength and diversification of the County’s business community, its low reliance on federal jobs and procurement, low debt levels, growing property tax base, and its strategic location between Lynchburg and Roanoke. As illustrated in the graph on the following page, Bedford’s median household income compares favorably to the surrounding metropolitan statistical areas (MSAs) and is consistent with the national level.



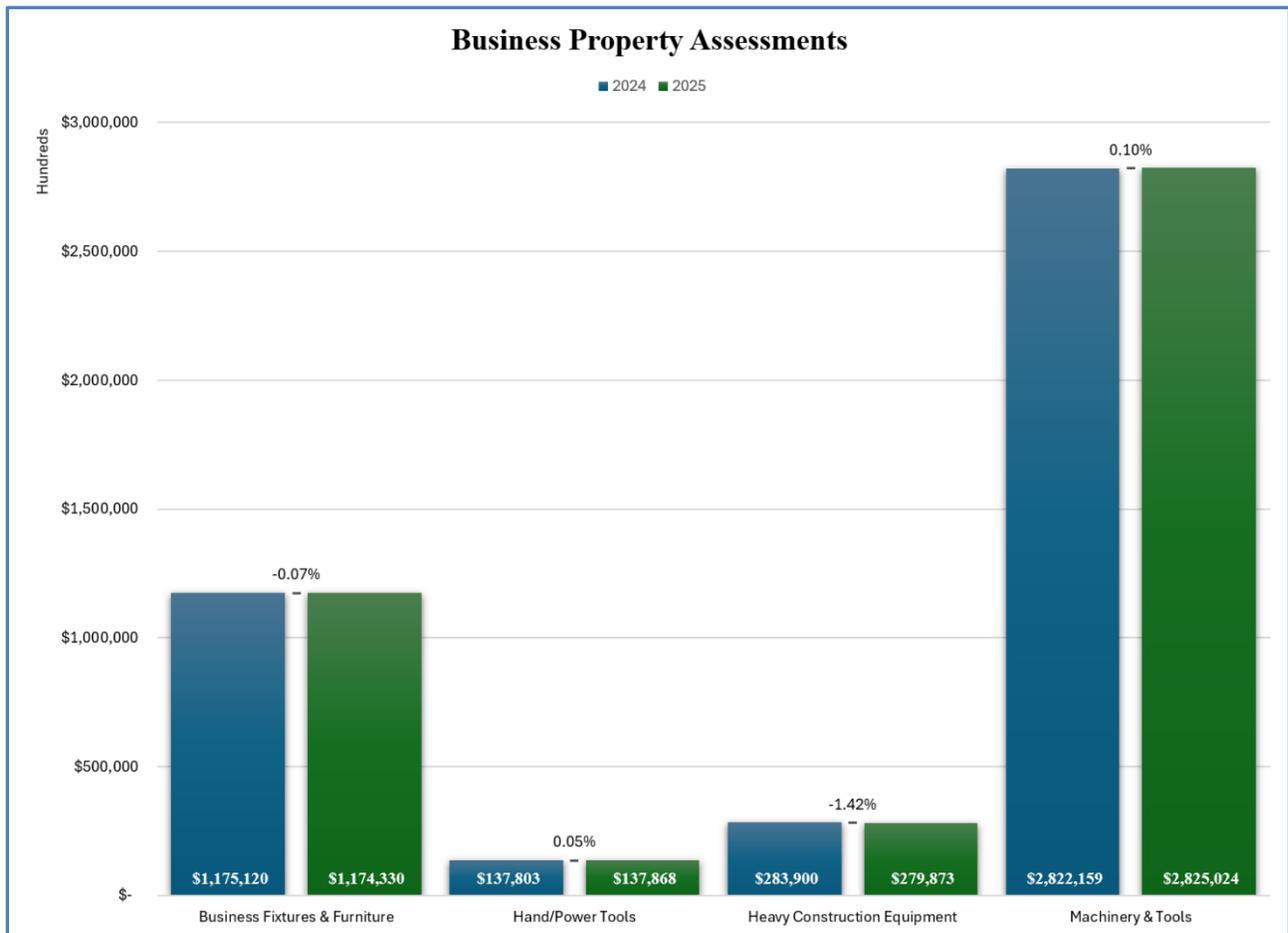
Source: U.S. Census Bureau 2023 American Community Survey 1-Year Estimates (Median Household Income)
(2024 American Community Survey not available at the time of this publication.)

Additionally, the County’s average unadjusted unemployment rate for the first half of calendar year 2025 was 3.5%, which is equivalent to the Commonwealth’s average (3.5%) and below the national average (4.1%).

Furthermore, the County has experienced consistent building growth for the past several years. Since 2021, the number of building permits per calendar year has averaged 1,965 with the total value of permits in calendar year 2024 (\$207.4 million) being 16.3% higher than the total value of permits in calendar year 2021 (\$178.4 million).

Economic Development Update

Fiscal year 2025 marked another successful year for Bedford County. Business property assessments remained relatively stable between fiscal year 2024 and 2025.



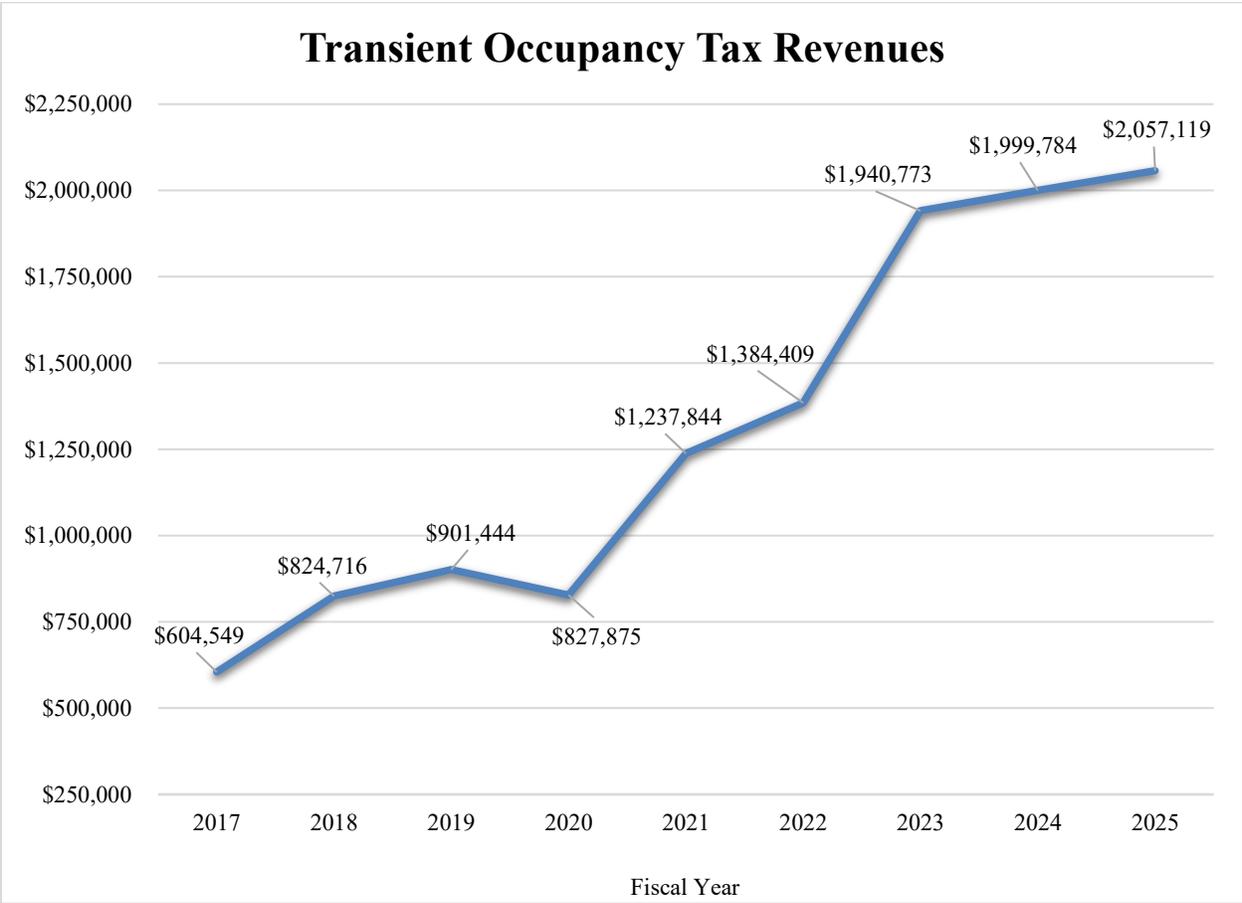
Source: Bedford County Commissioner of the Revenue

However, the County announced several significant economic development accomplishments during the year ended June 30, 2025, which should result in increased business property assessments going forward:

- **Improvements to the Phase 2 parcel of the New London Business and Technology Center (NLBTC) continue.** The County was awarded a \$1.5 million Virginia Business Ready Sites Program (VBRSP) development grant and a \$0.75 million Tobacco Region Revitalization Commission (TRRC) grant, to further develop Lot 15 and Lot 16 of the NLBTC. This project is currently underway with grant funds being used to clear both sites and continue the Meade Road gravel extension, along with the implementation of stormwater, sewer and underground utilities as funding permits. This project will further develop the Phase 2 section of the NLBTC, advancing the site from a Tier 3 to a Tier 4 status.
 - As a compliment to this project, the County also received a grant from the Virginia Department of Transportation to complete an engineering study and design improvements for Meade Road.
- **New London Business and Technology Center Lots 10A and 12A** reached pad-ready status in early July 2025 with most of the work completed in fiscal year 2025. Lot 10A has 1.95 acres pad-ready to accommodate a 15,000 square foot building on 10 acres. Lot 12A has 1.70 acres pad-ready to accommodate a 10,000 square foot building on 7.52 acres.
- **Air Filter Systems**, relocated to Bedford County in February 2025 and purchased an 8.57-acre tract in the Montvale Center for Commerce. The company plans to invest more than \$1.5 million to build a 20,000 square foot facility and bring 30 jobs to Bedford County over the next three years.
- **SML Packaging Solutions** is now under new ownership and expanding its operations in Forest. The company has committed to investing \$75,000 in new equipment and hiring two additional people for a total of fourteen full-time employees over the next two years.
- **Solarix**, a leading 100% American-owned and SBA-certified Disabled Veteran-owned company, announced in August 2024 that it will invest \$63.0 million to establish a state-of-the-art solar module manufacturing facility in Forest. This facility aims to support the Commonwealth's renewable energy supply needs and mitigate reliance on foreign manufacturers. Solarix acquired the former TEVA Pharmaceutical building and will employ 104 people. This 423,553 square feet facility on 56.2 acres of land will be home to advanced solar panel production, reinforcing the company's commitment to providing high-quality, affordable, and reliable PV modules to support utility-scale, commercial, and residential solar projects.

Also, during the year, the Department of Economic Development conducted seven Bedford ONE tours at fourteen local businesses. The Bedford ONE program links high school students with local businesses based on their career interests and represents a partnership between the Bedford County Office of Economic Development, Bedford County Public Schools, and area businesses. Nearly 240 high school students participated in the Bedford ONE program during fiscal year 2025, an increase of approximately 40 students from the previous year.

The tourism industry in Bedford County remains strong, as evidenced by the continued increase in transient occupancy tax revenues. In 2025, these revenues exceeded \$2.0 million for the first time in County history and have more than doubled since pre-pandemic years.



According to the Virginia Tourism Corporation (VTC), direct travel expenditures by visitors to Bedford were \$82.2 million in calendar year 2024, an increase of 1.1% when compared to total spending in calendar year 2023 and 25.2% since calendar year 2019 (pre-pandemic). Additionally, in 2024, the County’s tourism industry directly supported 583 jobs for a total labor income of \$18.6 million with an additional 256 jobs indirectly supported for another \$12.6 million in labor income.

Bedford County's Department of Tourism has been integral in growing and maintaining the County's tourism industry with achievements and initiatives such as those completed during fiscal year 2025:

- **Bedford VA250** is a local committee formed in Bedford County to plan local and regional events, as well as work alongside the state level commission (Virginia American Revolution 250 Commission) to commemorate the 250th anniversary of the American Revolution. A regional meeting was held in October 2024, and work continues in planning for a variety of commemoration events throughout Bedford County in 2026.
- The **2024 PDGA World Pro Worlds Disc Golf Championships (Worlds)** were held on courses in Bedford County. Destination Bedford was a sponsor of this event, in partnership with the City of Lynchburg Department of Economic Development and Tourism. Worlds brought around 13,000 visitors to the county with approximately 10,000 of those visitors coming from more than two hours away. The estimated economic impact of the event for the region was \$4.5 million¹.
- Bedford County's Tourism Director serves as Bedford County's official ambassador for the **Blue Ridge Rising** initiative, led by the Blue Ridge Parkway Foundation. This multi-state effort (North Carolina and Virginia) brings together one representative from each gateway community along the Parkway to foster regional collaboration. Ambassadors help guide the implementation of shared strategies, voice Bedford's unique needs, and contribute to identifying projects, partnerships, and funding opportunities that support tourism, heritage, and outdoor recreation throughout the region.
- The **Bottled in Bedford Craft Beverage Trail** links Bedford County's wineries, breweries, cideries, and meadery into a single experience. Visitors can download a printable map or use the interactive map online to start exploring locally owned businesses throughout Bedford County that are passionate about producing great beverages and providing a welcoming atmosphere for guests. The promotion and management of this trail by the tourism office is ongoing.

Additionally, the County's brand, Destination Bedford, is extensively marketed via a wide range of media, increasing the County's visibility and reaching a broad range of potential visitors.

¹ Information was provided by the City of Lynchburg who subscribes to and uses the Destinations International Event Impact Calculator.

Long-term Planning

The County's General Fund reported an ending unrestricted (the total of the committed, assigned, and unassigned components of fund balance) fund balance of \$104.8 million, an increase of \$13.6 million from fiscal year 2024. Total unassigned fund balance was \$61.6 million, which exceeds the minimum fund balance policy of 20.0% of General Fund expenditures, or \$26.6 million.

The Capital Improvement Plan (CIP) is a planning document intended to provide an analysis of potential long-range funding needs for investing in facilities, improvements and equipment. The five-year CIP is submitted annually to the Board of Supervisors through which identified capital needs are analyzed against the County's ability to pay. The 2025-2029 CIP was adopted in June 2024, and projects total capital needs of \$133.8 million for the County's General Fund. Capital needs will be funded primarily through cash generated from ongoing operating revenues (\$56.1 million). Additional planned funding sources over the life of the plan include the issuance of Literary Loans for School projects (\$28.7 million), other debt issuance for County construction projects (\$29.2 million), use of unassigned fund balance (\$16.1 million) and miscellaneous grants and user fees (\$3.7 million).

With long-term planning in mind, the County sought its first-ever credit ratings from two well-known national credit rating agencies. In July 2025, Moody's Investors Service assigned the County a Aa2 rating, their third highest rating, and S&P Global Ratings assigned the County a AA+ rating, which is just one step below their highest possible rating of AAA. These ratings were based on several key factors, including:

- How the County manages its annual budget,
- Responsible planning and funding of long-term projects,
- Careful use of debt,
- Strength of the local economy, and
- Stable leadership from County staff and the Board of Supervisors.

The strength of the County's fund balance, its ability to fund most of its long-term capital needs with cash generated from ongoing operating revenues, and the newly assigned credit ratings are a testament to the County's strong financial health, community growth, responsible management, and prudent financial planning.

Financial Information

Throughout the year, the County's accounting records for operations are maintained on the cash basis. At year end, adjusting entries are posted to report general governmental operations on the modified accrual basis. The modified accrual basis reports revenues when they become measurable and available and expenditures when the good and/or services are received or related fund liability is incurred. For the County's enterprise funds, the nursing home and solid waste program, adjusting entries are made to report the activity on the accrual basis.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are a system of methods, practices, and procedures designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that; (1) the cost of a control should not exceed the benefits likely to be derived there from; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal accounting control evaluations occur within the above framework. We believe that our system of internal accounting control adequately safeguards assets and provides reasonable assurance for the proper recording of financial transactions. Budgetary controls are maintained to ensure compliance with the budget approved by the Board of Supervisors. The approved budget is used as a tool to monitor general government expenditures within the limits adopted by the Board.

Relevant Financial Policies

Fiscal integrity is a top priority for Bedford County. The County recognizes financial policies establish the framework for financial planning and management and ensure that the County can continue to be a model of excellence in government.

As such, Bedford County's financial policies are approved by the County Administrator and adopted by the Board of Supervisors. The financial policies address procurement, budget formulation, debt issuance and management, guidelines for appropriate fund balance, and investment objectives and restrictions. All financial policies are periodically reviewed, with amendments approved by the Board, as necessary. Most recently, the Board approved the following:

- Budget Policy – replaced the Supplemental Appropriation and Reappropriation policies and expanded the policy coverage to include the entire operating and capital budget process. Issued June 1, 2024.
- Fund Balance Policy – increased the minimum level of unassigned fund balance from ten percent (10%) to twenty percent (20%). Revised June 12, 2023.
- Investment Policy – updated various elements within the policy to bring in line with more current standards. Revised June 12, 2023.
- Debt Policy – updated debt parameters to bring in line with more current standards. Revised June 12, 2023.

Acknowledgments

The County utilizes its website, www.bedfordcountyva.gov, for a variety of purposes, which include the presentation of the ACFR and budget document. The budget document serves as the best source of information for the County’s current financial plan, new initiatives, and capital improvements program. In addition, the website provides many other topics of interest to County residents and service providers.

The preparation of this report would not have been possible without the efficient and dedicated services of the Department of Finance. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We would also like to acknowledge the cooperation and assistance of the staff of the School Board and the many other County departments and agencies that contributed to the preparation of this report.

Respectfully submitted,



Robert Hiss
County Administrator



Ashley Anderson, MAcc, CPA
Director of Finance



**COUNTY OF BEDFORD, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS**

MEMBERS OF THE BOARD OF SUPERVISORS

Tommy Scott, Chairperson
Tammy Parker, Vice Chairperson

Mickey Johnson	Charla Bansley
John Sharp	Edgar Tuck
Bob Davis	

MEMBERS OF THE COUNTY SCHOOL BOARD

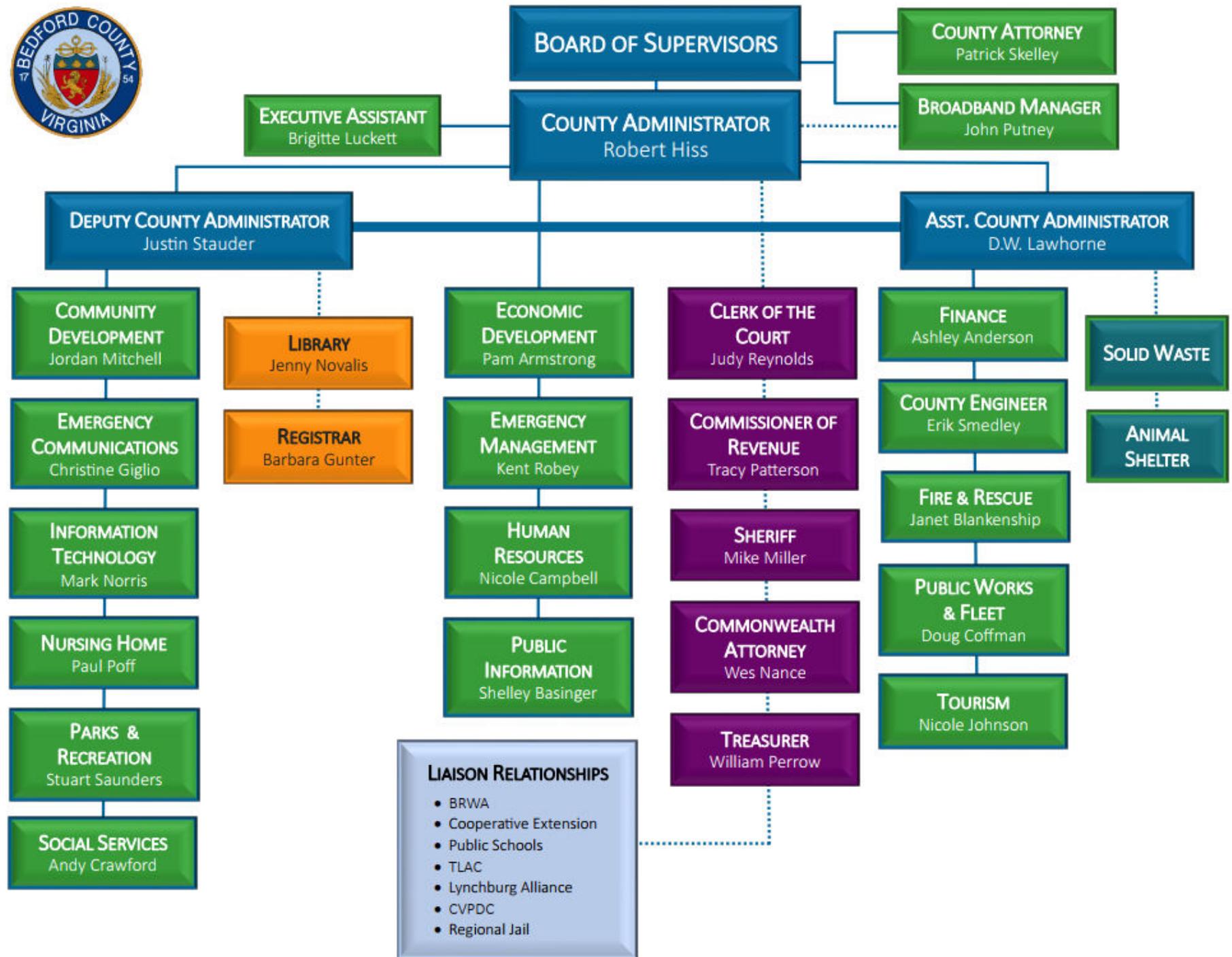
Marcus S. Hill, Chairperson
Christopher Daniels, Vice Chairperson

Kathleen Bedrosian	Matthew Holbrook
Steven Hill	Dora Purvis
Kurt Hubach	

OTHER OFFICIALS

Robert Hiss	County Administrator
Justin Stauder.....	Deputy County Administrator
Donald W. Lawhorne	Assistant County Administrator
Patrick J. Skelley, II.....	County Attorney
Ashley Anderson, MAcc, CPA	Director of Finance
William Dupere	Superintendent of Schools
Randy Hagler.....	Assistant Superintendent of Finance and Operation
Andrew L. Crawford	Director of Social Services
Judy E. Reynolds	Clerk of the Circuit Court
Wes Nance	Commonwealth's Attorney
Tracy Patterson	Commissioner of the Revenue
William M. Perrow	Treasurer
Michael W. Miller	Sheriff
Barbara J. Gunter	Registrar







FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 24 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.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Bedford, Virginia's basic financial statements. The accompanying discretely presented School Board combining statements, custodial funds combining statements, and Schedule 1, 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 discretely presented School Board combining statements, custodial funds combining statements, and Schedule 1 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the

basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 12, 2025

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

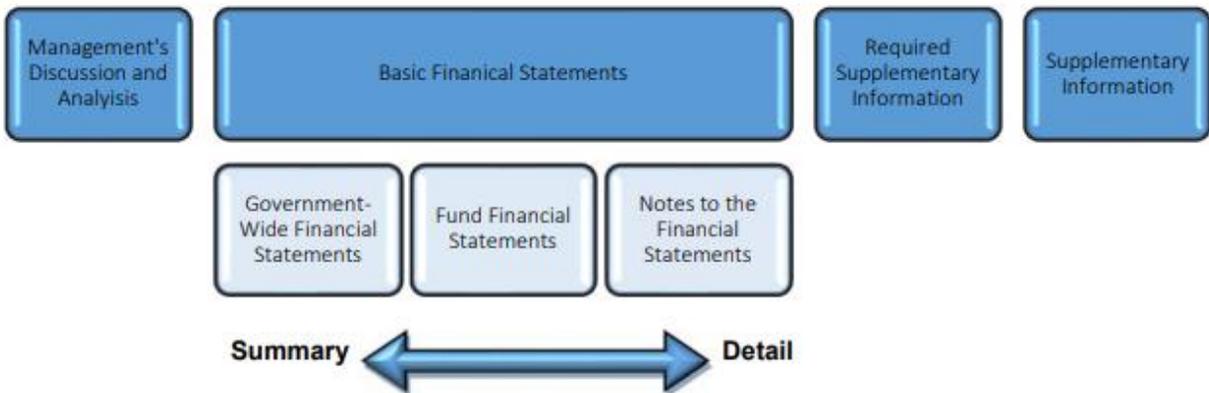
The management of the County of Bedford, Virginia (County) presents the following discussion and analysis as an overview of the financial activities of the County and its component unit, Bedford County Public Schools (School Board), for the fiscal year ended June 30, 2025. We encourage readers to consider this discussion and analysis in conjunction with our letter of transmittal, which can be found on pages i-xi of this report.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the Primary Government exceeded its liabilities and deferred inflows of resources as of June 30, 2025, by \$103.2 million (*net position*). Under Virginia law, School Divisions hold title to all school property and local governments incur financial obligations for school property. The assets are reported on the School Division’s Statement of Net Position and the related debt is reported on the County’s Statement of Net Position. Consequently, the County reports \$70.0 million in school debt without the related assets.
- As of June 30, 2025, the County’s general fund reported combined ending fund balances of \$111.6 million, an increase of \$4.6 million from the prior year. The increase in fund balances is primarily due to increased interest earnings, general property tax collections (i.e. real estate and personal property taxes), and other local taxes (i.e. sales tax, transient occupancy tax, and meals tax). Of the \$111.6 million total, 93.89% (\$104.8 million) is available for spending at the County’s discretion (sum of *committed, assigned and unassigned fund balances*), while the *nonspendable and restricted fund balances* were 6.11% (\$6.8 million).
- The County’s total debt decreased by \$5.2 million (7.7%) to \$62.5 million during fiscal year 2025. The decrease is the result of principal payments on existing debt.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial section of the Annual Comprehensive Financial Report consists of the following:



**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Management's discussion and analysis is unaudited and is intended to serve as an introduction to the County of Bedford's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. Additionally, this report contains unaudited required supplementary information that accompanies the basic financial statements and related notes.

The County's basic financial statements include two types of financial statements, each with a different view of the County's finances: government-wide and the fund financial statements. Government-wide financial statements view the County as a whole and provide both long-term and short-term information about the County's overall financial position. The fund financial statements focus on individual funds and report the County's operations in more detail than the government-wide statements. Both perspectives allow the user to address relevant questions, broaden the basis of comparison, and enhance the County's accountability.

Government-Wide Financial Statements

The government-wide financial statements include the *Statement of Net Position* and the *Statement of Activities*, both of which are designed to provide readers with a broad overview of the County's finances using the accrual basis of accounting, which is the method most-used by private-sector businesses. All current year revenues and expenses are reported in the *Statement of Activities* regardless of when cash is received or paid.

A primary goal of the government-wide financial statements is to report the County's net position and changes that affected net position during the fiscal year. Net position is the difference between assets plus deferred outflows and liabilities plus deferred inflows and is one way to measure the County's financial position. The historical trend of net position may serve as an indicator of whether the County's financial condition is improving or deteriorating. However, other nonfinancial factors, such as changes in the County's property tax base and the condition of the County's infrastructure, should also be considered in assessing the overall financial condition of the County.

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

The government-wide financial statements (Exhibits 1 and 2) include not only the County itself (known as the *primary government*), but also three component units – Bedford County School Board, Bedford Public Library System, and the Bedford County Economic Development Authority. These component units represent legally separate entities for which the County is financially accountable. Financial information

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

for these *component units* is reported separately from the financial information presented for the primary government. The government-wide financial statements are found on pages 23-24 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. The County, like all other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. Fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds – not the whole system. The County utilizes three fund types:

Governmental Funds

Governmental funds are used to account for most of the County's basic services. Unlike the government-wide statements, governmental fund financial statements (Exhibits 3 – 5) focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental fund statements is narrower than that of the government-wide financial statements, so it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities*. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintains one governmental fund, the general fund, for which it adopts an annual appropriated budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

Proprietary funds are classified as enterprise funds or internal service funds.

Enterprise funds are used to report the same functions that are presented as *business-type activities* in the government-wide financial statements. The County maintains two enterprise funds: Nursing Home and Solid Waste.

Internal Service funds are used to allocate the cost of shared activities between departments and are presented as part of *governmental activities* in the government-wide financial statements. The County maintains one internal service fund to provide health, dental, and vision coverage for employees.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Exhibits 6 – 8 of this report present the County's proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources received and held in a fiduciary capacity for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. However, the County is responsible for ensuring that the fiduciary fund assets are used for their intended purposes. The County's fiduciary funds consist of Custodial Funds and are reported in Exhibits 9 - 10 of this report.

The County's fund financial statements begin on page 25 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 37 of this report.

Other Information

- *Required Supplementary Information (RSI)* - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's and School Board's pension and other postemployment benefits to its current and past employees. RSI schedules are presented in Exhibits 11 – 22 (pages 101-112).
- *Other supplementary information* – Certain additional information is presented immediately following the RSI. Supplementary information includes a governmental fund budgetary comparison (Schedule 1, page 122), combining financials statements of the School Board component unit (Exhibits 23 – 25, pages 115-119), and combining financial statements of the fiduciary funds (Exhibits 26 – 27, pages 120-121).
- *Statistical Section* - The report also contains a statistical section, which begins on page 129 and supplements the basic financial statements by presenting detailed trend information to assist the users in assessing the economic condition of the County.
- *Compliance Section* – The compliance section begins on page 150 of this report and includes the independent auditors' required reports on compliance and internal control, and a summary of compliance matters.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

As noted earlier, the historical trend of the County's net position may serve as a useful indicator of a government's financial position. Table 1 on the following page summarizes the Statement of Net Position for the primary government and the School Board as of June 30, 2025, and 2024:

Summary Statement of Net Position as of June 30, 2025 and 2024, as restated (\$ in millions)								
	Primary Government						Component Unit	
	Governmental Activities		Business-Type Activities		Total Primary Government		School Board	
	2025	2024*	2025	2024*	2025	2024*	2025	2024*
Current and other assets	\$ 168.6	\$ 154.5	\$ 11.9	\$ 11.7	\$ 180.5	\$ 166.2	\$ 39.8	\$ 36.6
Capital assets (net)	47.7	44.7	9.4	9.8	57.1	54.5	143.3	141.3
Total assets	216.3	199.2	21.3	21.5	237.6	220.7	183.1	177.9
Total deferred outflows	8.6	4.6	1.3	0.5	9.9	5.1	22.8	22.4
Long-term liabilities	68.2	70.8	11.2	9.5	79.4	80.3	71.8	77.9
Other liabilities	32.7	20.4	1.5	1.3	34.2	21.7	18.9	19.0
Total liabilities	100.9	91.2	12.7	10.8	113.6	102.0	90.7	96.9
Total deferred inflows	30.2	29.4	0.5	0.5	30.7	29.9	14.1	11.7
Net position:								
Net investment in capital assets	46.8	43.8	9.4	9.7	56.2	53.5	136.2	135.9
Restricted	-	0.5	-	0.1	-	0.6	1.9	1.1
Unrestricted	47.0	38.9	-	0.9	47.0	39.8	(37.0)	(45.3)
Total net position	<u>\$ 93.8</u>	<u>\$ 83.2</u>	<u>\$ 9.4</u>	<u>\$ 10.7</u>	<u>\$ 103.2</u>	<u>\$ 93.9</u>	<u>\$ 101.1</u>	<u>\$ 91.7</u>

**Fiscal Year 2024 net position restated due to the implementation of GASB Statement No. 101, Compensated Absences.*

Table 1

The County's net position of \$103.2 million increased 10.3%, or \$9.4 million, from fiscal year 2024. The increase is comprised of an increase in net position in governmental activities of \$10.6 million, and a decrease of \$1.2 million in business-type activities. The net change in governmental activities is primarily due to the following:

- Higher than anticipated personal property taxes revenues due to the elimination of a 15% depreciation rate applied to assessed values in the prior two tax years to help ease the burden of the sudden and significant car value increases that occurred in 2022.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

- Higher cash balances, in addition to interest rates remaining relatively stable, resulted in higher than anticipated investment earnings.
- Increase in Virginia Telecommunication Initiative (VATI) grant revenues due to work completed on several countywide broadband projects.

The net change in business-type activities is primarily due to the increase in landfill closure/post-closure costs in the Solid Waste fund.

Net investment in capital assets of \$56.2 million was 54.5% of the net position and increased 5.0%, or \$2.7 million. Net position invested in capital assets is not available for future expenses because the assets are facilities, equipment, and infrastructure utilized to provide services. The change in the net investment in capital assets is due to fiscal year 2025 acquisitions offset by various disposals and annual depreciation.

The County has unrestricted net position of \$47.0 million, which is comprised entirely of net position for governmental activities. Unrestricted net position for the business-type activities was reduced to zero in fiscal year 2025 because of the increase in landfill closure/post-closure costs due to an updated engineering estimate. Unrestricted net position available for providing services to the citizens increased 18.1%, or \$7.2 million. As stated earlier, under Virginia Law, School Divisions hold title to the school property and County incurs the financial obligation for the school property. Consequently, the County reports \$70.0 million in school debt without the related assets.

The School Board's total net position of \$101.1 million reflects an increase of \$9.4 million from fiscal year 2024, primarily due to an increase in payments from Bedford County accrued for construction projects in progress as of June 30, 2025.

