

COUNTY OF MATHEWS, VIRGINIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

COUNTY OF MATHEWS, VIRGINIA

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2025**

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COUNTY OF MATHEWS, VIRGINIA

Board of Supervisors

Tim Doss, Chair
Tom Bowen, Vice-Chair

Janice Phillips

Dave Jones

Mike Walls

School Board

Dr. Marianne Gibbs, Chair
Linda G. Hodges, Vice-Chair

Mary K. Diggs

Robert A. Dobson

Calvin Morgan

Department of Social Services Board

Jean Howard, Chair
Kevin Hogg, Vice-Chair

Arlene Armentor

Janice Phillips

Desmond Smith

Other Officials

County Administrator Ramona Wilson
Clerk of the Circuit Court Elizabeth Brown
County Attorney Andrea Erard
Commissioner of the Revenue Leslie Hall
Treasurer Wendy Stewart
Sheriff April Edwards
Superintendent of Schools David S. Daniel
Director of Social Services Tiffany Gordon
Judge of the Circuit Court Holly B. Smith
Commonwealth's Attorney Marie Walls
Judge of the General District Court Stephanie M. Revere
Judge of the Juvenile and Domestic Relations Court Matthew Rush Kite

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Changes in Accounting Principles

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

Restatement of Beginning Balances

As described in Note 23 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of County of Mathews, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Mathews, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Mathews, Virginia's control over financial reporting and compliance.

Robinson, Fennell, Cox Associates

Richmond, Virginia
December 15, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Mathews, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025.

Financial Highlights

Government-wide Financial Statements

< The assets of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$22,020,236 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing uses over revenues and other financing sources of \$3,138,436 (Exhibit 5) after making contributions totaling \$9,697,162 to the School Board.

< As of the close of the current fiscal year; the County's funds reported ending fund balances of \$11,835,432, an increase of \$3,138,436 in comparison with the prior year.

< At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,764,664, or 37% of total general fund expenditures and other financing uses.

< The combined long-term obligations increased \$4,691,388 during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and schedules of pension and OPEB funding progress. Other supplementary information consists of the presentation of combining financial statements for the agency funds, discretely presented component unit - School Board and the Economic Development Authority. Neither the School Board nor the Economic Development Authority issue separate financial statements.

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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County’s financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$22,020,236 at the close of the most recent fiscal year. The following table summarizes the County’s Statement of Net Position:

County of Mathews, Virginia's Net Position		
	Governmental Activities	
	2025	2024
Current and other assets	\$ 21,382,186	\$ 17,676,088
Capital assets	<u>15,524,197</u>	<u>13,055,335</u>
Total assets	\$ <u>36,906,383</u>	\$ <u>30,731,423</u>
Deferred outflows of resources	\$ <u>1,166,572</u>	\$ <u>646,121</u>
Current liabilities	\$ 1,724,523	\$ 1,257,947
Long-term liabilities outstanding	<u>7,301,623</u>	<u>2,225,190</u>
Total liabilities	\$ <u>9,026,146</u>	\$ <u>3,483,137</u>
Deferred inflows of resources	\$ <u>7,026,573</u>	\$ <u>6,500,350</u>
Net position:		
Net investment in capital assets	\$ 9,870,523	\$ 12,130,984
Restricted	463,395	1,468,732
Unrestricted	<u>11,686,318</u>	<u>7,794,341</u>
Total net position	\$ <u><u>22,020,236</u></u>	\$ <u><u>21,394,057</u></u>

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Government-wide Financial Analysis (Continued)

Governmental activities increased the County’s net position by \$990,416 during the current fiscal year. The following table summarizes the County’s Statement of Activities:

County of Mathews, Virginia's Changes in Net Position		
	Governmental Activities	
	2025	2024
Revenues:		
Charges for services	\$ 273,062	\$ 267,446
Operating grants and contributions	5,708,226	5,566,366
General property taxes	16,581,304	15,908,009
Other local taxes	2,514,543	2,456,533
Grants and other contributions not restricted	1,378,481	1,382,472
Other general revenues	678,812	334,003
Total revenues	\$ 27,134,428	\$ 25,914,829
Expenses:		
General government administration	\$ 2,848,861	\$ 2,847,629
Judicial administration	939,569	911,569
Public safety	4,716,966	4,840,171
Public works	2,906,978	1,950,111
Health and welfare	3,448,825	3,280,660
Education	9,704,875	9,351,320
Parks, recreation, and cultural	449,378	681,021
Community development	840,479	553,120
Interest and other fiscal charges	288,081	18,658
Total expenses	\$ 26,144,012	\$ 24,434,259
Change in net position	\$ 990,416	\$ 1,480,570
Net position, beginning of year	21,029,820	19,913,487
Net position, end of year	\$ 22,020,236	\$ 21,394,057

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$11,835,432, an increase of \$3,138,436 in comparison with the prior year. Approximately 80% of the reported fund balance constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

During the year, revenues and other financing sources exceeded budgetary estimates by \$1,077,842 and expenditures and other financing uses were less than budgetary estimates by \$4,049,680, resulting in an overall positive variance of \$5,127,522.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2025 amounts to \$15,524,197 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, lease improvements, lease equipment, and subscriptions.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$5,653,674. Of this amount, \$81,565 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds).

The County's total debt increased by \$4,707,762 during the current fiscal year due to issuance of a \$5,000,000 bond anticipation note.

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

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Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare favorably to national indices.

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

The fiscal year 2026 budget decreased by approximately 11% with the majority of the decrease due to projected capital improvement expenditures.

Requests for Information

This financial report is designed to provide a general overview of the County of Mathews, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 839, Mathews, Virginia 23109.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental	Component Units	
	Activities	School Board	EDA
ASSETS			
Cash and cash equivalents	\$ 9,593,385	\$ 1,604,228	\$ 23,688
Investments	3,300,659	-	387,569
Receivables (net of allowance for uncollectibles):			
Taxes receivable	7,471,769	-	-
Accounts receivable	132,045	24,259	-
Opioid receivable	135,380	-	-
Lease receivable	16,970	-	-
Interest receivable	-	-	-
Notes receivable	17,023	-	-
Due from other governmental units	626,919	1,597,044	-
Net pension asset	88,036	-	-
Inventories	-	63,224	-
Capital assets (net of accumulated depreciation):			
Land and improvements	2,657,663	46,172	-
Buildings and improvements	6,741,622	6,811,057	-
Equipment	958,680	2,289,690	-
Subscription assets	41,411	-	-
Lease buildings	-	22,810	-
Lease equipment	33,899	58,283	-
Construction in progress	5,090,922	-	-
Total assets	<u>\$ 36,906,383</u>	<u>\$ 12,516,767</u>	<u>\$ 411,257</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 1,023,620	\$ 2,676,172	\$ -
OPEB related items	142,952	367,168	-
Total deferred outflows of resources	<u>\$ 1,166,572</u>	<u>\$ 3,043,340</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 375,867	\$ 287,678	\$ -
Accrued liabilities	-	1,263,778	-
Accrued interest payable	87,453	-	-
Due to other governmental units	1,242,268	-	-
Unearned revenue	18,935	845,654	-
Long-term liabilities:			
Due within one year	431,242	163,420	-
Due in more than one year	6,870,381	10,242,414	-
Total liabilities	<u>\$ 9,026,146</u>	<u>\$ 12,802,944</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 6,350,647	\$ -	\$ -
Lease related items	25,073	-	-
Pension related items	546,578	2,112,076	-
OPEB related items	104,275	569,199	-
Total deferred inflows of resources	<u>\$ 7,026,573</u>	<u>\$ 2,681,275</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 9,870,523	\$ 9,145,256	\$ -
Restricted:			
Pension plans	88,036	-	-
Other	375,359	210,186	-
Unrestricted (deficit)	11,686,318	(9,279,554)	411,257
Total net position	<u>\$ 22,020,236</u>	<u>\$ 75,888</u>	<u>\$ 411,257</u>

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

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	School Board	EDA
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 2,848,861	\$ -	\$ 1,961,850	\$ -	\$ (887,011)	\$ -	\$ -
Judicial administration	939,569	7,185	463,341	-	(469,043)	-	-
Public safety	4,716,966	214,167	1,096,760	-	(3,406,039)	-	-
Public works	2,906,978	-	-	-	(2,906,978)	-	-
Health and welfare	3,448,825	-	1,909,864	-	(1,538,961)	-	-
Education	9,704,875	-	-	-	(9,704,875)	-	-
Parks, recreation, and cultural	449,378	2,099	180,556	-	(266,723)	-	-
Community development	840,479	49,611	95,855	-	(695,013)	-	-
Interest on long-term debt	288,081	-	-	-	(288,081)	-	-
Total governmental activities	\$ 26,144,012	\$ 273,062	\$ 5,708,226	\$ -	\$ (20,162,724)	\$ -	\$ -
Total primary government	\$ 26,144,012	\$ 273,062	\$ 5,708,226	\$ -	\$ (20,162,724)	\$ -	\$ -
COMPONENT UNITS:							
School Board	\$ 17,897,942	\$ 450,651	\$ 7,431,199	\$ -	\$ -	\$ (10,016,092)	\$ -
Economic Development Authority	16,415	-	-	-	-	-	(16,415)
Total component units	\$ 17,914,357	\$ 450,651	\$ 7,431,199	\$ -	\$ -	\$ (10,016,092)	\$ (16,415)
General revenues:							
General property taxes					\$ 16,581,304	\$ -	\$ -
Local sales and use taxes					952,177	-	-
Consumer's utility tax					163,230	-	-
Motor vehicle licenses					301,342	-	-
Business license taxes					247,772	-	-
Bank stock taxes					144,408	-	-
Taxes on recordation and wills					135,567	-	-
Meals tax					374,882	-	-
Other local taxes					195,165	-	-
Unrestricted revenues from use of money					293,691	20,410	20,625
Miscellaneous					385,121	655,705	2,429
Grants and contributions not restricted to specific programs					1,378,481	-	-
Payment from Mathews County					-	9,697,162	-
Total general revenues					\$ 21,153,140	\$ 10,373,277	\$ 23,054
Change in net position					\$ 990,416	\$ 357,185	\$ 6,639
Net position - beginning					\$ 21,394,057	\$ 774,867	\$ 404,618
Restatement					(364,237)	(1,056,164)	-
Net position - beginning, as restated					21,029,820	(281,297)	404,618
Net position - ending					\$ 22,020,236	\$ 75,888	\$ 411,257

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

FUND FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Total
ASSETS			
Cash and cash equivalents	\$ 9,649,602	\$ -	\$ 9,649,602
Investments	3,300,659	-	3,300,659
Receivables (net of allowance for uncollectibles):			
Taxes receivable	7,428,766	43,003	7,471,769
Accounts receivable	132,045	-	132,045
Opioid receivable	135,380	-	135,380
Lease receivable	16,970	-	16,970
Notes receivable	-	17,023	17,023
Due from other governmental units	626,919	-	626,919
Total assets	<u>\$ 21,290,341</u>	<u>\$ 60,026</u>	<u>\$ 21,350,367</u>
LIABILITIES			
Accounts payable	\$ 375,867	\$ -	\$ 375,867
Due to other governmental units	1,242,268	-	1,242,268
Reconciled overdraft	-	56,217	56,217
Unearned revenue	18,935	-	18,935
Total liabilities	<u>\$ 1,637,070</u>	<u>\$ 56,217</u>	<u>\$ 1,693,287</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 7,661,195	\$ -	\$ 7,661,195
Unavailable revenue - opioid	135,380	-	135,380
Lease related items	25,073	-	25,073
Total deferred inflows of resources	<u>\$ 7,821,648</u>	<u>\$ -</u>	<u>\$ 7,821,648</u>
FUND BALANCES			
Nonspendable	\$ -	\$ 17,023	\$ 17,023
Restricted	-	375,359	375,359
Committed	1,066,959	49,449	1,116,408
Unassigned (deficit)	10,764,664	(438,022)	10,326,642
Total fund balances	<u>\$ 11,831,623</u>	<u>\$ 3,809</u>	<u>\$ 11,835,432</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,290,341</u>	<u>\$ 60,026</u>	<u>\$ 21,350,367</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	11,835,432	
Net pension asset			88,036
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets, cost	\$	25,863,434	
Accumulated depreciation		<u>(10,339,237)</u>	15,524,197
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			
Unavailable revenue - property taxes	\$	1,310,548	
Unavailable revenue - opioid settlement		<u>135,380</u>	1,445,928
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	1,023,620	
OPEB related items		<u>142,952</u>	1,166,572
Long-term liabilities, including bonds payable and leases, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:			
Lease revenue bonds	\$	(572,109)	
Lease liabilities		(33,810)	
Bond anticipation note		(5,000,000)	
Subscription liabilities		(35,594)	
Financed purchase		(12,161)	
Compensated absences		(920,581)	
Net OPEB liabilities		(727,368)	
Accrued interest payable		<u>(87,453)</u>	\$ (7,389,076)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(546,578)	
OPEB related items		<u>(104,275)</u>	(650,853)
Net position of governmental activities			<u>\$ 22,020,236</u>