Changes in Net Position

Table 2, on the following page, summarizes the changes in net position for the primary government and the School Board for the fiscal years ended June 30, 2025, and 2024:

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

	Change in Net Position							
	Year Ended June 30, 2025 and 2024, as restated							
	(\$ in millions)							
	Primary Government						Component Unit	
	Governmental Activities		Business-Type Activities		Total Primary Government		School Board	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenues								
Program revenues:								
Charges for services	\$ 6.1	\$ 5.9	\$ 12.3	\$ 10.5	\$ 18.4	\$ 16.4	5.3	5.7
Operating grants and contributions	38.3	28.9	-	-	38.3	28.9	42.7	44.1
Capital grants and contributions	-	-	-	-	-	-	-	-
General revenues:								
Property taxes	82.7	79.0	-	-	82.7	79.0	-	-
Other taxes	20.4	19.5	-	-	20.4	19.5	-	-
Payments from Bedford County	-	-	-	-	-	-	47.1	36.3
Noncategorical state aid	6.8	6.7	-	0.2	6.8	6.9	49.2	46.1
Investment earnings	5.1	3.3	0.4	0.1	5.5	3.4	0.2	0.1
Other	1.1	1.5	0.4	0.4	1.5	1.9	1.2	1.3
Total revenues	160.5	144.8	13.1	11.2	173.6	156.0	145.7	133.6
Expenses								
General government	8.5	7.5	-	-	8.5	7.5	-	-
Judicial administration	3.3	3.1	-	-	3.3	3.1	-	-
Public safety	33.2	29.2	-	-	33.2	29.2	-	-
Public works	7.2	6.7	-	-	7.2	6.7	-	-
Health and welfare	20.0	17.6	-	-	20.0	17.6	-	-
Education	47.1	36.3	-	-	47.1	36.3	136.3	132.7
Parks, recreation and cultural	5.5	4.2	-	-	5.5	4.2	-	-
Community development	21.0	17.8	-	-	21.0	17.8	-	-
Nursing Home	-	-	9.2	8.5	9.2	8.5	-	-
Solid Waste	-	-	7.5	6.2	7.5	6.2	-	-
Interest on long-term debt	1.7	2.0	-	-	1.7	2.0	-	-
Total expenses	147.5	124.4	16.7	14.7	164.2	139.1	136.3	132.7
Increase (decrease) in net position before transfers	<u>\$ 13.0</u>	<u>\$ 20.4</u>	<u>\$ (3.6)</u>	<u>\$ (3.5)</u>	<u>\$ 9.4</u>	<u>\$ 16.9</u>	<u>\$ 9.4</u>	<u>\$ 0.9</u>
Transfers	(2.4)	(2.6)	2.4	2.6	-	-	-	-
Change in net position	10.6	17.8	(1.2)	(0.9)	9.4	16.9	9.4	0.9
Total net position-beginning of year, as restated*	83.2	65.4	10.6	11.5	93.8	76.9	91.7	90.8
Total net position-end of year	\$ 93.8	\$ 83.2	\$ 9.4	\$ 10.6	\$ 103.2	\$ 93.8	\$ 101.1	\$ 91.7

*Fiscal Year 2024 net position restated due to the implementation of GASB Statement No. 101, Compensated Absences.

Table 2

Governmental Activities

Revenues for the County's governmental activities exceeded expenditures by \$10.6 million in fiscal year 2025. Revenues of \$160.5 million represent an increase of \$15.7 million, or 10.8%, in comparison to the prior year, while expenses of \$147.5 million represent an increase of \$23.1 million, or 18.6%, compared to the prior year. These changes will be discussed in further detail in the following sections.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Governmental Activities - Revenues

The following chart illustrates the County's fiscal year 2025 governmental revenues by source as a percentage of total governmental revenues:

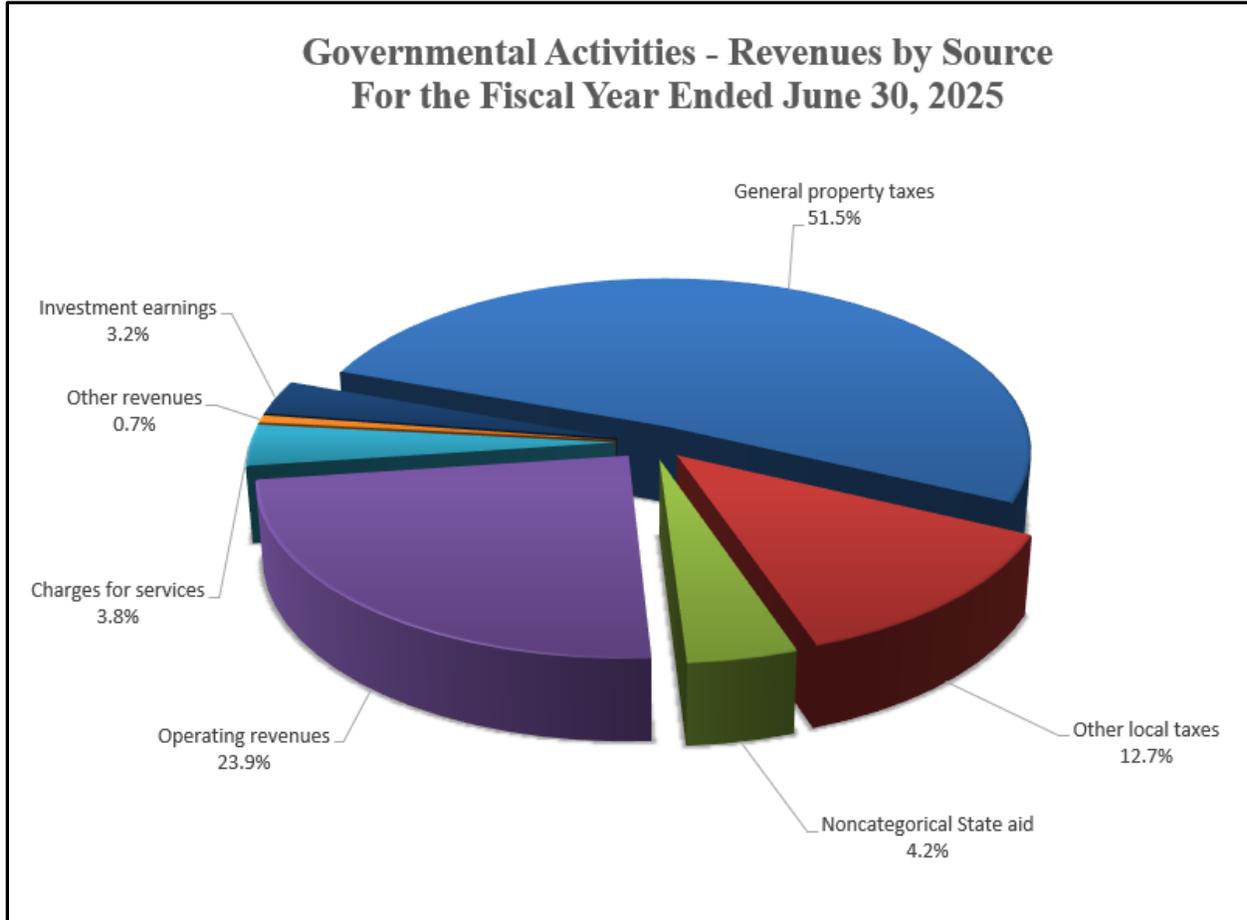


Figure 1

Taxes comprise the largest source of County revenues, totaling \$103.1 million for fiscal year 2025, an increase of \$4.6 million, or 4.7%, in comparison to fiscal year 2024. General property taxes account for \$82.7 million, or 51.5% of revenues. An increase in general property taxes of \$3.7 million, or 4.7%, is attributable to continued growth in the tax base, as well as the elimination of a 15% depreciation rate applied to personal property assessed values in the prior two tax years to help ease the burden of sudden and significant car value increases that occurred in 2022.

In fiscal year 2025, \$44.4 million, or 27.7%, of total revenues consisted of program revenues, including \$6.1 million in charges for services and \$38.3 million of operating grants and contributions. Program revenues increased \$9.6 million, or 27.6%, in comparison to fiscal year 2024 primarily due to an increase in Virginia Telecommunication Initiative (VATI) grant revenues related to multiple countywide broadband

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

projects. The broadband projects began near the end of fiscal year 2024, which resulted in most grant reimbursements not being received until after August 2024. Additionally, most of the projects reached substantial completion in fiscal year 2025. These two factors resulted in large influx of grant funds during fiscal year 2025. All projects are expected to reach full completion no later than December 2026.

General revenue, including \$6.8 million of noncategorical state aid, \$5.1 million of investment earnings, and \$1.1 million of other income, accounted for the remaining revenues. The revenues related to noncategorical state aid and other income remained relatively flat between fiscal years 2024 and 2025; however, investment earnings increased by \$1.8 million, or 54.5%, due to higher cash balances primarily resulting from the County's increased revenues, which more than offset the County's expenditures.

Governmental Activities - Expenses

Also, shown in Table 2 (page 130) and Table 3 (page 132), the total expenses of all the County's governmental activities for fiscal year 2025 were \$147.5 million, which represents an increase of \$23.1 million, or 18.6%, when compared to fiscal year 2024. Expenditure increases are due to the following:

- Education expenses increased by \$10.8 million due to construction in progress at the end of fiscal year 2025 for a gym addition at Bedford Primary School and exterior improvements and auditorium renovations and expansion at Liberty High School and Staunton River High School.
- Health and Welfare expenses increased by \$2.4 million due to increased costs associated with the Children's Services Act (CSA), most notably for private day placements.
- Expenses across all governmental functions increased due to:
 - Changes in the Virginia Retirement System (VRS) employer contribution requirements (\$0.5 million).
 - Targeted pay adjustments for certain personnel in Fire and Rescue and Emergency Communications, plus a three percent (3%) cost-of-living adjustment to all employees and an additional two percent (2%) pay increase to all local employees (\$2.0 million).
 - Added eight (8) new positions, including (4) Sheriff's Office field deputies, a fire marshal inspector, a truancy specialist, a chief deputy treasurer, and a part-time coordinator for public information (\$0.7 million).
 - Inflationary increases averaging approximately 5.0% across multiple line items, such as gasoline, utilities, repair and maintenance services (\$6.7 million).

As the following chart indicates, education continues to be one of the County's largest programs and highest priorities, with education expenses totaling \$47.1 million in fiscal year 2025. Public Safety, community development, and human services are also strategic focus areas and the County's second, third, and fourth largest expenses, totaling \$33.2 million, \$21.0 million, and \$20.0 million, respectively.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

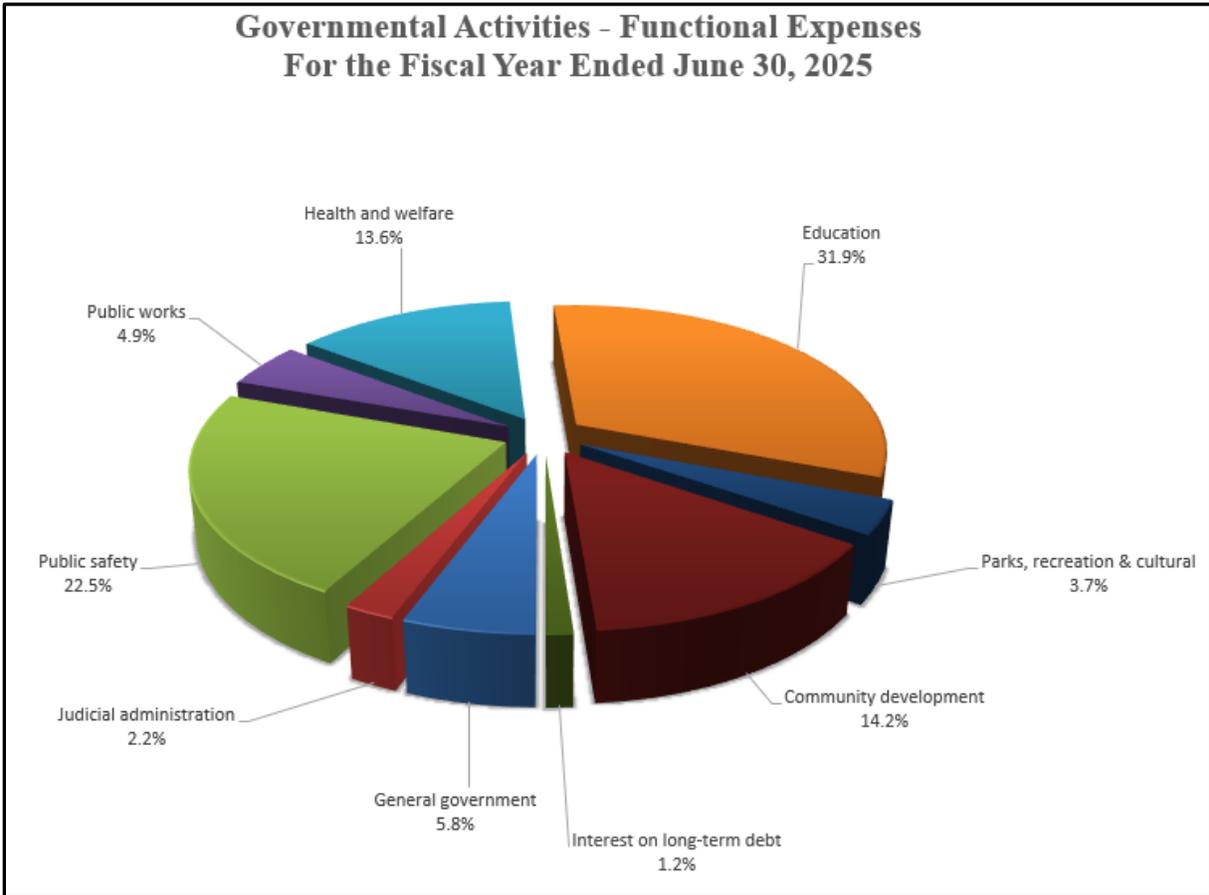


Figure 2

Table 3 presents the total cost of the County’s governmental activities by function, as well as the net cost of each function (total cost less fees generated by each function and program-specific intergovernmental aid) for fiscal year ended June 30, 2025, and 2024:

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2025 (\$ in millions)				
	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
General government	\$ 8.5	\$ 7.5	\$ 7.1	\$ 6.1
Judicial administration	3.3	3.1	1.4	1.3
Public safety	33.2	29.2	20.4	16.6
Public works	7.2	6.7	6.7	6.2
Health and welfare	20.0	17.6	6.8	5.7
Education	47.1	36.3	47.1	36.3
Parks, recreation & cultural	5.5	4.2	4.4	4.0
Community development	21.0	17.8	7.5	11.4
Interest on long-term debt	1.7	2.0	1.7	2.1
Total	\$ 147.5	\$ 124.4	\$ 103.1	\$ 89.7

Table 3

A portion of the \$147.5 million cost of the County’s governmental activities was paid by those who directly benefited from the programs (i.e., charges for services of \$6.1 million), and other governments and organizations that subsidized certain programs (i.e. operating and capital grants and contributions of \$38.3 million). These combined program revenues of \$44.4 million reduced the total fiscal year 2025 cost of services from \$147.4 million to the net cost of services of \$103.1 million. The net cost of services was covered by the County’s general revenues, consisting primarily of taxes and state aid.

Business-type activities

Table 2 (page 130) also summarizes the business-type activities. The County’s business-type activities consist of the Nursing Home and Solid Waste. The decrease in the net position attributable to the County’s business-type activities totaled \$1.2 million for fiscal year 2025 and was primarily due to the increase in landfill closure/post-closure costs in the Solid Waste fund.

FINANCIAL ANALYSIS OF THE COUNTY’S GENERAL FUND

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

The focus of the County’s General Fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In addition, the County’s fund balance classifications help identify the extent to which the County’s fund balances are constrained.

**COUNTY OF BEDFORD, VIRGINIA
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As of June 30, 2025, the County’s General Fund reported combined ending fund balances of \$111.6 million (Exhibit 3), as compared to \$107.0 million as of June 30, 2024, an increase of \$4.6 million. Of the \$111.6 million fiscal year 2025 fund balance, \$0.4 million is classified as *nonspendable* because it is invested in inventories and prepaid expenditures and, therefore, is not in spendable form; \$6.4 million is classified as *restricted* to indicate that it can only be spent for specific purposes as stipulated by external resource providers (e.g., debt covenants, grant agreements, and volunteer fire and rescue length of service program), \$15.4 million is classified as *committed* to indicate that it has been set aside for specific purposes by resolution of the County’s Board of Supervisors, \$27.8 million is assigned to indicate that County administration has identified specific purposes for the use of those funds, and the remaining \$61.6 million is *unassigned*. Unassigned fund balances are technically available for any purpose but are maintained at targeted levels in accordance with sound financial management practices.

Additional information can be found in Note 18 on pages 92-94 of this report.

The following graphs illustrate fund balance trends for the County’s general fund for fiscal years 2021 through 2025.

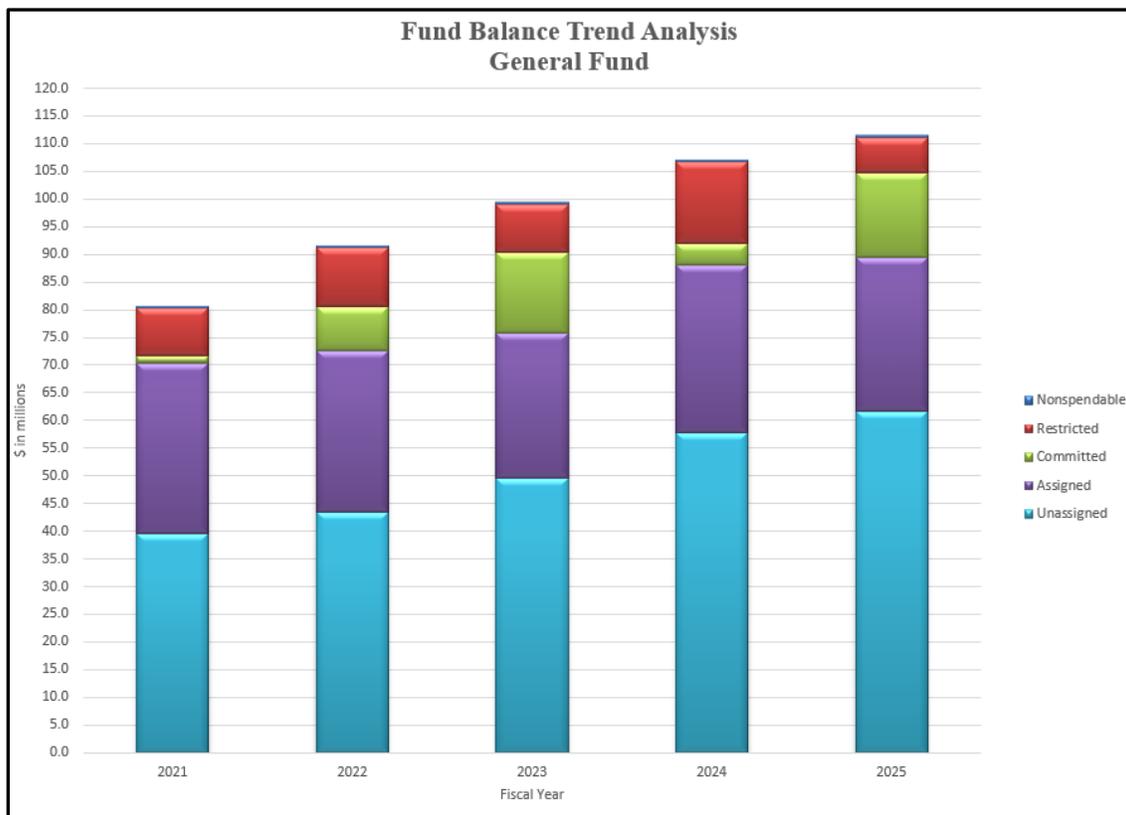


Figure 3

The decrease in restricted fund balance in fiscal year 2025 was due to expenditure of American Rescue Plan Act (ARPA) funding as a match for the County’s share of VATI grants for countywide broadband projects.

**COUNTY OF BEDFORD, VIRGINIA
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The unspent grants funds are classified as restricted. As of June 30, 2025, unspent ARPA funding totals \$1.6 million. The increase in committed fund balance in fiscal year 2025 is due to the implementation of a revised apparatus replacement plan for Fire and Rescue volunteer agencies, as well as other various capital projects approved in fiscal year 2025 but not yet completed as of June 30, 2025. Funds appropriated for capital projects are classified as committed until the funds are expended. Savings realized on capital projects are reallocated to future or existing capital projects to reduce the need for additional funding provided by operational revenues and/or unassigned fund balance.

The General Fund's liquidity can be measured by comparing unassigned fund balance to total fund expenditures. At the end of the current fiscal year, the General Fund had an unassigned fund balance of \$61.6 million, which represents 39.3% of total fiscal year 2025 General Fund expenditures.

Per the Board's adopted policy, the County is required to maintain a minimum unassigned fund balance for the General Fund of 20.0% of the General Fund expenditures. This positive liquidity primarily results from the County receiving the first half of the 2025 real estate taxes in June. The semi-annual real estate collection dates allow the County to avoid borrowing funds to support operations during the early part of the following fiscal year.

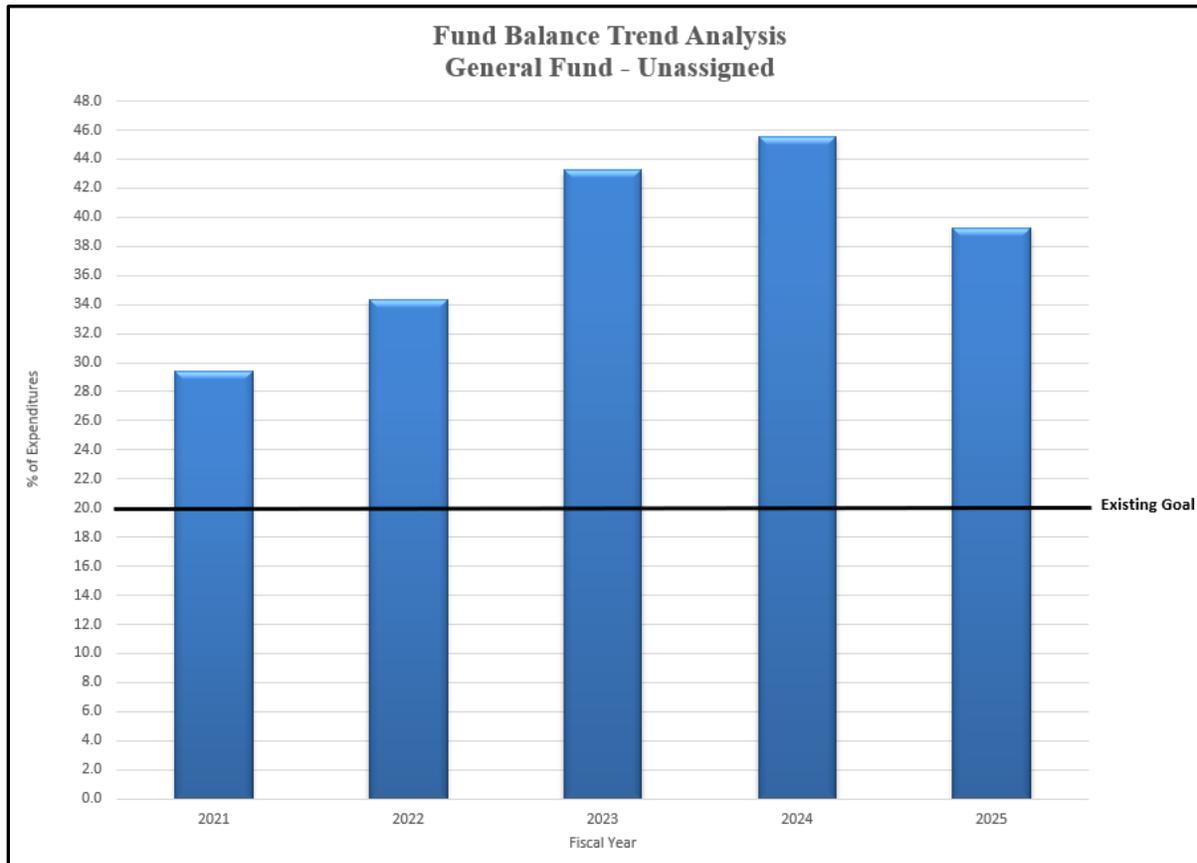


Figure 4

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Although the dollar value of unassigned fund balance increased in fiscal year 2025, unassigned fund balance as a percentage of 2025 General Fund expenditures decreased because the increase in 2025 General Fund expenditures outpaced the increase in unassigned fund balance. A large portion of the increase in 2025 General Fund expenditures, however, is related to one-time costs associated with capital projects. If we adjust General Fund expenditures to reflect only ongoing costs, unassigned fund balance as a percentage of General Fund expenditures is 52.6% and 51.3% for fiscal years 2024 and 2025, respectively, reflecting a much smaller change in liquidity. This change is attributed to the Board's commitment of unassigned fund balance available as of June 30, 2024, to fund the first two years of the revised apparatus replacement plan for Fire and Rescue volunteer agencies, which ultimately reduced the overall increase in unassigned fund balance as of June 30, 2025.

FINANCIAL ANALYSIS OF THE COUNTY'S PROPRIETARY FUNDS

The County's proprietary fund financial statements provide a more detailed view of the same type of information presented in the business-type activities on the government-wide financial statements, as their basis of accounting is the same. Factors relating to the financial position and results of operations of the County's Nursing Home and Solid Waste have been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 4 provides a comparison of the original budget, amended budget, and actual revenues and expenditures in the General Fund (Exhibit 5).

Budgetary Comparison General Fund For the Fiscal Year Ended June 30, 2025 (\$ in millions)			
	Original Budget	Amended Budget	Actual
Revenues & Other Financing Sources:			
General Property Taxes	\$ 78.1	\$ 78.1	\$ 83.8
Other Local Taxes	18.6	18.6	20.1
Intergovernmental	29.0	53.7	46.4
Other Revenue	6.6	7.2	12.2
Other Sources	25.7	25.0	0.1
Total	158.0	182.6	162.6
Expenditures & Other Financing Uses:			
Expenditures	157.0	207.2	150.7
Other Uses	2.4	2.4	2.4
Total	159.4	209.6	153.1
Changes in Fund Balance	\$ (1.4)	\$ (27.0)	\$ 9.5

Table 4

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

The original budget reflects the Board's original adopted budget for the fiscal year ended June 30, 2025. The amended budget includes rollover grant and capital improvement program appropriations of \$1.7 million and \$29.7 million, respectively. Additionally, the Board did not appropriate \$0.2 million of the budgeted transient occupancy revenues as the funds were legislatively restricted to tourism use and were, therefore, set aside in a reserve for future appropriation.

Additional General Fund budget amendments of \$18.8 million were adopted by the Board during the fiscal year ended June 30, 2025. Significant amendments included:

- \$7.0 million for the fiscal year 2025 and fiscal year 2026 revised CIP appropriations due to the implementation of a revised apparatus replacement plan for volunteer fire and rescue agencies
- \$6.1 million for Virginia Make Ready Initiative (VMRI) grants awarded by the Virginia Department of Housing and Community Development to Zitel and Shentel with the County as the fiscal agent and pass-through entity.
- \$2.3 million from continuation grants awarded by the Department of Criminal Justice Services for the Internet Crimes Against Children Task Force
- \$1.0 million continuation grant for 14 additional School Resource Officers
- \$0.5 million federal continuation grant for the Internet Crimes Against Children Task Force

CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2025, totals \$57.1 million, net of accumulated depreciation and amortization. Capital assets and intangible assets, net of accumulated depreciation and amortization, are illustrated in the following table.

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Summary of Capital Assets as of June 30, 2025 and 2024 (\$ in millions)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Capital assets						
Land	\$ 4.5	\$ 4.5	\$ 1.2	\$ 1.2	\$ 5.7	\$ 5.7
Building and improvements	61.3	62.8	23.6	23.3	84.9	86.1
Machinery and equipment	24.8	23.8	5.2	5.2	30.0	29.0
Construction in progress	5.7	3.1	0.5	0.3	6.2	3.4
Total capital assets	96.3	94.2	30.5	30.0	126.8	124.2
Accumulated depreciation	(49.1)	(50.1)	(21.1)	(20.3)	(70.2)	(70.4)
Net capital assets	\$ 47.2	\$ 44.1	\$ 9.4	\$ 9.7	\$ 56.6	\$ 53.8
Intangible assets						
Lease asset - Buildings	\$ 0.6	\$ 0.7	\$ -	\$ -	\$ 0.6	\$ 0.7
Lease asset - Equipment	0.1	0.2	-	-	0.1	0.2
Subscription assets	0.7	0.6	0.1	0.1	0.8	0.7
Total intangible assets	\$ 1.4	\$ 1.5	\$ 0.1	\$ 0.1	\$ 1.5	\$ 1.6
Accumulated Amortization	(0.9)	(0.9)	(0.1)	(0.1)	(1.0)	(1.0)
Net intangible assets	\$ 0.5	\$ 0.6	\$ -	\$ -	\$ 0.5	\$ 0.6
Total assets	\$ 47.7	\$ 44.7	\$ 9.4	\$ 9.7	\$ 57.1	\$ 54.4

Table 5

Major capital asset activity during fiscal year 2025 included, but was not limited to, the following:

Completed construction in progress (CIP): The following projects were considered construction in progress at the close of fiscal year 2024 but were completed and capitalized during fiscal year 2025.

- Courthouse roof replacement
- Upgrades to the fire alarm system in various county-owned facilities
- Upgrades to digital displays at the Welcome Center
- Technology upgrades related to data storage and back up needs

New construction in progress (CIP): The following projects were initiated during fiscal year 2025, but as of June 30, 2025, were not yet completed and, therefore, considered construction in progress at the close of the fiscal year.

- Expansion of the Bedford County Animal Shelter (*anticipating project completion in fiscal year 2026*)

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

- Replacement of two (2) volunteer fire agency pumpers – prepayments were remitted at time of order in exchange for discount on the total price, which saves the County a total of \$0.2 million (*anticipating receipt of both pumpers in fiscal year 2027*)

In addition to these new and completed CIP projects, progress continued on the new CAD/RMS system upgrade and the public safety radio replacement project, both of which are expected to reach completion in fiscal year 2026. Additional information on the County’s capital assets can be found in Note 6 (pages 52-54) to the financial statements.

Asset Additions: The following assets were acquired or constructed and, therefore, capitalized during fiscal year 2025.

- ADA compliant playground at Falling Creek Park
- Four (4) new medic units
- Addition of a parking lot for the Registrar’s facility
- Extension of trails at the Forest Recreation Center
- Paving improvements at Moneta Park

LONG-TERM DEBT

Table 6 illustrates the County’s outstanding long-term debt obligations as of June 30, 2025, and 2024. Additional information can be found in Note 7, which begins on page 55 of this report.

	Outstanding Debt as of June 30, 2025 and 2024 (\$ in millions)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Virginia Public School Authority bonds	\$ 57.4	\$ 62.0	\$ -	\$ -	\$ 57.4	\$ 62.0
Bond premiums	5.2	5.7	-	-	5.2	5.7
Lease obligations	2.6	3.4	-	-	2.6	3.4
Subscription obligations	0.3	0.2	-	-	0.3	0.2
Total	\$ 65.5	\$ 71.3	\$ -	\$ -	\$ 65.5	\$ 71.3

Table 6

During fiscal year 2025, the County applied for three (3) literary loans through the Virginia Department of Education (VDOE) on behalf of the Public Schools for three separate construction projects. The loan applications were approved by the VDOE during the year ended June 30, 2025, but the loans were not finalized until July 2025. The combined total of the three approved loans is \$28.7 million. Temporary loans

**COUNTY OF BEDFORD, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

are issued while the projects are under construction and funds are drawn down on a reimbursement basis. Once construction is complete, or the maximum loan amount has been disbursed, the temporary loans will convert to permanent loans with an annual interest rate of three percent (3.0%) payable over 20 years.

The *Code of Virginia* does not impose a legal debt margin limit on counties. However, the County has adopted a policy with two debt ratios as a management tool. A key debt policy is the ratio of debt service costs to general government expenditures, which was 4.7% for the current year comparing favorably to the policy maximum of 10%. Debt ratios for the last ten years are provided in Table 11 (page 141) in the Statistical Section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During fiscal year 2025, the County experienced positive trends in its economic indicators.

- The County's revenues continue to grow steadily primarily due to higher property tax valuations.
- County general property tax rates remained unchanged for calendar year 2025.
- The County's unemployment rate through the first half of calendar year 2025 ticked upward but at 3.5% is still 14.6% lower than the national unemployment rate for the same period.

The positive economic trends are expected to continue in fiscal year 2026. Other key factors that are expected to impact future budgets include:

- Anticipated increases in health insurance premiums
- Funding for the Capital Improvements Program
- Volatility of CSA program expenditures
- Increasing demand for county services due to a steadily increasing population

The County monitors and forecasts its revenues on a continual basis and incorporates any significant changes in its current and subsequent fiscal year's budget plans to mitigate their impact and maintain the County's sound financial position.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's financial condition and operations. Questions concerning this report or requests for additional financial information should be directed to the Director of Finance, 122 East Main Street, Suite 203, Bedford, Virginia, 24523.

BASIC FINANCIAL STATEMENTS

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF NET POSITION
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments (Note 4)	\$ 102,007,691	\$ 10,366,529	\$ 112,374,220
Receivables, net (Note 5)	42,844,421	1,385,569	44,229,990
Internal balances (Note 10)	(57,501)	57,501	-
Due from primary government	-	-	-
Due from component unit	974	-	974
Prepays	344,902	73,680	418,582
Inventories	72,586	-	72,586
Lease receivable			
Receivable within one year	-	-	-
Receivable in more than one year	-	-	-
Restricted assets: (Note 4)			
Cash, cash equivalents, and investments	23,410,253	18,386	23,428,639
Net pension asset (Note 12)	-	-	-
Capital assets: (Note 6)			
Nondepreciable	10,181,948	1,709,660	11,891,608
Depreciable, net	37,006,758	7,664,013	44,670,771
Right-of-use-assets, net	203,805	23,454	227,259
Subscription assets, net	310,967	-	310,967
Total assets	216,326,804	21,298,792	237,625,596
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,172,457	-	1,172,457
Deferred outflows related to pensions (Notes 11, 12, 13, and 14)	6,905,793	1,227,493	8,133,286
Deferred outflows related to other postemployment benefits (Notes 15 and 16)	542,556	58,312	600,868
Total deferred outflows of resources	8,620,806	1,285,805	9,906,611
LIABILITIES			
Accounts payable and accrued expenses	2,831,854	604,893	3,436,747
Accrued payroll and related liabilities	791,679	428,632	1,220,311
Accrued interest payable	983,784	-	983,784
Self insurance (Note 19)	1,259,697	-	1,259,697
Unearned revenues (Note 5)	6,420,703	-	6,420,703
Incentives and performance grants payable	-	-	-
Due to component units	13,203,044	-	13,203,044
Due to primary government	-	-	-
Liabilities payable from restricted assets	-	18,386	18,386
Noncurrent liabilities:			
Due within one year (Note 7)	7,259,905	418,624	7,678,529
Due in more than one year (Note 7)	60,919,520	10,419,495	71,339,015
Net pension liability (Notes 11, 13, and 14)	5,572,390	535,218	6,107,608
Net other postemployment benefit liability (Notes 15 and 16)	1,674,707	220,086	1,894,793
Total liabilities	100,917,283	12,645,334	113,562,617
DEFERRED INFLOWS OF RESOURCES			
Property taxes (Note 5)	25,858,521	-	25,858,521
Deferred inflows related to pensions (Notes 11, 12, 13, and 14)	3,911,387	442,742	4,354,129
Deferred inflows related to other postemployment benefits (Notes 15 and 16)	428,804	78,175	506,979
Lease-related deferred inflows	-	-	-
Total deferred inflows of resources	30,198,712	520,917	30,719,629
NET POSITION			
Net investment in capital assets	46,779,491	9,367,583	56,147,074
Restricted for:			
Donor requests	-	-	-
Pension	-	-	-
Unrestricted (deficit)	47,052,124	50,763	47,102,887
Total net position	\$ 93,831,615	\$ 9,418,346	\$ 103,249,961

The Notes to the Financial Statements are an integral part of this statement.

Component Units				
School Board	Public Library	Economic Development Authority	Reclassifications (See Note 1)	Total
\$ 19,674,802	\$ 604,850	\$ 2,881,468	\$ -	\$ 135,535,340
4,779,778	17,280	685,531	-	49,712,579
-	-	-	-	-
13,193,096	-	-	-	13,193,096
-	9,948	-	-	10,922
155,403	23,786	-	-	597,771
198,871	-	8,090,021	-	8,361,478
-	-	130,133	-	130,133
-	-	3,883,213	-	3,883,213
-	47,259	64,402	-	23,540,300
1,859,340	77,339	-	-	1,936,679
11,214,496	-	612,790	-	23,718,894
129,900,196	539,494	4,069,028	-	179,179,489
358,737	-	-	-	585,996
1,806,285	-	-	-	2,117,252
<u>183,141,004</u>	<u>1,319,956</u>	<u>20,416,586</u>	<u>-</u>	<u>442,503,142</u>
-	-	-	-	1,172,457
19,712,281	195,976	-	-	28,041,543
3,072,990	12,778	-	-	3,686,636
<u>22,785,271</u>	<u>208,754</u>	<u>-</u>	<u>-</u>	<u>32,900,636</u>
2,836,495	35,344	74,001	-	6,382,587
13,012,840	46,950	-	-	14,280,101
48,119	-	-	-	1,031,903
1,300,672	-	-	-	2,560,369
-	-	163,710	-	6,584,413
-	-	435,000	-	435,000
-	-	-	-	13,203,044
-	974	-	-	974
-	-	-	-	18,386
1,690,134	42,656	125,766	-	9,537,085
5,078,359	44,660	2,037,128	-	78,499,162
54,460,179	-	-	-	60,567,787
12,259,373	38,276	-	-	14,192,442
<u>90,686,171</u>	<u>208,860</u>	<u>2,835,605</u>	<u>-</u>	<u>207,293,253</u>
-	-	-	-	25,858,521
11,530,296	100,930	-	-	15,985,355
2,589,029	6,519	-	-	3,102,527
-	-	3,717,249	-	3,717,249
<u>14,119,325</u>	<u>107,449</u>	<u>3,717,249</u>	<u>-</u>	<u>48,663,652</u>
136,251,298	539,494	3,128,603	(70,011,067)	126,055,402
-	47,151	64,402	-	111,553
1,859,340	77,339	-	-	1,936,679
(36,989,859)	548,417	10,670,727	70,011,067	91,343,239
<u>\$ 101,120,779</u>	<u>\$ 1,212,401</u>	<u>\$ 13,863,732</u>	<u>\$ -</u>	<u>\$ 219,446,873</u>

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025**

Function	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 8,450,894	\$ 566,134	\$ 809,442	\$ -
Judicial administration	3,260,613	90,209	1,824,223	-
Public safety	33,249,188	4,045,764	8,816,282	-
Public works	7,192,066	480,430	-	-
Health and welfare	19,961,253	341,552	12,831,100	-
Education	47,090,528	-	-	-
Parks, recreational, and cultural	5,527,872	203,392	889,300	-
Community development	21,007,567	412,775	13,074,545	-
Interest on long-term debt	1,733,595	-	-	-
Total governmental activities	<u>147,473,576</u>	<u>6,140,256</u>	<u>38,244,892</u>	<u>-</u>
Business-type activities:				
Nursing home	9,224,859	9,564,146	-	7,000
Solid waste	7,509,054	2,685,369	-	-
Total business-type activities	<u>16,733,913</u>	<u>12,249,515</u>	<u>-</u>	<u>7,000</u>
Total primary government	<u>\$ 164,207,489</u>	<u>\$ 18,389,771</u>	<u>\$ 38,244,892</u>	<u>\$ 7,000</u>
Component Units:				
School Board	\$ 136,310,646	\$ 5,298,985	\$ 42,706,934	\$ -
Public Library	2,625,568	63,039	88,568	-
Economic Development Authority	615,672	-	517,750	-
Total component units	<u>\$ 139,551,886</u>	<u>\$ 5,362,024</u>	<u>\$ 43,313,252</u>	<u>\$ -</u>

General Revenues:

Property taxes
Other local taxes
Payments from Bedford County
Noncategorical grants and state and federal aid
Investment earnings, unrestricted
Investment earnings, restricted for capital projects and debt service
Miscellaneous
Transfers
Total general revenues
Change in net position
Net position-beginning, as previously presented
Restatement (Note 24)
Net position-beginning, as restated (Note 24)
Net position-ending

The Notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	School Board	Public Library	Economic Development Authority	Total
\$ (7,075,318)	\$ -	\$ (7,075,318)	\$ -	\$ -	\$ -	\$ (7,075,318)
(1,346,181)	-	(1,346,181)	-	-	-	(1,346,181)
(20,387,142)	-	(20,387,142)	-	-	-	(20,387,142)
(6,711,636)	-	(6,711,636)	-	-	-	(6,711,636)
(6,788,601)	-	(6,788,601)	-	-	-	(6,788,601)
(47,090,528)	-	(47,090,528)	-	-	-	(47,090,528)
(4,435,180)	-	(4,435,180)	-	-	-	(4,435,180)
(7,520,247)	-	(7,520,247)	-	-	-	(7,520,247)
(1,733,595)	-	(1,733,595)	-	-	-	(1,733,595)
<u>(103,088,428)</u>	<u>-</u>	<u>(103,088,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(103,088,428)</u>
-	346,287	346,287	-	-	-	346,287
-	(4,823,685)	(4,823,685)	-	-	-	(4,823,685)
-	(4,477,398)	(4,477,398)	-	-	-	(4,477,398)
<u>(103,088,428)</u>	<u>(4,477,398)</u>	<u>(107,565,826)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(107,565,826)</u>
-	-	-	(88,304,727)	-	-	(88,304,727)
-	-	-	-	(2,473,961)	-	(2,473,961)
-	-	-	-	-	(97,922)	(97,922)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,304,727)</u>	<u>(2,473,961)</u>	<u>(97,922)</u>	<u>(90,876,610)</u>
82,666,571	-	82,666,571	-	-	-	82,666,571
20,381,905	-	20,381,905	-	-	-	20,381,905
-	-	-	47,090,528	2,115,000	218,904	49,424,432
6,808,362	33,412	6,841,774	49,231,310	286,446	-	56,359,530
4,362,998	424,341	4,787,339	222,784	5,953	334,577	5,350,653
762,141	-	762,141	-	-	-	762,141
1,094,708	409,221	1,503,929	1,183,890	88,095	8,311	2,784,225
(2,380,959)	2,380,959	-	-	-	-	-
<u>113,695,726</u>	<u>3,247,933</u>	<u>116,943,659</u>	<u>97,728,512</u>	<u>2,495,494</u>	<u>561,792</u>	<u>217,729,457</u>
10,607,298	(1,229,465)	9,377,833	9,423,785	21,533	463,870	19,287,021
83,240,249	10,671,708	93,911,957	91,944,822	1,197,360	13,753,570	200,807,709
(15,932)	(23,897)	(39,829)	(247,828)	(6,492)	(353,708)	(647,857)
<u>83,224,317</u>	<u>10,647,811</u>	<u>93,872,128</u>	<u>91,696,994</u>	<u>1,190,868</u>	<u>13,399,862</u>	<u>200,159,852</u>
<u>\$ 93,831,615</u>	<u>\$ 9,418,346</u>	<u>\$ 103,249,961</u>	<u>\$ 101,120,779</u>	<u>\$ 1,212,401</u>	<u>\$ 13,863,732</u>	<u>\$ 219,446,873</u>

COUNTY OF BEDFORD, VIRGINIA

BALANCE SHEET –
GOVERNMENTAL FUND
June 30, 2025

	<u>General Fund</u>
Assets	
Cash, cash equivalents, and investments	\$ 99,470,716
Receivables, net	42,553,542
Due from other funds	270,509
Due from component unit	4,257
Prepays	344,902
Inventories	72,586
Restricted cash, cash equivalents, and investments	23,410,253
Total assets	<u><u>\$ 166,126,765</u></u>
Liabilities	
Accounts payable and accrued expenses	\$ 2,830,849
Accrued payroll and related liabilities	791,679
Due to component units	11,836,985
Total liabilities	<u>15,459,513</u>
Deferred Inflows of Resources	
Unavailable revenue	39,043,902
Total deferred inflows of resources	<u>39,043,902</u>
Fund Balances	
Nonspendable	\$ 417,488
Restricted	6,406,023
Committed	15,405,479
Assigned	27,791,597
Unassigned	61,602,763
Total fund balances	<u>111,623,350</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 166,126,765</u></u>

The Notes to the Financial Statements are an integral part of this statement.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUND
June 30, 2025**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balance, Governmental Funds		\$ 111,623,350
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 97,662,099	
Accumulated depreciation and amortization	<u>(49,958,621)</u>	47,703,478
Receivables on the statement of net position that do not provide current financial resources are not reported in the governmental funds.		6,764,678
Financial statement elements related to pension and other postemployment benefits are applicable to future periods, and therefore, are not reported in the funds.		
Pension related deferred outflows	6,905,793	
OPEB related deferred outflows	542,556	
Pension related deferred inflows	(3,911,387)	
OPEB related deferred inflows	(428,804)	
Net pension liability	(5,572,390)	
Other post-employment benefits	<u>(1,674,707)</u>	(4,138,939)
Other liabilities that are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds, however, these amounts are off set by deferred revenues in the school funds in the current year.		
Operating settlement-School Board		(1,356,111)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
Self insurance fund		1,225,911
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest payable	(983,784)	
General obligation and lease revenue bonds	(57,370,000)	
Premium on debt issued	(5,198,606)	
Deferred charges on refunding	1,172,457	
Leases	(2,604,033)	
Subscriptions	(299,482)	
Compensated absences	<u>(2,707,304)</u>	<u>(67,990,752)</u>
Net position of Governmental Activities		<u>\$ 93,831,615</u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
For the Year Ended June 30, 2025**

	General Fund
Revenues	
General property taxes	\$ 83,984,508
Other local taxes	20,285,706
Permits, privilege fees, and regulatory licenses	744,149
Fines and forfeitures	94,604
Revenue from use of money and property	5,421,360
Charges for services	3,562,975
Other	1,369,606
Recovered costs	1,065,111
Intergovernmental	47,216,754
Total revenues	163,744,773
Expenditures	
Current operating	
General government administration	7,729,868
Judicial administration	3,196,875
Public safety	30,646,758
Public works	6,763,602
Health and welfare	19,947,164
Education	34,964,803
Parks, recreation, and cultural	4,867,904
Community development	4,094,964
Debt service	
Principal	5,617,493
Interest and other fiscal charges	2,210,379
Capital projects	
Education	11,851,676
Other governmental activities	25,143,327
Total expenditures	157,034,813
Excess of revenues over expenditures	6,709,960
Other Financing Sources	
Transfers out	(2,380,959)
Lease proceeds	12,460
SBITA proceeds	234,155
Total other financing sources	(2,134,344)
Net change in fund balance	4,575,616
Fund balance, beginning	107,047,734
Fund balance, ending	\$ 111,623,350

The Notes to the Financial Statements are an integral part of this statement.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
For the Year Ended June 30, 2025**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:

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

Net changes in fund balance – governmental fund \$ 4,575,616

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 capital outlays exceeded depreciation in the current period.

Capital outlay expenditures that were capitalized	\$ 6,958,669	
Depreciation	(3,543,685)	
GASB 87 lease amortization	(207,185)	
GASB 96 subscription amortization	(140,907)	
Loss on disposition of capital asset	<u>(55,074)</u>	3,011,818

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

Employer pension contributions	2,653,597	
Pension expenses	<u>(2,041,668)</u>	611,929

Governmental funds report other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost of these benefits earned net of employee contributions is reported as other postemployment benefit expense.

Employer other postemployment benefit contributions	317,582	
Other postemployment benefits expense	<u>(40,493)</u>	277,089

The issuance of long-term debt 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 has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt principal repayment	5,617,493	
Amortization of bond premium on debt issuance	539,745	
Change in accrued interest payable	104,384	
Changes in deferred charges on debt issuance costs and refundings	<u>(167,345)</u>	6,094,277

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

Changes in unavailable tax revenues	(1,317,937)	
Other revenues	<u>(1,967,147)</u>	(3,285,084)

Expenses in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in operating settlement-School Board	(274,050)	
Changes in compensated absences	<u>(159,826)</u>	(433,876)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The revenues and expenditures of the internal service funds are included in governmental activities in the Statement of Activities.

Self insurance fund		2,144
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Lease proceeds		(12,460)
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SBITA proceeds		(234,155)
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Total changes in net position of governmental activities		<u>\$ 10,607,298</u>
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The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
General property taxes	\$ 78,075,000	\$ 78,075,000	\$ 83,772,374	\$ 5,697,374
Other local taxes	18,555,379	18,555,379	20,166,056	1,610,677
Permits, privilege fees, and regulatory licenses	624,650	624,650	736,768	112,118
Fines and forfeitures	16,000	16,000	92,440	76,440
Revenue from use of money and property	1,965,847	1,965,858	5,413,031	3,447,173
Charges for services	2,979,876	2,993,006	3,439,946	446,940
Miscellaneous	273,150	482,988	1,392,407	909,419
Recovered costs	743,200	1,093,208	1,113,951	20,743
Intergovernmental	29,036,056	53,659,667	46,413,964	(7,245,703)
Total revenues	132,269,158	157,465,756	162,540,937	5,075,181
Expenditures				
Current operating				
General government administration	7,894,137	8,051,522	7,572,113	479,409
Judicial administration	3,016,523	3,317,994	3,253,943	64,051
Public safety	27,457,037	34,060,879	30,665,260	3,395,619
Public works	6,419,291	6,765,043	6,765,043	-
Health and welfare	18,927,197	19,902,335	19,395,233	507,102
Education	33,903,378	34,649,183	34,486,724	162,459
Parks, recreation, and cultural	3,896,335	4,875,390	4,874,831	559
Community development	4,192,262	4,303,415	4,119,358	184,057
Debt service				
Principal	5,272,163	5,272,163	5,272,161	2
Interest and other fiscal charges	2,184,501	2,184,720	2,184,722	(2)
Capital projects				
Education	18,433,150	18,433,150	5,489,650	12,943,500
Other governmental activities	25,378,981	65,384,390	26,612,716	38,771,674
Total expenditures	156,974,955	207,200,184	150,691,754	56,508,430
Excess of revenues over expenditures	(24,705,797)	(49,734,428)	11,849,183	61,583,611
Other Financing Sources (Uses)				
Transfers from:				
Fiduciary fund types	-	-	3,419	3,419
Component units	707,500	50,000	50,000	-
Transfers to:				
Solid Waste fund	(2,380,959)	(2,380,959)	(2,380,959)	-
Bond Proceeds	24,943,500	24,943,500	-	(24,943,500)
Total other financing sources (uses)	23,270,041	22,612,541	(2,327,540)	(24,940,081)
Net change in fund balance	\$ (1,435,756)	\$ (27,121,887)	\$ 9,521,643	\$ 36,643,530

The Notes to the Financial Statements are an integral part of this statement.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
For the Year Ended June 30, 2025**

Explanation of differences between actual amounts on the budgetary basis and GAAP basis

Revenues

Total Revenues Budgetary Basis (Exhibit 5)	\$ 162,540,937
Tax and other accruals, grant deferrals, and other transfers	<u>1,203,836</u>
Total Revenues GAAP Basis (Exhibit 4)	<u><u>\$ 163,744,773</u></u>

Expenditures

Total Expenditures Budgetary Basis (Exhibit 5)	\$ 150,691,754
Adjustments to remove prior payables and other accruals	<u>6,343,059</u>
Total Expenditures GAAP Basis (Exhibit 4)	<u><u>\$ 157,034,813</u></u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
June 30, 2025

	Business-Type Activities – Enterprise Funds			Governmental
	Nursing Home	Solid Waste	Total	Activities Internal Service Fund
ASSETS				
Current assets:				
Cash, cash equivalents, and investments	\$ 7,718,566	\$ 2,647,963	\$ 10,366,529	\$ 2,536,975
Receivables, net	1,277,591	107,978	1,385,569	287,596
Due from other funds	48,405	9,096	57,501	-
Prepays	62,071	11,609	73,680	-
Total current assets	<u>9,106,633</u>	<u>2,776,646</u>	<u>11,883,279</u>	<u>2,824,571</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	18,386	-	18,386	-
Capital assets, net	2,749,264	6,624,409	9,373,673	-
Right-of-use assets, net	13,688	9,766	23,454	-
Total noncurrent assets	<u>2,781,338</u>	<u>6,634,175</u>	<u>9,415,513</u>	<u>-</u>
Total assets	<u>11,887,971</u>	<u>9,410,821</u>	<u>21,298,792</u>	<u>2,824,571</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,028,285	199,208	1,227,493	-
Deferred outflows related to other postemployment benefits	48,248	10,064	58,312	-
Total deferred outflows of resources	<u>1,076,533</u>	<u>209,272</u>	<u>1,285,805</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	93,060	511,833	604,893	1,005
Accrued payroll and related liabilities	404,670	23,962	428,632	-
Self insurance	-	-	-	1,259,697
Due to other funds	-	-	-	328,010
Due to component unit	-	-	-	9,948
Assets held in agency capacity	18,386	-	18,386	-
Compensated absences	184,392	44,987	229,379	-
Lease obligations	9,138	2,534	11,672	-
Landfill closure/postclosure	-	177,573	177,573	-
Total current liabilities	<u>709,646</u>	<u>760,889</u>	<u>1,470,535</u>	<u>1,598,660</u>
Noncurrent liabilities:				
Compensated absences	5,028	35,109	40,137	-
Net pension liability	448,371	86,847	535,218	-
Other postemployment benefits	179,180	40,906	220,086	-
Lease obligations	5,664	7,456	13,120	-
Landfill closure/postclosure	-	10,366,238	10,366,238	-
Total noncurrent liabilities	<u>638,243</u>	<u>10,536,556</u>	<u>11,174,799</u>	<u>-</u>
Total liabilities	<u>1,347,889</u>	<u>11,297,445</u>	<u>12,645,334</u>	<u>1,598,660</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	370,901	71,841	442,742	-
Deferred inflows related to other postemployment benefits	54,090	24,085	78,175	-
Total deferred inflows of resources	<u>424,991</u>	<u>95,926</u>	<u>520,917</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	2,748,150	6,619,433	9,367,583	-
Unrestricted	8,443,474	(8,392,711)	50,763	1,225,911
Total net position	<u>\$ 11,191,624</u>	<u>\$ (1,773,278)</u>	<u>\$ 9,418,346</u>	<u>\$ 1,225,911</u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS
For the Year Ended June 30, 2025**

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Nursing Home	Solid Waste	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 9,564,146	\$ 2,685,369	\$ 12,249,515	-
Other	17,101	394,585	411,686	-
Total Operating Revenues	<u>9,581,247</u>	<u>3,079,954</u>	<u>12,661,201</u>	<u>-</u>
Operating Expenses				
Personal services	5,030,665	861,562	5,892,227	-
Employee benefits	1,543,574	280,420	1,823,994	-
Purchased services	665,978	1,122,198	1,788,176	-
Continuous charges	769,130	3,212,865	3,981,995	-
Supplies and materials	857,480	210,675	1,068,155	-
Equipment, property, and improvements	53,565	107,460	161,025	-
Landfill closure/postclosure	-	1,203,956	1,203,956	-
Depreciation and amortization	304,467	509,918	814,385	-
Total Operating Expenses	<u>9,224,859</u>	<u>7,509,054</u>	<u>16,733,913</u>	<u>-</u>
Operating income (loss)	<u>356,388</u>	<u>(4,429,100)</u>	<u>(4,072,712)</u>	<u>-</u>
Non-Operating Revenues (Expenses)				
Interest income	306,362	117,979	424,341	2,144
Loss on disposal of capital assets	-	(2,465)	(2,465)	-
Donation income	7,000	-	7,000	-
Grant income	-	33,412	33,412	-
Total Non-Operating Revenues (Expenses)	<u>313,362</u>	<u>148,926</u>	<u>462,288</u>	<u>2,144</u>
Income (Loss) before transfers	<u>669,750</u>	<u>(4,280,174)</u>	<u>(3,610,424)</u>	<u>2,144</u>
Transfers in	-	2,380,959	2,380,959	-
Total	<u>-</u>	<u>2,380,959</u>	<u>2,380,959</u>	<u>-</u>
Change in Net Position	669,750	(1,899,215)	(1,229,465)	2,144
Net Position, beginning, as previously presented	10,537,239	134,469	10,671,708	1,223,767
Restatement	(15,365)	(8,532)	(23,897)	-
Net Position, beginning, as restated	<u>10,521,874</u>	<u>125,937</u>	<u>10,647,811</u>	<u>1,223,767</u>
Net Position, ending	<u>\$ 11,191,624</u>	<u>\$ (1,773,278)</u>	<u>\$ 9,418,346</u>	<u>\$ 1,225,911</u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

**STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
For the Year Ended June 30, 2025**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Nursing Home	Solid Waste	Total	Internal Service Fund
Operating Activities				
Receipts from customers	\$ 8,800,395	\$ 2,732,526	\$ 11,532,921	\$ -
Other cash receipts	17,101	394,734	411,835	229,943
Payments to employees	(4,955,965)	(861,562)	(5,817,527)	-
Payments for employee benefits	(1,678,775)	(312,795)	(1,991,570)	-
Payments to suppliers	(2,461,173)	(4,509,774)	(6,970,947)	-
Premiums collected in excess of claims	-	-	-	35,018
Net Cash Provided by (Used in) Operating Activities	(278,417)	(2,556,871)	(2,835,288)	264,961
Noncapital Financing Activities				
Transfers from other funds	-	2,380,959	2,380,959	-
Grants received	-	33,412	33,412	-
Net Cash Provided by Noncapital Financing Activities	-	2,414,371	2,414,371	-
Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	(439,763)	(439,763)	-
Principal paid on debt	(16,826)	(2,447)	(19,273)	-
Net Cash Used in Capital and Related Financing Activities	(16,826)	(442,210)	(459,036)	-
Investing Activities				
Interest received	306,362	117,979	424,341	2,144
Net Increase (Decrease) in Cash and Cash Equivalents	11,119	(466,731)	(455,612)	267,105
Cash and Cash Equivalents Beginning of Year	7,725,833	3,114,694	10,840,527	2,269,870
Cash and Cash Equivalents End of Year	\$ 7,736,952	\$ 2,647,963	\$ 10,384,915	\$ 2,536,975
Reconciliation to Exhibit 6				
Cash and Cash Equivalents	\$ 7,718,566	\$ 2,647,963	\$ 10,366,529	\$ 2,536,975
Restricted Cash and Cash Equivalents	18,386	-	18,386	-
	\$ 7,736,952	\$ 2,647,963	\$ 10,384,915	\$ 2,536,975

The Notes to the Financial Statements are an integral part of this statement.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental
	Nursing Home	Solid Waste	Total	Activities Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 356,388	\$ (4,429,100)	\$ (4,072,712)	\$ -
Adjustments Not Affecting Cash				
Depreciation and amortization	304,467	509,918	814,385	-
Landfill closure/postclosure	-	1,203,955	1,203,955	-
(Increase) Decrease in Assets				
Accounts receivable	(763,751)	47,157	(716,594)	(137,588)
Due from other funds	(10,393)	149	(10,244)	-
Prepays	(7,472)	829	(6,643)	-
Net pension asset	520,113	102,147	622,260	-
(Increase) Decrease in Deferred Outflows of Resources				
Pension deferrals	(699,979)	(129,262)	(829,241)	-
Other postemployment benefit deferrals	10,411	1,821	12,232	-
Increase (Decrease) in Liabilities				
Accounts payable and accrued expenses	(28,130)	143,425	115,295	367,531
Accrued payroll and related liabilities	74,700	6,030	80,730	-
Due to other funds	-	-	-	35,018
Assets held in agency capacity	(76,497)	-	(76,497)	-
Compensated absences	16,056	(5,347)	10,709	-
Other post-employment benefits	(25,188)	(24,315)	(49,503)	-
Increase (Decrease) in Deferred Inflows of Resources				
Pension deferrals	63,606	6,308	69,914	-
Other postemployment benefit deferrals	(12,748)	9,414	(3,334)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (278,417)</u>	<u>\$ (2,556,871)</u>	<u>\$ (2,835,288)</u>	<u>\$ 264,961</u>
Schedule of Noncash Activities				
Capital contribution of capital asset addition	\$ 7,000	\$ -	\$ 7,000	\$ -
GASB 87 lease asset addition	<u>6,961</u>	<u>-</u>	<u>6,961</u>	<u>-</u>
	<u>\$ 13,961</u>	<u>\$ -</u>	<u>\$ 13,961</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents, restricted	\$ 1,341,452
Security deposits	900
Receivables, net	1,005
Total assets	<u>1,343,357</u>
Liabilities	
Accounts payable	\$ 1,097
Accrued payroll and related liabilities	5,552
Total liabilities	<u>6,649</u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	\$ 1,336,708
Total Net Position	<u>1,336,708</u>
Total liabilities and net position	<u>\$ 1,343,357</u>

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2025

	<u>Custodial Funds</u>
Additions	
Contributions received from localities	\$ 307,679
Interest earnings	18,292
Payments received from and on behalf of grant awards	19,544
Payments received from and on behalf of VPA clients	151,540
Road escrow deposits	396,415
Land disturbing bond deposits	100,914
Confiscated proceeds	8,906
Other miscellaneous payments received	150
Total additions	<u>\$ 1,003,440</u>
Deductions	
Payments to vendors	\$ 100,774
Payments to primary government	3,419
Payments to benefit individuals	160,699
Payments to employees	183,109
Release of road escrow accounts	67,737
Release of land disturbing bonds	415,729
Release of confiscated proceeds	32,696
Total deductions	<u>\$ 964,163</u>
Net change in fiduciary net position	\$ 39,277
Net Postion, beginning	<u>1,297,431</u>
Net Postion, ending	<u>\$ 1,336,708</u>



COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies

The financial statements of the County of Bedford, Virginia (the “County”) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The County’s significant accounting and reporting policies are described below.

A. Reporting Entity

The County’s financial reporting entity is defined by, and its financial statements are presented in accordance with, GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These statements define the distinction between the County as a primary government and its related entities.

The financial reporting entity consists of the primary government and its blended and discretely presented component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board; the primary government having the ability to impose its will on the component unit; the component unit having fiscal dependency on the primary government; or a financial benefit or burden relationship existing between the component unit and the primary government.

A blended component unit is an entity, that while legally separate, is in substance, part of the County’s operations, and so its financial information is combined with the financial statements of the County. The County can impose its will over this entity and is financially accountable for it.

The primary government may also be financially accountable if the component unit is fiscally dependent on the primary government regardless of whether the component unit has a separately elected governing board.

The Bedford County Broadband Authority is a blended component unit of the County, and the Bedford County School Board, Bedford Public Library System, and Bedford County Economic Development Authority are reported as separate and discretely presented component units in the County’s annual comprehensive financial report. The primary government is hereafter referred to as the “County” and the reporting entity, which includes the County and its component units, is hereafter referred to as the “Reporting Entity.”

As required by GAAP, the accompanying basic financial statements include all activities of the County. The component unit columns in the basic financial statements include the financial data of the County’s three discretely presented component units.

The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government. All the component units have a June 30 year end. A description of the blended and discretely presented component units follows:

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Blended Component Unit:

Bedford County Broadband Authority

The Bedford County Broadband Authority (the “Authority”) is organized to bring reliable, affordable broadband internet services to all parts of the County through partnerships with private service providers. The members of the County Board of Supervisors also serve as members of the Board of the Authority. The County has operational responsibility for the component unit.

Discretely Presented Component Units:

Bedford County School Board

The County provides education through its own public school system administered by the Bedford County School Board (the “School Board”). The School Board has been classified as a discretely presented component unit in the financial reporting entity because it is legally separate, but financially dependent through appropriations. The Board of Supervisors administers the School Board’s appropriation of funds at the category level, approves transfers between categories, and authorizes school debt issuances. Financial statements of the School Board are included in a discretely presented component unit column and/or row of the government-wide financial statements, as well as in the supplementary information section. The School Board does not issue separate financial statements.

Bedford Public Library System

The Bedford Public Library System (the “Library”) is a regional library system created by an agreement between the County of Bedford and the City of Bedford (now the Town of Bedford). The Library has been classified as a discretely presented component unit in the financial statements because it is legally separate, but financially dependent through appropriations. The Board of Supervisors appoints Library Board members. Financial statements of the Library are included in a discretely presented component unit column and/or row of the government-wide financial statements. Complete financial statements for the Library may be obtained by writing the Library at 321 North Bridge St., Bedford, Virginia 24523.

Bedford County Economic Development Authority

The Bedford County Economic Development Authority (the “EDA”) was created to promote industry and develop trade by encouraging enterprises to locate and remain in Virginia. The EDA is governed by seven directors appointed by the Board and the County is financially accountable for the EDA. It is authorized to acquire, own, lease, and dispose of properties to the extent that such activities foster and stimulate economic development. Financial statements of the EDA are included in a discretely presented component unit column and/or row of the government-wide financial statements. Complete financial statements for the EDA may be obtained by writing the EDA at 122 East Main St., Suite 202, Bedford, Virginia 24523.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities that report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary* government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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. Custodial funds use the economic resources measurement focus and the accrual basis of accounting.

Governmental fund financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Accordingly, real and personal property taxes are recorded as deferred inflows and receivables when billed, net of allowances of uncollectible amounts. Real and personal property taxes recorded at June 30 and received within the first 60 days after year end are included in tax revenues. Sales and utility taxes, which are collected by the State or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one or two months preceding receipt by the County. Licenses, permits, fines, and rents are recorded as revenue when received. Intergovernmental revenues, consisting primarily of Federal, State, and other grants for the purpose of specific funding are recognized when earned or at the time of the specific reimbursable expenditure.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this rule include: (1) accumulated unpaid vacation leave, sick leave, and other employee amounts, which are recorded as compensated absences, and are recognized when payable, and (2) principal and interest payments on general long-term debt, both of which are recognized when paid.

The County reports the following major governmental fund:

General Fund – the County’s primary operating fund. It accounts for all financial resources of the general government.

Proprietary Funds are used to account for the County’s ongoing organizations and activities like those often found in the private sector. The County reports the following major proprietary funds:

Nursing Home Fund – accounts for the activities of the nursing home operations.

Solid Waste Fund – accounts for the activities of the solid waste operations.

Additionally, the County reports the following fund categories:

Fiduciary Funds – Accounts for assets held by the government in a trustee capacity or as an agent or custodian for individuals, private organizations, or other governmental units. Custodial funds include the Tri-County Lake Administrative Commission, Bedford Community Coalition, Bedford Wine Trail, Special Welfare, Road Escrow, Land Disturbing Bonds, and Sheriff Asset Seizures Funds.

Internal Service Fund – Accounts for goods or services provided by one department or other departments of the County that benefit multiple funds. The County’s internal service fund accounts for self-insurance health program which provides healthcare coverage for employees, retirees, and their dependents. The internal service fund is included in the governmental activities for government-wide reporting purposes. The excess revenue or expenses is allocated to the appropriate functional activity.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government’s proprietary funds 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 charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. General revenues include all taxes, grants and contributions not restricted to specific programs, and other revenues not meeting the definition of program revenues.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

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

Operating revenues and expenses in the proprietary funds result from providing goods and services in connection with their principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, contractual services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating.

The solid waste tipping fee includes both capital recovery and operating components. The capital recovery charge is used to finance current and future capital improvements, whereas the operating charge recovers the cost of operations.

D. Assets, Liabilities, and Net Position or Fund Equity

1. Deposits and Investments

Cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value based on quoted market prices.