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

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

	General Fund	Special Revenue Fund	Total
REVENUES			
General property taxes	\$ 16,421,563	\$ -	\$ 16,421,563
Other local taxes	2,139,661	374,882	2,514,543
Permits, privilege fees, and regulatory licenses	101,220	-	101,220
Fines and forfeitures	69,349	1,859	71,208
Revenue from the use of money and property	333,662	7,781	341,443
Charges for services	52,882	-	52,882
Miscellaneous	373,942	11,179	385,121
Recovered costs	41,244	-	41,244
Intergovernmental:			
Commonwealth	5,808,270	4,806	5,813,076
Federal	1,282,448	-	1,282,448
Total revenues	<u>\$ 26,624,241</u>	<u>\$ 400,507</u>	<u>\$ 27,024,748</u>
EXPENDITURES			
Current:			
General government administration	\$ 2,800,963	\$ -	\$ 2,800,963
Judicial administration	808,600	-	808,600
Public safety	4,422,219	10,710	4,432,929
Public works	2,046,317	-	2,046,317
Health and welfare	3,381,686	-	3,381,686
Education	9,704,875	-	9,704,875
Parks, recreation, and cultural	615,768	-	615,768
Community development	547,411	-	547,411
Capital projects	4,040,214	-	4,040,214
Debt service:			
Principal retirement	332,509	-	332,509
Interest and other fiscal charges	215,311	-	215,311
Total expenditures	<u>\$ 28,915,873</u>	<u>\$ 10,710</u>	<u>\$ 28,926,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,291,632)</u>	<u>\$ 389,797</u>	<u>\$ (1,901,835)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 367,000	\$ -	\$ 367,000
Transfers out	-	(367,000)	(367,000)
Proceeds of bond anticipation notes	5,000,000	-	5,000,000
Issuance of subscription liability	22,760	-	22,760
Issuance of financed purchase	17,511	-	17,511
Total other financing sources (uses)	<u>\$ 5,407,271</u>	<u>\$ (367,000)</u>	<u>\$ 5,040,271</u>
Net change in fund balances	\$ 3,115,639	\$ 22,797	\$ 3,138,436
Fund balances - beginning, as restated	8,715,984	(18,988)	8,696,996
Fund balances - ending	<u>\$ 11,831,623</u>	<u>\$ 3,809</u>	<u>\$ 11,835,432</u>

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

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

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

Net change in fund balances - total governmental funds \$ 3,138,436

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

Capital asset additions	\$ 3,212,884	
Depreciation expense	<u>(764,830)</u>	2,448,054

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

Property taxes	\$ 159,741	
Opioid settlement	<u>(8,817)</u>	150,924

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

Principal retirement on lease revenue bonds	\$ 278,285	
Principal retirement on lease liabilities	14,813	
Principal retirement on subscription liabilities	34,061	
Principal retirement on financed purchase	5,350	
Issuance of lease liability	(22,760)	
Issuance of financed purchase	(17,511)	
Issuance of bond anticipation note	<u>(5,000,000)</u>	(4,707,762)

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

(Increase) decrease in compensated absences	\$ (82,460)	
OPEB expense	(6,372)	
Pension expense	122,366	
(Increase) decrease in accrued interest	<u>(72,770)</u>	(39,236)

Change in net position of governmental activities		<u>\$ 990,416</u>
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The notes to the financial statements are an integral part of this statement.

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

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 130,029
Total assets	\$ 130,029
 NET POSITION	
Restricted for:	
Individuals	\$ 98,787
Organizations	31,242
Total net position	\$ 130,029

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

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Donations	\$ 97,415
Investment earnings:	
Interest and dividends	681
Total additions	<u>\$ 98,096</u>
 DEDUCTIONS	
Recipient payments	\$ 49,276
Purchases for supplies	65,845
Total deductions	<u>\$ 115,121</u>
 Net increase (decrease) in fiduciary net position	 <u>\$ (17,025)</u>
 Net position, beginning	 \$ 147,054
Net position, ending	<u><u>\$ 130,029</u></u>

COUNTY OF MATHEWS, VIRGINIA

Notes to Financial Statements
As of June 30, 2025

Note 1—Summary of Significant Accounting Policies:

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

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

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

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

The Mathews County Economic Development Authority (EDA) was created by the Board of Supervisors to administer the issuance of industrial development revenue bonds and provide economic development activities for the County. The Authority may also acquire property and issue debt in its own name and may also enter lease/purchase arrangements with the County. The County appoints all the members of the Authority's Board of Directors. The County may significantly influence the fiscal affairs of the Authority. The financial statements of the Mathews County Economic Development Authority are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2025. The Authority does not issue a separate financial report.

C. Other Related Organizations Included in the County's Financial Report

None

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

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

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

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

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

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

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

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

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

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

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

Special Revenue Funds - account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects requiring separate accounting because of legal or regulatory provisions or administrative action. The County reports the Special Revenue Fund as a major fund.

- ##### **2. Fiduciary Funds - (Trust and Custodial Funds)** - Fiduciary Funds account for assets held by the County and Component Unit School Board in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. For the County, these funds include Custodial Funds which consists of the Special Welfare Fund, the Tour de Chesapeake Fund, Project VA 250 Fund, Love Works Fund, Fireworks Committee Fund, National Night Out Fund, and the Market Days Fund. The Component Unit School Board reports the Lewis Scholarship Fund, Orell Scholarship Fund, and White-Hudgins Scholarship Fund as Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

COUNTY OF MATHEWS, VIRGINIA

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

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

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the government

F. Investments

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$180,050 on June 30, 2025 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5/June 5	December 5/June5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

H. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

COUNTY OF MATHEWS, VIRGINIA

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

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

I. Capital Assets

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

For infrastructure assets the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Furniture, Vehicles, Office and Computer Equipment	5-20
Lease improvements	10-20
Lease equipment	5-10
Subscription assets	3
Buses	10

J. Leases and Subscription-Based IT Arrangements

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

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

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

Lessee

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

Lessor

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

Subscriptions

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

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.

COUNTY OF MATHEWS, VIRGINIA

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

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

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

Key Estimates and Judgments (Continued)

- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

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

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for non-vesting accumulating rights to received sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

L. Use of Estimates

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

M. Net Position

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

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

COUNTY OF MATHEWS, VIRGINIA

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

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

M. Net Position (Continued)

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

N. Pensions

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's 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.

O. Other Postemployment Benefits (OPEB)

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

P. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information, reference the related notes.

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

Q. Deferred Outflows/Inflows of Resources (Continued)

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

R. Fund Balance

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

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

R. Fund Balance (Continued)

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the County Administrator, who has been given the delegated authority to assign amounts by the Board of Supervisors.

In the general fund, the County strives to maintain an unassigned fund balance to be used for unforeseen emergencies of an amount equal to or greater than 10% of general fund expenditures.

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

	General	Special Revenue	Total
Fund Balances:			
Nonspendable:			
Notes Receivable	\$ -	\$ 17,023	\$ 17,023
Restricted:			
C/V grants	\$ -	\$ 36,128	\$ 36,128
Wetlands violations	-	9,101	9,101
Wetlands compensation	-	31,342	31,342
Sheriff K9	-	6,437	6,437
Meals tax	-	268,362	268,362
Forfeited assets	-	14,584	14,584
Community development	-	9,405	9,405
Total Restricted Fund Balance	\$ -	\$ 375,359	\$ 375,359
Committed:			
Public access to waterways	\$ 59,512	\$ -	\$ 59,512
Infrastructure maintenance	429,019	-	429,019
New fire station	201,475	-	201,475
New buildings and grounds building	30,904	-	30,904
Vehicle replacement	36,049	-	36,049
Callboxes	40,000	-	40,000
School bus replacement	270,000	-	270,000
New Point nature preserve	-	10,823	10,823
New Point comfort lighthouse	-	38,626	38,626
Total Committed Fund Balance	\$ 1,066,959	\$ 49,449	\$ 1,116,408
Unassigned (deficit)	\$ 9,440,449	\$ (438,022)	\$ 9,002,427
Total Fund Balances	\$ 10,507,408	\$ 3,809	\$ 10,511,217

COUNTY OF MATHEWS, VIRGINIA

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

Note 2—Stewardship, Compliance, and Accounting:

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

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

Note 3—Deposits and Investments:

Deposits

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 3—Deposits and Investments: (Continued)

Investments

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

Custodial Credit Risk (Investments)

The County’s investments at June 30, 2025 were held in the County’s name by the County’s custodial banks.

Credit Risk of Debt Securities

The County’s policy stipulates that investments in prime quality institutions must be rated no lower than A-1 by Standard & Poor’s Inc., no lower than AA by Moody’s Investors Service, Inc., and no lower than Aa by Moody’s. Investments in high quality corporate notes must be rated no lower than AA by Standard & Poor’s and no lower than Aa by Moody’s.

The County’s and EDA’s rated debt investments as of June 30, 2025 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale. The County’s investment policy has an emphasis on high credit quality and known marketability. Obligations of the Commonwealth of Virginia and its local governments and public bodies are allowable under the County’s investment policy provided they have a debt rating of at least AA by Standard & Poor’s.

Rated Debt Investments’ Values

Rated Debt Investments	Ratings	
	AAAm	AA+f
Governmental Activities:		
Local government investment pool	\$ 3,300,659	-
Total Governmental Activities	\$ 3,300,659	\$ -
Component Unit Economic Development Authority:		
VIP Stable NAV Liquidity Pool	\$ 21	\$ -
VML/VACO Virginia Investment Pool (VIP) Bond Fund	-	387,548
Total Component Unit Economic Development Authority:	\$ 21	\$ 387,548

COUNTY OF MATHEWS, VIRGINIA

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

Note 3—Deposits and Investments: (Continued)

Interest Rate Risk

Investment Maturities (in years)

Investment Type	Value	Less than 1 Year	1-5 Years
Governmental Activities:			
Local government investment pool	\$ 3,300,659	\$ 3,300,659	\$ -
Total Governmental Activities	\$ 3,300,659	\$ 3,300,659	\$ -
Component Unit Economic Development Authority:			
VIP Stable NAV Liquidity Pool	\$ 21	\$ 21	\$ -
VML/VACO Virginia Investment Pool (VIP) Bond Fund	367,377	-	367,377
Total Component Unit Economic Development Authority:	\$ 367,398	\$ 21	\$ 367,377

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The EDA has measured fair value of the above Virginia Investment Pool Investment at the net asset value (NAV). The VaCO/VML Virginia Investment Pool allows the EDA to have the option to have access to withdraw funds twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources with one-time outlays (disasters, immediate capital needs, state budget cuts, etc.).

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COUNTY OF MATHEWS, VIRGINIA

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

Note 4—Due from/Due to Other Governments:

On June 30, 2025, the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
County of Mathews	\$ -	\$ 1,242,268
Commonwealth of Virginia:		
Local sales tax	174,744	-
Welfare	37,719	-
Wireless service board funds	9,304	-
State sales Tax	-	222,397
Constitutional officer reimbursements	128,959	-
Health department	10,646	-
DMV license agent	3,125	-
Port authority	18,614	-
Children's services act	104,693	-
Victim witness	994	-
Communications tax	46,444	-
Federal Government:		
School fund grants	-	36,874
School cafeteria fund grants	-	95,505
Transportation safety	2,325	-
Welfare	80,835	-
Justice assistance	8,517	-
Total due from other governments	\$ <u>626,919</u>	\$ <u>1,597,044</u>

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

Other Local Governments:		
Mathews County School Board	\$ <u>1,242,268</u>	\$ <u>-</u>

COUNTY OF MATHEWS, VIRGINIA

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

Note 5—Capital Assets:

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

	Balance July 1, 2024	Adjustments	Adjusted Balance July 1, 2024	Additions	Transfers/ Deletions	Balance June 30, 2025
Governmental Activities:						
Capital assets not subject to depreciation:						
Land and land improvements	\$ 2,657,663	\$ -	\$ 2,657,663	\$ -	\$ -	\$ 2,657,663
Construction in progress	2,401,131	-	2,401,131	2,689,791	-	5,090,922
Total capital assets not subject to depreciation	\$ 5,058,794	\$ -	\$ 5,058,794	\$ 2,689,791	\$ -	\$ 7,748,585
Capital assets subject to depreciation:						
Buildings and improvements	\$ 13,383,893	\$ -	\$ 13,383,893	\$ 20,179	\$ -	\$ 13,404,072
Equipment	4,041,146	-	4,041,146	480,154	-	4,521,300
Subscription assets	120,393	-	120,393	-	-	120,393
Lease equipment	16,792	37,421	54,213	22,760	7,889	69,084
Total capital assets being depreciated	\$ 17,562,224	\$ 37,421	\$ 17,599,645	\$ 523,093	\$ 7,889	\$ 18,114,849
Accumulated depreciation:						
Buildings and improvements	\$ 6,306,432	\$ -	\$ 6,306,432	\$ 356,018	\$ -	\$ 6,662,450
Equipment	3,199,816	-	3,199,816	362,804	-	3,562,620
Subscription assets	47,341	-	47,341	31,641	-	78,982
Lease equipment	12,094	16,613	28,707	14,367	7,889	35,185
Total accumulated depreciation	\$ 9,565,683	\$ 16,613	\$ 9,582,296	\$ 764,830	\$ 7,889	\$ 10,339,237
Total capital assets subject to depreciation, net	\$ 7,996,541	\$ 20,808	\$ 8,017,349	\$ (241,737)	\$ -	\$ 7,775,612
Governmental activities capital activities, net	\$ 13,055,335	\$ 20,808	\$ 13,076,143	\$ 2,448,054	\$ -	\$ 15,524,197

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COUNTY OF MATHEWS, VIRGINIA

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

Note 5—Capital Assets: (Continued)