2. Receivables and Payables

Accounts and property taxes receivable are shown net of an allowance for uncollectible accounts. The allowance is calculated using historical collection data, specific account analysis, and management’s judgment. The allowance is comprised of the following:

General Fund – Property tax receivables	\$ 2,715,799	
General Fund – EMS transport fees	34,676	
	\$ 2,750,475	
Proprietary Fund – Nursing Home – Hospice receivables	\$ 117,889	
Proprietary Fund – Solid Waste – Tipping fee receivables	28	
	\$ 117,917	

The County levies real estate taxes on all real estate within its boundaries, except that exempted by statute. Real estate is assessed at 100 percent of fair market value and reassessed every four years as of January 1. On January 1, the real estate taxes become an enforceable lien on the property and payment is due in two equal installments on June 5 and December 5. The real estate taxes reported as current year revenue are the second installment (December 5) of the levy on assessed value at January 1, 2024, and the first installment (June 5) of the levy on assessed value at January 1, 2025. The installment due on June 5, 2025 is shown as an assignment of fund balance as it is used to fund the subsequent year’s budget. The installment due on December 5, 2025 is included as deferred inflows since these taxes are restricted for use until fiscal year 2026.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

2. Receivables and Payables (Continued)

The County levies personal property taxes on motor vehicles, boats, mobile homes, aircraft, and other tangible business property. Personal property taxes are based on the estimated market value as of January 1, with payment due the following December 5. The tax on a vehicle may be prorated for the length of time the vehicle is kept in the County.

The 1998 Virginia General Assembly enacted legislation providing property tax relief to citizens. The Personal Property Tax Relief Act (PPTRA) was intended to be phased in over five years on the first \$20,000 of value for motor vehicles not used for business purposes. In 2005 the General Assembly capped PPTRA relief at \$950 million statewide beginning with the 2006 tax year. The County receives \$6,086,051 annually. County 2024 tax bills, payable in fiscal year 2025, included a thirty-two (32.0) percent reduction on qualifying vehicles. All PPTRA payments received are classified as non-categorical State aid in the general fund.

3. Inventories and Prepaids

Inventory is valued using the first-in/first-out (FIFO) method except for commodities received from the Federal Government, which are valued at market. Inventories of governmental funds and component units consist of expendable supplies held for consumption or items purchased for resale. Reported inventories for governmental funds and component units are reflected as non-spendable fund balance as inventories do not constitute expendable resources.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaids using the purchase method. Prepaids are reported in both government-wide and fund financial statements and are also reflected as non-spendable fund balance.

4. Restricted Cash, Cash Equivalents, and Investments

In accordance with applicable bond covenants and other agreements, governmental activities report restricted cash, cash equivalents, and investments at June 30, 2025 of \$23,410,253, which consists of \$186,104 restricted for water and sewer projects, \$2,701,231 for the Volunteer Length of Service Awards Program, and treasury note investments with First Citizens valued at \$20,522,918. Business-type activities report restricted cash, cash equivalents, and investments of \$18,386 for Nursing Home resident and burial funds. Restricted cash, cash equivalents, and investments of the component unit – Library consists of donations restricted as to purpose or time by donors. Restricted cash, cash equivalents, and investments of the component unit – Economic Development Authority consists of funds restricted for water and sewer projects.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

5. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as items with an initial, individual cost of more than \$10,000 for governmental activities and \$5,000 for business-type activities and an estimated useful life exceeding two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	10 – 50
Improvements	10 – 40
Machinery and equipment	3 – 25

Right-of-use leased assets and intangible right of use subscription assets are amortized using the straight-line method over the same estimated useful lives.

Depreciation and amortization are charged as an expense in the statement of activities and accumulated depreciation and amortization are reported in the statement of net position. The Proprietary Funds also record depreciation and amortization expense and accumulated depreciation and amortization.

6. Compensated Absences

County, School Board, and Library policies permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits (compensated absences, collectively), subject to certain limitations. All such pay is accrued using the last-in, first-out (LIFO) method in the government-wide and proprietary fund financial statements. The current portion of the liability is estimated based on the estimated remaining service life of employees and historical leave usage. A liability for these amounts is reported in governmental funds only to the extent the liability has matured, for example, as a result of employee resignations or retirements.

7. Unearned Revenues

At June 30, 2025, unearned revenues consist of proceeds received for grants for which revenue recognition criteria have not been met.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

8. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring all financial elements to the pension and OPEB plans information about the fiduciary net position of the County's and Schools' Plans and the additions to/deductions from the County's and Schools' Plans 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.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*. These items represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements that present financial position report a separate section for *deferred inflows of resources*. These items represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County and Schools have the following items that qualify for reporting as deferred inflows or outflows:

- The deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors as well as changes in actuarial assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Differences between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over a closed five-year period and may be reported as a deferred outflow of inflow as appropriate.
- Changes in proportion and differences between employer contributions and proportionate share of employer contributions in the Virginia Retirement System's teacher cost sharing pool or OPEB cost sharing pool plans. This difference is deferred and recognized in the expense over the average remaining service life of the employees who are subject to the plan and may be reported as a deferred outflow or inflow as appropriate.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

9. Deferred Outflows/Inflows of Resources (Continued)

- Changes in assumptions on pension and OPEB plans. This difference will be recognized in the pension or OPEB expense over the expected average remaining service life of all employees with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- *Unavailable revenue* is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. The governmental funds report unavailable revenue from property taxes and other receivables not collected within 60 days of year end and property taxes levied to fund future years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
 - At the government-wide level, the County reports deferred inflows for unearned property taxes which are billed and/or collected but are intended to fund future years.
- Lease-related amounts are recognized at the inception of leases in which the EDA is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding leases receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other 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 straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Costs associated with the issuance of debt, other than certain bond insurances, are expensed when debt is issued.

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. Costs associated with the issuance of debt are expensed in the period debt is issued.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

11. Leases

Key estimates and judgments include how the County, Schools, and Economic Development Authority determine (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County and Schools use an estimated incremental borrowing rate as the discount rate for their leases. The Economic Development Authority uses an implicit rate calculation as the discount rate for their building leases.
- The lease term includes the non-cancellable periods of the lease. Lease payments are included in the measurement of the lease liability and is composed of fixed payments.
- The County, Schools, and Economic Development Authority monitor changes in circumstances that would require a remeasurement of its leases and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease liability.

12. Right-to-Use Assets and Related Liabilities

The County and Schools are lessees for non-cancellable leases of buildings and equipment and subscribers to subscription-based information technology arrangements (SBITAs). The County and Schools recognize an intangible right-to-use asset (lease asset or subscription asset) and a related lease or subscription liability on the financial statements. At the commencement of a lease or subscription, the County and Schools initially measure a liability at the present value of payments expected to be made during the lease or subscription period. Subsequently, the liability is reduced by the principal portion of lease or subscription payments made. The lease or subscription asset is measured as the initial amount of the liability, adjusted for lease or subscription payments made at or before the commencement date, plus certain direct costs. After the initial measurement and recognition, the lease or subscription asset is amortized on a straight-line basis over its useful life.

Lease and subscription assets are reported with other capital assets and the related liabilities are reported with long-term debt in the statement of net position.

13. Net Position/Fund Equity

Net position is comprised of three categories: net investment in capital assets; restricted; and unrestricted. The first category reflects the portion of net position associated with capital assets less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the unspent bond proceeds and any associated unamortized items. Restricted net position includes assets whose use is subject to constraints that are externally imposed by grantors, creditors, other external parties, or law, as well as net pension assets. Net position that is neither restricted nor related to capital assets is reported as unrestricted net position.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position or Fund Equity (Continued)

14. School Board Debt/Capital Assets Reporting

The County issues debt to finance the construction of school facilities because the School Board does not have borrowing or taxing authority. The County reports this debt, whereas the School Board reports the related capital assets. As a result, in the Statement of Net Position (Exhibit 1), the debt reduces *unrestricted net position* of the primary government, while the capital assets are reported in *net investment in capital assets* of the School Board.

Because this debt is related to capital assets of the reporting entity as a whole, the debt amount of \$70,011,067 is reclassified as shown on Exhibit 1 to present the total reporting entity column.

15. Estimates

Management uses estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent liabilities; and reported revenues, expenditures, and expenses. Actual results could differ from those estimates.

16. Revenue Recognition – Nursing Home

The Nursing Home is a qualified provider under the Medicaid program. Prior to July 1, 2014, Medicaid reimbursed all nursing facilities for operating costs utilizing a facility-specific per diem rate that was set prospectively based on prior year costs. Effective for claims with dates of service on or after July 1, 2014, the Virginia Department of Medical Assistance Services began paying nursing facilities using a new price-based payment methodology. This was implemented over a four-year transition period.

Beginning July 1, 2014, after approval from Centers for Medicare and Medicaid Services (CMS), the Nursing Home and four other government owned facilities began receiving payments to supplement the interim payments for Medicaid days. No additional payments were received in fiscal year 2025.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- ◆ Prior to March 30, the County Administrator submits to the Board a proposed operating and capital budget for the County and School Board for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the related financing.
- ◆ Public hearings are conducted to obtain citizen comments.
- ◆ Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 2. Stewardship, Compliance, and Accountability (Continued)

A. Budgetary Information (Continued)

- ◆ The Appropriations Resolution places legal restrictions on expenditures at the department level for the General Fund and at the fund level for the School Funds. The County Administrator is authorized to transfer budgeted amounts within the personnel, capital, and debt categories if budgeted amounts do not move across categories. Additionally, the County Administrator is authorized to transfer contingency funds up to \$25,000 per topic or issue and budgeted amounts within the operating category or budgeted amounts that move across categories up to \$65,000 per topic or issue. Only the Board can revise appropriations outside of the County Administrator’s authority.
- ◆ Formal budgetary integration is employed as a management control device during the year.
- ◆ All budgets are adopted on a cash basis.
- ◆ Appropriations lapse on June 30 except as follows:
 - All outstanding purchase order encumbrances, operating and capital, as of June 30 are reappropriated to the next fiscal year, beginning July 1, to the same cost center and account for which they are encumbered
 - Appropriations previously designated for capital projects will remain appropriated until the completion of the project or until the Board changes or eliminates the appropriation by resolution. Upon completion of a capital project, the County Administrator is authorized to close out the project and transfer funds to other capital projects, as necessary.
 - Grant funds will remain appropriated until completion of the grant or until the Board changes or eliminates the appropriation by resolution.

Note 3. Significant Transactions of the County and Discretely Presented Component Unit – School Board

Certain transactions between the County and the School Board are explained here to provide a more informed understanding of the operational relationship of the two entities and how such transactions are presented in the financial statements.

1. The School Board can neither levy taxes nor incur bonded debt under Virginia law. Therefore, the County issues bonded debt “on behalf” of the School Board. The debt obligation is recorded as a liability of the County’s governmental activities. The proceeds from the debt issued “on behalf” of the School Board are recorded in the County’s General Fund. Funds in an amount equal to expenditures are provided to the School Board to pay for capital expenditures. Unspent funds at year end are reported as deposits and investments of the County’s General Fund.
2. The County’s budgeting process provides funding to the School Board for debt service payments. The School Board is responsible for appropriating debt service payments for debt issued by the County on its behalf. These transactions are reported as transfers on the County’s Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual and as transfers and debt service payments on the School Board’s Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual. GAAP requires that debt issued “on behalf” of the School Board and related debt service payments be reported by the primary government for financial reporting

COUNTY OF BEDFORD, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Note 3. Significant Transactions of the County and Discretely Presented Component Unit – School Board (Continued)

purposes. Therefore, debt service payments for school bonded debt are reported as part of the primary government for financial reporting purposes in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund.

3. If all economic resources associated with school activities were reported with the School Board, its total expenditures would be as follows:

Expenditures of School Board – Component Unit	\$ 145,740,591
Principal and other debt service expenditures included in primary government	7,554,845
Total expenditures for school activities	<u>\$ 153,295,436</u>

Note 4. 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 amount from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investment Policy

In accordance with the *Code of Virginia* and other applicable law, including regulations, the County’s investment policy (Policy) permits investments in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or its political subdivisions, repurchase agreements, certificates of deposit, bankers’ acceptances, commercial paper, corporate notes and bonds, the Virginia State Non-Arbitrage Program (SNAP), and the State Treasurer’s Local Government Investment Pool (LGIP). At year end, the County and School Board had the following deposits and investments:

Type	Fair Value	Credit Rating	Percent of Portfolio
Demand deposits	\$ 31,997,768	NA	23.56%
Virginia LGIP	11,253,837	AAAm	8.29
Virginia LGIP-EM	5,632,212	AAAF/S1+	4.15
Virginia Investment Pool	63,694,893	AAAm	46.90
Treasury Funds	20,522,918	AA+	15.11
Guaranteed interest account	2,701,231	NA	1.99
Total deposits and investments – County	\$ 135,802,859		100.00%
Demand deposits	\$ 7,885,816	NA	40.08%
Virginia Investment Pool	11,788,986	AAAm	59.92
Total deposits and investments – School Board	\$ 19,674,802		100.00%

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 4. Deposits and Investments (Continued)

Credit Risk

The Policy requires that obligations of the Commonwealth of Virginia and its political subdivisions have a debt rating of at least AA by Standard & Poor’s (S&P) or equivalent by Moody’s Investors Service (Moody’s). Repurchase agreements are collateralized by Treasury or Agency obligations of which the market value is at least 102% of the purchase price of the agreement. Commercial paper must be issued by an entity incorporated in the U.S. and rated at least A-1 by S&P and P-1 by Moody’s. Corporate notes and bonds have a rating of at least AA by S&P and Aa2 by Moody’s. Money market mutual funds must trade on a constant net asset value and invest solely in securities otherwise eligible for investment under these guidelines.

External Investment Pools

The Virginia SNAP fund is an open-end management investment company and is overseen by the Treasurer of Virginia and State Treasury Board.

Concentration of Credit Risk

The Policy also establishes limitations on portfolio composition, both by investment type and by issuer, to control concentration of credit risk. The Policy provides that a maximum of 35% of the portfolio may be invested in commercial paper, with a limit of 5% of the portfolio invested in any one issuer.

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy requires that at least 50% of the investment portfolio mature in less than one year. At June 30, 100% of the portfolio will mature in less than one year.

The above items are reflected in the statements as follows:

	Primary Government	School Board Component Unit
Deposits and investments:		
Cash on hand	\$ 19,625	\$ -
Deposits	112,559,085	19,674,802
Investments	23,224,149	-
	\$ 135,802,859	\$ 19,674,802
Statement of net position:		
Cash and cash equivalents	\$ 112,374,220	\$ 19,674,802
Restricted cash, cash equivalents, and investments	23,428,639	-
	\$ 135,802,859	\$ 19,674,802

All investments are compliant with the Policy.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 5. Receivables

Receivables are as follows:

	Primary Government			Component Unit	
	Business-Type Activities				
	Governmental Activities	Nursing Home	Solid Waste		Total
Receivables					
Taxes	\$ 27,995,528	\$ -	\$ -	\$ -	\$ -
Accounts	10,058,020	1,395,480	108,006	1,503,486	753,605
Intergovernmental	7,541,348	-	-	-	4,026,173
Gross receivables	45,594,896	1,395,480	108,006	1,503,486	4,779,778
Less: allowance for uncollectibles	(2,750,475)	(117,889)	(28)	(117,917)	-
Net total receivables	<u>\$ 42,844,421</u>	<u>\$ 1,277,591</u>	<u>\$ 107,978</u>	<u>\$ 1,385,569</u>	<u>\$ 4,779,778</u>

Tax receivables represent the current and past four years of uncollected levies for personal property taxes and the current and past nineteen years for real property. The allowance for estimated uncollectible taxes receivable is 10.74% of the total taxes receivable and is based on historical collection rates.

The Nursing Home mix of receivables from residents and third-party payers is Medicaid (95.16%) and private pay (4.84%).

Unavailable/Unearned Revenue

The General fund reports unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The General fund also defers revenue recognition in connection with resources that have been received but not yet earned. On the government-wide statements, property taxes intended for a future period and grants for which revenue recognition requirements have not been met are considered unearned. The various components of unavailable and unearned revenue are as follows:

	Deferred Inflows	
	Unavailable/Unearned	Unearned
Property taxes	\$ 28,731,721	\$ 25,858,521
Other receivables not available to liquidate liabilities of current period	10,312,181	6,420,703
Total unavailable/unearned revenue	<u>\$ 39,043,902</u>	<u>\$ 32,279,224</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 6. Capital Assets

Capital asset activity was as follows:

Primary Government

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 4,531,741	\$ -	\$ -	\$ 4,531,741
Construction in progress	3,101,345	3,188,902	640,040	5,650,207
Total capital assets, not depreciated	<u>7,633,086</u>	<u>3,188,902</u>	<u>640,040</u>	<u>10,181,948</u>
Capital assets, depreciated and amortized:				
Buildings and improvements	62,760,958	904,466	2,355,969	61,309,455
Machinery and equipment	23,841,210	3,258,725	2,328,530	24,771,405
Lease assets, buildings	746,260	-	148,997	597,263
Lease assets, equipment	185,051	12,460	68,986	128,525
Subscription assets	573,299	234,156	133,952	673,503
Total capital assets, depreciated and amortized	<u>88,106,778</u>	<u>4,409,807</u>	<u>5,036,434</u>	<u>87,480,151</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	33,002,538	1,651,249	2,352,756	32,301,031
Machinery and equipment	17,157,304	1,892,436	2,276,669	16,773,071
Lease assets, buildings	427,826	169,118	148,997	447,947
Lease assets, equipment	104,955	38,067	68,986	74,036
Subscription assets	355,581	140,907	133,952	362,536
Total accumulated depreciation and amortization	<u>51,048,204</u>	<u>3,891,777</u>	<u>4,981,360</u>	<u>49,958,621</u>
Net capital assets, depreciated and amortized	<u>37,058,574</u>	<u>518,030</u>	<u>55,074</u>	<u>37,521,530</u>
Governmental activities net capital assets	<u>\$ 44,691,660</u>	<u>\$ 3,706,932</u>	<u>\$ 695,114</u>	<u>\$ 47,703,478</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 6. Capital Assets (Continued)

Primary Government (Continued)

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 1,230,025	\$ -	\$ -	\$ 1,230,025
Construction in progress	336,597	143,038	-	479,635
Total capital assets, not depreciated	<u>1,566,622</u>	<u>143,038</u>	<u>-</u>	<u>1,709,660</u>
Capital assets, depreciated and amortized:				
Buildings and improvements	23,318,584	296,725	6,369	23,608,940
Machinery and equipment	5,165,053	7,000	-	5,172,053
Lease assets, equipment	59,196	6,961	17,857	48,300
Subscription assets	84,543	-	-	84,543
Total capital assets, depreciated	<u>28,627,376</u>	<u>310,686</u>	<u>24,226</u>	<u>28,913,836</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	16,526,955	528,464	3,904	17,051,515
Machinery and equipment	3,801,175	264,290	-	4,065,465
Lease assets, equipment	30,466	12,237	17,857	24,846
Subscription assets	75,149	9,394	-	84,543
Total accumulated depreciation and amortization	<u>20,433,745</u>	<u>814,385</u>	<u>21,761</u>	<u>21,226,369</u>
Net capital assets, depreciated and amortized	<u>8,193,631</u>	<u>(503,699)</u>	<u>2,465</u>	<u>7,687,467</u>
Business-type activities net capital assets	<u>\$ 9,760,253</u>	<u>\$ (360,661)</u>	<u>\$ 2,465</u>	<u>\$ 9,397,127</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 6. Capital Assets (Continued)

<u>Component Unit – School Board</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated:				
Land	\$ 2,082,837	\$ 281,652	\$ -	\$ 2,364,489
Construction in progress	563,688	9,053,294	766,975	8,850,007
Total capital assets, not depreciated	<u>2,646,525</u>	<u>9,334,946</u>	<u>766,975</u>	<u>11,214,496</u>
Capital assets, depreciated and amortized:				
Buildings and improvements	268,043,707	766,975	-	268,810,682
Machinery and equipment	52,372,155	751,298	3,313,477	49,809,976
Lease assets, buildings	141,979	-	-	141,979
Lease assets, equipment	764,181	-	28,253	735,928
Subscription assets	1,183,453	1,209,590	-	2,393,043
Total capital assets, depreciated	<u>322,505,475</u>	<u>2,727,863</u>	<u>3,341,730</u>	<u>321,891,608</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	161,201,346	5,990,517	-	167,191,863
Machinery and equipment	22,072,415	2,747,523	3,291,339	21,528,599
Lease assets, buildings	50,707	20,283	-	70,990
Lease assets, equipment	239,597	236,836	28,253	448,180
Subscription assets	316,682	270,076	-	586,758
Total accumulated depreciation and amortization	<u>183,880,747</u>	<u>9,265,235</u>	<u>3,319,592</u>	<u>189,826,390</u>
Net capital assets, depreciated and amortized	<u>138,624,728</u>	<u>(6,537,372)</u>	<u>22,138</u>	<u>132,065,218</u>
School Board net capital assets	<u>\$ 141,271,253</u>	<u>\$ 2,797,574</u>	<u>\$ 789,113</u>	<u>\$ 143,279,714</u>

Depreciation and amortization expense was charged to functions/programs as follows:

Primary Government – Governmental Activities	
General government administration	\$ 385,987
Judicial administration	320,757
Public safety	1,814,776
Public works	332,228
Health and welfare	213,461
Parks, recreation, and cultural	491,633
Community development	332,935
Total governmental activities	<u>\$ 3,891,777</u>
Primary Government – Business-Type Activities	
Nursing home	\$ 304,467
Solid waste	509,918
Total business-type activities	<u>\$ 814,385</u>
Component Unit – School Board	<u>\$ 9,265,235</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 7. Long-Term Liabilities

The following is a summary of changes in long-term liabilities:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation and lease revenue bonds					
School projects	\$ 62,005,000	\$ -	\$ 4,635,000	\$ 57,370,000	\$ 4,850,000
Bond premium	5,738,351	-	539,745	5,198,606	539,745
Total general obligation and revenue bonds	67,743,351	-	5,174,745	62,568,606	5,389,745
Leases:					
County	662,361	12,460	264,736	410,085	207,465
School	2,779,499	-	585,551	2,193,948	595,454
Subscriptions	197,533	234,155	132,206	299,482	134,763
Compensated absences	2,547,478	159,826**	-	2,707,304	932,478
Total long-term liabilities	<u>\$ 73,930,222</u>	<u>\$ 406,441</u>	<u>\$ 6,157,238</u>	<u>\$ 68,179,425</u>	<u>\$ 7,259,905</u>
Business-type activities:					
Leases	\$ 29,780	\$ 6,961	\$ 11,949	\$ 24,792	\$ 11,672
Subscriptions	7,324	-	7,324	-	-
Compensated absences	258,807	10,709**	-	269,516	229,379
Landfill closure/post-closure costs	9,339,856	1,203,955	-	10,543,811	177,573
Total long-term liabilities	<u>\$ 9,635,767</u>	<u>\$ 1,221,625</u>	<u>\$ 19,273</u>	<u>\$ 10,838,119</u>	<u>\$ 418,624</u>
Component Unit					
School Board					
Leases	\$ 4,910,985	\$ -	\$ 1,449,732	\$ 3,461,253	\$ 1,237,393
Subscriptions	455,307	1,209,590	369,922	1,294,975	344,731
Compensated absences	2,298,172	-	285,907**	2,012,265	108,010
Total long-term liabilities	<u>\$ 7,664,464</u>	<u>\$ 1,209,590</u>	<u>\$ 2,105,561</u>	<u>\$ 6,768,493</u>	<u>\$ 1,690,134</u>

*Amounts have been restated due to the implementation of GASB 101, Compensated Absences. See Note 24 – Prior Period Restatement for further explanation.

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 7. Long-Term Liabilities (Continued)

Annual debt service requirements to maturity are as follows:

Year Ending <u>June 30</u>	<u>Primary Government</u> <u>Governmental Activities</u>					
	<u>General Obligation and</u> <u>Lease Revenue Bonds</u>		<u>Leases</u>		<u>Subscriptions</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 4,850,000	\$ 2,055,882	\$ 802,919	\$ 42,588	\$ 134,763	\$ 9,738
2027	5,085,000	1,809,719	739,230	29,127	78,966	4,995
2029	5,310,000	1,571,227	713,213	14,674	66,756	2,204
2029	5,515,000	1,352,609	347,997	2,923	9,335	665
2030	5,440,000	1,143,036	674	4	9,662	338
2031-2035	19,415,000	3,366,495	-	-	-	-
2036-2040	11,755,000	711,758	-	-	-	-
	<u>\$ 57,370,000</u>	<u>\$ 12,010,726</u>	<u>\$ 2,604,033</u>	<u>\$ 89,316</u>	<u>\$ 299,482</u>	<u>\$ 17,940</u>

Year Ending <u>June 30</u>	<u>Primary Government</u> <u>Business-Type Activities</u>	
	<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 11,672	\$ 655
2027	3,967	396
2028	4,107	254
2029	3,541	111
2030	1,505	28
	<u>\$ 24,792</u>	<u>\$ 1,444</u>

Year Ending <u>June 30</u>	<u>Component Unit</u> <u>School Board</u>			
	<u>Leases</u>		<u>Subscriptions</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,237,393	\$ 97,262	\$ 344,731	\$ 38,850
2027	914,965	67,448	205,455	28,507
2029	639,986	45,615	211,619	22,343
2029	441,714	26,912	172,497	15,995
2030	227,195	9,828	177,672	10,820
2031	-	-	183,001	5,490
	<u>\$ 3,461,253</u>	<u>\$ 247,065</u>	<u>\$ 1,294,975</u>	<u>\$ 122,005</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 7. Long-Term Liabilities (Continued)

The County's outstanding debt consists of General Obligation Bonds (including Virginia Public School Authority Bonds), Lease Revenue Bonds, and leases. The debt was issued to provide funds for the acquisition, construction, and improvement of major capital facilities for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. Lease revenue bonds and leases are backed by the general credit and faith of the County. Governmental activities compensated absences are generally liquidated by the General fund.

Details of long-term liabilities are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
PRIMARY GOVERNMENT					
Governmental Activities:					
General Obligation Bonds					
Schools:					
VPSA Bonds	4.10-5.10%	2008	2029	\$ 5,420,000	\$ 1,080,000
VPSA Bonds	3.05-5.05	2013	2031	23,788,000	11,790,000
VPSA Bonds	2.80-5.05	2017	2037	36,865,000	25,880,000
VPSA Bonds	3.05-5.05	2019	2040	20,275,000	16,815,000
Total general obligation bonds					<u>\$ 55,565,000</u>
Lease Revenue Bonds					
Schools:					
Bedford County EDA Refunding-Jefferson Forest High School	2.81%	2015	2031	\$ 5,700,000	<u>\$ 1,805,000</u>

Note 8. Leases

County and Schools as lessee

The County has leases for various equipment, such as copiers and postage machines, and building space for periods expiring through FY 2030. The County uses its incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use lease asset balances and related accumulated amortization at year end are disclosed in Note 6. The related debt as well as principal and interest requirements to maturity are disclosed in Note 7.

The Schools have leases for various equipment (primarily copiers and building space) for periods expiring through FY 2030. The Schools use their incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use lease asset balances and related accumulated amortization at year end are disclosed in Note 6. The related debt as well as principal and interest requirements to maturity are disclosed in Note 7.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 8. Leases (Continued)

County and Schools as lessee (Continued)

The Schools also lease buses under various leases expiring at various dates through 2029. The bus assets acquired through leases are as follows:

	Component Unit
	School Board
Machinery and equipment	\$ 7,629,218
Less: accumulated depreciation	1,839,487
	\$ 5,789,731

Note 9. Subscriptions

The County has several subscriptions for periods expiring through FY 2030. These subscriptions are for a variety of software solutions to assist with agenda management, provide video and web conferencing infrastructure, allow for the preservation of court records, and aid in emergency dispatch. The County uses its incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use subscription asset balances and related accumulated amortization at year end are disclosed in Note 6. The related debt, as well as principal and interest requirements to maturity, are disclosed in Note 7.

The Schools have subscriptions for periods expiring through FY 2031. These subscriptions are for timekeeping software and digital textbooks and related content. The Schools use their incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use subscription asset balances and related accumulated amortization at year end are disclosed in Note 6. The related debt, as well as principal and interest requirements to maturity, are disclosed in Note 7.

Note 10. Interfund Receivables and Payables and Transfers

For the year ended June 30, 2025, the County’s General Fund transferred funds to the Solid Waste Fund to support landfill and transfer station operations and to fund capital needs during the fiscal year.

Transfer To	Transfer From	Amount
Solid Waste Fund	General Fund	\$2,380,959

As of June 30, 2025, the Nursing Home Fund and Solid Waste Fund have the following amounts due from the County’s Self-Insurance Fund for health insurance premiums collected in excess of claims paid and incurred:

Due To	Due From	Amount
Nursing Home Fund	Self-Insurance Fund	\$48,405
Solid Waste Fund	Self-Insurance Fund	9,096

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan

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

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- <https://www.varetire.org/retirement-plans/defined-benefit/plan1/>,
- <https://www.varetire.org/retirement-plans/defined-benefit/plan2/>,
- <https://www.varetire.org/retirement-plans/hybrid/>.

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:

	County
Inactive members or their beneficiaries currently receiving benefits	284
Inactive members:	
Vested	123
Non-vested	396
Inactive members active elsewhere in VRS	175
Total inactive members	694
Active members	491
Total covered employees	1,469

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 Political Subdivision’s contractually required contribution rate for the year ended June 30, 2025, was 9.84% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Contributions (Continued)

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Political Subdivision were \$2,547,977 and \$3,155,346 for the years ended June 30, 2024, and 2025, 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 \$124,618 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 \$115,805 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$12,535,265 for the year ended June 30, 2025.

Net Pension Liability

Net pension liability is calculated separately for each employer and represents that employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. For political subdivisions, net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision’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%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 Improvement Scale with various setbacks or set forwards for both males and females.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates to better fit experience; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability, and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

Long-Term Expected Rate of Return

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

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

COUNTY OF BEDFORD, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, Political Subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2023	\$ 93,187,663	\$ 93,760,681	\$ (573,018)
Changes for the year:			
Service cost	3,086,323	-	3,086,323
Interest	6,334,197	-	6,334,197
Differences between expected and actual experience	7,114,390	-	7,114,390
Contributions – employer	-	2,315,638	(2,315,638)
Contributions – employee	-	1,265,987	(1,265,987)
Net investment income	-	9,071,100	(9,071,100)
Benefit payments, including refunds of employee contributions	(4,868,061)	(4,868,061)	-
Administrative expenses	-	(58,916)	58,916
Other changes	-	1,935	(1,935)
Net changes	11,666,849	7,727,683	3,939,166
Balances at June 30, 2024	\$ 104,854,512	\$ 101,488,364	\$ 3,366,148

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

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

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

<u>Net Pension Liability (Asset)</u>	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
Bedford County	\$ 17,160,248	\$ 3,366,148	\$ (7,853,439)

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

For the year ended June 30, 2025, the Political Subdivision recognized pension expense of \$2,094,318. At June 30, 2025, the Political Subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Bedford County</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,564,429	\$ 186,342
Net difference between projected and actual earnings on pension plan investments	-	2,598,198
Employer contributions subsequent to the measurement date	3,155,346	-
Total	<u>\$ 7,719,775</u>	<u>\$ 2,784,540</u>

The \$3,155,346 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 11. Defined Benefit Pension Plan (Continued)

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

Year Ending June 30,	Increase (Reduction) to Pension Expense
2026	\$ 115,208
2027	2,735,049
2028	(512,850)
2029	(557,518)
2030	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans 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 <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2025, \$378,643 was payable to the Virginia Retirement System for the legally required contributions related to June 2025 payroll.

Note 12. Defined Benefit Pension Plan – School Nonprofessionals

Plan Description

All full-time, salaried permanent nonprofessional employees (non-teachers) of the Bedford County School Board, (the “school division”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the “System”) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 11.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Employees Covered by Benefit Terms

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

	School Board Non- Professional
Inactive members or their beneficiaries currently receiving benefits	243
Inactive members:	
Vested	34
Non-vested	111
Inactive members active elsewhere in VRS	42
Total inactive members	187
Active members	199
Total covered employees	629

Contributions

The school division’s contractually required contribution rate for the year ended June 30, 2025 was 5.04% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

Contributions to the pension plan from the school division were \$350,558 and \$354,364 for the years ended June 30, 2024, and 2025, 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 \$264,616 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 \$221,780 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$29,360,211 for the year ended June 30, 2025.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2023	\$ 28,253,735	\$ 29,417,483	\$ (1,163,748)
Changes for the year:			
Service cost	564,591	-	564,591
Interest	1,887,894	-	1,887,894
Differences between expected and actual experience	295,875	-	295,875
Contributions – employer	-	314,749	(314,749)
Contributions – employee	-	328,879	(328,879)
Net investment income	-	2,819,257	(2,819,257)
Benefit payments, including refunds of employee contributions	(1,699,056)	(1,699,056)	-
Administrative expenses	-	(19,479)	19,479
Other changes	-	546	(546)
Net changes	1,049,304	1,744,896	(695,592)
Balances at June 30, 2024	\$ 29,303,039	\$ 31,162,379	\$ (1,859,340)

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

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

<u>Net Pension Liability (Asset)</u>	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Board Nonprofessional	\$ 1,191,935	\$ (1,859,340)	\$ (4,446,223)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

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

For the year ended June 30, 2025, the school division recognized a pension expense of \$135,729. At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	School Board Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 140,967	\$ -
Net difference between projected and actual earnings on pension plan investments	-	836,180
Employer contributions subsequent to the measurement date	354,364	-
Total	\$ 495,331	\$ 836,180

The \$354,364 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	School Board Non-Professional Increase (Reduction) to Pension Expense
2026	\$ (605,054)
2027	241,726
2028	(157,916)
2029	(173,969)
2030	-
Thereafter	-

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 12. Defined Benefit Pension Plan – School Nonprofessionals (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans 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 <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2025, \$1,044,908 was payable to the Virginia Retirement System for the legally required contributions related to June 2025 payroll.

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan

General Information about the Teacher Cost Sharing Plan

Plan Description

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

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions and long-term expected rate of return, are substantially the same as those referenced in Note 11.

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 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 employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$10,080,181 and \$8,774,254 for the years ended June 30, 2024, and 2025, respectively.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Contributions (Continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The Page 10 of 20 Create 7/1/2025 employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$264,616 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 \$221,780 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$29,360,211 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 \$54,460,179 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the net pension liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024 the school division's proportion was 0.58% as compared to 0.59% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$4,492,916. 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 the expected and actual contributions is included with the pension expense calculation.

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

	School Board Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,448,073	\$ 1,121,373
Change in assumptions	988,525	-
Net difference between projected and actual earnings on pension plan investments	-	7,496,477
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,098	2,076,266
Employer contributions subsequent to the measurement date	8,774,254	-
Total	\$ 19,216,950	\$ 10,694,116

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

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

The \$8,774,254 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	School Board Professional Increase (Reduction) to Pension Expense
2026	\$ (4,178,602)
2027	4,060,633
2028	704,868
2029	(838,319)
2030	-
Thereafter	-

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that 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	\$ 9,386,934
Plan fiduciary net position as a percentage of the total pension liability	84.52%

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

Net Pension Liability (Continued)

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.

Discount Rate

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

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 of the school division 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:

Net Pension Liability	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division’s proportionate share of the VRS teacher employee retirement plan net pension liability	<u>\$ 101,176,337</u>	<u>\$ 54,460,179</u>	<u>\$ 16,201,131</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 13. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (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 <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 14. Fire and Rescue Length of Service Awards Program

A. Plan Description

The County established a Length of Service Awards Program (LOSAP) on July 1, 2006, for the Bedford County Fire and Rescue Association members to recognize the service provided by the volunteers. The LOSAP is accounted for as a single employer defined benefit pension plan. The plan is administered by the Volunteer Fireman’s Insurance Services, Inc (the VFIS); amendments to the plan may be made at the discretion of the County Board of Supervisors.

The plan is open to any volunteer over the age of sixteen. Participants vest after five years of service and earn a fixed dollar benefit based on years of service. Benefits amortize on a level dollar basis, and are recognized when due and payable in accordance with the terms of the plan. Benefits accrue at the rate of \$12 per month for each month of active service with a maximum of \$300 per month. Since the County fully funds the benefit, refunds are not paid. The plan does not provide for post-retirement increases. The contribution rate is determined using an entry age Normal-Frozen Initial Liability Cost Method. The actuarial value of the plan assets is equal to the market value of the assets. Present and future assets in the plan are assumed to earn an investment rate of return of 4.81% compounded annually. There is no inflation factor or salary increase factor used since there is no covered payroll.

As of the most recent actuarial valuation date, the program membership consisted of the following:

Active participants	167
Vested-terminated	88
Retired participants and beneficiaries	19
	274

Although the County’s Guaranteed Interest account is intended to fund the plan, this account consists of a “rabbi” trust, which is not a trust or equivalent arrangement where:

- Contributions to the pension plan and earning on those contributions are irrevocable.
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator.

Therefore, the assets of the guaranteed interest account are not considered assets of the plan.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Fire and Rescue Length of Service Awards Program (Continued)

B. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024 using the actuarial assumptions applied to all periods included in the measurement.

Inflation	0.0%
Salary increases	Not Applicable
Investment rate of return	4.81%, net of pension plan investment expense, including inflation
Mortality	No pre-retirement; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the July 1, 2024 actuarial valuation report. Calculations assume the plan remains unfunded and uses a discount rate of 4.81%, which is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2025.

C. Changes in Net Pension Liability

	Bedford County – LOSAP		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2024	\$ 3,089,415	\$ -	\$ 3,089,415
Changes for the year:			
Service cost	63,132	-	63,132
Interest	148,128	-	148,128
Differences between expected and actual experience	(10,519)	-	(10,519)
Benefit payments, including refunds of employee contributions	(24,026)	-	(24,026)
Changes in assumptions	(524,670)	-	(524,670)
Net changes	(347,955)	-	(347,955)
Balances at June 30, 2025	\$ 2,741,460	\$ -	\$ 2,741,460

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 14. Fire and Rescue Length of Service Awards Program (Continued)

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

The following presents the net pension liability of the LOSAP using the discount rate of 3.97%, as well as what the LOSAP's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current rate:

Net Pension Liability	1.00% Decrease (3.81%)	Current Discount Rate (4.81%)	1.00% Increase (5.81%)
Bedford County – LOSAP	\$ 3,370,301	\$ 2,741,460	\$ 2,256,472

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

For the year ended June 30, 2025, the LOSAP recognized pension expense of \$103,719. At June 30, 2025, the LOSAP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Bedford County – LOSAP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 91,808	\$ 89,836
Changes in assumptions	321,703	1,479,753
	\$ 413,511	\$ 1,569,589

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Reduction to Pension Expense
2026	\$ (90,095)
2027	(170,782)
2028	(170,789)
2029	(253,409)
2030	(253,415)
Thereafter	(217,588)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 15. Other Postemployment Benefits Liability – Local Plan

Plan Description and Benefits Provided

The County and School Board provide post-employment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add, or delete coverage as they deem appropriate and with the approval of the Board or School Board respectively. The plan does not grant retirees vested health benefits.

A retiree, eligible for post-employment medical coverage, is defined as a full-time employee who retires directly from the County or School Board who is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the County and School Board until the month the retiree turns 65. Retirees are responsible for the full cost of the plan.

Employees Covered by Benefit Terms

As of the January 1, 2025, actuarial valuation for the County and the February 1, 2025 actuarial valuation for the School Board, the following employees were covered by the benefit terms of the plan:

	County	School Board
Retirees currently receiving benefits	5	32
Active employees	396	1,029
	401	1,061

Total OPEB Liability

The County’s and School Board’s total OPEB liability of \$701,091 and \$2,410,014, respectively, were measured as of June 30, 2024, and determined based on actuarial valuations performed as of January 1, 2025, and February 1, 2025, for the County and School Board, respectively, and rolled backward to the measurement date of June 30, 2024.

Actuarial Assumptions and Other Inputs

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

	County	School Board
Inflation	3.97%	3.97%

Mortality rates: SOA Pub-2010 Employees Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021.

The actuarial assumptions used in the January 1, 2025, and February 1, 2025, valuations were based on the results of a VRS actuarial experience study dated September 10, 2021.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

There have been no changes in benefit terms.

Changes in County and School Board assumptions and other inputs reflect change in discount rate from 3.86% to 3.97% based on GASB 75 rules.

Changes in the Total OPEB Liability

	Bedford County			School Board		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at June 30, 2023	\$ 854,715	\$ -	\$ 854,715	\$ 2,727,294	\$ -	\$ 2,727,294
Changes for the year:						
Service cost	52,845	-	52,845	165,908	-	165,908
Interest	33,838	-	33,838	108,382	-	108,382
Changes in assumptions	14,227	-	14,227	55,048	-	55,048
Differences between expected and actual experience	(192,666)	-	(192,666)	(475,848)	-	(475,848)
Contributions – employer	-	61,868	(61,868)	-	170,770	(170,770)
Benefit payments, including refunds of employee contributions	(61,868)	(61,868)	-	(170,770)	(170,770)	-
Net changes	(153,624)	-	(153,624)	(317,280)	-	(317,280)
Balance at June 30, 2024	<u>\$ 701,091</u>	<u>\$ -</u>	<u>\$ 701,091</u>	<u>\$ 2,410,014</u>	<u>\$ -</u>	<u>\$ 2,410,014</u>

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

The following presents the total OPEB liability of the County and School Board, as well as what the County and School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current discount rate:

	<u>1.00% Decrease (2.97%)</u>	<u>Current Discount Rate (3.97%)</u>	<u>1.00% Increase (4.97%)</u>
Bedford County	\$ 763,563	\$ 701,091	\$ 644,307
Bedford County School Board	\$ 2,582,300	\$ 2,410,014	\$ 2,246,263

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

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

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

	1.00% Decrease (3.04%)	Current Healthcare Cost Trend Rate (4.04%)	1.00% Increase (5.04%)
Bedford County	\$ 628,284	\$ 701,091	\$ 786,514
Bedford County School Board	\$ 2,179,871	\$ 2,410,014	\$ 2,675,836

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

For the year ended June 30, 2025, the County recognized OPEB expense of \$17,651 and the School Board recognized an OPEB benefit of \$(409,943). At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	County Local OPEB		School Board Local OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 591	\$ 231,585	\$ 778,175	\$ 679,385
Change in assumptions	34,245	78,211	128,756	302,557
Employer contributions subsequent to the measurement date	197,660	-	349,632	-
	<u>\$ 232,496</u>	<u>\$ 309,796</u>	<u>\$ 1,256,563</u>	<u>\$ 981,942</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 15. Other Postemployment Benefits Liability – Local Plan (Continued)

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

The \$197,660 and \$349,632 reported as deferred outflows of resources related to OPEB resulting from the retiree’s contributions subsequent to the measurement date will be recognized as a reduction of the 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 OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Increase (Reduction) to Local OPEB Expense	
	County	Schools
2026	\$ (92,200)	\$ (20,150)
2027	(87,279)	(9,540)
2028	(36,002)	102,045
2029	(29,740)	(27,136)
2030	(29,739)	(60,114)
Thereafter	-	(60,116)

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans

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

Plan Descriptions

Group Life Insurance Program

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Plan Descriptions (Continued)

Teacher Employee Health Insurance Credit Program

All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

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

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both plans are considered multiple employer, cost sharing plans.

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

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

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

	Number
Inactive members or their beneficiaries currently receiving benefits	37
Inactive members – vested	7
Active elsewhere in VRS	35
Active members	199
Total covered employee	278

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions

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

Group Life Insurance Program-Bedford County

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$147,408
June 30, 2025 Contribution	\$141,545

Group Life Insurance Program-Bedford County School Board-Teachers

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$325,804
June 30, 2025 Contribution	\$290,632

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions (Continued)

Group Life Insurance Program-Bedford County School Board-Nonprofessional

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$38,013
June 30, 2025 Contribution	\$33,469

Teacher Health Insurance Credit Program-Bedford County School Board

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2024 Contribution	\$735,691
June 30, 2025 Contribution	\$744,906

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation.
June 30, 2024 Contribution	\$82,539
June 30, 2025 Contribution	\$82,923

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

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

Group Life Insurance Program-Bedford County

June 30, 2025 proportionate share of liability	\$ 1,193,702
June 30, 2024 proportion	0.11%
June 30, 2023 proportion	0.11%
June 30, 2025 expense	\$ 39,145

Group Life Insurance Program-Bedford County School Board-Teachers

June 30, 2025 proportionate share of liability	\$ 2,686,359
June 30, 2024 proportion	0.24%
June 30, 2023 proportion	0.25%
June 30, 2025 expense	\$ 17,183

Group Life Insurance Program-Bedford County School Board-Nonprofessional

June 30, 2025 proportionate share of liability	\$ 320,046
June 30, 2024 proportion	0.03%
June 30, 2023 proportion	0.03%
June 30, 2025 expense	\$ 5,318

Teacher Health Insurance Credit Program-Bedford County School Board

June 30, 2025 proportionate share of liability	\$ 6,657,804
June 30, 2024 proportion	0.58%
June 30, 2023 proportion	0.59%
June 30, 2025 expense	\$ 423,631

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2023	\$ 420,807	\$ 148,195	\$ 272,612
Changes for the year:			
Service costs	6,254	-	6,254
Interest	28,147	-	28,147
Difference between expected and actual experience	\$ (17,325)	\$ -	\$ (17,325)
Contributions – employer	-	86,669	(86,669)
Benefit payments, including refunds of employee contributions	(20,125)	(20,125)	-
Net investment income	-	18,150	(18,150)
Administrative expenses	-	281	281
Net changes	(3,049)	84,413	(87,462)
Balances at June 30, 2024	\$ 417,758	\$ 232,608	\$ 185,150

In addition, for the year ended June 30, 2025, the School Board recognized OPEB income of \$33,469 related to the General Employee Health Insurance Credit Program.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

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

Group Life Insurance Program-Bedford County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 188,274	\$ 29,158
Change in assumptions	6,804	59,157
Net difference between projected and actual earnings on OPEB plan investments	-	100,617
Changes in proportion	31,749	8,252
Employer contributions subsequent to the measurement date	141,545	-
Total	\$ 368,372	\$ 197,184

Group Life Insurance Program-Bedford County School Board-Teachers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 423,701	\$ 65,619
Change in assumptions	15,312	133,130
Net difference between projected and actual earnings on OPEB plan investments	-	226,432
Changes in proportion	1,857	200,078
Employer contributions subsequent to the measurement date	290,632	-
Total	\$ 731,502	\$ 625,259

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Group Life Insurance Program-Bedford County School Board-Nonprofessional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,479	\$ 7,818
Change in assumptions	1,824	15,861
Net difference between projected and actual earnings on OPEB plan investments	-	26,977
Changes in proportion	39,345	14,370
Employer contributions subsequent to the measurement date	33,469	-
Total	<u>\$ 125,117</u>	<u>\$ 65,026</u>

Teacher Health Insurance Credit Program-Bedford County School Board

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 315,431
Change in assumptions	114,695	-
Net difference between projected and actual earnings on OPEB plan investments	-	23,682
Changes in proportion	9,917	348,489
Employer contributions subsequent to the measurement date	744,906	-
Total	<u>\$ 869,518</u>	<u>\$ 687,602</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 7,366	\$ -
Differences between expected and actual experience	-	225,638
Net difference between projected and actual earnings on OPEB plan investments	-	3,562
Employer contributions subsequent to the measurement date	82,923	-
Total	\$ 90,289	\$ 229,200

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

Group Life Insurance Program-Bedford County

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2026	\$ (42,734)
2027	27,579
2028	7,360
2029	18,681
2030	18,756
Thereafter	-

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Group Life Insurance Program-Bedford County School Board-Teachers

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to OPEB Expense</u>
2026	\$ (173,081)
2027	1,758
2028	(35,232)
2029	(2,050)
2030	24,216
Thereafter	-

Group Life Insurance Program-Bedford County School Board-Nonprofessional

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to OPEB Expense</u>
2026	\$ (13,278)
2027	10,283
2028	8,431
2029	9,877
2030	11,309
Thereafter	-

Teacher Health Insurance Credit Program-Bedford County School Board

<u>Year Ending June 30,</u>	<u>Reduction to OPEB Expense</u>
2026	\$ (120,560)
2027	(107,701)
2028	(124,384)
2029	(112,858)
2030	(65,019)
Thereafter	(32,467)

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program – Bedford County School Board-Nonprofessional

Year Ending June 30,	Reduction to OPEB Expense
2026	\$ (95,207)
2027	(97,711)
2028	(26,828)
2029	(2,088)
2030	-
Thereafter	-

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases, including inflation:	
Locality – general employees	3.50 – 5.35%
Locality – hazardous duty employees	3.50 – 4.75%
Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
Under age 65	7.25 – 4.25%
Ages 65 and older	6.50 – 4.25%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Net OPEB Liabilities

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

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

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

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Long-Term Expected Rate of Return (Continued)

Group Life Insurance and Health Insurance Credit Programs (Continued)

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

**The above allocation provides for a one-year return of 7.0% (includes 2.50% inflation assumption). However, one-year returns do not consider the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.*

Discount Rate

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

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 16. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI net OPEB liability			
Bedford County	\$ 1,856,361	\$ 1,193,702	\$ 658,360
School Board - Teachers	4,177,637	2,686,359	1,481,602
School Board - Nonprofessional	497,714	320,046	176,515
Teacher HIC net OPEB liability			
School Board - Teachers	7,571,584	6,657,804	5,883,292
School Board - Nonprofessional	227,520	185,150	148,744

OPEB 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 <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 17. Landfill Closure and Post-closure Costs

Permit #30

The County stopped accepting waste at its old landfill site, permit #30, on October 8, 1993. In accordance with federal and state laws, the County placed a final cover on this site and was required to perform certain maintenance and monitoring functions for ten years after closure. The site was certified as closed by the Virginia Department of Environmental Quality (DEQ) on July 2, 1996. The cumulative amount of estimated post-closure care costs to date for this site, less amounts expended for such costs to date, totals \$1,879,883.

The presence of certain contaminants in the groundwater extends the monitoring period beyond the initial requirement. The estimated liability is based on the DEQ continuing to accept the current remedy enacted as discussed below and documented in the Corrective Action Permit dated November 21, 2006. If groundwater conditions change significantly, prompting DEQ to require a change to the current remedy, the actual costs will likely increase. Also, actual costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances. This amount is included in the long-term liabilities of the primary government.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 17. Landfill Closure and Post-closure Costs (Continued)

Permit #30 (Continued)

The County's current plan of remediation consists of existing engineering and institutional controls (closure, capping, and site access restriction) coupled with groundwater remediation by monitored natural attenuation. This remedy consists of conducting groundwater and surface water monitoring at wells and springs on the site. It is the opinion of the County and its external engineer, based upon data observed to date, that during the next ten (10) years, the groundwater contaminants will decrease to an acceptable level and the County will be released from requirements of corrective action, and will petition DEQ to suspend all post-closure care activities including groundwater and gas monitoring.

Permit #560

The County's active landfill site, permit #560, began accepting waste on October 9, 1993. State and federal laws and regulations require the County to place a final cover on this landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for thirty (30) years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used, as of each balance sheet date. The \$8,663,927 reported as landfill closure and post-closure care liability as of June 30, 2025 represents the cumulative amount reported to date based on the use of approximately 85.1% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care of \$1,520,742 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County uses the financial test method for demonstrating assurance for post-closure care.

The County has not received any appreciable amounts of waste in the active landfill site for the past several years and currently has a Part B Permit Modification under review by the Virginia Department of Environmental Quality (DEQ) to address proposed closure activities. The Part B Permit Modification was submitted December 30, 2024, with the last response to DEQ technical review submitted July 18, 2025. The County expects closure activities to begin in Fall 2026, with completion expected in Summer 2027.

Note 18. Fund Balances

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County classifies governmental fund balances as follows:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they legally or contractually required to be maintained intact.
- **Restricted** fund balance includes amounts that have constraints placed on the use by external sources such as creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 18. Fund Balances (Continued)

- **Committed** fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority – the Board. Formal Board action includes the annual adoption of the County’s Budget and Appropriation Resolutions, budget amendments appropriating funds and resources, and budget amendments to carry forward appropriations that were unexpended at fiscal year-end.
- **Assigned** fund balance includes amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed. Fund balance may be assigned either through the encumbrance process because of normal purchasing activity or by the Board or an official delegated that authority.
- **Unassigned** fund balance is the positive fund balance within the General Fund which has not been classified as Restricted, Committed, or Assigned and negative fund balances in other governmental funds.

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

The General Fund reserve target is 20% of the next fiscal year’s General Fund recurring operating expenditures. To determine if the target has been met, the unassigned fund balance is compared with the annual appropriations budget.

A schedule of the County fund balances is on the following page.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 18. Fund Balances (Continued)

	General Fund	School Board
Nonspendable:		
Prepays	\$ 344,902	\$ 155,403
Inventories	72,586	198,871
Total nonspendable	417,488	354,274
Restricted for:		
Public safety	2,814,416	-
Other purposes	3,591,607	-
Total restricted	6,406,023	-
Committed to:		
Public works	317,873	-
Health self-insurance	-	1,688,999
Community development	2,421,672	-
Education-encumbrances	-	2,398,221
Capital projects	12,665,934	-
Total committed	15,405,479	4,087,220
Assigned to:		
Judicial administration	59,105	-
Public safety	1,319,628	-
Education	162,459	-
Education-nutrition	-	1,557,443
Education-textbooks	-	899,587
Education-maintenance projects	-	10,343,616
School activity fund	-	1,549,419
Funding of subsequent year budget	25,649,014	-
Subsequent year appropriation of fund balance	601,391	-
Total assigned	27,791,597	14,350,065
Unassigned	61,602,763	-
Total fund balances	\$ 111,623,350	\$ 18,791,559

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 19. Risk Management

The risk management programs of the County and School Board are as follows:

Worker's Compensation

Worker's Compensation Insurance is provided through VaCorp for both the County and the School Division. Benefits are those afforded through the Commonwealth of Virginia as outlined in *Code of Virginia* §65.2-100. Premiums are based on covered payroll, job rates, and claims experience. Total premiums paid for the current year were \$434,290 and \$277,642 for the County and School Division, respectively.

General Liability and Other

The County provides general liability and other insurance through VaCorp. General liability and business automobile have a \$2,000,000 limit. Boiler and machinery insurance has a \$125,000,000 limit and all other property insurance is covered as per the statement of values. Furthermore, public officials' liability insurance has a \$1,000,000 limit and line of duty coverage is provided pursuant to *Code of Virginia* §9.1-400. Total premiums for the current fiscal year were \$401,212.

The Bedford County Nursing Home has a separate policy for general liability insurance through GuideOne Mutual Insurance. The policy limit is \$3,000,000. Total premiums for the current fiscal year were \$51,948. Other Nursing Home insurance (i.e., worker's compensation, business auto, etc.) is included in the VaCorp policy and premiums noted in the preceding paragraph.

The School Division provides general liability and other insurance through VaCorp. General liability and business automobile have a \$2,000,000 limit. Boiler and machinery insurance has a \$50,000,000 limit and property insurance is covered as per the statement of values. Total premiums for the current fiscal year were \$461,665.

Health Care

The County moved from a commercial insurance program to a professionally administered self-insured health program to provide healthcare coverage for employees, retirees, and their dependents for the year ended June 30, 2025. Risk management activities are accounted for in the County Self-Insurance Fund. Monthly premiums are based upon estimates from the County's benefit consultant that should cover administrative expenses, stop loss insurance premiums, and claims. A stop loss insurance contract executed with an insurance carrier covers claims exceeding \$150,000 per covered individual per contract year. For the year ended June 30, total claims expense was \$5,275,278. Administrative fees and stop loss premiums for the year ended June 30 totaled \$1,345,643. Estimated incurred but not reported (IBNR) claims at June 30 based on prior experience totaled \$1,259,697. Changes in the balance of claims payable liability during the past year are follows:

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 19. Risk Management (Continued)

Health Care (Continued)

	County Health Insurance
Unpaid claims at July 1	\$ 892,166
Incurred claims (including IBNR and changes in estimates)	5,275,278
Claim payments	(4,907,747)
Unpaid claims at June 30	\$ 1,259,697

The School Board’s professionally administered self-insured health program provides healthcare coverage for employees, retirees, and their dependents. Risk management activities are accounted for in the School Operating Fund. Monthly premiums are based upon estimates from the School Board’s benefit consultant that should cover administrative expenses, stop loss insurance premiums, and claims. A stop loss insurance contract executed with an insurance carrier covers claims exceeding \$275,000 per covered individual per contract year. For the year ended June 30, total claims expense was \$12,833,085. Administrative fees and stop loss premiums for the year ended June 30 totaled \$2,133,661. Estimated incurred but not reported (IBNR) claims at June 30 based on prior experience totaled \$1,300,672. Changes in the balance of claims payable liability during the past year are follows:

	School Health Insurance
Unpaid claims at July 1	\$ 1,741,826
Incurred claims (including IBNR and changes in estimates)	12,833,085
Claim payments	(13,274,239)
Unpaid claims at June 30	\$ 1,300,672

Note 20. Related Organizations, Jointly Governed Organizations, and Joint Ventures

The following organizations are excluded from the accompanying financial statements:

Related Organizations:

Bedford Regional Water Authority (BRWA)

The BRWA (formerly the Bedford County Public Service Authority) was created pursuant to the Water and Sewer Authorities Act Chapter 28, Title 15.1 *Code of Virginia* of 1950, as amended, and in accordance with the Reversion Agreement executed in August 2012 between the Bedford County Board of Supervisors and the Bedford City Council. The BRWA operates on a Board-Administrator form of government. Its Board consists of a chairman and six other board members.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 20. Related Organizations, Jointly Governed Organizations, and Joint Ventures (Continued)

Related Organizations (Continued):

Bedford Regional Water Authority (BRWA) (Continued)

The BRWA serves the water and sewer needs of the Smith Mountain Lake, Forest, New London, and Boonsboro areas of the County as well as the Town of Bedford. The County contributes funding annually to the BRWA to assist in the payment of debt service for water and sewer lines and plant expansion.

Jointly Governed Organizations:

Horizon Behavioral Health (HBH)

The County, in conjunction with the Counties of Amherst, Appomattox, and Campbell, and the City of Lynchburg, participates in HBH, whose board is composed of two members from each of the participating localities. The County contributed \$189,910 for operations to HBH for 2025.

Blue Ridge Regional Jail Authority (BRRJA)

The County, in conjunction with the Counties of Amherst, Appomattox, Campbell, and Halifax, and the City of Lynchburg, participates in the BRRJA. Each member jurisdiction pays a per diem charge for each day that one of its prisoners is at any regional jail facility. In accordance with the service agreement, the Authority has divided the per diem charge into operating and debt service components. The per diem charge is based upon an assumed number of prisoner days and is subject to adjustment at the end of each fiscal year.

Joint Ventures:

Region 2000 Radio Communications Board

The County, along with the County of Amherst and City of Lynchburg, is a participant in the development and operation of a regional radio communication system, the Region 2000 Radio Communications Board (the "Board"). Each participant agreed to contribute its pro rata share for annual capital and operational costs, as well as any annual deficit. The Board issued debt of \$13.1 million in May 2012 for the upgrade and replacement of the existing system. Each participant agreed to contribute its pro rata share towards debt service payments of the Board. The County's share will be 41.90%, and annual contributions for debt service will approximate \$465,000 through May 2027. Should the Board fail to make the debt service payments, the member jurisdictions have a moral non-binding obligation to pay the debt service. During fiscal year 2025, the County paid the Board \$447,712 for debt service and \$511,683 for other operational costs.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 20. Related Organizations, Jointly Governed Organizations, and Joint Ventures (Continued)

Joint Ventures (Continued):

Tri-County Lake Administrative Commission (TLAC)

The County, in conjunction with the Counties of Franklin and Pittsylvania, created TLAC, which is composed of an eight-member board of directors appointed by the participating localities to carry out lake planning duties as may be assigned by the respective Boards of Supervisors. Such duties may include, but are not limited to, navigation marker issues, debris cleanup, and coordination with American Electric Power on lake-related issues. The County is responsible for annual contributions to TLAC, which equaled \$112,057 for 2025. Separate financial statements for TLAC are not available.

Note 21. Commitments and Contingencies

Litigation

The County and School Board, in the normal course of conducting affairs, are each involved in various claims, judgments, and litigation. Officials estimate that any ultimate liability not covered by insurance will have an immaterial effect on financial position.

Special purpose grants

Special purpose grants are subject to audit to determine compliance with their requirements. County officials believe that if any refunds are required, they will be immaterial.

Note 22. Tax Incentives

The County and EDA have performance-based tax incentive agreements with one local business. The agreements provide for a partial refund of Machinery and Tools tax paid for five years. The refund is based on the performance agreement investment of business machinery and tools. The refund percentage steps down by 10 percent during each year of the performance agreement (see schedule below):

Year 1	70%
Year 2	60
Year 3	50
Year 4	40
Year 5	30

During fiscal year 2025, \$5,964 was refunded to businesses in accordance with the above mentioned agreement.

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 23. Other Matters

On July 1, 2013, the City of Bedford, Virginia reverted to Town status. The reversion agreement provided for certain capital assets with a value of \$2,132,737 to be transferred to the County from the Town, including the Library and an elementary school. Due to the reversion, the School Board receives an increase in state education funding for 15 years. In consideration for the assets received from the Town, the County agreed to pay the Town \$500,000 annually for a period of 15 years. For any year in which the additional state education funding exceeds \$4 million, the County will pay the Town an additional \$250,000. For any year in which the additional state education funding is less than \$4 million, the payment to the Town will be reduced by a formula described in the reversion agreement. For the year ended June 30, 2025, the County paid the Town \$750,000, which was the Town’s share of additional funding for the year.

Note 24. Prior Period Restatement

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The purpose of this standard is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences, and to align the recognition and measurement guidance under the unified model by amending previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Accordingly, the County adopted GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025, and therefore, was required to restate the prior year’s net position due to a change in accounting principle. The following table shows the impact of this change:

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities		School Board	Public Library	Economic Development Authority	
	Nursing Home	Solid Waste	Total				
Net position at June 30, 2024, as previously reported	\$ 83,240,249	\$ 10,537,239	\$ 134,469	\$ 10,671,708	\$ 91,944,822	\$ 1,197,360	\$ 13,753,570
Implementation of GASB Statement No. 101, <i>Compensated Absences</i>	(15,932)	(15,365)	(8,532)	(23,897)	(247,828)	(6,492)	-
Correction of June 30, 2023 inventory value	-	-	-	-	-	-	(353,708)
Net position at June 30, 2024, as restated	<u>\$ 83,224,317</u>	<u>\$ 10,521,874</u>	<u>\$ 125,937</u>	<u>\$ 10,647,811</u>	<u>\$ 91,696,994</u>	<u>\$ 1,190,868</u>	<u>\$ 13,399,862</u>

COUNTY OF BEDFORD, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 25. Subsequent Events

In November 2024, the County applied for three literary loans on behalf of the Public Schools for three separate construction projects. The literary loan applications were approved by the Virginia Department of Education during the year ended June 30, 2025, but the loans were not finalized until July 2025. The three projects financed are as follows:

- Addition of a gymnasium at Bedford Primary School Gymnasium – expected to reach substantial completion in December 2025 – maximum loan amount is \$2,800,000
- Renovation of exterior canopies and renovation and expansion of the auditorium at Liberty High School – expected to reach substantial completion in October 2026 –maximum loan amount is \$11,207,000
- Renovation of exterior canopies and renovation and expansion of the auditorium at Staunton River High School – expected to reach substantial completion in October 2026 – maximum loan amount is \$14,680,000

All projects are currently underway. During the construction process, temporary loans are issued, and funds are drawn down on a reimbursement basis. Once construction is complete, or the maximum loan amount has been disbursed, the temporary loans will be converted to permanent loans. All three permanent literary loans have an annual interest rate of 3.0 percent and are payable over 20 years.

On October 28, 2025, the Board approved Resolution #R 102825-03 to authorize County staff to issue an Invitation for Bids (IFB) for the construction of approximately 25 acres of landfill closure capping at the Bedford County Landfill. Preliminary engineering estimates anticipate a cost of around \$16.6 million to fix an overflow issue, as required by the Department of Environmental Quality (DEQ), and subsequently, close the current cell. The engineering estimates are believed to be worst case scenario but until bids are received in response to the IFB, these estimates are the best indicator of the project cost.

Note 26. New Accounting Standards

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PRIMARY GOVERNMENT
June 30, 2025**

	Plan Year		
	2024	2023	2022
Total Pension Liability			
Service cost	\$ 3,086,323	\$ 2,451,352	\$ 2,296,598
Interest on total pension liability	6,334,197	6,073,429	5,939,927
Changes in benefit terms	-	-	-
Difference between expected and actual experience	7,114,390	(619,696)	(2,058,062)
Changes in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,868,061)	(4,485,600)	(4,225,212)
Net change in total pension liability	11,666,849	3,419,485	1,953,251
Total pension liability – beginning	93,187,663	89,768,178	87,814,927
Total pension liability – ending	104,854,512	93,187,663	89,768,178
Plan Fiduciary Net Position			
Contributions – employer	2,315,638	2,118,476	1,842,493
Contributions – employee	1,265,987	1,272,124	1,051,109
Net investment income	9,071,100	5,755,792	(95,987)
Benefit payments, including refunds of employee contributions	(4,868,061)	(4,485,600)	(4,225,212)
Administrative expenses	(58,916)	(56,906)	(56,301)
Other	1,935	2,322	2,095
Net change in plan fiduciary net position	7,727,683	4,606,208	(1,481,803)
Plan fiduciary net position – beginning	93,760,681	89,154,473	90,636,276
Plan fiduciary net position – ending	101,488,364	93,760,681	89,154,473
Net pension liability (asset) – ending	\$ 3,366,148	\$ (573,018)	\$ 613,705
Plan fiduciary net position as a percentage of total pension liability	97%	101%	99%
Covered employee payroll	\$ 29,674,024	\$ 27,394,405	\$ 24,460,444
Net pension liability as a percentage of covered employee payroll	11%	-2%	3%

The plan years above are reported in the entity’s financial statements in the fiscal year following the plan year – i.e., plan year 2015 information was presented in the entity’s fiscal year 2016 financial report.

The Notes to the Financial Statements are an integral part of this statement.