Component Unit-School Board:	Balance July 1, 2024	Additions	Transfers/ Deletions	Balance June 30, 2025
Capital assets not subject to depreciation:				
Land and land improvements	\$ 46,172	\$ -	\$ -	\$ 46,172
Construction in progress	300,671	8,574	309,245	-
Total capital assets not subject to depreciation	<u>\$ 346,843</u>	<u>\$ 8,574</u>	<u>\$ 309,245</u>	<u>\$ 46,172</u>
Capital assets subject to depreciation:				
Equipment	\$ 5,473,612	\$ 665,584	\$ 8,420	\$ 6,130,776
Buildings and improvements	18,574,398	-	-	18,574,398
Lease building	65,693	-	-	65,693
Lease equipment	21,675	54,158	-	75,833
Total capital assets being depreciated	<u>\$ 24,135,378</u>	<u>\$ 719,742</u>	<u>\$ 8,420</u>	<u>\$ 24,846,700</u>
Accumulated depreciation:				
Equipment	\$ 3,398,498	\$ 449,184	\$ 6,596	\$ 3,841,086
Buildings and improvements	11,272,281	491,060	-	11,763,341
Leased building	31,934	10,949	-	42,883
Lease equipment	9,935	7,615	-	17,550
Total accumulated depreciation	<u>\$ 14,712,648</u>	<u>\$ 958,808</u>	<u>\$ 6,596</u>	<u>\$ 15,664,860</u>
Total capital assets subject to depreciation, net	<u>\$ 9,422,730</u>	<u>\$ (239,066)</u>	<u>\$ 1,824</u>	<u>\$ 9,181,840</u>
Net capital assets Component Unit-School Board	<u>\$ 9,769,573</u>	<u>\$ (230,492)</u>	<u>\$ 311,069</u>	<u>\$ 9,228,012</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$ 125,862
Judicial administration	159,154
Public safety	261,762
Public works	87,867
Health and welfare	39,802
Parks, recreation and cultural	88,137
Community development	2,246
Total Governmental activities	<u>\$ 764,830</u>
Component Unit School Board	<u>\$ 958,808</u>

COUNTY OF MATHEWS, VIRGINIA

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

Note 6—Interfund Transfers and Obligations:

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

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ 367,000	\$ -
Special Revenue	-	367,000
Total	<u>\$ 367,000</u>	<u>\$ 367,000</u>
Component Unit-School Board:		
School Operating	\$ -	\$ 281,425
School Cafeteria	181,425	-
Textbook	100,000	-
Total	<u>\$ 281,425</u>	<u>\$ 281,425</u>

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

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COUNTY OF MATHEWS, VIRGINIA

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

Note 7—Long-Term Obligations:

Primary Government:

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

	Balance at July 1, 2024	Restatement	Adjusted Balance at July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Incurring by the County:							
Compensated absences	\$ 474,637	\$ 363,484	\$ 838,121	\$ 82,460	\$ -	\$ 920,581	\$ 92,058
Direct borrowings and placements:							
Lease revenue bonds	850,394	-	850,394	-	278,285	572,109	283,433
Bond anticipation note	-	-	-	5,000,000	-	5,000,000	-
Financed purchases	-	-	-	17,511	5,350	12,161	5,837
Net OPEB liabilities	826,202	-	826,202	135,830	234,664	727,368	-
Subscription liabilities	69,655	-	69,655	-	34,061	35,594	35,594
Lease liabilities	4,302	21,561	25,863	22,760	14,813	33,810	14,320
Total incurred by County	\$ 2,225,190	\$ 385,045	\$ 2,610,235	\$ 5,258,561	\$ 567,173	\$ 7,301,623	\$ 431,242

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

Year Ending June 30	County Obligations			
	Note Payable		Direct Borrowings and Direct Placements	
			Revenue Bonds	
	Principal	Interest	Principal	Interest
2026	\$ -	\$ 187,500	\$ 283,433	\$ 10,584
2027	-	187,500	288,676	5,341
2028	-	187,500	-	-
2029	-	187,500	-	-
2030	5,000,000	93,750	-	-
Total	\$ 5,000,000	\$ 843,750	\$ 572,109	\$ 15,925

Year Ending June 30	County Obligations					
	Financed purchase		Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 5,837	\$ -	\$ 14,320	\$ 680	\$ 35,594	\$ 1,107
2027	5,837	-	11,429	406	-	-
2028	487	-	4,557	193	-	-
2029	-	-	3,504	76	-	-
2030	-	-	-	-	-	-
Total	\$ 12,161	\$ -	\$ 33,810	\$ 1,355	\$ 35,594	\$ 1,107

COUNTY OF MATHEWS, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of County long-term debt obligations are as follows:

Incurring Entity	Notes	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Incurring by the County:							
Compensated absences (payable from the General Fund)						\$ 920,581	\$ 92,058
Net OPEB liabilities (payable from the General Fund)						\$ 727,368	\$ -
Subscription liabilities:							
Questica budgeting software		2.907%	7/1/2022	12/01/25	\$ 79,400	\$ 21,921	\$ 21,921
Unitrends back-up solution		3.378%	9/1/2023	09/01/25	40,993	13,673	13,673
Total subscription liabilities						\$ 35,594	\$ 35,594
Financed purchase:							
Software		0.00%	3/25/2025	03/25/28	\$ 17,511	\$ 12,161	\$ 5,837
Bond anticipation note:							
Note		3.75%	9/12/2024	08/01/29	\$ 5,000,000	\$ 5,000,000	\$ -
Lease liabilities:							
Copier lease liability		2.99%	9/23/2024	09/22/29	\$ 8,845	\$ 6,970	\$ 1,666
Copier lease liability		1.17%	7/1/2021	01/01/26	6,444	1,069	1,069
Copier lease liability		2.19%	7/1/2022	07/20/27	13,440	5,857	2,897
Copier lease liability		2.79%	5/15/2025	05/14/29	7,759	7,435	1,864
Copier lease liability		0.64%	2/24/2022	02/23/27	24,730	7,912	4,988
Copier lease liability		4.04%	12/27/2023	12/26/27	2,459	4,567	1,836
Total lease liabilities						\$ 33,810	\$ 14,320

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COUNTY OF MATHEWS, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

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

	Balance at July 1, 2024	Restatement	Adjusted Balance at July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Component Unit-School Board:							
Compensated absences	\$ 455,682	\$ 1,056,164	\$ 1,511,846	\$ -	154,243	\$ 1,357,603	\$ 135,760
Net pension liabilities	8,603,192	-	8,603,192	3,971,633	5,153,993	7,420,832	-
Net OPEB liabilities	1,956,372	-	1,956,372	482,937	894,666	1,544,643	-
Lease liabilities	48,195	-	48,195	54,158	19,597	82,756	27,660
Total Component Unit-School Board	\$ 11,063,441	\$ 1,056,164	\$ 12,119,605	\$ 4,508,728	\$ 6,222,499	\$ 10,405,834	\$ 163,420

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

Year Ending June 30	School Obligations	
	Lease Liabilities	
	Principal	Interest
2026	\$ 27,660	\$ 1,733
2027	23,428	1,145
2028	11,873	736
2029	11,189	420
2030	8,606	103
Total	\$ 82,756	\$ 4,137

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COUNTY OF MATHEWS, VIRGINIA

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

Note 8—Deferred/Unavailable Revenue:

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis of accounting, assessments for future periods are deferred. The County had unavailable revenue on June 30, 2025 totaling \$7,821,648 and deferred revenue totaling \$6,375,720 comprised of the following:

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Deferred/Unavailable revenue:		
Unavailable opioid funds	\$ -	\$ 135,380
Lease related items	25,073	25,073
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	-	1,310,548
2nd half assessment - property tax	5,891,697	5,891,697
Prepaid property taxes due after June 30 but paid in advance by taxpayers	458,950	458,950
Total deferred/unavailable revenue	<u>\$ 6,375,720</u>	<u>\$ 7,821,648</u>

Note 9—Commitments / Contingent Liabilities:

Federal programs in which the County and discretely presented component unit participate were audited in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this guidance all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Note 10—Litigation:

On June 30, 2025, the County had one material outstanding lawsuit. The Board of Supervisors is being sued for compensatory damages in the amount of \$20,000,000 or such other amount as may be shown at trial; punitive damages in the amount of \$350,000 per defendant; pre- and post-judgment interest permitted by law; and any other and further relief the law allows. Counsel from VRSA insurance is handling the case. A demurrer has been filed but a hearing date has not been set.

COUNTY OF MATHEWS, VIRGINIA

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

Note 11—Risk Management:

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

The County is a member of the Virginia Municipal Group Self Insurance Program for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

The County continues to carry commercial insurance for all other risks of losses. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 12—Pension Plans:

Plan Description

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

Benefit Structures

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Benefit Structures (Continued)

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	69	44
Inactive members:		
Vested inactive members	16	10
Non-vested inactive members	12	16
Inactive members active elsewhere in VRS	38	15
Total inactive members	66	41
Active members	76	34
Total covered employees	<u>211</u>	<u>119</u>

Contributions

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

The County’s contractually required employer contribution rate for the year ended June 30, 2025 was 9.43% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$450,129 and \$371,167 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 10,91% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$100,320 and \$99,027 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$20,227 and \$26,863 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$23,582 and \$16,767 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,022,705 and \$2,686,322 for the County and School Board, respectively, for the year ended June 30, 2025.

Net Pension Liability (Asset)

The net pension liability (asset) (NPL) 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. The County's and Component Unit School Board's (nonprofessional) net pension liabilities (assets) were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities (assets) were determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions - General Employees

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Discount Rate

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

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 16,183,624	\$ 16,664,473	\$ (480,849)
Changes for the year:			
Service cost	\$ 526,956	\$ -	\$ 526,956
Interest	1,094,407	-	1,094,407
Differences between expected and actual experience	941,113	-	941,113
Contributions - employer	-	370,893	(370,893)
Contributions - employee	-	202,640	(202,640)
Net investment income	-	1,606,650	(1,606,650)
Benefit payments, including refunds	(994,299)	(994,299)	-
Administrative expenses	-	(10,844)	10,844
Other changes	-	324	(324)
Net changes	\$ 1,568,177	\$ 1,175,364	\$ 392,813
Balances at June 30, 2024	\$ 17,751,801	\$ 17,839,837	\$ (88,036)

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Changes in Net Pension Liability

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 4,583,474	\$ 4,205,525	\$ 377,949
Changes for the year:			
Service cost	\$ 71,899	\$ -	\$ 71,899
Interest	299,958	-	299,958
Differences between expected and actual experience	186,133	-	186,133
Contributions - employer	-	98,811	(98,811)
Contributions - employee	-	40,327	(40,327)
Net investment income	-	395,406	(395,406)
Benefit payments, including refunds	(423,090)	(423,090)	-
Administrative expenses	-	(2,780)	2,780
Other changes	-	77	(77)
Net changes	\$ 134,900	\$ 108,751	\$ 26,149
Balances at June 30, 2024	\$ 4,718,374	\$ 4,314,276	\$ 404,098

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 1,961,192	\$ (88,036)	\$ (1,801,401)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ 872,090	\$ 404,098	\$ 3,028

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

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

For the year ended June 30, 2025, the County and Component Unit School Board (Nonprofessional) recognized pension expense of \$327,489 and (\$51,757), respectively. On June 30, 2025, the County and Component Unit School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 573,491	\$ 82,632	\$ 72,637	\$ -
Net difference between projected and actual earnings on pension plan investments	-	463,946	-	115,396
Employer contributions subsequent to the measurement date	450,129	-	100,320	-
Total	\$ 1,023,620	\$ 546,578	\$ 172,957	\$ 115,396

\$450,129 and \$100,320 reported as deferred outflows of resources related to pensions resulting from the County’s and Component Unit School Board’s (Nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (Nonprofessional)
2026	\$ (115,756)	\$ (31,000)
2027	333,477	34,501
2028	(91,538)	(22,020)
2029	(99,270)	(24,240)
2030	-	-
Thereafter	-	-

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Pension Plan Data

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

Component Unit School Board (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division’s contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,107,012 and \$1,260,755 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$23,331 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 \$16,767 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,199,627 for the year ended June 30, 2025.

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

On June 30, 2025, the school division reported a liability of \$7,016,734 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

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

for all participating employers. On June 30, 2024, the school division’s proportion was 0.07475% as compared to 0.08138% on June 30, 2023.

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

For the year ended June 30, 2025, the school division recognized pension expense of \$610,746. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,217,304	\$ 144,479
Changes of assumptions	127,363	-
Net difference between projected and actual earnings on pension plan investments	-	965,858
Changes in proportion and differences between employer contributions and proportionate share of contributions	51,536	886,343
Employer contributions subsequent to the measurement date	<u>1,107,012</u>	<u>-</u>
Total	<u>\$ 2,503,215</u>	<u>\$ 1,996,680</u>

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COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

\$1,107,012 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (692,564)
2027	346,505
2028	(81,625)
2029	(172,793)
2030	-

Actuarial Assumptions

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

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

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COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Net Pension Liability

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

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

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

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

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

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

	<u>Rate</u>		
	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 13,035,716	\$ 7,016,734	\$ 2,087,379

COUNTY OF MATHEWS, VIRGINIA

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

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 1,023,620	\$ 546,578	\$ (88,036)	\$ 327,489	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	172,957	115,396	404,098	(51,757)
School Board Professional	-	-	-	-	2,503,215	1,996,680	7,016,734	610,746
Totals	\$ 1,023,620	\$ 546,578	\$ (88,036)	\$ 327,489	\$ 2,676,172	\$ 2,112,076	\$ 7,420,832	\$ 558,989

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan):

Benefit Amounts

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$22,461 and \$23,713 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the Group Life Insurance Program from the Component Unit School Board Professional group were \$36,615 and \$42,169 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the Group Life Insurance Program from the Component Unit School Board Nonprofessional group were \$4,322 and \$4,845 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

On June 30, 2025, the County reported a liability of \$190,823 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board Professional and Nonprofessional groups reported liabilities of \$339,352 and \$38,946, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer’s proportion of the Net GLI OPEB Liability was based on the covered employer’s actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2024, the County’s proportion was 0.01710% as compared to 0.01721% on June 30, 2023. On June 30, 2024, the Component Unit School Board Professional and Nonprofessional groups’ proportion was 0.03041% and 0.00349%, respectively as compared to 0.03390% and 0.00405%, respectively on June 30, 2023.