EXHIBIT 11

		Plan Year						
		2021	2020	2019	2018	2017	2016	2015
\$	2,289,733	\$ 2,202,410	\$ 2,021,050	\$ 2,006,400	\$ 1,898,498	\$ 1,804,637	\$ 1,919,057	
	5,363,784	5,171,252	4,947,523	4,534,182	4,339,811	4,238,485	4,072,090	
	-	-	-	-	517,512	-	-	
	11,504	(468,690)	283,759	2,720,519	(451,977)	(1,711,831)	(1,101,052)	
	2,831,347	-	2,366,146	-	(459,022)	-	-	
	(4,289,821)	(3,815,452)	(3,557,037)	(3,155,426)	(2,980,765)	(2,786,780)	(2,239,267)	
	6,206,547	3,089,520	6,061,441	6,105,675	2,864,057	1,544,511	2,650,828	
	81,608,380	78,518,860	72,457,419	66,351,744	63,487,687	61,943,176	59,292,348	
	87,814,927	81,608,380	78,518,860	72,457,419	66,351,744	63,487,687	61,943,176	
	1,779,084	1,487,607	1,400,026	1,339,030	1,272,940	1,481,732	1,451,172	
	1,014,907	1,032,124	989,164	957,613	909,120	826,393	812,546	
	19,686,177	1,377,574	4,582,631	4,805,143	7,135,145	1,023,046	2,558,667	
	(4,289,821)	(3,815,452)	(3,557,037)	(3,155,426)	(2,980,765)	(2,786,780)	(2,239,267)	
	(49,035)	(47,102)	(45,242)	(41,325)	(41,144)	(36,107)	(34,521)	
	1,860	(1,634)	(2,892)	132,140	(6,358)	(430)	(546)	
	18,143,172	33,117	3,366,650	4,037,175	6,288,938	507,854	2,548,051	
	72,493,104	72,459,987	69,093,337	65,056,162	58,767,224	58,259,370	55,711,319	
	90,636,276	72,493,104	72,459,987	69,093,337	65,056,162	58,767,224	58,259,370	
\$	(2,821,349)	\$ 9,115,276	\$ 6,058,873	\$ 3,364,082	\$ 1,295,582	\$ 4,720,463	\$ 3,683,806	
	103%	89%	92%	95%	98%	93%	94%	
\$	23,498,772	\$ 21,647,240	\$ 21,353,372	\$ 19,852,664	\$ 18,450,608	\$ 17,522,239	\$ 18,233,530	
	-12%	42%	28%	17%	7%	27%	20%	

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
SCHOOLS – NONPROFESSIONAL EMPLOYEES
June 30, 2025**

	Plan Year		
	2024	2023	2022
Total Pension Liability			
Service cost	\$ 564,591	\$ 524,571	\$ 478,719
Interest on total pension liability	1,887,894	1,800,821	1,762,842
Difference between expected and actual experience	295,875	629,709	(94,107)
Changes in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(1,699,056)	(1,711,248)	(1,550,065)
Net change in total pension liability	1,049,304	1,243,853	597,389
Total pension liability – beginning	28,253,735	27,009,882	26,412,493
Total pension liability – ending	29,303,039	28,253,735	27,009,882
Plan Fiduciary Net Position			
Contributions – employer	314,749	261,111	277,810
Contributions – employee	328,879	271,335	255,112
Net investment income	2,819,257	1,822,782	(18,589)
Benefit payments, including refunds of employee contributions	(1,699,056)	(1,711,248)	(1,550,065)
Administrative expenses	(19,479)	(18,688)	(18,785)
Other	546	728	676
Net change in plan fiduciary net position	1,744,896	626,020	(1,053,841)
Plan fiduciary net position – beginning	29,417,483	28,791,463	29,845,304
Plan fiduciary net position – ending	31,162,379	29,417,483	28,791,463
Net pension liability (asset) – ending	\$ (1,859,340)	\$ (1,163,748)	\$ (1,781,581)
Plan fiduciary net position as a percentage of total pension liability (asset)	106%	104%	107%
Covered employee payroll	\$ 8,830,071	\$ 7,537,603	\$ 6,337,433
Net pension liability (asset) as a percentage of covered employee payroll	-21%	-15%	-28%

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

EXHIBIT 12

		Plan Year						
		2021	2020	2019	2018	2017	2016	2015
\$	484,926	\$ 526,618	\$ 529,937	\$ 538,823	\$ 547,567	\$ 558,668	\$ 601,405	
	1,659,999	1,627,059	1,564,001	1,491,579	1,454,802	1,431,511	1,351,849	
	(259,734)	(155,622)	364,326	158,901	(164,960)	(638,390)	80,427	
	746,967	-	616,120	-	(224,914)	-	-	
	<u>(1,624,485)</u>	<u>(1,395,613)</u>	<u>(1,229,744)</u>	<u>(1,079,678)</u>	<u>(1,094,549)</u>	<u>(943,544)</u>	<u>(847,770)</u>	
	1,007,673	602,442	1,844,640	1,109,625	517,946	408,245	1,185,911	
	<u>25,404,820</u>	<u>24,802,378</u>	<u>22,957,738</u>	<u>21,848,113</u>	<u>21,330,167</u>	<u>20,921,922</u>	<u>19,736,011</u>	
	<u>26,412,493</u>	<u>25,404,820</u>	<u>24,802,378</u>	<u>22,957,738</u>	<u>21,848,113</u>	<u>21,330,167</u>	<u>20,921,922</u>	
	264,495	239,271	244,991	237,168	236,702	390,587	404,699	
	244,599	253,638	255,641	264,009	261,842	262,489	272,628	
	6,549,386	470,154	1,582,297	1,686,767	2,537,662	364,171	923,208	
	(1,624,485)	(1,395,613)	(1,229,744)	(1,079,678)	(1,094,549)	(943,544)	(847,770)	
	(16,923)	(16,462)	(16,057)	(14,762)	(14,951)	(13,042)	(12,637)	
	<u>612</u>	<u>(551)</u>	<u>(993)</u>	<u>(1,492)</u>	<u>(2,243)</u>	<u>(154)</u>	<u>(196)</u>	
	5,417,684	(449,563)	836,135	1,092,012	1,924,463	60,507	739,932	
	<u>24,427,620</u>	<u>24,877,183</u>	<u>24,041,048</u>	<u>22,949,036</u>	<u>21,024,573</u>	<u>20,964,066</u>	<u>20,224,134</u>	
	<u>29,845,304</u>	<u>24,427,620</u>	<u>24,877,183</u>	<u>24,041,048</u>	<u>22,949,036</u>	<u>21,024,573</u>	<u>20,964,066</u>	
\$	<u>(3,432,811)</u>	<u>\$ 977,200</u>	<u>\$ (74,805)</u>	<u>\$ (1,083,310)</u>	<u>\$ (1,100,923)</u>	<u>\$ 305,594</u>	<u>\$ (42,144)</u>	
	<u>113%</u>	<u>96%</u>	<u>100%</u>	<u>105%</u>	<u>105%</u>	<u>99%</u>	<u>100%</u>	
\$	<u>6,009,183</u>	<u>\$ 5,904,866</u>	<u>\$ 6,239,209</u>	<u>\$ 6,134,885</u>	<u>\$ 6,058,761</u>	<u>\$ 5,777,679</u>	<u>\$ 6,064,075</u>	
	<u>-57%</u>	<u>17%</u>	<u>-1%</u>	<u>-18%</u>	<u>-18%</u>	<u>5%</u>	<u>-1%</u>	

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PRIMARY GOVERNMENT – LENGTH OF SERVICE AWARDS PROGRAM
June 30, 2025**

	Plan Year					
	2025	2024	2023	2022	2021	2020
Total Pension Liability						
Service cost	\$ 63,132	\$ 83,074	\$ 84,435	\$ 90,798	\$ 152,699	\$ 105,316
Interest on total pension liability	148,128	118,903	115,124	157,123	67,062	72,729
Difference between expected and actual experience	(10,519)	(21,229)	(42,978)	82,762	122,220	(49,104)
Changes in assumptions	(524,670)	(74,893)	(117,479)	(1,571,683)	538,789	549,356
Benefit payments, including refunds of employee contributions	(24,026)	(18,600)	(34,096)	(35,547)	(196,278)	(111,653)
Net change in total pension liability	(347,955)	87,255	5,006	(1,276,547)	684,492	566,644
Total pension liability – beginning	3,089,415	3,002,160	2,997,154	4,273,701	3,589,209	3,022,565
Total pension liability – ending	2,741,460	3,089,415	3,002,160	2,997,154	4,273,701	3,589,209
Plan Fiduciary Net Position						
Contributions – employer	-	-	-	-	-	-
Contributions – employee	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position – beginning	-	-	-	-	-	-
Plan fiduciary net position – ending	-	-	-	-	-	-
Net pension liability – ending	\$ 2,741,460	\$ 3,089,415	\$ 3,002,160	\$ 2,997,154	\$ 4,273,701	\$ 3,589,209
Plan fiduciary net position as a percentage of total pension liability	0%	0%	0%	0%	0%	0%
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered employee payroll	0%	0%	0%	0%	0%	0%

Schedule is intended to show information for 10 years. Since the 2017 fiscal year was the first year for this presentation, no earlier data is available. Ad will be included as they become available.

EXHIBIT 13

Plan Year		
2019	2018	2017
\$ 95,314	\$ 97,910	\$ 104,705
86,214	98,590	98,942
(182,357)	(49,620)	-
329,430	(32,874)	(156,953)
<u>(116,441)</u>	<u>(64,755)</u>	<u>(118,545)</u>
212,160	49,251	(71,851)
<u>2,810,405</u>	<u>2,761,154</u>	<u>2,833,005</u>
<u>3,022,565</u>	<u>2,810,405</u>	<u>2,761,154</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 3,022,565</u>	<u>\$ 2,810,405</u>	<u>\$ 2,761,154</u>
<u>0%</u>	<u>0%</u>	<u>0%</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>0%</u>	<u>0%</u>	<u>0%</u>

Additional years



COUNTY OF BEDFORD, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2025

Entity Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government-All Employees					
2025	\$ 3,155,346	\$ 3,155,346	-	\$ 32,323,697	9.76 %
2024	2,547,977	2,547,977	-	29,674,024	8.59
2023	2,321,304	2,321,304	-	27,394,405	8.47
2022	2,009,006	2,009,006	-	24,460,444	8.21
2021	1,921,416	1,921,416	-	23,498,772	8.18
2020	1,599,989	1,599,989	-	21,647,240	7.39
2019	1,480,062	1,480,062	-	21,781,710	6.79
2018	1,394,763	1,394,763	-	21,353,372	6.53
2017	1,308,922	1,308,922	-	19,852,664	6.59
2016	1,504,339	1,504,339	-	18,450,608	8.15
Schools – Nonprofessional Employees					
2025	354,364	354,364	-	8,827,585	4.01
2024	350,558	350,558	-	8,830,071	3.97
2023	294,389	294,389	-	7,537,603	3.91
2022	308,439	308,439	-	6,337,433	4.87
2021	294,481	294,481	-	6,009,183	4.90
2020	268,886	268,886	-	5,904,866	4.55
2019	260,351	260,351	-	6,232,346	4.18
2018	248,907	248,907	-	6,239,209	3.99
2017	253,457	253,457	-	6,134,885	4.13
2016	394,983	394,983	-	6,058,761	6.52
Primary Government-Length of Service Awards Program					
2025	24,026	24,026	-	N/A	N/A
2024	18,600	18,600	-	N/A	N/A
2023	34,096	34,096	-	N/A	N/A
2022	35,547	35,547	-	N/A	N/A
2021	196,278	196,278	-	N/A	N/A
2020	111,653	111,653	-	N/A	N/A
2019	93,369	93,369	-	N/A	N/A
2018	96,350	96,350	-	N/A	N/A
2017	105,469	105,469	-	N/A	N/A

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY –
 VRS TEACHER RETIREMENT PLAN
 June 30, 2025

School Division Plan Year Ended June 30,	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.58 %	\$ 54,460,179	\$ 56,051,996	97.16 %	84.52 %
2023	0.59	59,933,703	55,140,604	108.69	82.45
2022	0.60	57,070,277	48,866,385	116.79	82.61
2021	0.61	47,251,645	48,170,110	98.09	71.47
2020	0.61	89,430,254	47,893,326	186.73	73.51
2019	0.62	81,823,201	49,842,942	164.16	73.51
2018	0.62	72,970,000	48,371,493	150.85	74.81
2017	0.61	75,240,000	47,412,845	158.69	72.92
2016	0.63	88,270,000	48,619,400	181.55	68.28
2015	0.62	78,504,000	47,022,390	166.95	70.68

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

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION CONTRIBUTIONS –
 VRS TEACHER RETIREMENT PLAN
 June 30, 2025

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer’s Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 8,774,254	\$ 8,774,254	\$ -	\$ 57,749,806	15.19 %
2024	10,080,181	10,080,181	-	56,051,996	17.98
2023	9,724,539	9,724,539	-	55,140,604	17.64
2022	8,860,532	8,860,532	-	48,866,385	18.13
2021	8,508,843	8,508,843	-	48,170,110	17.66
2020	7,910,482	7,910,482	-	47,893,326	16.52
2019	8,128,483	8,128,483	-	49,842,942	16.31
2018	8,147,789	8,147,789	-	48,371,493	16.84
2017	6,950,571	6,950,571	-	47,412,846	14.66
2016	6,672,491	6,672,491	-	48,619,400	13.72

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

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND
RELATED RATIOS – LOCAL PLANS
June 30, 2025

	Plan Year							
	Primary Government							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 52,845	\$ 54,138	\$ 77,187	\$ 68,693	\$ 63,358	\$ 62,102	\$ 42,428	\$ 45,868
Interest on total OPEB liability	33,838	30,038	19,601	23,410	28,107	31,493	23,759	18,053
Difference between expected and actual experience	(192,666)	(19,676)	(104,469)	(26,007)	(52,610)	4,131	252,668	-
Changes in assumptions	14,227	(11,630)	(165,365)	42,110	50,121	(35,609)	(90,532)	(42,476)
Benefit payments	(61,868)	(44,071)	(40,574)	(34,386)	(18,846)	(28,857)	(13,755)	25,799
Net change in total OPEB liability	(153,624)	8,799	(213,620)	73,820	70,130	33,260	214,568	47,244
Total OPEB liability – beginning	854,715	845,916	1,059,536	985,716	915,586	882,326	667,758	620,514
Total OPEB liability – ending	701,091	854,715	845,916	1,059,536	985,716	915,586	882,326	667,758
Plan Fiduciary Net Position								
Contributions – employer	61,868	44,071	40,574	34,386	18,846	28,857	(13,755)	(25,799)
Benefit payments	(61,868)	(44,071)	(40,574)	(34,386)	(18,846)	(28,857)	13,755	25,799
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position – beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position – ending	-	-	-	-	-	-	-	-
Net OPEB liability – ending	\$ 701,091	\$ 854,715	\$ 845,916	\$ 1,059,536	\$ 985,716	\$ 915,586	\$ 882,326	\$ 667,758
Plan fiduciary net position as a percentage of total OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%
Covered payroll	\$ 29,674,024	\$ 27,394,405	\$ 24,460,444	\$ 23,498,772	\$ 21,647,240	\$ 21,781,710	\$ 21,353,372	\$ 19,852,664
Net OPEB liability as a percentage of covered payroll	2.36%	3.12%	3.46%	4.51%	4.55%	4.20%	4.13%	3.36%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

EXHIBIT 17

Plan Year								
Schools								
	2024	2023	2022	2021	2020	2019	2018	2017
\$	165,908	\$ 169,479	\$ 234,056	\$ 208,748	\$ 221,313	\$ 206,165	\$ 432,439	\$ 460,509
	108,382	94,538	50,345	57,947	89,696	100,233	242,932	196,367
	(475,848)	227,264	941,191	364,157	(912,494)	(75,589)	(6,085,371)	-
	55,048	(29,416)	(565,895)	102,245	131,449	1,344	1,436,739	(371,559)
	(170,770)	(365,896)	(711,440)	(466,282)	(84,226)	(136,575)	(235,616)	(183,114)
	(317,280)	95,969	(51,743)	266,815	(554,262)	95,578	(4,208,877)	102,203
	2,727,294	2,631,325	2,683,068	2,416,253	2,970,515	2,874,937	7,083,814	6,981,611
	2,410,014	2,727,294	2,631,325	2,683,068	2,416,253	2,970,515	2,874,937	7,083,814
	170,770	365,896	711,440	466,282	84,226	136,575	235,616	183,114
	(170,770)	(365,896)	(711,440)	(466,282)	(84,226)	(136,575)	(235,616)	(183,114)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
\$	2,410,014	\$ 2,727,294	\$ 2,631,325	\$ 2,683,068	\$ 2,416,253	\$ 2,970,515	\$ 2,874,937	\$ 7,083,814
	0%	0%	0%	0%	0%	0%	0%	0%
\$	64,882,067	\$ 62,678,207	\$ 55,203,818	\$ 54,179,293	\$ 53,798,192	\$ 56,075,288	\$ 54,610,702	\$ 53,547,731
	3.71%	4.35%	4.77%	4.95%	4.49%	5.30%	5.26%	13.23%

The Notes to the Financial Statements are an integral part of this statement.

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS –
LOCAL PLANS
June 30, 2025**

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
County Local Plan					
2025	\$ 197,660	\$ 197,660	-	32,323,697	0.61 %
2024	27,487	27,487	-	29,674,024	0.09
2023	44,071	44,071	-	27,394,405	0.16
2022	43,314	43,314	-	24,460,444	0.18
2021	34,386	34,386	-	23,498,772	0.15
2020	18,846	18,846	-	21,647,240	0.09
2019	471,580	471,580	-	21,781,710	2.17
2018	13,755	13,755	-	21,353,372	0.06
Schools Local Plan					
2025	349,632	349,632	-	66,577,391	0.53
2024	602,576	602,576	-	64,882,067	0.93
2023	350,479	350,479	-	62,678,207	0.56
2022	736,372	736,372	-	55,203,818	1.33
2021	510,571	510,571	-	54,179,293	0.94
2020	198,370	198,370	-	53,798,192	0.37
2019	156,196	156,196	-	56,075,288	0.28
2018	235,616	235,616	-	54,610,702	0.43

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

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

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS –
VRS AGENT PLAN – SCHOOLS – NONPROFESSIONAL EMPLOYEES
June 30, 2025

	Plan Year				
	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	\$ 6,254	\$ 6,484	\$ 7,924	\$ 7,637	\$ -
Interest on total OPEB liability	28,147	52,163	48,291	43,735	-
Changes in benefit terms	-	-	-	-	647,931
Difference between expected and actual experience	(17,325)	(395,541)	(20,833)		
Changes in assumptions	-	-	39,397	15,587	-
Benefit payments	(20,125)	(17,192)	(14,776)		
Net change in total OPEB liability	(3,049)	(354,086)	60,003	66,959	647,931
Total OPEB liability – beginning	420,807	774,893	714,890	647,931	-
Total OPEB liability – ending	417,758	420,807	774,893	714,890	647,931
Plan Fiduciary Net Position					
Contributions – employer	86,669	70,019	50,313	46,958	-
Net investment income	18,150	7,868	(808)	6,416	-
Benefit payments	(20,125)	(17,192)	(14,776)	-	-
Administrative expenses	(281)	(224)	(171)	(209)	-
Other	-	1	-	-	-
Net change in plan fiduciary net position	84,413	60,472	34,558	53,165	-
Plan fiduciary net position – beginning	148,195	87,723	53,165	-	-
Plan fiduciary net position – ending	232,608	148,195	87,723	53,165	-
Net OPEB liability – ending	<u>\$ 185,150</u>	<u>\$ 272,612</u>	<u>\$ 687,170</u>	<u>\$ 661,725</u>	<u>\$ 647,931</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>180%</u>	<u>284%</u>	<u>883%</u>	<u>1345%</u>	<u>0%</u>
Covered payroll	<u>\$ 8,830,071</u>	<u>\$ 7,537,603</u>	<u>\$ 6,337,433</u>	<u>\$ 6,009,183</u>	<u>\$ 5,904,866</u>
Net OPEB liability as a percentage of covered payroll	<u>2%</u>	<u>4%</u>	<u>11%</u>	<u>11%</u>	<u>11%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2020 information was presented in the entity's fiscal year 2021 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan year 2020) was the first year for this plan, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS –
VRS AGENT PLAN – SCHOOLS – NONPROFESSIONAL EMPLOYEES
June 30, 2025**

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
VRS Health Insurance Credit Non-Teachers					
2025	\$ 82,923	\$ 82,923	-	8,827,585	0.94 %
2024	82,539	82,539	-	8,830,071	0.93
2023	68,904	68,904	-	7,537,603	0.91
2022	49,169	49,169	-	6,337,433	0.78
2021	10,417	10,417	-	6,009,183	0.17

Schedule is intended to show information for 10 years. Since 2021 was the first year for this plan, no earlier data is available. Additional years will be included as they become available.

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

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY –
VRS COST SHARING PLANS
June 30, 2025

Plan Fiscal Year Ended June 30,	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System – Health Insurance Credit – Schools – Teachers					
2024	0.58 %	\$ 6,657,804	56,051,996	11.88 %	21.82 %
2023	0.59	7,148,211	55,140,604	12.96	17.90
2022	0.60	7,443,818	48,866,385	15.23	15.09
2021	0.61	7,787,671	48,170,110	16.17	13.15
2020	0.61	7,991,338	47,893,326	16.69	9.95
2019	0.62	8,110,000	49,842,942	16.27	8.97
2018	0.62	7,859,000	48,371,493	16.25	8.08
2017	0.61	7,739,000	47,412,845	16.32	7.04
Virginia Retirement System – Group Life Insurance – Primary Government					
2024	0.11	1,193,702	29,674,024	4.02	73.41
2023	0.11	1,281,466	27,394,405	4.68	69.30
2022	0.10	1,256,475	24,460,444	5.14	67.21
2021	0.11	1,223,184	23,498,772	5.21	67.45
2020	0.11	1,755,783	21,647,240	8.11	52.64
2019	0.10	1,664,000	21,781,710	7.64	52.00
2018	0.10	1,583,000	21,353,372	7.41	51.22
2017	0.10	1,516,000	19,852,664	7.64	48.86
Virginia Retirement System – Group Life Insurance – Schools – Nonprofessional Employees					
2024	0.03	320,046	8,830,071	3.62	73.41
2023	0.03	301,987	7,537,603	4.01	69.30
2022	0.03	308,730	6,337,433	4.87	67.21
2021	0.03	292,116	6,009,183	4.86	67.45
2020	0.03	436,401	5,904,866	7.39	52.64
2019	0.03	445,000	6,232,346	7.14	52.00
2018	0.03	441,000	6,239,209	7.07	51.22
2017	0.03	443,000	6,134,885	7.22	48.86
Virginia Retirement System – Group Life Insurance – Schools-Teachers					
2024	0.24	2,686,359	56,051,996	4.79	73.41
2023	0.25	3,003,081	55,140,604	5.45	69.30
2022	0.26	3,082,607	48,866,385	6.31	67.21
2021	0.26	3,031,763	48,170,110	6.29	67.45
2020	0.26	4,363,507	47,893,326	9.11	52.64
2019	0.27	4,338,000	49,842,942	8.70	52.00
2018	0.26	4,014,000	48,371,493	8.30	51.22
2017	0.26	3,938,000	48,619,400	8.10	48.86

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

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

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS –
VRS COST SHARING PLANS
June 30, 2025

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System – Health Insurance Credit – Schools – Teachers					
2025	\$ 744,906	\$ 744,906	-	57,749,806	1.29 %
2024	735,691	735,691	-	56,051,996	1.31
2023	708,518	708,518	-	55,140,604	1.28
2022	641,597	641,597	-	48,866,385	1.31
2021	617,044	617,044	-	48,170,110	1.28
2020	606,005	606,005	-	47,893,326	1.27
2019	622,390	622,390	-	49,842,942	1.25
2018	614,318	614,318	-	48,371,493	1.27
Virginia Retirement System – Group Life Insurance – Primary Government					
2025	141,545	141,545	-	32,323,697	0.44
2024	147,408	147,408	-	29,674,024	0.50
2023	135,974	135,974	-	27,394,405	0.50
2022	121,666	121,666	-	24,460,444	0.50
2021	116,286	116,286	-	23,498,772	0.49
2020	113,460	113,460	-	21,647,240	0.52
2019	105,040	105,040	-	21,781,710	0.48
2018	103,829	103,829	-	21,353,372	0.49
Virginia Retirement System – Group Life Insurance – Schools- Nonprofessional Employees					
2025	33,469	33,469	-	8,827,585	0.38
2024	38,013	38,013	-	8,830,071	0.43
2023	31,878	31,878	-	7,537,603	0.42
2022	29,922	29,922	-	6,337,433	0.47
2021	27,252	27,252	-	6,009,183	0.45
2020	28,372	28,372	-	5,904,866	0.48
2019	29,198	29,198	-	6,232,346	0.47
2018	29,372	29,372	-	6,239,209	0.47
Virginia Retirement System – Group Life Insurance – Schools- Teachers					
2025	290,632	290,632	-	57,749,806	0.50
2024	325,804	325,804	-	56,051,996	0.58
2023	313,618	313,618	-	55,140,604	0.57
2022	284,161	284,161	-	48,866,385	0.58
2021	273,268	273,268	-	48,170,110	0.57
2020	264,295	264,295	-	47,893,326	0.55
2019	271,777	271,777	-	49,842,942	0.55
2018	261,711	261,711	-	48,371,493	0.54

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

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

The Notes to Required Supplementary Information are an integral part of this schedule.

COUNTY OF BEDFORD, VIRGINIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025**

Note 1. Changes of Benefit Terms

Pension

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

Other Postemployment Benefits (OPEB)

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

Note 2. Changes of Assumptions

The 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-Hazardous Duty:

- Update mortality table to PUB2010 public sector morality tables. For future morality improvements, replace load with a modified Morality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change in disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rates.
- Applicable to: Pension, GLI OPEB, and LODA OPEB

(Continued)

COUNTY OF BEDFORD, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

Note 2. Changes of Assumptions (Continued)

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.
- Applicable to: Pension, GLI OPEB, and HIC OPEB

OTHER SUPPLEMENTARY INFORMATION



DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD

SPECIAL REVENUE FUNDS – Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The component unit – School Board has the following special revenue funds.

School Operating Fund – Accounts for the primary operating activities of the public school system.

School Nutrition Fund – Accounts for revenues and expenditures associated with the food services within the school system.

School Textbook Fund – Accounts for the state and local funds provided for the purchase of textbooks.

School Activities Fund – The School Activities Fund accounts for all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, etc., and from any and all school sponsored activities of the Schools that involve school personnel, students, or property.

CAPITAL PROJECTS FUNDS – Capital projects funds are used to account for revenues and expenditures related to major construction and renovation. The component unit – School Board has the following capital projects fund.

School Capital Projects Fund – Accounts for revenues and expenditures related to major construction and renovation projects of the school system.

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
 COMBINING BALANCE SHEET
 Year Ended June 30, 2025

	Special Revenue Funds				Capital Projects	Total Governmental Funds
	Operating	Nutrition	Textbooks	School Activities		
ASSETS						
Cash and cash equivalents	\$ 13,873,266	\$ 1,923,100	\$ 2,329,017	\$ 1,549,419	\$ -	\$ 19,674,802
Receivables, net	4,779,778	-	-	-	-	4,779,778
Due from primary government	5,416,011	-	-	-	6,420,974	11,836,985
Due from other funds	5,033,366	-	-	-	-	5,033,366
Prepays	129,931	25,472	-	-	-	155,403
Inventories	-	198,871	-	-	-	198,871
Total assets	<u>\$ 29,232,352</u>	<u>\$ 2,147,443</u>	<u>\$ 2,329,017</u>	<u>\$ 1,549,419</u>	<u>\$ 6,420,974</u>	<u>\$ 41,679,205</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 1,420,141	\$ -	\$ -	\$ -	\$ 1,416,354	\$ 2,836,495
Accrued payroll and related liabilities	12,675,929	336,911	-	-	-	13,012,840
Due to other funds	-	28,746	-	-	5,004,620	5,033,366
Self insurance	1,300,672	-	-	-	-	1,300,672
Deferred revenue	704,273	-	-	-	-	704,273
Total liabilities	<u>16,101,015</u>	<u>365,657</u>	<u>-</u>	<u>-</u>	<u>6,420,974</u>	<u>22,887,646</u>
FUND BALANCES						
Fund balances:						
Nonspendable	129,931	224,343	-	-	-	354,274
Committed	2,657,790	-	1,429,430	-	-	4,087,220
Assigned	10,343,616	1,557,443	899,587	1,549,419	-	14,350,065
Unassigned	-	-	-	-	-	-
Total fund balances	<u>13,131,337</u>	<u>1,781,786</u>	<u>2,329,017</u>	<u>1,549,419</u>	<u>-</u>	<u>18,791,559</u>
Total liabilities and fund balances	<u>\$ 29,232,352</u>	<u>\$ 2,147,443</u>	<u>\$ 2,329,017</u>	<u>\$ 1,549,419</u>	<u>\$ 6,420,974</u>	

(Continued)

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
 COMBINING BALANCE SHEET
 Year Ended June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balance, Governmental Funds		\$ 18,791,559
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 333,106,104	
Accumulated depreciation and amortization	<u>(189,826,390)</u>	143,279,714
Other long-term assets not available to pay for current period expenditures and therefore are deferred in the funds.		704,273
Amounts due from the primary government are adjusted based on accruals as part of this government-wide conversion process, resulting in a reduction in the current year amount.		1,356,111
Financial statement elements related to pension and other postemployment benefits are applicable to future period and therefore, are not reported in the funds.		
Deferred outflows related to:		
Pensions	19,712,281	
Other postemployment benefits	3,072,990	
Deferred inflows related to:		
Pensions	(11,530,296)	
Other postemployment benefits	(2,589,029)	
Net pension asset	1,859,340	
Net pension liability	(54,460,179)	
Net other postemployment benefit liability	<u>(12,259,373)</u>	(56,194,266)
Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Accrued interest	(48,119)	
Leases	(3,461,253)	
Subscriptions	(1,294,975)	
Compensated absences	<u>(2,012,265)</u>	<u>(6,816,612)</u>
Net position of Governmental Activities		<u>\$ 101,120,779</u>

COUNTY OF BEDFORD, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2025**

	<u>Special Revenue Funds</u>					<u>Total Governmental Funds</u>
	<u>Operating</u>	<u>Nutrition</u>	<u>Textbooks</u>	<u>School Activities</u>	<u>Capital Projects</u>	
REVENUES						
Revenue from use of money and property	\$ 139,403	\$ 49,992	\$ 33,389	\$ -	\$ -	\$ 222,784
Charges for services	586,741	1,108,402	-	3,603,842	-	5,298,985
Other	1,183,420	-	470	-	-	1,183,890
Intergovernmental:						
County of Bedford	40,095,504	-	300,000	-	6,420,974	46,816,478
Commonwealth of Virginia	81,004,076	233,758	932,240	-	-	82,170,074
Federal government	6,344,613	3,755,886	-	-	-	10,100,499
Total revenues	<u>129,353,757</u>	<u>5,148,038</u>	<u>1,266,099</u>	<u>3,603,842</u>	<u>6,420,974</u>	<u>145,792,710</u>
EXPENDITURES						
Current:						
Instructional	89,711,641	-	351,397	3,597,904	-	93,660,942
Administration, attendance, and health	5,597,358	-	-	-	-	5,597,358
Pupil transportation services	8,855,130	-	-	-	-	8,855,130
Operations and maintenance services	16,637,790	-	-	-	-	16,637,790
Nutrition services	-	5,419,233	-	-	-	5,419,233
Technology	5,971,573	-	-	-	-	5,971,573
Debt service:						
Principal	1,819,654	-	-	-	-	1,819,654
Interest and other fiscal charges	148,347	-	-	-	-	148,347
Capital projects	1,209,590	-	-	-	6,420,974	7,630,564
Total expenditures	<u>129,951,083</u>	<u>5,419,233</u>	<u>351,397</u>	<u>3,597,904</u>	<u>6,420,974</u>	<u>145,740,591</u>
Excess (deficiency) of revenues over expenditures	<u>(597,326)</u>	<u>(271,195)</u>	<u>914,702</u>	<u>5,938</u>	<u>-</u>	<u>52,119</u>
OTHER FINANCING SOURCES						
SBITA proceeds	1,209,590	-	-	-	-	1,209,590
Total other financing sources	<u>1,209,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,209,590</u>
Net change in fund balances	612,264	(271,195)	914,702	5,938	-	1,261,709
Fund balance, beginning	<u>12,519,073</u>	<u>2,052,981</u>	<u>1,414,315</u>	<u>1,543,481</u>	<u>-</u>	
Fund balance, ending	<u>\$ 13,131,337</u>	<u>\$ 1,781,786</u>	<u>\$ 2,329,017</u>	<u>\$ 1,549,419</u>	<u>\$ -</u>	

(Continued)

COUNTY OF BEDFORD, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2025

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

Net changes in fund balances - total governmental funds \$ 1,261,709

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 depreciation exceeded capital outlays in the current period.