For the year ended June 30, 2025, the County recognized GLI OPEB expense of \$13,543. For the year ended June 30, 2025, the Component Unit School Board Professional group recognized GLI OPEB expense of \$63. For the year ended June 30, 2025, the Component Unit School Board Nonprofessional group recognized GLI OPEB expense of (\$523). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Primary Government		Component School Board (Professional)		Component School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,097	\$ 4,661	\$ 53,524	\$ 8,289	\$ 6,143	\$ 951
Net difference between projected and actual earnings on GLI OPEB plan investments	-	16,084	-	28,604	-	3,283
Change of assumptions	1,088	9,457	1,934	16,818	222	1,930
Changes in proportionate share	15,766	1,252	10,411	61,896	1,959	10,079
Employer contributions subsequent to the measurement date	22,461	-	36,615	-	4,322	-
Total	\$ 69,412	\$ 31,454	\$ 102,484	\$ 115,607	\$ 12,646	\$ 16,243

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COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

\$22,461, \$36,615, and \$4,322, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board Professional and Nonprofessional group’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (Professional)	Component Unit School Board (Nonprofessional)
2026	\$ (1,228)	\$ (21,066)	\$ (3,289)
2027	8,189	(6,275)	(1,393)
2028	3,176	(12,854)	(1,412)
2029	2,594	(8,499)	(1,416)
2030	2,766	(1,044)	(409)
Thereafter	-	-	-

Actuarial Assumptions

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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 because of the experience study and VRS Board action are as follows:

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability

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

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

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

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COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 296,754	\$ 190,823	\$ 105,244
Component School Board (Professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 527,736	\$ 339,352	\$ 187,162
Component School Board (Nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 60,566	\$ 38,946	\$ 21,480

GLI Plan Fiduciary Net Position

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board (non professional)</u>
Inactive members or their beneficiaries currently receiving benefits	4	7
Vested inactive members	4	3
Active elsewhere	17	13
Active members	<u>22</u>	<u>34</u>
Total covered employees	<u>47</u>	<u>57</u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted because of funding options provided to political subdivisions by the Virginia General Assembly. The County and School Board’s contractually required employer contribution rate for the year ended June 30, 2025 was 0.49% and 1.15% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$6,181 and \$5,957 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions from the School Board to the HIC Plan were \$10,574 and \$10,318 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (Continued)

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

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

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COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

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

Changes in Net HIC OPEB Liability

	Primary Government		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 47,887	\$ 18,383	\$ 29,504
Changes for the year:			
Service cost	\$ 769	\$ -	\$ 769
Interest	3,217	-	3,217
Difference between expected and actual experience	(12,433)	-	(12,433)
Contributions - employer	-	5,957	(5,957)
Net investment income	-	2,084	(2,084)
Benefit payments	(1,980)	(1,980)	-
Administrative expenses	-	(30)	30
Other changes	-	1	(1)
Net changes	\$ (10,427)	\$ 6,032	\$ (16,459)
Balances at June 30, 2024	\$ 37,460	\$ 24,415	\$ 13,045

COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Changes in Net HIC OPEB Liability (Continued)

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 80,194	\$ 27,453	\$ 52,741
Changes for the year:			
Service cost	\$ 1,015	\$ -	\$ 1,015
Interest	5,348	-	5,348
Difference between expected and actual experience	(1,750)	-	(1,750)
Contributions - employer	-	10,319	(10,319)
Net investment income	-	2,929	(2,929)
Benefit payments	(3,971)	(3,971)	-
Administrative expenses	-	(43)	43
Other changes	-	(1)	1
Net changes	\$ 642	\$ 9,233	\$ (8,591)
Balances at June 30, 2024	\$ 80,836	\$ 36,686	\$ 44,150

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COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Primary Government:			
Net HIC OPEB Liability	\$ 16,896	\$ 13,045	\$ 9,772
Component Unit School Board (nonprofessional):			
Net HIC OPEB Liability	\$ 52,165	\$ 44,150	\$ 37,240

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

For the year ended June 30, 2025, the County and School Board recognized HIC Plan OPEB expense of \$2,012 and (\$9,096). On June 30, 2025, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the County and School Board’s HIC Plan from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,280	\$ 8,529	\$ 235	\$ 28,577
Net difference between projected and actual earnings on HIC OPEB plan investments	-	279	-	383
Changes of assumptions	5,334	-	5,118	-
Employer contributions subsequent to the measurement date	6,181	-	10,574	-
Total	\$ 12,795	\$ 8,808	\$ 15,927	\$ 28,960

COUNTY OF MATHEWS, VIRGINIA

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

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$6,181 and \$10,574 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board’s contributions after the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>
2026	\$ (658)	\$ (13,645)
2027	(1,038)	(9,454)
2028	(356)	(337)
2029	(142)	(171)
2030	-	-
Thereafter	-	-

HIC Plan Data

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

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

Plan Description

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

COUNTY OF MATHEWS, VIRGINIA

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

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

Plan Description (Continued)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted because of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$94,263 and \$94,490 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF MATHEWS, VIRGINIA

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

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

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

At June 30, 2025, the school division reported a liability of \$842,352 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division’s proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2024, the school division’s proportion of the VRS Teacher Employee HIC Plan was 0.07289% as compared to 0.07960% on June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$44,476. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 39,909
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	2,996
Change in assumptions	14,511	-
Change in proportionate share and differences between actual and expected contributions	36,397	138,706
Employer contributions subsequent to the measurement date	94,263	-
Total	\$ 145,171	\$ 181,611

COUNTY OF MATHEWS, VIRGINIA

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

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

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

\$94,263 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (22,634)
2027	(15,662)
2028	(27,052)
2029	(30,251)
2030	(23,624)
Thereafter	(11,480)

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF MATHEWS, VIRGINIA

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

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

Actuarial Assumptions (Continued)

Mortality Rates - Teachers (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

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

COUNTY OF MATHEWS, VIRGINIA

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

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

Net Teacher Employee HIC OPEB Liability (Continued)

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

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF MATHEWS, VIRGINIA

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

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

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 957,964	\$ 842,352	\$ 744,360

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF MATHEWS, VIRGINIA

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

Note 16—Medical and Dental Pay-As-You-Go (OPEB Plan):

County and School Board

Plan Description

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

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

Benefits Provided

Postemployment benefits that are provided to eligible County retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses, and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. No benefits are provided to Medicare eligible retirees or their spouses.

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. A teacher who retires under VRS plan with at least 15 years of total credible service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$4 per year of credible service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of \$4 multiplied by the smaller of (i) twice the amount of their credible service or (ii) the amount of credible service they would have completed at age 60 if they had remained in service to that age.

Plan Membership

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

	Primary Government	Component Unit School Board
Total active employees with coverage	64	173
Total retirees with coverage	2	-
Total spouses of retirees with coverage	2	-
Total	<u>68</u>	<u>173</u>

COUNTY OF MATHEWS, VIRGINIA

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

Note 16—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$28,693 and \$1,523, respectively.

Total OPEB Liability

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

Actuarial Assumptions

The total OPEB liability for the County and School Board actuarial valued on January 1, 2024 and January 1, 2025, respectively, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	School Board: Declining from 5.95% with 1 year of service to 3.50% with 20 or more years of service; County: Declining from 5.35% with 1 year of service to 3.50% with 20 or more years of service
Discount Rate	5.20%
Investment Rate of Return	N/A

Mortality rates for the County were based on the following actuarial assumptions:

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2023; males setback 1 year, 85% of rates; females setback 1 year.

Post-Retirement: RP-2014 Employee Rates to age 49; Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2023; males set forward 1 year; female’s setback 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disability Mortality Rates projected with Scale BB to 2023; males 115% of rates; females 130% of rates.

These mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2023 valuation of the Virginia Retirement System.

COUNTY OF MATHEWS, VIRGINIA

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

Note 16—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2023.

Post-Retirement: RP-2014 White Collar Employee Rates to age 49; White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2023; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement: RP-2014 Disability Mortality Rates projected with Scale BB to 2023; 115% of rates for males and females.

These mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2023 valuation of the Virginia Retirement System.

Discount Rate

The discount rate was based on the Bond Buyer 20-Year Bond GO index as of June 30, 2025.

Changes in Total OPEB Liability

	Primary Government	Component Unit School Board
	<u>Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balances at June 30, 2024	\$ 590,296	\$ 484,688
Changes for the year:		
Service cost	13,742	13,776
Interest	23,181	19,559
Changes in assumptions	(35,160)	(32,471)
Effect of economic/demographic gains or losses	(39,866)	(204,186)
Benefit payments	(28,693)	(1,523)
Net changes	<u>\$ (66,796)</u>	<u>\$ (204,845)</u>
Balances at June 30, 2025	<u>\$ 523,500</u>	<u>\$ 279,843</u>

COUNTY OF MATHEWS, VIRGINIA

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

Note 16—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

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

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

	Rate		
	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Primary Government:			
Total OPEB liability	\$ 575,159	\$ 523,500	\$ 479,222
Component Unit School Board:			
Total OPEB liability	\$ 305,758	\$ 279,843	\$ 255,654

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, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Rates		
	1% Decrease (4.90% decreasing to 2.90%)	Healthcare Cost Trend (5.90% decreasing to 3.90%)	1% Increase (6.90% decreasing to 4.90%)
Primary Government:			
Total OPEB liability	\$ 468,076	\$ 523,500	\$ 588,336
Component Unit School Board:			
Total OPEB liability	\$ 246,628	\$ 279,843	\$ 318,314

COUNTY OF MATHEWS, VIRGINIA

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

Note 16—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

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

For the year ended June 30, 2025, the County and the School Board recognized OPEB expense in the amount of \$48,151 and \$8,268. On June 30, 2024, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 57,421	\$ 30,595	\$ 69,473	\$ 176,452
Changes of assumptions	3,324	33,418	21,467	50,326
Total	\$ 60,745	\$ 64,013	\$ 90,940	\$ 226,778

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

Year Ended June 30	Primary Government	Component Unit School Board
2026	\$ 18,760	\$ (25,067)
2027	654	(24,711)
2028	(17,448)	(28,015)
2029	(5,234)	(44,653)
2030	-	(13,392)
Thereafter	-	-

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

Note 17—Line of Duty Act (LODA) (OPEB Benefits):

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

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

COUNTY OF MATHEWS, VIRGINIA

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

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

The current-year OPEB expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County’s LODA coverage is fully covered or “insured” through VRSA. This is built into the LODA coverage cost presented in the annual renewals. The County’s LODA premium for the year ended June 30, 2025 was \$34,287.

Note 18—Aggregate OPEB Information:

Aggregate OPEB information is presented below:

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 13):								
County	\$ 69,412	\$ 31,454	\$ 190,823	\$ 13,543	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	12,646	16,243	38,946	(523)
School Board Professional	-	-	-	-	102,484	115,607	339,352	63
County Health Insurance Credit Plan (Note 14):								
County	12,795	8,808	13,045	2,012	-	-	-	-
School Board Nonprofessional	-	-	-	-	15,927	28,960	44,150	(9,096)
Teacher Health Insurance Credit Plan (Note 15)	-	-	-	-	145,171	181,611	842,352	44,476
County Stand-Alone Plan (Note 16)	60,745	64,013	523,500	48,151	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	90,940	226,778	279,843	8,268
Totals	\$ 142,952	\$ 104,275	\$ 727,368	\$ 63,706	\$ 367,168	\$ 569,199	\$ 1,544,643	\$ 43,188

Note 19—Lease Receivable:

The County leases land and a building to a tenant for a restaurant under a lease contract. In fiscal year 2025, the County recognized lease and interest revenue in the amount of \$8,111 and \$763, respectively. A description of the lease is as follows:

Lease Description	Interest Rate	Annual Installments	Start Date	End Date	Payment Frequency	Ending Balance
Restaurant site	0.75%	\$ 8,874	June 2023	May 2028	Monthly	\$ 16,970

There are no variable payments for the lease receivable above.

Expected future payments at June 30, 2025 are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 8,358	\$ 516	\$ 8,874
2027	8,612	262	8,874
Total	\$ 16,970	\$ 778	\$ 17,748

COUNTY OF MATHEWS, VIRGINIA

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

Note 20—Surety Bonds:

	<u>Amount</u>
Commonwealth of Virginia - Division of Risk Management - Surety	
Elizabeth Brown, Clerk of the Circuit Court	\$ 103,000
Wendy Stewart, Treasurer	400,000
Leslie Hall, Commissioner of the Revenue	3,000
April Edwards, Sheriff	30,000
Selective Insurance Company - Surety	
School Board Clerk and Deputy Clerk	10,000
VMLIP - Surety	
All Social Services Employees - Blanket Bond	1,000,000

Note 21—Upcoming Pronouncements:

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

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

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

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

Note 22— Change in Accounting Principle:

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

The adoption of GASB 101 resulted in a restatement of beginning net position as shown in Note 23 below.

Note 23— Restatement of Beginning Balances:

The beginning net position as of July 1, 2024, has been restated to reflect the cumulative effect of implementing GASB Statement No. 101, *Compensated Absences*, and other restatements.