Capital outlay expenditures that were capitalized	\$ 11,295,834	
Depreciation expense for governmental assets	(8,738,040)	
GASB 87 lease amortization	(257,119)	
GASB 96 subscription amortization	(270,076)	
Loss on disposal of capital asset	<u>(22,138)</u>	2,008,461

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

Employer pension contributions		9,128,618
Pension expense		<u>(4,959,458)</u>

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

Employer other postemployment benefit contributions		1,501,563
Other postemployment expense		<u>(375,000)</u>

The issuance of long-term debt 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 has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Subscription debt issued	(1,209,590)	
Principal payments on long-term debt	1,819,654	
Decrease in accrued interest payable	<u>20,200</u>	630,264

Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Other revenues		(58,279)
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Expenses in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		<u>285,907</u>
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Total changes in net position of governmental activities \$ 9,423,785

COUNTY OF BEDFORD, VIRGINIA

**DISCRETELY PRESENTED COMPONENT UNIT – BEDFORD COUNTY SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – CASH BASIS
Year Ended June 30, 2025**

	<u>Operating</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from use of money and property	\$ 50,000	\$ 50,000	\$ 139,403	\$ 89,403
Charges for services	530,000	530,000	605,093	75,093
Other	450,000	511,768	490,767	(21,001)
Intergovernmental:				
County of Bedford	39,093,028	39,838,833	39,676,374	(162,459)
Commonwealth of Virginia	80,257,698	81,525,877	80,700,810	(825,067)
Federal government	5,484,498	6,336,206	6,168,847	(167,359)
 Total revenues	<u>125,865,224</u>	<u>128,792,684</u>	<u>127,781,294</u>	<u>(1,011,390)</u>
 EXPENDITURES				
Current:				
Instructional	85,223,034	89,134,603	87,837,056	1,297,547
Administration, attendance, and health	6,370,576	6,330,576	5,645,520	685,056
Pupil transportation services	10,478,688	10,618,688	10,156,372	462,316
Operations and maintenance services	17,365,731	19,211,055	16,179,329	3,031,726
Nutrition services	-	-	-	-
Technology	6,427,195	6,377,195	6,194,824	182,371
 Total expenditures	<u>125,865,224</u>	<u>131,672,117</u>	<u>126,013,101</u>	<u>5,659,016</u>
 Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,879,433)</u>	<u>1,768,193</u>	<u>4,647,626</u>
 Net change in fund balances	<u>\$ -</u>	<u>\$ (2,879,433)</u>	<u>\$ 1,768,193</u>	<u>\$ 4,647,626</u>

Nutrition				Textbooks			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 7,000	\$ 7,000	\$ 49,992	\$ 42,992	\$ -	\$ -	\$ 33,389	\$ 33,389
1,800,000	1,800,000	1,090,050	(709,950)	-	-	-	-
-	-	-	-	-	-	470	470
-	-	-	-	300,000	300,000	300,000	-
140,665	240,665	233,758	(6,907)	796,901	796,901	932,240	135,339
3,144,578	3,144,578	3,755,886	611,308	-	-	-	-
5,092,243	5,192,243	5,129,686	(62,557)	1,096,901	1,096,901	1,266,099	169,198
-	-	-	-	1,096,901	1,096,901	351,397	745,504
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,092,243	5,192,243	5,451,448	(259,205)	-	-	-	-
-	-	-	-	-	-	-	-
5,092,243	5,192,243	5,451,448	(259,205)	1,096,901	1,096,901	351,397	745,504
-	-	(321,762)	(321,762)	-	-	914,702	914,702
\$ -	\$ -	\$ (321,762)	\$ (321,762)	\$ -	\$ -	\$ 914,702	\$ 914,702



CUSTODIAL FUNDS



COUNTY OF BEDFORD, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2025

	Custodial Funds							
	Tri-County Lakes Administrative Commission	Bedford Community Coalition	Bedford Wine Trail	Special Welfare Fund	Road Escrow Accounts	Land Disturbing Bonds	Sheriff Asset Seizures	Total
ASSETS								
Cash and cash equivalents, restricted	\$ 522,671	\$ -	\$ -	\$ 57,033	\$ 408,106	\$ 313,828	\$ 39,814	\$ 1,341,452
Security deposits	900	-	-	-	-	-	-	900
Receivables, net	1,005	-	-	-	-	-	-	1,005
Total assets	<u>\$ 524,576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,033</u>	<u>\$ 408,106</u>	<u>\$ 313,828</u>	<u>\$ 39,814</u>	<u>\$ 1,343,357</u>
LIABILITIES								
Accounts payable	\$ 1,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,097
Accrued payroll and related liabilities	5,552	-	-	-	-	-	-	5,552
Total liabilities	<u>\$ 6,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,649</u>
NET POSITION								
Restricted for: Individuals, organizations, and other governments	<u>\$ 517,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,033</u>	<u>\$ 408,106</u>	<u>\$ 313,828</u>	<u>\$ 39,814</u>	<u>\$ 1,336,708</u>

COUNTY OF BEDFORD, VIRGINIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2025

	Custodial Funds							
	Tri-County Lake Administrative Commission	Bedford Community Coalition	Bedford Wine Trail	Special Welfare Fund	Road Escrow Accounts	Land Disturbing Bonds	Sheriff Asset Seizures	Total
ADDITIONS								
Contributions received from localities	\$ 307,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,679
Interest earnings	2,864	6	-	33	7,314	7,871	204	18,292
Payments received from and on behalf of grant awards	19,544	-	-	-	-	-	-	19,544
Payments received from and on behalf of VPA clients	-	-	-	151,540	-	-	-	151,540
Road escrow deposits	-	-	-	-	396,415	-	-	396,415
Land disturbing bond deposits	-	-	-	-	-	100,914	-	100,914
Confiscated proceeds	-	-	-	-	-	-	8,906	8,906
Other miscellaneous payments received	150	-	-	-	-	-	-	150
Total additions	<u>\$ 330,237</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 151,573</u>	<u>\$ 403,729</u>	<u>\$ 108,785</u>	<u>\$ 9,110</u>	<u>\$ 1,003,440</u>
DEDUCTIONS								
Payments to vendors	\$ 100,666	\$ -	\$ 108	\$ -	\$ -	\$ -	\$ -	\$ 100,774
Payments to primary government	-	1,256	2,163	-	-	-	-	3,419
Payments to benefit individuals	-	-	-	160,699	-	-	-	160,699
Payments to employees	183,109	-	-	-	-	-	-	183,109
Release of road escrow accounts	-	-	-	-	67,737	-	-	67,737
Release of land disturbing bonds	-	-	-	-	-	415,729	-	415,729
Release of confiscated proceeds	-	-	-	-	-	-	32,696	32,696
Total deductions	<u>\$ 283,775</u>	<u>\$ 1,256</u>	<u>\$ 2,271</u>	<u>\$ 160,699</u>	<u>\$ 67,737</u>	<u>\$ 415,729</u>	<u>\$ 32,696</u>	<u>\$ 964,163</u>
Net increase (decrease) in fiduciary net position	\$ 46,462	\$ (1,250)	\$ (2,271)	\$ (9,126)	\$ 335,992	\$ (306,944)	\$ (23,586)	\$ 39,277
NET POSITION - AT JULY 1	<u>471,465</u>	<u>1,250</u>	<u>2,271</u>	<u>66,159</u>	<u>72,114</u>	<u>620,772</u>	<u>63,400</u>	<u>1,297,431</u>
NET POSITION - AT JUNE 30	<u>\$ 517,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,033</u>	<u>\$ 408,106</u>	<u>\$ 313,828</u>	<u>\$ 39,814</u>	<u>\$ 1,336,708</u>

SUPPORTING SCHEDULES



COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 51,050,000	\$ 51,050,000	\$ 51,857,840	\$ 807,840
Real and personal public service corporation property taxes	1,450,000	1,450,000	1,446,222	(3,778)
Personal property taxes (local remittance)	21,725,000	21,725,000	25,723,125	3,998,125
Machinery and tools taxes	2,825,000	2,825,000	3,293,060	468,060
Mobile home taxes	75,000	75,000	100,604	25,604
Penalties and interest	950,000	950,000	1,351,523	401,523
Total general property taxes	<u>78,075,000</u>	<u>78,075,000</u>	<u>83,772,374</u>	<u>5,697,374</u>
Other local taxes:				
Local sales and use taxes	9,847,779	9,847,779	10,420,160	572,381
Consumer utility taxes	1,262,600	1,262,600	1,290,499	27,899
Utility license tax	40,000	40,000	49,397	9,397
Bank stock taxes	525,000	525,000	673,332	148,332
Taxes on recordations and wills	1,330,000	1,330,000	1,540,634	210,634
Transient occupancy tax	1,950,000	1,950,000	2,063,090	113,090
Meals tax	2,400,000	2,400,000	2,888,190	488,190
Communications sales tax	1,200,000	1,200,000	1,240,754	40,754
Total other local taxes	<u>18,555,379</u>	<u>18,555,379</u>	<u>20,166,056</u>	<u>1,610,677</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	15,000	15,000	18,986	3,986
Building permits	450,000	450,000	513,686	63,686
Other permits and licenses	84,650	84,650	144,016	59,366
Planning permits and fees	75,000	75,000	60,080	(14,920)
Total permits, privilege fees, and regulatory licenses	<u>624,650</u>	<u>624,650</u>	<u>736,768</u>	<u>112,118</u>
Fines and forfeitures	<u>16,000</u>	<u>16,000</u>	<u>92,440</u>	<u>76,440</u>
Revenue from use of money and property:				
Revenue from use of money	1,751,675	1,751,686	5,122,995	3,371,309
Revenue from use of property	214,172	214,172	290,036	75,864
Total revenue from use of money and property	<u>1,965,847</u>	<u>1,965,858</u>	<u>5,413,031</u>	<u>3,447,173</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Charges for services:				
Court costs	\$ 115,204	\$ 115,204	\$ 151,143	\$ 35,939
Commonwealth attorney	4,500	4,500	5,675	1,175
Law enforcement and traffic control	51,672	51,672	85,641	33,969
Welfare and social services	91,000	91,000	162,868	71,868
Recreation fees	99,000	112,130	110,851	(1,279)
EMS cost recoveries	2,575,000	2,575,000	2,888,326	313,326
Other	43,500	43,500	35,442	(8,058)
Total charges for services	<u>2,979,876</u>	<u>2,993,006</u>	<u>3,439,946</u>	<u>446,940</u>
Miscellaneous	273,150	482,988	1,392,407	909,419
Recovered costs:				
Town of Bedford-Communications	74,681	74,681	22,990	(51,691)
Horizon-Social services	60,200	60,200	74,537	14,337
Bedford County School Board	-	239,771	224,207	(15,564)
Economic Development Authority	28,319	28,319	26,781	(1,538)
Bedford Public Library	35,000	35,000	35,000	-
Tri-County Lake Administrative Commission	10,000	10,000	10,000	-
Central Garage	250,000	250,000	338,758	88,758
Nursing home	285,000	285,000	313,626	28,626
Other	-	110,237	68,052	(42,185)
Total recovered costs	<u>743,200</u>	<u>1,093,208</u>	<u>1,113,951</u>	<u>20,743</u>
Total revenue from local sources	<u>103,233,102</u>	<u>103,806,089</u>	<u>116,126,973</u>	<u>12,320,884</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Personal property taxes (state remittance)	6,086,051	6,086,051	6,086,051	-
Rental taxes	165,000	165,000	159,613	(5,387)
Mobile home titling taxes	100,000	100,000	265,366	165,366
Railroad rolling stock taxes	160,000	160,000	185,432	25,432
Total non-categorical aid	<u>6,511,051</u>	<u>6,511,051</u>	<u>6,696,462</u>	<u>185,411</u>
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	805,938	805,938	796,533	(9,405)
Sheriff	3,346,161	3,346,161	3,360,928	14,767
Commissioner of the Revenue	325,905	325,905	322,352	(3,553)
Treasurer	362,664	362,664	353,167	(9,497)
Registrar and Electoral board	97,891	97,891	101,744	3,853
Clerk of the Circuit Court	620,366	670,366	695,449	25,083
Communications	177,306	177,306	154,780	(22,526)
Total shared expenses	<u>5,736,231</u>	<u>5,786,231</u>	<u>5,784,953</u>	<u>(1,278)</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other:				
Social services	\$ 2,596,403	\$ 2,596,403	\$ 2,547,358	\$ (49,045)
Comprehensive services	3,944,514	4,796,903	3,585,161	(1,211,742)
Forfeited asset seizure proceeds	-	370	1,396	1,026
State internet crimes	-	3,442,600	3,150,021	(292,579)
EMS Four for Life	90,000	90,000	-	(90,000)
Fire funds	327,801	327,801	373,120	45,319
Public safety grants	-	1,107,644	528,032	(579,612)
Victim witness coordinator	45,640	77,057	62,314	(14,743)
Domestic violence grants	221,689	332,765	291,985	(40,780)
VJCCCA	70,751	70,751	70,751	-
Wireless E-911 grant	254,000	258,102	327,440	69,338
Record preservation grant	-	51,872	28,945	(22,927)
VA Commission of Arts	4,500	4,500	4,500	-
Juror and witness reimbursement	40,000	40,000	43,200	3,200
Virginia Tobacco Commission grants	-	57,191	-	(57,191)
Agriculture and forestry industries development grants	-	21,500	-	(21,500)
Economic development grant	3,322,500	-	-	-
VDOT revenue sharing grant	-	200,000	-	(200,000)
Virginia telecommunication initiative grant	-	12,587,107	11,488,134	(1,098,973)
Other	50,214	1,087,652	1,076,386	(11,266)
Total other categorical aid	<u>10,968,012</u>	<u>27,150,218</u>	<u>23,578,743</u>	<u>(3,571,475)</u>
Total categorical aid	<u>16,704,243</u>	<u>32,936,449</u>	<u>29,363,696</u>	<u>(3,572,753)</u>
Total revenue from the Commonwealth	<u>23,215,294</u>	<u>39,447,500</u>	<u>36,060,158</u>	<u>(3,387,342)</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>80,000</u>	<u>80,000</u>	<u>94,461</u>	<u>14,461</u>
Categorical aid:				
Social services	5,544,414	5,615,914	5,122,298	(493,616)
Sheriff – DMV grants	-	51,048	26,191	(24,857)
Justice assistance grants	-	116,308	69,626	(46,682)
Internet crimes grant	-	680,263	652,836	(27,427)
Bulletproof vest grant	-	49,975	19,740	(30,235)
Other law enforcement grants	-	19,567	33,597	14,030
Emergency management grants	-	26,609	26,609	-
Victim witness coordinator	95,844	106,344	83,054	(23,290)
Domestic violence grants	100,504	133,879	102,282	(31,597)
American rescue plan act grants	-	69,187	116,796	47,609
Virginia telecommunication initiative grant	-	7,263,073	4,006,316	(3,256,757)
Total categorical aid	<u>5,740,762</u>	<u>14,132,167</u>	<u>10,259,345</u>	<u>(3,872,822)</u>
Total revenue from the federal government	<u>5,820,762</u>	<u>14,212,167</u>	<u>10,353,806</u>	<u>(3,858,361)</u>
Total intergovernmental revenues	<u>29,036,056</u>	<u>53,659,667</u>	<u>46,413,964</u>	<u>(7,245,703)</u>
Total general fund	<u>\$ 132,269,158</u>	<u>\$ 157,465,756</u>	<u>\$ 162,540,937</u>	<u>\$ 5,075,181</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government administration:				
Legislative:				
Board of Supervisors	\$ 152,131	\$ 152,131	\$ 142,132	\$ 9,999
General and financial administration:				
County administration	962,259	1,025,564	961,270	64,294
Public information	174,954	174,954	162,259	12,695
County attorney	271,679	262,162	244,170	17,992
Independent auditor	85,000	100,495	100,495	-
Commissioner of the Revenue	784,757	794,274	794,274	-
Treasurer	1,183,808	1,161,168	1,157,046	4,122
Finance	1,171,535	1,155,470	1,078,375	77,095
Information technology	1,813,919	1,887,919	1,697,837	190,082
Human resources	599,708	599,708	547,407	52,301
Electoral board	269,235	312,525	271,015	41,510
Registrar	425,152	425,152	415,833	9,319
Total general and financial administration	7,742,006	7,899,391	7,429,981	469,410
Total general government administration	7,894,137	8,051,522	7,572,113	479,409
Judicial administration:				
Courts:				
Circuit Court	124,027	124,300	124,300	-
District Court	13,495	13,495	10,520	2,975
Juvenile and Domestic Relations District Court	17,305	124,778	104,286	20,492
Clerk of the Circuit Court	1,283,015	1,421,996	1,399,069	22,927
Victim Witness Program	235,118	245,767	229,594	16,173
Law Library	11,125	11,125	11,243	(118)
Other court services	13,375	13,726	13,726	-
Total courts	1,697,460	1,955,187	1,892,738	62,449
Commonwealth's Attorney	1,319,063	1,362,807	1,361,205	1,602
Total judicial administration	3,016,523	3,317,994	3,253,943	64,051
Public safety:				
Law enforcement and traffic control:				
Sheriff	10,442,157	10,490,952	10,252,961	237,991
Internet Crimes Grant	22,500	5,200,310	3,532,742	1,667,568
Law enforcement grants	-	1,314,730	756,125	558,605
Total law enforcement and traffic control	10,464,657	17,005,992	14,541,828	2,464,164
Fire and rescue services:				
Volunteer fire companies	1,705,789	1,906,071	1,906,071	-
Volunteer rescue squads	1,006,430	947,043	870,228	76,815
Total fire and rescue services	2,712,219	2,853,114	2,776,299	76,815

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2025**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Correction and detention:				
Blue Ridge Regional Jail	\$ 2,525,000	\$ 2,381,195	\$ 2,291,440	\$ 89,755
VJCCCA	149,110	149,110	123,354	25,756
Juvenile secure detention	231,515	231,515	188,324	43,191
Total correction and detention	<u>2,905,625</u>	<u>2,761,820</u>	<u>2,603,118</u>	<u>158,702</u>
Building inspections	<u>957,329</u>	<u>957,329</u>	<u>894,448</u>	<u>62,881</u>
Other protection:				
Animal shelter	269,094	347,831	347,831	-
Animal control	384,506	384,506	383,816	690
Emergency services	6,068,004	6,182,890	5,824,225	358,665
Communications center	3,695,603	3,567,397	3,293,695	273,702
Total other protection	<u>10,417,207</u>	<u>10,482,624</u>	<u>9,849,567</u>	<u>633,057</u>
Total public safety	<u>27,457,037</u>	<u>34,060,879</u>	<u>30,665,260</u>	<u>3,395,619</u>
Public works:				
Sanitation and waste removal:				
Refuse collection	3,994,159	4,166,992	4,166,992	-
Total sanitation and waste removal	<u>3,994,159</u>	<u>4,166,992</u>	<u>4,166,992</u>	<u>-</u>
Maintenance – buildings and grounds:				
Housekeeping	515,359	516,372	516,372	-
General properties	1,463,488	1,513,961	1,513,961	-
Central garage	446,285	567,718	567,718	-
Total maintenance – buildings and grounds	<u>2,425,132</u>	<u>2,598,051</u>	<u>2,598,051</u>	<u>-</u>
Total public works	<u>6,419,291</u>	<u>6,765,043</u>	<u>6,765,043</u>	<u>-</u>
Health and welfare:				
Health:				
Supplement to local health agencies	<u>752,910</u>	<u>752,910</u>	<u>749,160</u>	<u>3,750</u>
Welfare:				
Social services	11,615,492	11,387,470	11,036,975	350,495
Comprehensive services	5,947,313	7,099,224	7,099,224	-
Domestic violence	611,482	662,731	509,874	152,857
Total welfare	<u>18,174,287</u>	<u>19,149,425</u>	<u>18,646,073</u>	<u>503,352</u>
Total health and welfare	<u>18,927,197</u>	<u>19,902,335</u>	<u>19,395,233</u>	<u>507,102</u>
Education	<u>33,903,378</u>	<u>34,649,183</u>	<u>34,486,724</u>	<u>162,459</u>

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2025**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Parks, recreation, and cultural:				
Recreation department	\$ 1,610,410	\$ 1,704,665	\$ 1,704,106	\$ 559
Cultural enrichment	170,925	1,055,725	1,055,725	-
Contribution to Regional Library	2,115,000	2,115,000	2,115,000	-
Total parks, recreation, and cultural	3,896,335	4,875,390	4,874,831	559
Community development:				
Planning and community development:				
Planning commission	61,630	61,630	59,436	2,194
Planning and zoning	755,424	672,349	651,258	21,091
GIS	299,432	287,295	253,715	33,580
Economic development	645,862	681,908	622,921	58,987
Joint City/County Economic development	750,000	750,000	750,000	-
Broadband Authority	45,482	187,747	187,747	-
Tourism	935,055	961,286	961,286	-
Total planning and community development	3,492,885	3,602,215	3,486,363	115,852
Environmental management:				
Natural Resources	449,023	450,846	405,750	45,096
Soil and Water Conservation District	14,250	14,250	14,250	-
Tri-County Lake Administrative Commission	112,057	112,057	112,057	-
Total environmental management	575,330	577,153	532,057	45,096
Cooperative Extension Program:				
VPI & SU Extension Office	106,300	106,300	87,408	18,892
Cannery	17,747	17,747	13,530	4,217
Total cooperative extension program	124,047	124,047	100,938	23,109
Total community development	4,192,262	4,303,415	4,119,358	184,057
Debt Service:				
Principal retirement	5,272,163	5,272,163	5,272,161	2
Interest and other fiscal charges	2,184,501	2,184,720	2,184,722	(2)
Total debt service	7,456,664	7,456,883	7,456,883	-

(Continued)

COUNTY OF BEDFORD, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CASH BASIS –
GOVERNMENTAL FUND
Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Capital projects:				
General governmental	\$ 4,001,740	\$ 7,500,993	\$ 265,678	\$ 7,235,315
Public safety	1,796,792	15,378,972	6,346,458	9,032,514
Public works	13,398,272	15,269,168	798,688	14,470,480
Health and welfare	50,000	65,300	10,900	54,400
Education	18,433,150	18,433,150	5,489,650	12,943,500
Parks, recreation. and cultural	402,177	1,289,981	537,891	752,090
Community and economic development	5,730,000	25,879,976	18,653,101	7,226,875
Total capital projects	43,812,131	83,817,540	32,102,366	51,715,174
Total expenditures	156,974,955	207,200,184	150,691,754	56,508,430
Excess of Revenues over Expenditures	(24,705,797)	(49,734,428)	11,849,183	61,583,611
Other Financing Sources (Uses):				
Transfers from:				
Fiduciary fund types	-	-	3,419	3,419
Component units	707,500	50,000	50,000	-
Transfers to:				
Solid Waste Fund	(2,380,959)	(2,380,959)	(2,380,959)	-
Bond proceeds	24,943,500	24,943,500	-	(24,943,500)
Total other financing sources and uses	23,270,041	22,612,541	(2,327,540)	(24,940,081)
Net change in fund balance	\$ (1,435,756)	\$ (27,121,887)	\$ 9,521,643	\$ 36,643,530



STATISTICAL SECTION

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

Contents

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.

Revenue Capacity – These tables contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.

Debt Capacity – These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.



COUNTY OF BEDFORD, VIRGINIA

Net Position by Component (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018 (2)	2019	2020	2021	2022	2023	2024	2025 (3)
Governmental activities										
Net investment in capital assets	\$ 30,177,071	\$ 33,534,872	\$ 37,032,856	\$ 39,730,712	\$ 39,341,946	\$ 43,150,176	\$ 43,376,776	\$ 42,423,196	\$ 43,831,826	\$ 46,779,491
Restricted	1,778,497	-	-	-	387,285	-	2,323,945	-	485,976	-
Unrestricted	5,347,098	1,390,438	(17,107,846)	(12,947,519)	(28,300,584)	(12,856,315)	6,826,858	22,952,362	38,922,447	47,052,124
Total net position, governmental activities	\$ 37,302,666	\$ 34,925,310	\$ 19,925,010	\$ 26,783,193	\$ 11,428,647	\$ 30,293,861	\$ 52,527,579	\$ 65,375,558	\$ 83,240,249	\$ 93,831,615
Business-type activities										
Net investment in capital assets	\$ 10,903,022	\$ 11,032,423	\$ 10,294,047	\$ 10,801,945	\$ 10,406,135	\$ 10,832,714	\$ 10,228,978	\$ 9,955,625	\$ 9,723,149	\$ 9,367,583
Restricted	-	-	-	-	-	-	497,404	-	87,042	-
Unrestricted	5,412,132	6,526,534	7,892,213	6,691,283	6,740,696	4,828,854	2,623,383	1,667,871	861,517	50,763
Total net position, business-type activities	\$ 16,315,154	\$ 17,558,957	\$ 18,186,260	\$ 17,493,228	\$ 17,146,831	\$ 15,661,568	\$ 13,349,765	\$ 11,623,496	\$ 10,671,708	\$ 9,418,346
Primary government										
Net investment in capital assets	\$ 41,080,093	\$ 44,567,295	\$ 47,326,903	\$ 50,532,657	\$ 49,748,081	\$ 53,982,890	\$ 53,605,754	\$ 52,378,821	\$ 53,554,975	\$ 56,147,074
Restricted	1,778,497	-	-	-	387,285	-	2,821,349	-	573,018	-
Unrestricted	10,759,230	7,916,972	(9,215,633)	(6,256,236)	(21,559,888)	(8,027,461)	9,450,241	24,620,233	39,783,964	47,102,887
Total net position, primary government	\$ 53,617,820	\$ 52,484,267	\$ 38,111,270	\$ 44,276,421	\$ 28,575,478	\$ 45,955,429	\$ 65,877,344	\$ 76,999,054	\$ 93,911,957	\$ 103,249,961
Component Unit-School Board (1)										
Net investment in capital assets	\$ 89,284,475	\$ 99,440,616	\$ 120,580,237	\$ 119,753,017	\$ 133,836,321	\$ 133,453,692	\$ 136,092,022	\$ 139,640,526	\$ 135,904,961	\$ 136,251,298
Restricted	-	-	-	-	74,805	-	3,432,811	1,781,581	1,163,748	1,859,340
Unrestricted	(76,737,675)	(75,767,336)	(90,361,598)	(83,093,633)	(82,157,986)	(83,300,950)	(73,185,844)	(50,103,578)	(45,123,887)	(36,989,859)
Total net position, component unit-School Board	\$ 12,546,800	\$ 23,673,280	\$ 30,218,639	\$ 36,659,384	\$ 51,753,140	\$ 50,152,742	\$ 66,338,989	\$ 91,318,529	\$ 91,944,822	\$ 101,120,779

Notes: (1) School Board component unit, net position components are included in this table due to Public Schools being a significant portion of the County. In Virginia, the County issues debt to finance the construction of school facilities for the Public Schools because Public Schools do not have borrowing or taxing authority.

(2) GASB Statement No. 75 was adopted in fiscal year 2018. Prior years have not been adjusted for the effect of this statement on the change in net position.

COUNTY OF BEDFORD, VIRGINIA

Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Primary Government:										
<u>Expenses</u>										
Governmental activities:										
General government	\$ 3,686,970	\$ 4,135,945	\$ 4,324,995	\$ 5,020,465	\$ 5,019,953	\$ 22,395,626	\$ 7,899,840	\$ 6,686,853	\$ 7,536,040	\$ 8,450,894
Judicial administration	2,419,173	2,588,187	2,621,336	2,683,103	2,950,095	3,051,594	2,974,109	2,846,398	3,070,863	3,260,613
Public safety	18,985,844	20,680,112	21,976,031	21,460,096	24,496,837	17,923,009	25,020,861	26,787,027	29,225,060	33,249,188
Public works	4,523,662	4,736,339	4,996,039	5,823,881	7,347,749	6,417,775	5,555,347	6,042,468	6,654,388	7,192,066
Health and welfare	10,643,689	11,668,977	13,154,429	14,123,419	17,297,660	16,924,548	16,033,838	16,442,996	17,557,614	19,961,253
Education	33,713,688	48,102,859	60,391,126	41,340,447	58,005,165	36,025,390	37,042,431	46,362,335	36,298,486	47,090,528
Parks, recreational, and cultural	3,753,755	3,344,715	3,448,466	3,563,515	3,589,381	3,817,554	3,784,816	4,164,111	4,169,302	5,527,872
Community development	5,114,090	5,254,616	5,444,352	5,988,002	7,055,199	3,794,110	3,921,142	13,748,347	17,847,900	21,007,567
Interest on long-term debt	2,201,911	2,989,864	2,911,990	2,841,510	3,236,998	2,853,180	3,320,619	2,277,702	2,067,646	1,733,595
Total expense, governmental activities	85,042,782	103,501,614	119,268,764	102,844,438	128,999,037	113,202,786	105,553,003	125,358,237	124,427,299	147,473,576
Business-type activities:										
Nursing home	5,323,100	5,752,404	5,958,786	7,158,320	7,759,530	8,419,047	7,017,861	7,595,996	8,484,851	9,224,859
Solid waste	3,360,369	3,324,130	3,528,516	4,599,966	5,181,169	4,919,613	6,116,669	6,282,517	6,241,894	7,509,054
Total expenses, business-type activities	8,683,469	9,076,534	9,487,302	11,758,286	12,940,699	13,338,660	13,134,530	13,878,513	14,726,745	16,733,913
Total expenses, Primary Government	\$ 93,726,251	\$ 112,578,148	\$ 128,756,066	\$ 114,602,724	\$ 141,939,736	\$ 126,541,446	\$ 118,687,533	\$ 139,236,750	\$ 139,154,044	\$ 164,207,489
<u>Program Revenues</u>										
Governmental activities:										
Charges for services:										
Public safety	\$ 2,322,194	\$ 2,190,308	\$ 3,316,833	\$ 2,713,928	\$ 2,708,587	\$ 2,716,088	\$ 3,318,927	\$ 3,161,800	\$ 3,823,235	\$ 4,045,764
Health and welfare	132,634	141,947	121,645	167,992	158,016	269,037	269,855	195,311	371,863	341,552
Community development	241,294	255,561	293,703	267,484	292,024	241,316	242,008	313,150	355,737	412,775
Other activities	824,510	958,722	998,692	1,150,890	1,208,727	1,179,328	1,363,146	1,015,567	1,319,202	1,340,165
Operating grants and contributions	13,479,122	14,505,883	14,894,113	18,009,891	22,283,832	34,981,432	25,771,659	32,938,035	28,883,137	38,244,892
Capital grants and contributions	346,027	239,004	53,637	12,500	158,779	563,696	-	-	-	-
Total program revenues, governmental activities	17,345,781	18,291,425	19,678,623	22,322,685	26,809,965	39,950,897	30,965,595	37,623,863	34,753,174	44,385,148
Business-type activities:										
Charges for services:										
Nursing Home	6,802,536	7,244,858	7,209,455	7,742,767	7,600,312	6,282,862	5,884,474	7,035,619	7,807,164	9,564,146
Solid Waste	2,493,612	2,610,092	2,685,029	2,887,895	2,624,487	2,619,474	2,475,035	2,428,915	2,689,724	2,685,369
Operating grants and contributions	295,454	378,572	359,322	332,733	-	616,342	75,980	401,456	-	-
Total program revenues, business-type activities	9,591,602	10,233,522	10,253,806	10,963,395	10,224,799	9,518,678	8,435,489	9,865,990	10,496,888	12,249,515
Total program revenues, Primary Government	26,937,383	28,524,947	29,932,429	33,286,080	37,034,764	49,469,575	39,401,084	47,489,853	45,250,062	56,634,663
<u>Net (Expense) Revenue (1)</u>										
Governmental activities	(67,697,001)	(85,210,189)	(99,590,141)	(80,521,753)	(102,189,072)	(73,251,889)	(74,587,408)	(87,734,374)	(89,674,125)	(103,088,428)
Business-type activities	908,133	1,156,988	766,504	(794,891)	(2,715,900)	(3,819,982)	(4,699,041)	(4,012,523)	(4,229,857)	(4,484,398)
Total net expense, Primary Government	(66,788,868)	(84,053,201)	(98,823,637)	(81,316,644)	(104,904,972)	(77,071,871)	(79,286,449)	(91,746,897)	(93,903,982)	(107,572,826)

COUNTY OF BEDFORD, VIRGINIA
Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

TABLE 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 61,722,532	\$ 63,956,257	\$ 65,118,037	\$ 66,324,332	\$ 65,118,037	\$ 69,190,893	\$ 71,897,356	\$ 75,052,644	\$ 79,018,623	\$ 82,666,571
Other local taxes	12,118,186	12,529,640	13,221,452	13,522,591	13,221,452	16,979,126	18,540,409	19,092,096	19,548,195	20,381,905
Noncategorical state aid	6,701,673	6,871,458	6,814,314	6,783,138	6,814,314	6,535,954	6,786,999	6,553,686	6,707,228	6,808,362
Investment earnings-unrestricted	261,818	274,992	250,275	396,118	250,275	324,972	197,744	280,355	3,142,784	4,362,998
Investment earnings-restricted for capital projects, debt service and length of service award program	55,460	263,835	337,943	215,960	337,943	108,006	63,905	492,805	211,244	762,141
Miscellaneous	573,225	1,677,067	226,623	137,797	226,623	915,978	1,119,457	922,453	1,469,130	1,094,708
Transfers	-	5,751	(50,000)	-	(50,000)	-	(1,784,744)	(1,834,674)	(2,558,388)	(2,380,959)
Special Item - contribution of capital assets	-	-	-	-	-	(1,937,826)	-	-	-	-
Total general revenues and other changes in net position, governmental activities	81,432,894	85,579,000	85,918,644	87,379,936	85,918,644	92,117,103	96,821,126	100,559,365	107,538,816	113,695,726
Business-type activities:										
Noncategorical grants										
Investment earnings-unrestricted and restricted	58,686	29,687	36,750	97,692	36,750	66,635	38,947	32,540	204,356	33,412
Miscellaneous	1,158	62,879	1,512	4,167	1,512	330,259	563,647	419,040	350,164	416,221
Transfers	-	(5,751)	50,000	-	50,000	1,937,826	1,784,744	1,834,674	2,558,388	2,380,959
Total general revenues and other changes in net position, business-type activities	59,844	86,815	88,262	101,859	88,262	2,334,720	2,387,338	2,286,254	3,278,069	3,254,933
Total general revenues and other changes in net position, primary government	\$ 81,492,738	\$ 85,665,815	\$ 86,006,906	\$ 87,481,795	\$ 86,006,906	\$ 94,451,823	\$ 99,208,464	\$ 102,845,619	\$ 110,816,885	\$ 116,950,659
Change in Net Position										
Governmental activities	\$ 13,735,893	\$ 368,811	\$ (13,671,497)	\$ 6,858,183	\$ (16,270,428)	\$ 18,865,214	\$ 22,233,718	\$ 12,824,991	\$ 17,864,691	\$ 10,607,298
Business-type activities	967,977	1,243,803	854,766	(693,032)	(2,627,638)	(1,485,262)	(2,311,703)	(1,726,269)	(951,788)	(1,229,465)
Total change in net position, Primary Government	\$ 14,703,870	\$ 1,612,614	\$ (12,816,731)	\$ 6,165,151	\$ (18,898,066)	\$ 17,379,952	\$ 19,922,015	\$ 11,098,722	\$ 16,912,903	\$ 9,377,833
Component Unit-School Board: (2)										
Expenses										
Education	\$ 99,876,493	\$ 103,236,399	\$ 104,889,393	\$ 104,774,662	\$ 104,889,393	\$ 118,447,507	\$ 115,421,194	\$ 119,765,751	\$ 132,736,510	\$ 136,310,646
Program Revenues										
Charges for services	2,656,725	2,581,361	2,786,113	2,646,055	2,786,113	2,810,912	3,949,989	5,233,794	5,660,159	5,298,985
Operating grants and contributions	24,797,005	22,774,064	25,133,669	24,858,468	25,133,669	32,144,555	46,174,711	46,482,269	44,112,983	42,706,934
Total program revenues, component unit-School Board	27,453,730	25,355,425	27,919,782	27,504,523	27,919,782	34,955,467	50,124,700	51,716,063	49,773,142	48,005,919
Net (Expense)/Revenue	(72,422,763)	(77,880,974)	(76,969,611)	(77,270,139)	(76,969,611)	(83,492,040)	(65,296,494)	(68,049,688)	(82,963,368)	(88,304,727)
General Revenues and Other Changes in Net Position										
Contribution from primary government										
State aid	39,980,964	40,596,771	40,508,443	42,222,047	40,508,443	43,573,533	43,330,333	43,883,053	46,104,247	49,231,310
Investment earnings-unrestricted	791	1,073	1,110	14,708	1,110	30,309	30,742	33,312	100,028	222,784
Miscellaneous	405,311	308,640	114,525	134,574	114,525	886,706	1,079,235	2,750,528	1,320,732	1,183,890
Total general revenues and other changes in net position, component unit-School Board	74,098,878	89,007,454	101,013,309	83,710,884	101,013,309	80,526,028	81,482,741	93,029,228	83,823,493	97,728,512
Total Change in Net Position, Component Unit-School Board	\$ 1,676,115	\$ 11,126,480	\$ 24,043,698	\$ 6,440,745	\$ 24,043,698	\$ (2,966,012)	\$ 16,186,247	\$ 24,979,540	\$ 860,125	\$ 9,423,785

Notes: (1) Net (expense) revenue is the difference between the expenses and program revenues, which indicates whether a function or program is supported by its own fees and program-specific grants. A number in parentheses is a net expense meaning expenses were greater than program revenues and, therefore, general revenues were needed to finance that function or program. A number without parentheses is a net revenue meaning program revenues were more than sufficient to cover expenses.