COUNTY OF MATHEWS, VIRGINIA

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

Note 23— Restatement of Beginning Balances: (Continued)

The impact of these adjustments on beginning net position is as follows:

	<u>Primary Government</u>	
	<u>Governmental Funds</u>	
	<u>General</u>	<u>Special Revenue</u>
Fund Balance, July 1, 2024, as previously reported	\$ 8,098,899	\$ 598,097
Restatement:		
Unrecorded FY 2024 meals tax transfer	\$ <u>617,085</u>	\$ <u>(617,085)</u>
Fund Balance, July 1, 2024, as restated	\$ <u>8,715,984</u>	\$ <u>(18,988)</u>
	<u>Net Position</u>	
	<u>Governmental Activities</u>	<u>School Board</u>
Net Position, July 1, 2024, as previously reported	\$ 21,394,057	\$ 774,867
Restatement:		
Implementation of GASB 101:		
Compensated absences liability change	(363,484)	(1,056,164)
Unrecorded lease liabilities	(21,561)	-
Net value of unrecorded lease assets	<u>20,808</u>	<u>-</u>
Net Position, July 1, 2024, as restated	\$ <u>21,029,820</u>	\$ <u>(281,297)</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 16,723,299	\$ 16,763,300	\$ 16,421,563	\$ (341,737)
Other local taxes	1,960,000	1,960,000	2,139,661	179,661
Permits, privilege fees, and regulatory licenses	91,200	91,200	101,220	10,020
Fines and forfeitures	70,700	70,700	69,349	(1,351)
Revenue from the use of money and property	405,473	362,273	333,662	(28,611)
Charges for services	36,400	48,367	52,882	4,515
Miscellaneous	37,583	150,529	373,942	223,413
Recovered costs	46,000	46,000	41,244	(4,756)
Intergovernmental:				
Commonwealth	8,706,819	9,200,229	5,808,270	(3,391,959)
Federal	973,704	1,030,751	1,282,448	251,697
Total revenues	<u>\$ 29,051,178</u>	<u>\$ 29,723,349</u>	<u>\$ 26,624,241</u>	<u>\$ (3,099,108)</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,884,122	\$ 2,894,266	\$ 2,800,963	\$ 93,303
Judicial administration	779,565	803,238	808,600	(5,362)
Public safety	4,525,580	4,838,402	4,422,219	416,183
Public works	2,017,788	2,030,410	2,046,317	(15,907)
Health and welfare	3,186,735	3,243,077	3,381,686	(138,609)
Education	9,495,084	9,744,389	9,704,875	39,514
Parks, recreation, and cultural	686,784	673,234	615,768	57,466
Community development	504,534	509,034	547,411	(38,377)
Capital projects	7,124,382	7,860,486	4,040,214	3,820,272
Debt service:				
Principal retirement	268,267	268,267	332,509	(64,242)
Interest and other fiscal charges	25,750	100,750	215,311	(114,561)
Total expenditures	<u>\$ 31,498,591</u>	<u>\$ 32,965,553</u>	<u>\$ 28,915,873</u>	<u>\$ 4,049,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,447,413)</u>	<u>\$ (3,242,204)</u>	<u>\$ (2,291,632)</u>	<u>\$ 950,572</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 367,000	\$ 367,000	\$ 367,000	\$ -
Issuance of bond anticipation notes	-	863,321	5,000,000	4,136,679
Issuance of subscription liability	-	-	22,760	22,760
Issuance of financed purchase	-	-	17,511	17,511
Total other financing sources (uses)	<u>\$ 367,000</u>	<u>\$ 1,230,321</u>	<u>\$ 5,407,271</u>	<u>\$ 4,176,950</u>
Net change in fund balances	\$ (2,080,413)	\$ (2,011,883)	\$ 3,115,639	\$ 5,127,522
Fund balances - beginning	\$ 2,080,413	\$ 2,011,883	\$ 8,098,899	\$ 6,087,016
Restatement	-	-	617,085	617,085
Fund balances - beginning, as restated	<u>2,080,413</u>	<u>2,011,883</u>	<u>8,715,984</u>	<u>6,704,101</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,831,623</u>	<u>\$ 11,831,623</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	\$ 367,000	\$ 367,000	\$ 374,882	\$ 7,882
Fines and forfeitures	-	-	1,859	1,859
Revenue from the use of money and property	-	-	7,781	7,781
Intergovernmental:				
Commonwealth	-	-	4,806	4,806
Total revenues	\$ 367,000	\$ 367,999	\$ 400,507	\$ 32,508
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 999	\$ 10,710	\$ (9,711)
Total expenditures	\$ -	\$ 999	\$ 10,710	\$ (9,711)
Excess (deficiency) of revenues over (under) expenditures	\$ 367,000	\$ 367,000	\$ 389,797	\$ 22,797
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (367,000)	\$ (367,000)	\$ (367,000)	\$ -
Total other financing sources (uses)	\$ (367,000)	\$ (367,000)	\$ (367,000)	\$ -
Net change in fund balances	\$ -	\$ -	\$ 22,797	\$ 22,797
Fund balances - beginning	\$ -	\$ -	\$ 598,097	\$ 598,097
Restatement	-	-	(617,085)	(617,085)
Fund balances - beginning, as restated	-	-	(18,988)	(18,988)
Fund balances - ending	\$ -	\$ -	\$ 3,809	\$ 3,809

County of Mathews, Virginia

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability			
Service cost	\$ 526,956	\$ 485,312	\$ 458,232
Interest	1,094,407	1,071,861	996,894
Differences between expected and actual experience	941,113	(400,452)	331,830
Changes of assumptions	-	-	-
Benefit payments	(994,299)	(734,405)	(672,443)
Net change in total pension liability	<u>\$ 1,568,177</u>	<u>\$ 422,316</u>	<u>\$ 1,114,513</u>
Total pension liability - beginning	16,183,624	15,761,308	14,646,795
Total pension liability - ending (a)	<u>\$ 17,751,801</u>	<u>\$ 16,183,624</u>	<u>\$ 15,761,308</u>
Plan fiduciary net position			
Contributions - employer	\$ 370,893	\$ 350,215	\$ 300,669
Contributions - employee	202,640	189,597	173,127
Net investment income	1,606,650	1,023,962	(17,949)
Benefit payments	(994,299)	(734,405)	(672,443)
Administrator charges	(10,844)	(10,155)	(10,000)
Other	324	412	372
Net change in plan fiduciary net position	<u>\$ 1,175,364</u>	<u>\$ 819,626</u>	<u>\$ (226,224)</u>
Plan fiduciary net position - beginning	16,664,473	15,844,847	16,071,071
Plan fiduciary net position - ending (b)	<u>\$ 17,839,837</u>	<u>\$ 16,664,473</u>	<u>\$ 15,844,847</u>
County's net pension liability (asset) - ending (a) - (b)	\$ (88,036)	\$ (480,849)	\$ (83,539)
Plan fiduciary net position as a percentage of the total pension liability	100.50%	102.97%	100.53%
Covered payroll	\$ 4,391,280	\$ 4,054,846	\$ 3,668,679
County's net pension liability (asset) as a percentage of covered payroll	-2.00%	-11.86%	-2.28%

	2021	2020	2019	2018	2017	2016	2015
\$	393,736	\$ 379,187	\$ 332,918	\$ 335,841	\$ 341,149	\$ 341,912	\$ 325,686
	892,281	866,692	877,257	846,691	820,550	814,884	776,569
	(36,460)	(201,042)	(621,810)	(156,562)	(221,497)	(477,032)	55,210
	499,623	-	352,267	-	28,789	-	-
	(642,717)	(688,770)	(577,214)	(601,411)	(589,703)	(607,919)	(612,313)
\$	<u>1,106,463</u>	<u>\$ 356,067</u>	<u>\$ 363,418</u>	<u>\$ 424,559</u>	<u>\$ 379,288</u>	<u>\$ 71,845</u>	<u>\$ 545,152</u>
	13,540,332	13,184,265	12,820,847	12,396,288	12,017,000	11,945,155	11,400,003
\$	<u>14,646,795</u>	<u>\$ 13,540,332</u>	<u>\$ 13,184,265</u>	<u>\$ 12,820,847</u>	<u>\$ 12,396,288</u>	<u>\$ 12,017,000</u>	<u>\$ 11,945,155</u>
\$	271,229	\$ 463,143	\$ 312,617	\$ 300,305	\$ 291,224	\$ 336,672	\$ 324,933
	158,355	151,298	136,946	127,864	142,834	122,964	120,639
	3,497,923	244,481	799,919	835,422	1,245,206	176,143	453,401
	(642,717)	(688,770)	(577,214)	(601,411)	(589,703)	(607,919)	(612,313)
	(8,679)	(8,168)	(7,848)	(7,225)	(7,210)	(6,381)	(6,272)
	330	(288)	(504)	(743)	(1,106)	(75)	(92)
\$	<u>3,276,441</u>	<u>\$ 161,696</u>	<u>\$ 663,916</u>	<u>\$ 654,212</u>	<u>\$ 1,081,245</u>	<u>\$ 21,404</u>	<u>\$ 280,296</u>
	12,794,630	12,632,934	11,969,018	11,314,806	10,233,561	10,212,157	9,931,861
\$	<u>16,071,071</u>	<u>\$ 12,794,630</u>	<u>\$ 12,632,934</u>	<u>\$ 11,969,018</u>	<u>\$ 11,314,806</u>	<u>\$ 10,233,561</u>	<u>\$ 10,212,157</u>
\$	(1,424,276)	\$ 745,702	\$ 551,331	\$ 851,829	\$ 1,081,482	\$ 1,783,439	\$ 1,732,998
	109.72%	94.49%	95.82%	93.36%	91.28%	85.16%	85.49%
\$	3,292,682	\$ 3,158,445	\$ 2,843,189	\$ 2,561,268	\$ 2,473,088	\$ 2,488,196	\$ 2,390,708
	-43.26%	23.61%	19.39%	33.26%	43.73%	71.68%	72.49%

County of Mathews, Virginia

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability			
Service cost	\$ 71,899	\$ 82,533	\$ 79,441
Interest	299,958	318,573	316,391
Differences between expected and actual experience	186,133	(315,936)	(97,356)
Changes of assumptions	-	-	-
Benefit payments	(423,090)	(277,538)	(260,926)
Net change in total pension liability	<u>\$ 134,900</u>	<u>\$ (192,368)</u>	<u>\$ 37,550</u>
Total pension liability - beginning	4,583,474	4,775,842	4,738,292
Total pension liability - ending (a)	<u><u>\$ 4,718,374</u></u>	<u><u>\$ 4,583,474</u></u>	<u><u>\$ 4,775,842</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 98,811	\$ 105,834	\$ 96,297
Contributions - employee	40,327	43,062	42,354
Net investment income	395,406	259,662	(2,992)
Benefit payments	(423,090)	(277,538)	(260,926)
Administrator charges	(2,780)	(2,618)	(2,624)
Other	77	104	96
Net change in plan fiduciary net position	<u>\$ 108,751</u>	<u>\$ 128,506</u>	<u>\$ (127,795)</u>
Plan fiduciary net position - beginning	4,205,525	4,077,019	4,204,814
Plan fiduciary net position - ending (b)	<u><u>\$ 4,314,276</u></u>	<u><u>\$ 4,205,525</u></u>	<u><u>\$ 4,077,019</u></u>
School Division's net pension liability - ending (a) - (b)	\$ 404,098	\$ 377,949	\$ 698,823
Plan fiduciary net position as a percentage of the total pension liability	91.44%	91.75%	85.37%
Covered payroll	\$ 897,253	\$ 953,804	\$ 947,163
School Division's net pension liability as a percentage of covered payroll	45.04%	39.63%	73.78%

	2021	2020	2019	2018	2017	2016	2015
\$	72,588	\$ 70,199	\$ 71,191	\$ 69,992	\$ 73,000	\$ 79,674	\$ 72,755
	283,439	280,978	272,250	263,746	257,328	248,469	236,376
	145,523	(48,018)	68,635	8,670	(15,559)	(33,775)	31,237
	183,735	-	98,438	-	(28,897)	-	-
	(292,184)	(241,221)	(233,097)	(208,740)	(179,650)	(155,958)	(179,276)
\$	393,101	\$ 61,938	\$ 277,417	\$ 133,668	\$ 106,222	\$ 138,410	\$ 161,092
	4,345,191	4,283,253	4,005,836	3,872,168	3,765,946	3,627,536	3,466,444
\$	4,738,292	\$ 4,345,191	\$ 4,283,253	\$ 4,005,836	\$ 3,872,168	\$ 3,765,946	\$ 3,627,536
\$	90,109	\$ 92,649	\$ 84,461	\$ 86,813	\$ 86,945	\$ 92,400	\$ 91,599
	40,251	43,159	39,237	37,850	38,209	37,029	36,827
	918,083	66,621	222,618	236,587	354,888	50,708	127,992
	(292,184)	(241,221)	(233,097)	(208,740)	(179,650)	(155,958)	(179,276)
	(2,372)	(2,289)	(2,250)	(2,072)	(2,060)	(1,797)	(1,781)
	86	(356)	(139)	(210)	(316)	(22)	(26)
\$	753,973	\$ (41,437)	\$ 110,830	\$ 150,228	\$ 298,016	\$ 22,360	\$ 75,335
	3,450,841	3,492,278	3,381,448	3,231,220	2,933,204	2,910,844	2,835,509
\$	4,204,814	\$ 3,450,841	\$ 3,492,278	\$ 3,381,448	\$ 3,231,220	\$ 2,933,204	\$ 2,910,844
\$	533,478	\$ 894,350	\$ 790,975	\$ 624,388	\$ 640,948	\$ 832,742	\$ 716,692
	88.74%	79.42%	81.53%	84.41%	83.45%	77.89%	80.24%
\$	871,982	\$ 931,723	\$ 837,028	\$ 799,884	\$ 789,923	\$ 747,964	\$ 738,188
	61.18%	95.99%	94.50%	78.06%	81.14%	111.33%	97.09%

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2024	0.07475%	\$ 7,016,734	\$ 7,809,059	89.85%	84.52%
2023	0.08138%	8,225,243	7,933,362	103.68%	82.45%
2022	0.08620%	8,206,756	7,886,718	104.06%	82.61%
2021	0.08656%	6,719,737	7,605,554	88.35%	85.46%
2020	0.08866%	12,902,359	7,642,707	168.82%	71.47%
2019	0.07939%	10,448,175	6,672,478	156.59%	73.51%
2018	0.08037%	9,451,000	6,453,601	146.45%	74.81%
2017	0.08373%	10,297,000	6,560,355	156.96%	72.92%
2016	0.08388%	11,755,000	6,391,686	183.91%	68.28%
2015	0.08549%	10,760,000	6,356,097	169.29%	70.68%

County of Mathews, Virginia
Schedule of Employer Contributions
Pension Plans

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

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
(1)	(2)	(3)	(4)	(5)	
Primary Government					
2025	\$ 450,129	\$ 450,129	\$ -	4,773,374	9.43%
2024	371,167	371,167	-	4,391,280	8.45%
2023	350,449	350,449	-	4,054,846	8.64%
2022	300,823	300,823	-	3,668,679	8.20%
2021	271,371	271,371	-	3,292,682	8.24%
2020	343,794	343,794	-	3,158,445	10.88%
2019	312,722	312,722	-	2,843,189	11.00%
2018	300,373	300,373	-	2,561,268	11.73%
2017	295,039	295,039	-	2,473,088	11.93%
2016	336,672	336,672	-	2,488,196	13.53%
Component Unit School Board (nonprofessional)					
2025	\$ 100,320	\$ 100,320	\$ -	919,521	10.91%
2024	99,027	99,027	-	897,253	11.04%
2023	105,840	105,840	-	953,804	11.10%
2022	96,781	96,781	-	947,163	10.22%
2021	89,756	89,756	-	871,982	10.29%
2020	93,149	93,149	-	931,723	10.00%
2019	84,712	84,712	-	837,028	10.12%
2018	86,813	86,813	-	799,884	10.85%
2017	88,392	88,392	-	789,923	11.19%
2016	92,400	92,400	-	747,964	12.35%
Component Unit School Board (professional)					
2025	\$ 1,107,012	\$ 1,107,012	\$ -	7,790,371	14.21%
2024	1,260,755	1,260,755	-	7,809,059	16.14%
2023	1,284,572	1,284,572	-	7,933,362	16.19%
2022	1,280,523	1,280,523	-	7,886,718	16.24%
2021	1,224,543	1,224,543	-	7,605,554	16.10%
2020	1,178,080	1,178,080	-	7,642,707	15.41%
2019	1,018,412	1,018,412	-	6,672,478	15.26%
2018	1,039,399	1,039,399	-	6,453,601	16.11%
2017	961,748	961,748	-	6,560,355	14.66%
2016	898,671	898,671	-	6,391,686	14.06%

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

County of Mathews, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2024

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

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

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

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

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

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

Component Unit School Board - Professional Employees:

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
2024	0.01710% \$	190,823 \$	4,391,280	4.35%	73.41%
2023	0.01721%	206,402	4,054,846	5.09%	69.30%
2022	0.01690%	203,131	3,668,679	5.54%	67.21%
2021	0.01600%	185,702	3,292,682	5.64%	67.45%
2020	0.01540%	256,167	3,158,445	8.11%	52.64%
2019	0.01450%	235,954	2,843,189	8.30%	52.00%
2018	0.01348%	205,000	2,562,615	8.00%	51.22%
2017	0.01341%	202,000	2,473,088	8.17%	48.86%
Component Unit School Board (Nonprofessional):					
2024	0.00349% \$	38,946 \$	897,253	4.34%	73.41%
2023	0.00405%	48,572	953,804	5.09%	69.30%
2022	0.00440%	52,739	953,116	5.53%	67.21%
2021	0.00420%	49,132	871,982	5.63%	67.45%
2020	0.00450%	75,598	931,923	8.11%	52.64%
2019	0.00427%	69,484	837,028	8.30%	52.00%
2018	0.00421%	64,000	799,884	8.00%	51.22%
2017	0.00428%	64,000	789,923	8.10%	48.86%
Component Unit School Board (Professional):					
2024	0.03041% \$	339,352 \$	7,809,059	4.35%	73.41%
2023	0.03390%	406,567	7,984,558	5.09%	69.30%
2022	0.03630%	437,087	7,895,962	5.54%	67.21%
2021	0.03680%	428,918	7,605,554	5.64%	67.45%
2020	0.03710%	619,806	7,642,707	8.11%	52.64%
2019	0.03367%	547,900	6,601,091	8.30%	52.00%
2018	0.03391%	515,000	6,447,209	7.99%	51.22%
2017	0.03564%	537,000	6,572,851	8.17%	48.86%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 22,461	\$ 22,461	\$ -	4,778,939	0.47%
2024	23,713	23,713	-	4,391,280	0.54%
2023	21,896	21,896	-	4,054,846	0.54%
2022	19,811	19,811	-	3,668,679	0.54%
2021	17,780	17,780	-	3,292,682	0.54%
2020	16,424	16,424	-	3,158,445	0.52%
2019	14,785	14,785	-	2,843,189	0.52%
2018	13,326	13,326	-	2,562,615	0.52%
2017	12,860	12,860	-	2,473,088	0.52%
2016	11,943	11,943	-	2,488,196	0.48%
Component Unit School Board (Nonprofessional)					
2025	\$ 4,322	\$ 4,322	\$ -	919,521	0.47%
2024	4,845	4,845	-	897,253	0.54%
2023	5,151	5,151	-	953,804	0.54%
2022	5,147	5,147	-	953,116	0.54%
2021	4,709	4,709	-	871,982	0.54%
2020	4,846	4,846	-	931,923	0.52%
2019	4,353	4,353	-	837,028	0.52%
2018	4,159	4,159	-	799,884	0.52%
2017	4,108	4,108	-	789,923	0.52%
2016	3,590	3,590	-	747,964	0.48%
Component Unit School Board (Professional)					
2025	\$ 36,615	\$ 36,615	\$ -	7,790,371	0.47%
2024	42,169	42,169	-	7,809,059	0.54%
2023	43,117	43,117	-	7,984,558	0.54%
2022	42,638	42,638	-	7,895,962	0.54%
2021	41,070	41,070	-	7,605,554	0.54%
2020	39,742	39,742	-	7,642,707	0.52%
2019	34,326	34,326	-	6,601,091	0.52%
2018	33,525	33,525	-	6,447,209	0.52%
2017	34,179	34,179	-	6,572,851	0.52%
2016	30,698	30,698	-	6,395,480	0.48%

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

County of Mathews, Virginia
 Schedule of Changes in the County's Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 Primary Government
 For the Measurement Dates of June 30, 2017 through 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total HIC OPEB Liability								
Service cost	\$ 769	\$ 588	\$ 1,094	\$ 1,168	\$ 869	\$ 766	\$ 1,075	\$ 878
Interest	3,217	2,979	1,928	1,782	2,014	2,064	1,655	1,641
Differences between expected and actual experience	(12,433)	1,771	2,426	481	(3,611)	(1,026)	4,695	-
Changes of assumptions	-	-	13,358	795	-	710	-	(744)
Benefit payments	(1,980)	(1,980)	(3,505)	(2,800)	(2,620)	(1,687)	(1,497)	(1,629)
Net change in total HIC OPEB liability	\$ (10,427)	\$ 3,358	\$ 15,301	\$ 1,426	\$ (3,348)	\$ 827	\$ 5,928	\$ 146
Total HIC OPEB Liability - beginning	47,887	44,529	29,228	27,802	31,150	30,323	24,395	24,249
Total HIC OPEB Liability - ending (a)	\$ 37,460	\$ 47,887	\$ 44,529	\$ 29,228	\$ 27,802	\$ 31,150	\$ 30,323	\$ 24,395
Plan fiduciary net position								
Contributions - employer	\$ 5,957	\$ 5,064	\$ 4,708	\$ 4,680	\$ 4,314	\$ 3,730	\$ 2,281	\$ 2,142
Net investment income	2,084	727	(16)	1,594	80	175	41	24
Benefit payments	(1,980)	(1,980)	(3,505)	(2,800)	(2,620)	(1,687)	(1,497)	(1,629)
Administrator charges	(30)	(13)	(26)	(24)	(10)	(5)	(2)	(1)
Other	1	249	4,666	-	-	-	-	-
Net change in plan fiduciary net position	\$ 6,032	\$ 4,047	\$ 5,827	\$ 3,450	\$ 1,764	\$ 2,213	\$ 823	\$ 536
Plan fiduciary net position - beginning	18,383	14,336	8,509	5,059	3,295	1,082	259	(277)
Plan fiduciary net position - ending (b)	\$ 24,415	\$ 18,383	\$ 14,336	\$ 8,509	\$ 5,059	\$ 3,295	\$ 1,082	\$ 259
County's net HIC OPEB liability - ending (a) - (b)	\$ 13,045	\$ 29,504	\$ 30,193	\$ 20,719	\$ 22,743	\$ 27,855	\$ 29,241	\$ 24,136
Plan fiduciary net position as a percentage of the total HIC OPEB liability	65.18%	38.39%	32.19%	29.11%	18.20%	10.58%	3.57%	1.06%
Covered payroll	\$ 1,215,800	\$ 1,033,450	\$ 960,855	\$ 955,104	\$ 880,372	\$ 761,198	\$ 600,277	\$ 563,617
County's net HIC OPEB liability as a percentage of covered payroll	1.07%	2.85%	3.14%	2.17%	2.58%	3.66%	4.87%	4.28%

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

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

	2024	2023	2022	2021	2020
Total HIC OPEB Liability					
Service cost	\$ 1,015	\$ 1,203	\$ 1,584	\$ 1,674	\$ -
Interest	5,348	9,111	7,480	6,777	-
Changes in benefit terms	-	-	-	-	100,396
Differences between expected and actual experience	(1,750)	(62,419)	822	1	-
Changes of assumptions	-	-	17,429	1,673	-
Benefit payments	(3,971)	(2,965)	(2,572)	-	-
Net change in total HIC OPEB liability	\$ 642	\$ (55,070)	\$ 24,743	\$ 10,125	\$ 100,396
Total HIC OPEB Liability - beginning	80,194	135,264	110,521	100,396	-
Total HIC OPEB Liability - ending (a)	<u>\$ 80,836</u>	<u>\$ 80,194</u>	<u>\$ 135,264</u>	<u>\$ 110,521</u>	<u>\$ 100,396</u>
Plan fiduciary net position					
Contributions - employer	\$ 10,319	\$ 10,969	\$ 10,034	\$ 9,244	\$ -
Net investment income	2,929	1,446	(177)	1,178	-
Benefit payments	(3,971)	(2,965)	(2,572)	-	-
Administrator charges	(43)	(38)	(32)	(41)	-
Other	(1)	21	386	-	-
Net change in plan fiduciary net position	\$ 9,233	\$ 9,433	\$ 7,639	\$ 10,381	\$ -
Plan fiduciary net position - beginning	27,453	18,020	10,381	-	-
Plan fiduciary net position - ending (b)	<u>\$ 36,686</u>	<u>\$ 27,453</u>	<u>\$ 18,020</u>	<u>\$ 10,381</u>	<u>\$ -</u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 44,150	\$ 52,741	\$ 117,244	\$ 100,140	\$ 100,396
Plan fiduciary net position as a percentage of the total HIC OPEB liability	45.38%	34.23%	13.32%	9.39%	0.00%
Covered payroll	\$ 897,253	\$ 953,804	\$ 947,163	\$ 871,982	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	4.92%	5.53%	12.38%	11.48%	0.00%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 6,181	\$ 6,181	-	\$ 1,261,361	0.49%
2024	5,957	5,957	-	1,215,800	0.49%
2023	5,064	5,064	-	1,033,450	0.49%
2022	4,708	4,708	-	960,855	0.49%
2021	4,680	4,680	-	955,104	0.49%
2020	4,314	4,314	-	880,372	0.49%
2019	3,730	3,730	-	761,198	0.49%
2018	2,281	2,281	-	600,277	0.38%
2017	2,142	2,142	-	563,617	0.38%
2016	927	927	-	617,765	0.15%
Component Unit School Board (nonprofessional):					
2025	\$ 10,574	\$ 10,574	-	\$ 919,521	1.15%
2024	10,318	10,318	-	897,253	1.15%
2023	10,969	10,969	-	953,804	1.15%
2022	10,040	10,040	-	947,163	1.06%
2021	9,243	9,243	-	871,982	1.06%

Schedule is intended to show information for 10 years. The School Board (nonprofessional) enrolled in the Health Insurance Credit Program in 2021. However, additional years will be included as they become available.