(2) Component unit change in net position is included in this table due to the School Board being a significant portion of the County.

(Continued)

COUNTY OF BEDFORD, VIRGINIA

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Funds										
General Fund										
Nonspendable	\$ 268,645	\$ 278,565	\$ 296,607	\$ 284,498	\$ 310,661	\$ 361,054	\$ 384,007	\$ 365,348	\$ 366,076	\$ 417,488
Restricted	1,850,461	29,704,078	6,072,001	24,385,995	4,420,914	8,735,008	10,601,823	8,694,655	14,685,224	6,406,023
Committed	7,624,489	5,570,652	7,290,318	6,836,238	7,432,663	1,328,596	7,881,953	14,641,984	4,001,243	15,405,479
Assigned	24,936,650	31,471,282	30,428,808	30,658,140	27,687,939	30,755,108	29,253,539	26,294,441	30,167,050	27,791,597
Unassigned	25,244,877	25,656,556	24,082,774	25,640,778	28,659,410	39,516,637	43,461,985	49,505,827	57,828,141	61,602,763
Total governmental funds	\$ 59,925,122	\$ 92,681,133	\$ 68,170,508	\$ 87,805,649	\$ 68,511,587	\$ 80,696,403	\$ 91,583,307	\$ 99,502,255	\$ 107,047,734	\$ 111,623,350

COUNTY OF BEDFORD, VIRGINIA

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (1)
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
General property taxes	\$ 61,700,495	\$ 63,520,537	\$ 65,013,122	\$ 66,303,730	\$ 68,497,980	\$ 69,365,969	\$ 69,525,120	\$ 74,768,258	\$ 78,906,265	\$ 83,984,508
Other local taxes	12,149,638	12,529,553	13,215,433	13,463,926	14,632,059	16,981,217	18,561,403	19,008,871	19,336,293	20,285,706
Permits, privilege fees, and regulatory licenses	512,450	515,652	530,735	611,793	540,747	603,764	629,344	587,713	683,263	744,149
Fines and forfeitures	115,017	155,382	145,480	129,851	89,712	70,020	68,384	32,201	16,952	94,604
Revenue from use of money and property	476,458	736,247	786,376	809,401	1,049,371	586,126	439,692	1,040,528	3,593,216	5,421,360
Charges for services	2,002,289	2,015,902	2,818,251	2,448,328	2,429,251	2,545,432	2,902,012	3,171,724	3,412,600	3,562,975
Other	535,437	446,039	593,612	631,471	1,016,225	1,199,962	1,230,217	945,989	1,771,866	1,369,606
Recovered costs	460,022	541,654	522,472	634,755	626,730	747,607	884,604	756,513	1,018,098	1,065,111
Intergovernmental	20,456,296	20,845,343	22,167,811	23,989,020	28,331,036	43,817,563	32,927,755	37,700,956	33,072,211	47,216,754
Total revenues	98,408,102	101,306,309	105,793,292	109,022,275	117,213,111	135,917,660	127,168,531	138,012,753	141,810,764	163,744,773
Expenditures										
General government administration	3,563,822	3,772,199	4,190,871	4,522,841	4,214,240	17,866,410	5,888,445	6,262,835	6,752,703	7,729,868
Judicial administration	2,132,148	2,210,515	2,314,015	2,388,617	2,421,382	2,492,217	2,635,608	2,748,879	2,911,438	3,196,875
Public safety	18,828,269	19,344,212	21,303,220	20,941,980	22,179,931	17,213,823	23,443,567	25,296,762	28,232,993	30,646,758
Public works	4,417,932	4,572,428	4,792,171	5,052,857	5,244,561	5,520,292	5,408,706	5,766,693	6,372,642	6,763,602
Health and welfare	10,729,572	11,626,797	13,281,249	14,709,600	16,888,732	15,882,406	16,025,103	16,636,712	17,812,309	19,947,164
Education	32,875,682	33,950,706	37,302,935	36,098,010	36,524,702	33,340,251	35,840,519	39,520,279	32,276,772	34,964,803
Parks, recreation, and cultural	2,849,528	2,993,734	3,165,687	3,130,561	3,027,537	2,981,313	3,273,363	3,551,065	3,749,407	4,867,904
Community development	3,098,928	3,247,165	3,393,749	3,487,754	3,519,175	3,620,244	3,892,513	4,208,964	3,994,124	4,094,964
Debt service										
Principal	5,777,279	5,701,156	6,362,167	6,093,223	6,034,618	10,880,605	4,607,841	5,089,729	5,398,847	5,617,493
Interest and other fiscal charges	2,363,660	2,175,912	3,543,651	3,066,792	3,324,295	3,341,694	3,113,407	2,832,919	2,539,684	2,210,379
Capital projects	5,866,985	19,127,991	30,604,202	12,466,286	31,076,259	13,453,871	7,167,811	15,161,224	21,665,978	36,995,003
Total expenditures	92,503,805	108,722,815	130,253,917	111,958,521	134,455,432	126,593,126	111,296,883	127,076,061	131,706,897	157,034,813
Excess of revenues over (under) expenditures	5,904,297	(7,416,506)	(24,460,625)	(2,936,246)	(17,242,321)	9,324,534	15,871,648	10,936,692	10,103,867	6,709,960
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	179,826	-	-	-	-	-
Transfers out	-	-	(50,000)	-	(2,231,567)	(1,937,826)	(4,984,744)	(3,017,744)	(2,558,388)	(2,380,959)
Issuance of debt	-	36,865,000	-	20,275,000	-	-	-	-	-	-
Refunding bonds issued	7,225,000	-	-	-	-	-	-	-	-	-
Premiums on issuance of debt	-	3,220,678	-	2,296,387	-	-	-	-	-	-
Payment to refunded bond escrow agent	(7,168,810)	-	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	4,798,108	-	-	-	12,460
SBITA proceeds	-	-	-	-	-	-	-	-	-	234,155
Total other financing sources and uses	56,190	40,085,678	(50,000)	22,571,387	(2,051,741)	2,860,282	(4,984,744)	(3,017,744)	(2,558,388)	(2,134,344)
Net change in fund balances	\$ 5,960,487	\$ 32,669,172	\$ (24,510,625)	\$ 19,635,141	\$ (19,294,062)	\$ 12,184,816	\$ 10,886,904	\$ 7,918,948	\$ 7,545,479	\$ 4,575,616

(Continued)

COUNTY OF BEDFORD, VIRGINIA

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (1)**
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Service as a Percentage of Noncapital Expenditures:										
Primary Government:										
Total debt service	\$ 8,140,939	\$ 7,877,068	\$ 9,905,818	\$ 9,160,015	\$ 9,358,913	\$ 14,222,299	\$ 7,721,248	\$ 7,922,648	\$ 7,938,531	\$ 7,827,872
Total expenditures	\$ 92,503,805	\$ 108,722,815	\$ 130,253,917	\$ 111,958,521	\$ 134,455,432	\$ 126,593,126	\$ 111,296,883	\$ 127,076,061	\$ 131,706,897	\$ 157,034,813
Capital outlay primary government only	3,097,784	3,461,038	5,352,233	5,040,542	3,989,973	6,063,346	3,497,143	2,477,031	5,116,753	6,712,053
Noncapital expenditures	\$ 89,406,021	\$ 105,261,777	\$ 124,901,684	\$ 106,917,979	\$ 130,465,459	\$ 120,529,780	\$ 107,799,740	\$ 124,599,030	\$ 126,590,144	\$ 150,322,760
Debt service as a percentage of noncapital expenditures	9.11%	7.48%	7.93%	8.57%	7.17%	11.80%	7.16%	6.36%	6.27%	5.21%
Component Unit-School Board:										
Total debt service	\$ 787,048	\$ 868,173	\$ 946,533	\$ 1,155,846	\$ 1,363,602	\$ 1,408,768	\$ 1,703,384	\$ 2,398,621	\$ 2,022,405	\$ 1,968,001
School expenditures excluding County contribution	\$ 66,399,289	\$ 67,688,200	\$ 69,839,335	\$ 69,256,503	\$ 71,917,820	\$ 81,792,992	\$ 90,235,754	\$ 94,536,915	\$ 103,336,169	\$ 98,924,113
Capital outlay Component Unit - School Board	4,025,400	16,465,629	27,492,948	6,631,490	22,446,974	7,781,281	10,551,058	11,460,189	5,348,107	11,295,834
Noncapital expenditures	\$ 62,373,889	\$ 51,222,571	\$ 42,346,387	\$ 62,625,013	\$ 49,470,846	\$ 74,011,711	\$ 79,684,696	\$ 83,076,726	\$ 97,988,062	\$ 87,628,279
Primary Government and Component Unit-Schools:										
Total debt service	\$ 8,927,987	\$ 8,745,241	\$ 10,852,351	\$ 10,315,861	\$ 10,722,515	\$ 15,631,067	\$ 9,424,632	\$ 10,321,269	\$ 9,960,936	\$ 9,795,873
Total noncapital expenditure	\$ 151,779,910	\$ 156,484,348	\$ 167,248,071	\$ 169,542,992	\$ 179,936,305	\$ 194,541,491	\$ 187,484,436	\$ 207,675,756	\$ 224,578,206	\$ 237,951,039
Debt service as a percentage of noncapital expenditures	5.88%	5.59%	6.49%	6.08%	5.96%	8.03%	5.03%	4.97%	4.44%	4.12%

(1) In Virginia, the County issues debt to finance the construction of school facilities for the Public Schools because Public Schools do not have borrowing or taxing authority, therefore the debt service payments related to School facilities are presented as debt service of the component unit. Debt service as a percentage of noncapital expenditures for the Primary Government and School Board more appropriately reflects the unique Virginia school debt requirements. Only School Board capital lease debt service is selected in the Component Unit-School Board.

COUNTY OF BEDFORD, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Calendar Years

Calendar Year	Real Property				Less: Tax Deferred Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Agricultural Property	Public Service			
2015	\$ 6,952,590,383	\$ 681,652,300	\$ 1,788,524,700	\$ 294,371,167	\$ 1,211,313,400	\$ 8,505,825,150	\$ 0.52
2016	7,042,927,820	698,322,700	1,795,584,700	331,448,764	1,214,727,200	8,653,556,784	0.52
2017	7,120,334,172	705,261,700	1,795,644,600	326,010,950	1,216,871,300	8,730,380,122	0.52
2018	7,188,214,159	702,798,700	1,792,912,100	325,277,869	1,206,883,300	8,802,319,528	0.52
2019	7,706,088,008	732,381,400	1,811,686,506	337,948,360	1,196,989,900	9,391,114,374	0.50
2020	7,787,276,322	747,763,100	1,811,271,123	335,644,449	1,191,853,800	9,490,101,194	0.50
2021	7,894,488,883	748,473,300	1,807,586,606	320,057,058	1,192,123,300	9,578,482,547	0.50
2022	8,002,736,300	772,156,900	1,805,254,300	287,009,053	1,159,642,200	9,707,514,353	0.50
2023	10,849,790,200	913,723,900	2,053,836,100	359,802,138	1,227,811,900	12,949,340,438	0.41
2024	10,948,802,200	951,548,600	2,050,286,900	362,031,993	1,231,820,500	13,080,849,193	0.41

- (1) Property in Bedford County is reassessed once every four years at actual market value. Property is assessed at 100 percent of estimated actual value. Tax rates are per \$100 of assessed value.

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

Direct Property Tax Rates
Last Ten Calendar Years
(rate per \$100 of assessed value)

Type of Tax	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real Estate:										
General Fund	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.41	\$ 0.41	\$ 0.41

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

Principal Real Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2024 Calendar Year			2015 Calendar Year		
	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation	Assessed Valuation	Rank	% of Total Taxable Assessed Valuation
Appalachian Power Co	\$188,809,165	1	1.44%	\$ 142,857,977	1	1.68%
Southwood Cottontown LLC	65,487,600	2	0.50%			-
Westyn Village LLC	65,090,600	3	0.50%			-
Norfolk & Western Railway Co	41,154,446	4	0.31%	40,664,870	3	0.48%
Maddox Properties	33,415,800	5	0.26%			
Southside Electric Corporation	29,345,177	6	0.22%	27,500,113	5	0.32%
GP (Georgia Pacific) Big Island LLC	28,491,500	7	0.22%	19,202,600	6	0.23%
Virginia Electric Power Co	23,132,564	8	0.18%			-
Carriage Square	22,872,000	9	0.17%	11,931,000	7	-
Verizon Virginia Inc	19,189,026	10	0.15%	31,552,185	4	0.37%
Teva Pharmaceuticals Industries Ltd	-		-	46,923,500	2	0.55%
Wal-Mart	-		-	10,121,500	8	0.12%
Boonsboro Country Club	-		-	9,644,400	9	0.11%
Center for Advanced Engineering & Research	-		-	6,156,700	10	0.07%
Total	\$516,987,878		3.95%	\$ 346,554,845		3.93%

Source: Bedford County Commissioner of the Revenue

COUNTY OF BEDFORD, VIRGINIA

Real Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Tax Levied for the Tax Year	Adjustments	Total Adjusted Levy	Collection within the Tax Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2015	\$ 43,857,517	\$ 139,580	\$ 43,997,097	\$ 42,162,884	96.14%	\$ 1,830,568	\$ 43,993,452	99.99%
2016	44,613,788	117,569	44,731,357	42,884,139	96.12%	1,842,215	44,726,354	99.99%
2017	45,009,233	156,900	45,166,133	43,137,025	95.84%	2,014,942	45,151,967	99.97%
2018	45,388,928	183,163	45,572,091	42,947,960	94.62%	2,600,995	45,548,955	99.95%
2019	46,524,977	131,257	46,656,234	44,809,346	96.31%	1,812,075	46,621,421	99.93%
2020	46,997,316	203,656	47,200,972	45,364,372	96.53%	1,779,572	47,143,944	99.88%
2021	47,402,852	162,478	47,565,330	45,685,921	96.38%	1,768,793	47,454,714	99.77%
2022	47,981,058	213,575	48,194,633	45,011,132	93.81%	2,964,938	47,976,070	99.55%
2023	52,469,591	117,517	52,587,108	49,531,634	94.40%	2,687,668	52,219,302	99.30%

COUNTY OF BEDFORD, VIRGINIA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

The County has no overlapping debt

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Virginia Public School Authority Bonds	Lease Revenue Bonds	Leases	Subscriptions	Leases	Subscriptions			
2016	\$ 760,000	\$ 35,408,169	\$ 9,360,000	\$ 7,093,600	\$ -	\$ -	\$ -	\$ 52,621,769	1.59%	\$ 677
2017	375,000	69,802,952	6,925,000	6,682,661	-	413,965	-	84,199,578	2.43%	1,080
2018	-	65,276,932	5,905,000	6,241,515	-	330,964	-	77,754,411	2.15%	992
2019	-	80,943,552	4,885,000	5,776,671	-	518,288	-	92,123,511	2.44%	1,169
2020	-	76,426,160	3,860,000	5,284,445	-	365,906	-	85,936,511	2.14%	1,080
2021	-	71,850,000	2,840,000	4,798,108	-	170,172	-	79,658,280	1.85%	997
2022	-	68,065,000	2,590,000	4,801,920	176,001	88,512	-	75,721,433	1.71%	947
2023	-	64,095,000	2,335,000	4,224,367	85,655	43,661	35,989	70,819,672	1.50%	877
2024	-	59,930,000	2,075,000	3,441,860	197,533	29,766	7,324	65,681,483	*	812
2025	-	55,565,000	1,805,000	2,604,033	299,482	24,792	-	60,298,307	*	*

(1) Bureau of Economic Analysis, includes Bedford Town and County

* Unavailable

COUNTY OF BEDFORD, VIRGINIA

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Real Property (1)	Per Capita (2)
	County General Obligation	School General Obligation	Total Primary Government		
2016	\$ 947,000	\$ 35,221,169	\$ 36,168,169	0.42%	\$ 466
2017	562,000	69,615,952	70,177,952	0.80%	900
2018	144,000	65,132,932	65,276,932	0.74%	833
2019	96,000	80,847,552	80,943,552	0.86%	1,027
2020	48,000	76,378,160	76,426,160	0.81%	961
2021	-	71,850,000	71,850,000	0.75%	900
2022	-	68,065,000	68,065,000	0.70%	851
2023	-	64,095,000	64,095,000	0.49%	794
2024	-	59,930,000	59,930,000	0.46%	741
2025	-	55,565,000	55,565,000	0.42%	*

(1) Source - Taxable Value of Assessed Real Property obtained from the Commissioner of Revenue.

(2) Source - Schedule of Demographic and Economic Statistics Table 12 for personal income and population data.

COUNTY OF BEDFORD, VIRGINIA

County Debt Policy (1) (2)
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net debt applicable to parameter	\$ 52,207,804	\$ 83,868,614	\$ 52,621,769	\$ 83,785,613	\$ 77,423,447	\$ 91,605,223	\$ 85,570,605	\$ 70,740,022	\$ 65,644,393	\$ 60,273,515
Net debt as a percentage of assessed value (not to exceed 3.5%)	0.60%	0.96%	0.60%	0.89%	0.82%	0.96%	0.88%	0.55%	0.50%	0.45%
Net debt per capita (not to exceed \$1,750)	\$ 673	\$ 1,079	\$ 675	\$ 1,069	\$ 983	\$ 1,152	\$ 1,071	\$ 885	*	*
Debt service as a percentage of General Governmental Expenditures (not to exceed 10%)	5.99%	6.21%	7.64%	6.36%	7.02%	8.35%	5.13%	5.29%	4.79%	4.72%

- (1) The *Code of Virginia* has no legal debt margin limit set on the Counties. However, through the fiscal year ended June 30, 2022, Bedford County applied a policy with the following three parameters:
- Net Debt as a percentage of Assessed Value will not exceed 3.5%. (Net Debt is General Obligation debt and Lease Obligation exclusive of debt or leases payable from Proprietary Funds)
 - Net Debt per Capita will not exceed \$1,750 per capita.
 - General Obligation Debt Service and Capital Lease payments as a percentage of General Governmental Expenditures will not exceed 15%.

- (2) Bedford County revised its debt policy in the fiscal year ended June 30, 2023. The following parameters became effective June 12, 2023:
- Net Debt as a percentage of Assessed Value will not exceed 3.5% (Net Debt is General Obligation debt, Lease Obligations, and Subscription Obligations exclusive of debt, leases, and subscriptions payable from Proprietary Funds)
 - General Obligation Debt Service and Lease payments as a percentage of General Government Expenditures will not exceed 10%.

* Not applicable

COUNTY OF BEDFORD, VIRGINIA

Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (5) (in thousands)</u>	<u>Per Capita Personal Income (2) (6)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2016	77,694	3,302,567	42,441	9,674	4.0%
2017	77,978	3,462,854	44,281	9,545	3.8%
2018	78,357	3,609,168	45,779	9,543	3.1%
2019	78,793	3,778,986	47,762	9,474	2.8%
2020	79,543	4,006,702	50,361	9,368	5.3%
2021	79,865	4,302,710	53,622	8,952	3.4%
2022	79,943	4,430,429	54,872	8,812	2.8%
2023	80,759	4,718,435	57,877	8,818	2.9%
2024	80,880	*	*	8,760	3.0%
2025	*	*	*	8,570	3.5%

- Sources: (1) Weldon Cooper Center for Public Service, University of Virginia, estimates for FY 2016 through FY 2025.
(2) Bureau of Economic Analysis, includes Bedford Town and County
(3) March 31 ADM
(4) Virginia Employment Commission calendar year data for 2016-2024. Data for 2025 is average for January 1, 2025 through June 30, 2025.
(5) Personal income is the income received by all persons from all sources.
(6) Per capita personal income is calculated as the personal income of residents of a given area divided by the resident population of the area.
* Unavailable

COUNTY OF BEDFORD, VIRGINIA

Principal Employers
Current Year and Nine Years Ago

Taxpayer	2025		2016	
	Employees	Rank	Employees	Rank
Bedford County School Board	1,000+	1	1,000+	1
County of Bedford	500-999	2	500-999	2
Centra Health	250-499	3	250-499	3
Walmart	250-499	4	250-499	6
GP (Georgia Pacific) Big Island LLC	250-499	5	250-499	7
Food Lion	100-249	6	-	-
Sentry Equipment Erectors	100-249	7	100-249	10
* Workforce Solutions	100-249	8	250-499	8
Uos, LLC (Custom Truck One Source)	100-249	9	-	-
Runk & Pratt Health Care, Inc	100-249	10	-	-
** Teva Pharmaceuticals Industries Ltd	-	-	250-499	4
Mail America Communications	-	-	250-499	5
Sam Moore Furniture	-	-	100-249	9

Source: Virginia Labor Market Information (LMI)

* Staffing agencies that provided temporary workers for Bedford County and surrounding locality businesses.

** Formerly known as Barr Laboratories.

COUNTY OF BEDFORD, VIRGINIA

County Government Employees by Function
Last Ten Fiscal Years

<u>Function/Program</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government administration	48.0	49.5	49.5	49.5	50.0	53.5	57.8	60.6	67.1	70.2
Judicial administration	30.0	30.8	30.8	30.8	31.6	31.9	31.3	30.7	31.5	33.0
Public safety	149.0	161.5	161.5	161.5	172.0	174.7	175.2	183.3	192.7	197.7
Public works	49.0	50.5	50.5	50.5	51.4	51.4	53.0	54.6	57.7	57.8
Health & welfare	81.5	88.5	88.5	88.5	106.2	105.6	106.7	112.7	111.4	113.4
Parks, recreation, and cultural	12.8	14.3	14.3	14.3	16.3	15.2	17.0	16.6	16.8	17.1
Community development	24.0	24.0	24.0	24.0	32.5	33.6	34.0	35.3	31.2	31.3
Other funds										
Nursing home	94.5	94.0	94.0	94.0	97.1	92.5	84.6	84.8	88.1	97.9
Solid waste	15.8	15.5	15.5	15.5	15.8	15.0	14.6	16.3	16.4	15.7
Other funds	110.3	109.5	109.5	109.5	112.9	107.5	99.2	101.1	104.5	113.6
Total primary government	504.6	528.5	528.6	528.6	572.9	573.4	574.2	594.9	612.9	634.1
Education	1,697.0	1,687.0	1,694.0	1,714.00	1,674.00	1,639.0	1,638.0	1,631.0	1,670.0	1,676.0
Total	2,201.6	2,215.5	2,222.6	2,242.6	2,246.9	2,212.4	2,212.2	2,225.9	2,282.9	2,310.1

Source: Bedford County Department of Finance and Bedford County School Board

COUNTY OF BEDFORD, VIRGINIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
(5) Sheriff										
Number of calls	43,097	43,847	46,717	44,540	42,984	41,445	46,618*	42,412	42,444	49,289
Criminal warrants served	1,485	1,560	2,027	1,889	1,662	1,766	1,622*	1,939	1,737	1,519
Other warrants/protective orders served	1,290	941	1,240	1,321	1,303	1,186	1,324*	1,182	1,006	1,282
Civil papers handled	17,281	18,124	22,338	22,200	22,237	20,663	18,290*	19,419	19,044	20,014
Building inspections										
(2) Number of permits	1,537	1,561	1,565	1,562	1,788	1,983	2,427	2,479	2,354	2,606
Value of permits	\$ 113,302,338	\$ 123,863,855	\$ 132,571,974	\$ 141,727,024	\$ 167,939,287	\$ 178,738,809	\$ 199,764,728	\$ 212,883,171	\$ 188,608,916	\$ 247,520,826
Fire and rescue										
(4) Number of Volunteers	655	739	703	764	700	300	300	260	546	574
Number of EMS calls	18,603	18,595	16,435	5,296	5,129	5,129	8,049	10,221	5,434	9,055
Number of fire calls	3,843	4,023	3,221	3,715	3,796	3,796	2,074	3,549	776	4,309
Public Works										
(3) Refuse collection										
Incoming waste tonnage										
Industrial	3,246	4,452	4,383	4,352	1,586	663	260	83	3	12
Commercial	20,379	20,772	23,051	25,136	12,449	12,182	12,730	14,613	16,574	17,415
County collection system	25,030	25,707	25,322	26,539	29,907	29,808	28,222	27,654	26,886	27,224
Commercial hauled residential	1,932	1,928	1,821	1,893	1,977	1,809	1,146	696	753	688
Residential hauled	2,479	2,915	2,979	3,622	3,998	3,675	3,676	4,066	4,567	4,851
Total	53,066	55,774	57,556	61,542	49,917	48,137	46,034	47,112	48,783	50,190
Recyclable tonnage collected	1,981	2,072	2,079	2,512	2,239	2,290	2,296	2,621	2,286	3,369
Parks, recreation, and cultural										
(1) Parks and recreation										
Number of child participants	6,331	6,525	6,894	6,782	4,192	4,335	5,717	6,208	7,091	8,327
Number of adult participants	776	621	617	648	396	185	450	737	3,126	7,377
Number of senior participants	3,069	3,200	1,832	1,232	1,056	215	2,365	2,460	2,921	3,658
Scheduled events	9	8	16	18	10	6	8	22	29	25
Number of event participants	1,091	1,253	2,048	2,187	1,106	915	1,575	1,575	6,459	11,400
Trips/tours	30	25	25	14	6	-	11	11	16	9
Number of trip participants	507	350	363	230	115	-	231	231	299	153

*Statistical data for the first half of fiscal year 2022 was lost due to a system failure in November 2021. Data available from the second half of the fiscal year was used to project the annual total.

Source: Various County Departments

COUNTY OF BEDFORD, VIRGINIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Sheriff										
Stations	4	4	4	5	5	5	5	5	5	5
Patrol units	112	116	117	115	115	115	117	117	152	154
Fire & rescue										
Rescue squads	11	10	10	10	10	9	9	9	9	9
Satellite rescue squads	5	5	5	2	2	2	2	2	3	3
Fire companies	11	11	11	12	12	11	11	11	11	11
Marine based fire company	1	1	1	1	1	1	1	1	1	1
Satellite fire companies	8	7	7	6	6	6	6	6	6	6
Public works										
Refuse collection										
County convenience centers										
Unstaffed	1	1	1	1	1	1	1	1	0	0
Partially staffed	4	3	3	3	3	3	3	4	3	3
Fully staffed	10	11	11	12	12	12	12	12	12	12
Total county convenience centers	15	15	15	16	16	16	16	17	15	15
Leased convenience centers										
Partially staffed	10	10	10	9	9	9	9	9	9	9
Total leased convenience centers	10	10	10	9	9	9	9	9	9	9
Recycling centers	13	14	14	15	15	15	15	15	15	15
Parks, recreation, and cultural										
Parks & recreation										
Acreage	492	492	492	492	548	548	548	548	548	548
County parks	3	3	3	3	4	4	4	4	4	4
Leased parks	8	9	9	9	7	7	7	7	7	7
Skate Park	1	1	1	1	1	1	1	1	1	1
Walking/biking trails - miles developed	27	34	40	40	44	44	44	44	44	44
County baseball/softball diamonds	4	4	4	4	10	10	10	10	10	10
Leased baseball/softball diamonds	44	44	44	44	33	33	33	33	33	33
Football fields	4	4	4	4	4	4	4	4	4	4
County soccer fields	3	3	3	3	4	4	4	4	4	4
Leased soccer fields	38	39	39	39	38	38	38	38	38	38
Community centers	2	3	3	3	3	3	3	3	3	3
County Gymnasium	1	1	1	1	1	1	1	1	1	1

Sources: Various county departments

COUNTY OF BEDFORD, VIRGINIA

**Bedford County School Board
March 31st Average Daily Membership
Last Ten Fiscal Years**

Grade	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K	661	672	659	694	701	617	650	651	625	601
1	662	664	693	673	676	641	610	662	647	634
2	686	690	683	704	686	659	661	600	673	651
3	694	686	704	682	676	658	647	671	599	671
4	739	709	693	697	681	652	648	657	669	617
5	707	756	734	711	700	647	659	662	654	663
6	737	699	754	726	691	663	665	673	642	640
7	807	740	726	750	738	702	663	666	674	657
8	742	803	752	736	763	727	699	689	686	657
9	833	801	836	797	761	776	776	753	719	733
10	800	781	763	799	753	746	738	738	738	701
11	750	775	748	738	789	716	679	718	691	672
12	856	769	798	767	753	748	717	678	742	673
Total	9,674	9,545	9,543	9,474	9,368	8,952	8,812	8,818	8,759	8,570
Elementary school membership	5,693	5,616	5,646	5,637	5,549	5,239	5,203	5,242	5,184	5,134
Secondary school membership	3,981	3,929	3,897	3,837	3,819	3,713	3,609	3,576	3,576	3,436
Total	9,674	9,545	9,543	9,474	9,368	8,952	8,812	8,818	8,760	8,570

Source: Bedford County School Board

Table 18

COUNTY OF BEDFORD, VIRGINIA

**Bedford County School Board
Full-Time Equivalent Employees by Type
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
School Based Support										
Principals	21	21	21	21	21	21	21	21	21	21
Assistant principals	14	13	14	14	15	18	15	16	16	17
Clerical/secretarial	50	49	52	51	50	54	55	57	54	57
Guidance	37	33	36	36	38	39	37	37	38	40
Librarians	20	20	19	21	16	17	18	18	19	17
Total supervisory	142	136	142	143	140	149	146	149	148	152
Instruction										
Elementary classroom teachers	434	416	422	437	438	424	420	402	409	419
Secondary classroom teachers	323	308	296	306	299	300	287	287	302	298
Substitutes	52	53	50	51	38	26	41	45	48	44
Other teachers	58	53	55	38	37	45	48	43	42	48
Technology Teachers	23	27	28	27	27	26	24	26	20	20
Aides	189	194	197	213	192	185	184	195	209	212
Total instruction	1,079	1,051	1,048	1,072	1,031	1,006	1,004	998	1,030	1,041
Student Services										
Technical support	4	4	5	4	5	21	27	25	24	24
Visiting teachers/social workers	-	-	-	3	4	3	3	4	7	7
Psychologists	7	5	6	7	7	7	8	9	9	9
Nurses	25	26	25	24	24	23	21	20	23	20
Total student services	36	35	36	38	40	54	59	58	63	60
Support and Administration										
Board members	7	7	7	7	7	7	7	7	7	7
Instruction administration	21	22	22	16	18	14	12	11	11	10
Support administration	12	15	14	12	12	14	15	15	16	16
Clerical/secretarial	23	25	24	22	22	22	20	21	20	17
Service workers	340	358	362	367	367	334	335	329	335	338
Skilled crafts	37	39	40	42	42	39	40	43	40	35
Total support and administration	440	466	469	466	468	430	429	426	429	423
Total employees	1,697	1,688	1,695	1,719	1,679	1,639	1,638	1,631	1,670	1,676
Teachers and administrators	1,032	993	993	1,002	979	970	966	952	969	981
Other employees	665	695	702	717	700	669	672	679	701	695
Total employees	1,697	1,688	1,695	1,719	1,679	1,639	1,638	1,631	1,670	1,676

Source: Bedford County School Board

COUNTY OF BEDFORD, VIRGINIA

Bedford County School Board
 Operating Statistics
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Debt Service Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2016	9,674	\$ 98,432,050	\$ 10,175	5.20%	\$ 5,933,984	\$ 613	-0.62%	757	12.78	37%
2017	9,545	96,688,413	10,130	-0.44%	5,623,434	589	-3.95%	725	13.17	37%
2018	9,542	101,495,428	10,637	5.00%	7,775,881	815	38.32%	718	13.29	37%
2019	9,475	101,065,093	10,667	0.28%	7,355,530	776	-4.74%	743	12.75	39%
2020	9,366	102,435,750	10,937	2.54%	7,615,577	813	4.74%	737	12.71	39%
2021	8,954	104,343,634	11,653	6.55%	8,301,779	927	14.03%	724	12.37	39%
2022	8,812	109,582,852	12,436	6.71%	7,558,128	858	-7.49%	707	12.46	39%
2023	8,818	117,002,437	13,269	6.70%	7,553,498	857	-0.13%	689	12.79	39%
2024	8,760	117,608,437	13,426	1.18%	7,559,490	863	0.74%	711	12.32	39%
2025	8,570	121,788,477	14,211	5.85%	7,554,845	882	2.15%	717	11.96	39%

Source: Bedford County School Board



COMPLIANCE SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns* and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bedford, Virginia (the “County”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 12, 2025.

Report on Internal Control over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 12, 2025

County of Bedford, Virginia
Summary of Compliance Matters
June 30, 2025

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

State Compliance Matters

Code of Virginia

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

State Agency Requirements

Education
Social Services
Fire Programs Aid to Localities
Opioid Abatement Program