County of Mathews, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
Component Unit School Board (Professional)					
2024	0.07289%	\$ 842,352	\$ 7,809,059	10.79%	21.82%
2023	0.07960%	963,804	7,933,362	12.15%	17.90%
2022	0.08462%	1,056,943	7,886,718	13.40%	15.08%
2021	0.08528%	1,094,627	7,541,742	14.51%	13.15%
2020	0.08718%	1,137,277	7,642,707	14.88%	9.95%
2019	0.07847%	1,027,249	6,581,476	15.61%	8.97%
2018	0.07972%	1,012,000	6,447,209	15.70%	8.08%
2017	0.08304%	1,053,000	6,553,639	16.07%	7.04%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Component Unit School Board (Professional)					
2025	\$ 94,263	\$ 94,263	-	\$ 7,790,371	1.21%
2024	94,490	94,490	-	7,809,059	1.21%
2023	95,994	95,994	-	7,933,362	1.21%
2022	95,429	95,429	-	7,886,718	1.21%
2021	91,255	91,255	-	7,541,742	1.21%
2020	91,712	91,712	-	7,642,707	1.20%
2019	78,978	78,978	-	6,581,476	1.20%
2018	79,301	79,301	-	6,447,209	1.23%
2017	72,745	72,745	-	6,553,639	1.11%
2016	67,792	67,792	-	6,395,480	1.06%

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County of Mathews, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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

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

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total OPEB liability			
Service cost	\$ 13,742	\$ 14,444	\$ 13,853
Interest	23,181	21,805	14,558
Changes of assumptions	(35,160)	(15,013)	9,975
Differences between expected and actual experience	(39,866)	-	172,261
Benefit payments	(28,693)	(27,505)	(22,754)
Net change in total OPEB liability	<u>\$ (66,796)</u>	<u>\$ (6,269)</u>	<u>\$ 187,893</u>
Total OPEB liability - beginning	590,296	596,565	408,672
Total OPEB liability - ending	<u><u>\$ 523,500</u></u>	<u><u>\$ 590,296</u></u>	<u><u>\$ 596,565</u></u>
Covered-employee payroll	\$ 3,821,856	\$ 3,323,041	\$ 3,323,041
County's total OPEB liability as a percentage of covered-employee payroll	13.70%	17.76%	17.95%

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

Exhibit 26

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	14,680	\$ 14,139	\$ 8,786	\$ 5,829	\$ 5,997
	10,120	10,315	16,008	17,365	16,945
	(56,602)	2,326	(32,831)	14,877	(15,599)
	-	-	36,087	-	-
	(26,602)	(24,526)	(23,365)	(41,335)	(43,844)
\$	(58,404)	\$ 2,254	\$ 4,685	\$ (3,264)	\$ (36,501)
	467,076	464,822	460,137	463,401	499,902
\$	<u>408,672</u>	<u>\$ 467,076</u>	<u>\$ 464,822</u>	<u>\$ 460,137</u>	<u>\$ 463,401</u>
\$	3,360,921	\$ 3,360,921	\$ 3,092,760	\$ 2,557,695	\$ 2,557,695
	12.16%	13.90%	15.03%	17.99%	18.12%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total OPEB liability			
Service cost	\$ 13,776	\$ 17,112	\$ 19,897
Interest	19,559	17,825	12,394
Changes of assumptions	(32,471)	(10,511)	(10,617)
Differences between expected and actual experience	(204,186)	-	143,906
Benefit payments	(1,523)	(21,727)	(27,380)
Net change in total OPEB liability	<u>\$ (204,845)</u>	<u>\$ 2,699</u>	<u>\$ 138,200</u>
Total OPEB liability - beginning	484,688	481,989	343,789
Total OPEB liability - ending	<u><u>\$ 279,843</u></u>	<u><u>\$ 484,688</u></u>	<u><u>\$ 481,989</u></u>
Covered-employee payroll	\$ 8,936,860	\$ 8,936,860	\$ 8,936,860
School's total OPEB liability as a percentage of covered-employee payroll	3.13%	5.42%	5.39%

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

Exhibit 27

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	25,209	\$ 27,453	\$ 22,396	\$ 16,751	\$ 18,496
	8,316	7,182	10,069	10,664	11,661
	(42,671)	84,612	16,800	2,946	(8,194)
	-	(42,527)	-	(36,585)	-
	(13,652)	(15,199)	(18,841)	(28,757)	(53,556)
\$	<u>(22,798)</u>	\$ <u>61,521</u>	\$ <u>30,424</u>	\$ <u>(34,981)</u>	\$ <u>(31,593)</u>
	366,587	305,066	274,642	309,623	341,216
\$	<u>343,789</u>	\$ <u>366,587</u>	\$ <u>305,066</u>	\$ <u>274,642</u>	\$ <u>309,623</u>
\$	8,253,885	\$ 8,253,885	\$ 8,668,823	\$ 7,469,666	\$ 7,381,700
	4.17%	4.44%	3.52%	3.68%	4.19%

County of Mathews, Virginia
Notes to Required Supplementary Information - County OPEB
For the Year Ended June 30, 2025

Valuation Date: 1/1/2024
 Measurement Date: 6/30/2025

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal, level % of salary
Discount Rate	5.20%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.90% in 2024, then gradually declines to 3.90% over 48 years
Mortality Rates	Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related. Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85. Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

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

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal, level % of salary
Discount Rate	5.20%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.90% in 2025 and gradually declines to 3.90% by the year 2073
Salary Increase Rates	5.35% for 1-2 years of service, 4.75% for 3 years of service, then grading to an ultimate rate of 3.50% for 20+ years
Mortality Rates	Pre-Retirement: MP-2020 Employee Rates to age 80, 25% of deaths are assumed to be service related. Post-Retirement: MP-2020 Employee Rates to age 90.

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OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES*

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

	Custodial Funds							
	Special Welfare Fund	Tour de Chesapeake Fund	Project VA 250 Fund	Love Works Fund	Fireworks Committee Fund	National Night Out Fund	Market Days Fund	Total
ASSETS								
Cash and cash equivalents	\$ 98,787	\$ 8	\$ 12,268	\$ 717	\$ 9,741	\$ 8,505	\$ 3	\$ 130,029
Total assets	<u>\$ 98,787</u>	<u>\$ 8</u>	<u>\$ 12,268</u>	<u>\$ 717</u>	<u>\$ 9,741</u>	<u>\$ 8,505</u>	<u>\$ 3</u>	<u>\$ 130,029</u>
NET POSITION								
Restricted for:								
Individuals	\$ 98,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,787
Organizations	-	8	12,268	717	9,741	8,505	3	31,242
Total net position	<u>\$ 98,787</u>	<u>\$ 8</u>	<u>\$ 12,268</u>	<u>\$ 717</u>	<u>\$ 9,741</u>	<u>\$ 8,505</u>	<u>\$ 3</u>	<u>\$ 130,029</u>

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

	Custodial Funds							Total
	Special Welfare Fund	Tour de Chesapeake Fund	Project VA 250 Fund	Love Works Fund	Fireworks Committee Fund	National Night Out Fund	Market Days Fund	
ADDITIONS								
Contributions:								
Donations	\$ 61,065	\$ 17,710	\$ 6,806	\$ 1,854	\$ 200	\$ 9,780	\$ -	\$ 97,415
Investment earnings:								
Interest and dividends	291	181	10	22	-	177	-	681
Total additions	<u>\$ 61,356</u>	<u>\$ 17,891</u>	<u>\$ 6,816</u>	<u>\$ 1,876</u>	<u>\$ 200</u>	<u>\$ 9,957</u>	<u>\$ -</u>	<u>\$ 98,096</u>
DEDUCTIONS								
Recipient payments	\$ 49,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,276
Purchases for supplies	-	51,449	1,917	4,303	1,574	6,602	-	65,845
Total deductions	<u>\$ 49,276</u>	<u>\$ 51,449</u>	<u>\$ 1,917</u>	<u>\$ 4,303</u>	<u>\$ 1,574</u>	<u>\$ 6,602</u>	<u>\$ -</u>	<u>\$ 115,121</u>
Net increase (decrease) in fiduciary net position	<u>\$ 12,080</u>	<u>\$ (33,558)</u>	<u>\$ 4,899</u>	<u>\$ (2,427)</u>	<u>\$ (1,374)</u>	<u>\$ 3,355</u>	<u>\$ -</u>	<u>\$ (17,025)</u>
Net position, beginning	\$ 86,707	\$ 33,566	\$ 7,369	\$ 3,144	\$ 11,115	\$ 5,150	\$ 3	\$ 147,054
Net position, ending	<u>\$ 98,787</u>	<u>\$ 8</u>	<u>\$ 12,268</u>	<u>\$ 717</u>	<u>\$ 9,741</u>	<u>\$ 8,505</u>	<u>\$ 3</u>	<u>\$ 130,029</u>

*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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

	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	Textbook Fund	School Activity Fund	Thrifty Spot Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ -	\$ 989,789	\$ 276,668	\$ (9,933)	\$ 331,334	\$ 16,370	\$ 1,604,228
Accounts receivable	24,259	-	-	-	-	-	24,259
Due from other governmental units	1,501,538	-	95,506	-	-	-	1,597,044
Inventories	-	-	63,224	-	-	-	63,224
Total assets	<u>\$ 1,525,797</u>	<u>\$ 989,789</u>	<u>\$ 435,398</u>	<u>\$ (9,933)</u>	<u>\$ 331,334</u>	<u>\$ 16,370</u>	<u>\$ 3,288,755</u>
LIABILITIES							
Accounts payable	\$ 153,252	133,603	\$ 264	\$ -	\$ -	\$ 559	\$ 287,678
Accrued liabilities	1,225,583	-	38,195	-	-	-	1,263,778
Deferred revenue	-	845,654	-	-	-	-	845,654
Total liabilities	<u>\$ 1,378,835</u>	<u>\$ 979,257</u>	<u>\$ 38,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 559</u>	<u>\$ 2,397,110</u>
FUND BALANCES							
Nonspendable:							
Inventories	\$ -	\$ -	\$ 63,224	\$ -	\$ -	\$ -	\$ 63,224
Restricted:							
All in and security grants	146,962	-	-	-	-	-	146,962
Committed	-	10,532	333,715	(9,933)	331,334	15,811	681,459
Total fund balances	<u>\$ 146,962</u>	<u>\$ 10,532</u>	<u>\$ 396,939</u>	<u>\$ (9,933)</u>	<u>\$ 331,334</u>	<u>\$ 15,811</u>	<u>\$ 891,645</u>
Total liabilities and fund balances	<u>\$ 1,525,797</u>	<u>\$ 989,789</u>	<u>\$ 435,398</u>	<u>\$ (9,933)</u>	<u>\$ 331,334</u>	<u>\$ 16,370</u>	<u>\$ 3,288,755</u>

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

Total fund balances per above \$ 891,645

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

Capital assets, cost	\$ 24,892,872	
Less: accumulated depreciation	<u>(15,664,860)</u>	9,228,012

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

Pension related items	\$ 2,676,172	
OPEB related items	<u>367,168</u>	3,043,340

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Compensated absences	\$ (1,357,603)	
Lease liability	(82,756)	
Net pension liabilities	(7,420,832)	
Net OPEB liabilities	<u>(1,544,643)</u>	(10,405,834)

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

Pension related items	\$ (2,112,076)	
OPEB related items	<u>(569,199)</u>	(2,681,275)

Net position of governmental activities \$ 75,888

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

	School Operating Fund	Capital Projects Fund	School Cafeteria Fund	Textbook Fund	School Activity Fund	Thrifty Spot Fund	Total Governmental Funds
REVENUES							
Revenue from the use of money and property	\$ 19,134	\$ -	\$ 9	\$ 1,267	\$ -	\$ -	\$ 20,410
Charges for services	29,705	-	355,237	-	-	65,709	450,651
Miscellaneous	149,021	-	-	-	506,684	-	655,705
Recovered costs	85,243	-	-	-	-	-	85,243
Intergovernmental:							
Local government	9,697,162	-	-	-	-	-	9,697,162
Commonwealth	5,998,888	154,346	24,173	-	-	-	6,177,407
Federal	618,109	-	635,683	-	-	-	1,253,792
Total revenues	<u>\$ 16,597,262</u>	<u>\$ 154,346</u>	<u>\$ 1,015,102</u>	<u>\$ 1,267</u>	<u>\$ 506,684</u>	<u>\$ 65,709</u>	<u>\$ 18,340,370</u>
EXPENDITURES							
Current:							
Education	\$ 16,504,146	\$ -	\$ 1,087,007	\$ 135,179	\$ 407,746	\$ 69,201	\$ 18,203,279
Capital projects	-	143,834	-	-	-	-	143,834
Debt service:							
Principal retirement	19,597	-	-	-	-	-	19,597
Interest and other fiscal charges	988	-	-	-	-	-	988
Total expenditures	<u>\$ 16,524,731</u>	<u>\$ 143,834</u>	<u>\$ 1,087,007</u>	<u>\$ 135,179</u>	<u>\$ 407,746</u>	<u>\$ 69,201</u>	<u>\$ 18,367,698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 72,531</u>	<u>\$ 10,512</u>	<u>\$ (71,905)</u>	<u>\$ (133,912)</u>	<u>\$ 98,938</u>	<u>\$ (3,492)</u>	<u>\$ (27,328)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ -	\$ -	\$ 181,425	\$ 100,000	\$ -	\$ -	\$ 281,425
Transfers out	(281,425)	-	-	-	-	-	(281,425)
Issuance of leases	54,158	-	-	-	-	-	54,158
Total other financing sources (uses)	<u>\$ (227,267)</u>	<u>\$ -</u>	<u>\$ 181,425</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,158</u>
Net change in fund balances	\$ (154,736)	\$ 10,512	\$ 109,520	\$ (33,912)	\$ 98,938	\$ (3,492)	\$ 26,830
Fund balances - beginning	301,698	20	287,419	23,979	232,396	19,303	864,815
Fund balances - ending	<u>\$ 146,962</u>	<u>\$ 10,532</u>	<u>\$ 396,939</u>	<u>\$ (9,933)</u>	<u>\$ 331,334</u>	<u>\$ 15,811</u>	<u>\$ 891,645</u>

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

Net change in fund balances - total governmental funds - per above \$ 26,830

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

Capital asset additions	\$ 419,071	
Depreciation expense	(958,808)	(539,737)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to Decrease net assets. (1,824)

The issuance of long-term debt (e.g. leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal retirement on assets under lease	19,597	
Issuance of lease liabilities	(54,158)	(34,561)

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

(Increase) decrease in compensated absences	\$ 154,243	
Pension expense	648,126	
OPEB expense	104,108	906,477

Change in net position of governmental activities \$ 357,185

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 7,000	\$ 7,000	\$ 19,134	\$ 12,134
Charges for services	28,000	28,000	29,705	1,705
Miscellaneous	76,900	92,900	149,021	56,121
Recovered costs	106,000	106,000	85,243	(20,757)
Intergovernmental:				
Local government	9,269,471	9,786,676	9,697,162	(89,514)
Commonwealth	6,244,199	5,972,196	5,998,888	26,692
Federal	565,742	486,229	618,109	131,880
Total revenues	<u>\$ 16,297,312</u>	<u>\$ 16,479,001</u>	<u>\$ 16,597,262</u>	<u>\$ 118,261</u>
EXPENDITURES				
Current:				
Education	\$ 16,437,298	\$ 16,097,576	\$ 16,504,146	\$ (406,570)
Debt service:				
Principal retirement	-	-	19,597	(19,597)
Interest and other fiscal charges	-	-	988	(988)
Total expenditures	<u>\$ 16,437,298</u>	<u>\$ 16,097,576</u>	<u>\$ 16,524,731</u>	<u>\$ (427,155)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (139,986)</u>	<u>\$ 381,425</u>	<u>\$ 72,531</u>	<u>\$ (308,894)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (381,425)	\$ (381,425)	\$ (281,425)	\$ 100,000
Issuance of leases	-	-	54,158	54,158
Total other financing sources (uses)	<u>\$ (381,425)</u>	<u>\$ (381,425)</u>	<u>\$ (227,267)</u>	<u>\$ 154,158</u>
Net change in fund balances	\$ (521,411)	\$ -	\$ (154,736)	\$ (154,736)
Fund balances - beginning	521,411	-	301,698	301,698
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,962</u>	<u>\$ 146,962</u>

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

	School Capital Projects Fund				School Cafeteria Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ 5,750	\$ 5,750	\$ 9	\$ (5,741)
Charges for services	-	-	-	-	10,680	10,680	355,237	344,557
Miscellaneous	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	-	154,346	154,346	21,769	24,460	24,173	(287)
Federal	-	-	-	-	964,454	865,896	635,683	(230,213)
Total revenues	\$ -	\$ -	\$ 154,346	\$ 154,346	\$ 1,002,653	\$ 906,786	\$ 1,015,102	\$ 108,316
EXPENDITURES								
Current:								
Education	\$ -	\$ -	\$ -	\$ -	\$ 1,184,078	\$ 1,088,211	\$ 1,087,007	\$ 1,204
Capital projects	-	-	143,834	(143,834)	-	-	-	-
Total expenditures	\$ -	\$ -	\$ 143,834	\$ (143,834)	\$ 1,184,078	\$ 1,088,211	\$ 1,087,007	\$ 1,204
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 10,512	\$ 10,512	\$ (181,425)	\$ (181,425)	\$ (71,905)	\$ 109,520
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 181,425	\$ 181,425	\$ 181,425	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ 181,425	\$ 181,425	\$ 181,425	\$ -
Net change in fund balances	\$ -	\$ -	\$ 10,512	\$ 10,512	\$ -	\$ -	\$ 109,520	\$ 109,520
Fund balances - beginning	-	-	20	20	-	-	287,419	287,419
Fund balances - ending	\$ -	\$ -	\$ 10,532	\$ 10,532	\$ -	\$ -	\$ 396,939	\$ 396,939

Textbook Fund				School Activity Fund				Thrifty Spot Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final			Original	Final		
\$ -	\$ -	\$ 1,267	\$ 1,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	79,050	79,050	65,709	(13,341)
-	-	-	-	-	-	506,684	506,684	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 1,267	\$ 1,267	\$ -	\$ -	\$ 506,684	\$ 506,684	\$ 79,050	\$ 79,050	\$ 65,709	\$ (13,341)
\$ 200,000	\$ 200,000	\$ 135,179	\$ 64,821	\$ -	\$ -	\$ 407,746	\$ (407,746)	\$ 79,050	\$ 79,050	\$ 69,201	\$ 9,849
-	-	-	-	-	-	-	-	-	-	-	-
\$ 200,000	\$ 200,000	\$ 135,179	\$ 64,821	\$ -	\$ -	\$ 407,746	\$ (407,746)	\$ 79,050	\$ 79,050	\$ 69,201	\$ 9,849
\$ (200,000)	\$ (200,000)	\$ (133,912)	\$ 66,088	\$ -	\$ -	\$ 98,938	\$ 98,938	\$ -	\$ -	\$ (3,492)	\$ (3,492)
\$ 200,000	\$ 200,000	\$ 100,000	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 200,000	\$ 200,000	\$ 100,000	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (33,912)	\$ (33,912)	\$ -	\$ -	\$ 98,938	\$ 98,938	\$ -	\$ -	\$ (3,492)	\$ (3,492)
-	-	23,979	23,979	-	-	232,396	232,396	-	-	19,303	19,303
\$ -	\$ -	\$ (9,933)	\$ (9,933)	\$ -	\$ -	\$ 331,334	\$ 331,334	\$ -	\$ -	\$ 15,811	\$ 15,811

County of Mathews, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds - Discretely Presented Component Unit School Board
June 30, 2025

	Custodial Funds			<u>Total</u>
	<u>Lewis Scholarship Fund</u>	<u>Orell Scholarship Fund</u>	<u>White-Hudgins Scholarship Fund</u>	
ASSETS				
Cash and cash equivalents	\$ 2,879	\$ 14,663	\$ 18,430	\$ 35,972
Total assets	<u>\$ 2,879</u>	<u>\$ 14,663</u>	<u>\$ 18,430</u>	<u>\$ 35,972</u>
NET POSITION				
Restricted:				
Held in trust for scholarships	\$ 2,879	\$ 14,663	\$ 18,430	\$ 35,972
Total Net Position	<u>\$ 2,879</u>	<u>\$ 14,663</u>	<u>\$ 18,430</u>	<u>\$ 35,972</u>

County of Mathews, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Discretely Presented Component Unit School Board
For the Year Ended June 30, 2025

	Custodial Funds			<u>Total</u>
	<u>Lewis Scholarship Fund</u>	<u>Orell Scholarship Fund</u>	<u>White-Hudgins Scholarship Fund</u>	
ADDITIONS				
Contributions:				
Interest earned	\$ 4	\$ 19	\$ 27	\$ 50
Total additions	<u>\$ 4</u>	<u>\$ 19</u>	<u>\$ 27</u>	<u>\$ 50</u>
DEDUCTIONS				
Scholarships	\$ -	\$ -	\$ 7,877	\$ 7,877
Total deductions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,877</u>	<u>\$ 7,877</u>
Net increase (decrease) in fiduciary net position	\$ 4	\$ 19	\$ (7,850)	\$ (7,827)
Net position - beginning	2,875	14,644	26,280	43,799
Net position - ending	<u>\$ 2,879</u>	<u>\$ 14,663</u>	<u>\$ 18,430</u>	<u>\$ 35,972</u>

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*DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY*

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

ASSETS

Current assets:

Cash and cash equivalents	\$ 23,688
Investments	387,569
Total current assets	<u>\$ 411,257</u>
Total assets	<u>\$ 411,257</u>

NET POSITION

Unrestricted	\$ 411,257
Total net position	<u><u>\$ 411,257</u></u>

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

OPERATING REVENUES	
Miscellaneous	\$ 2,429
Total operating revenues	<u>\$ 2,429</u>
OPERATING EXPENSES	
Other supplies and expenses	\$ 16,415
Total operating expenses	<u>\$ 16,415</u>
Operating income (loss)	<u>\$ (13,986)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	\$ 20,625
Total nonoperating revenues (expenses)	<u>\$ 20,625</u>
Change in net position	\$ 6,639
Total net position - beginning	404,618
Total net position - ending	<u><u>\$ 411,257</u></u>

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for miscellaneous items	\$ 2,429
Payments for operating activities	(16,415)
Net cash provided by (used for) operating activities	\$ (13,986)

CASH FLOWS FROM INVESTING ACTIVITIES

Net interest and dividends received	\$ 454
Net cash provided by (used for) investing activities	\$ 454

Net increase (decrease) in cash and cash equivalents \$ (13,532)

Cash and cash equivalents - beginning	37,220
Cash and cash equivalents - ending	\$ 23,688

**Reconciliation of operating income (loss) to net cash
provided by (used for) operating activities:**

Operating income (loss)	\$ (13,986)
Net cash provided by (used for) operating activities	\$ (13,986)

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SUPPORTING SCHEDULES

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 11,499,999	\$ 11,540,000	\$ 12,209,499	\$ 669,499
Real and personal public service corporation taxes	225,000	225,000	134,977	(90,023)
Personal property taxes	4,200,000	4,200,000	3,193,664	(1,006,336)
Mobile home taxes	50,000	50,000	29,725	(20,275)
Boat taxes	446,000	446,000	392,561	(53,439)
Machinery and tools taxes	175,000	175,000	207,959	32,959
Penalties	77,300	77,300	142,079	64,779
Interest	50,000	50,000	111,099	61,099
Total general property taxes	<u>\$ 16,723,299</u>	<u>\$ 16,763,300</u>	<u>\$ 16,421,563</u>	<u>\$ (341,737)</u>
Other local taxes:				
Local sales and use taxes	\$ 1,000,000	\$ 1,000,000	\$ 952,177	\$ (47,823)
Consumers' utility taxes	150,000	150,000	163,230	13,230
Consumption tax	35,000	35,000	38,265	3,265
Business license taxes	185,000	185,000	247,772	62,772
Motor vehicle licenses	300,000	300,000	301,342	1,342
Bank stock taxes	-	-	144,408	144,408
Taxes on recordation and wills	110,000	110,000	135,567	25,567
Hotel and motel room taxes	180,000	180,000	156,900	(23,100)
Total other local taxes	<u>\$ 1,960,000</u>	<u>\$ 1,960,000</u>	<u>\$ 2,139,661</u>	<u>\$ 179,661</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 2,100	\$ 2,100	\$ 3,158	\$ 1,058
Transfer fees	600	600	593	(7)
Permits and other licenses	88,500	88,500	97,469	8,969
Total permits, privilege fees, and regulatory licenses	<u>\$ 91,200</u>	<u>\$ 91,200</u>	<u>\$ 101,220</u>	<u>\$ 10,020</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 70,700	\$ 70,700	\$ 69,349	\$ (1,351)
Total fines and forfeitures	<u>\$ 70,700</u>	<u>\$ 70,700</u>	<u>\$ 69,349</u>	<u>\$ (1,351)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 314,000	\$ 314,000	\$ 285,910	\$ (28,090)
Revenue from use of property	91,473	48,273	47,752	(521)
Total revenue from use of money and property	<u>\$ 405,473</u>	<u>\$ 362,273</u>	<u>\$ 333,662</u>	<u>\$ (28,611)</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 3,500	\$ 15,467	\$ 18,820	\$ 3,353
Charges for courthouse maintenance	3,000	3,000	2,670	(330)
Courthouse security fees	14,000	14,000	23,114	9,114
Circuit court- document reproduction	5,000	5,000	3,900	(1,100)
Charges for Commonwealth's Attorney	600	600	615	15
Charges for other protection	8,800	8,800	1,664	(7,136)
Charges for library	1,500	1,500	2,099	599
Total charges for services	<u>\$ 36,400</u>	<u>\$ 48,367</u>	<u>\$ 52,882</u>	<u>\$ 4,515</u>

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

Schedule 1
 Page 2 of 8

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 37,583	\$ 150,529	\$ 373,942	\$ 223,413
Total miscellaneous	<u>\$ 37,583</u>	<u>\$ 150,529</u>	<u>\$ 373,942</u>	<u>\$ 223,413</u>
Recovered costs:				
DMV License agent	\$ 46,000	\$ 46,000	\$ 41,244	\$ (4,756)
Total recovered costs	<u>\$ 46,000</u>	<u>\$ 46,000</u>	<u>\$ 41,244</u>	<u>\$ (4,756)</u>
Total revenue from local sources	<u>\$ 19,370,655</u>	<u>\$ 19,492,369</u>	<u>\$ 19,533,523</u>	<u>\$ 41,154</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ -	\$ -	\$ (7)	\$ (7)
Mobile home titling tax	-	-	38,857	38,857
State recordation tax	50,000	50,000	48,508	(1,492)
Personal property tax relief funds	1,000,000	1,000,000	1,000,083	83
Communications tax	295,000	295,000	291,040	(3,960)
Total noncategorical aid	<u>\$ 1,345,000</u>	<u>\$ 1,345,000</u>	<u>\$ 1,378,481</u>	<u>\$ 33,481</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 213,936	\$ 213,936	\$ 213,911	\$ (25)
Sheriff	849,309	849,309	848,328	(981)
Commissioner of revenue	125,703	125,703	117,463	(8,240)
Treasurer	123,526	123,526	120,447	(3,079)
Registrar/electoral board	53,229	53,229	63,991	10,762
Clerk of the Circuit Court	238,110	238,110	226,242	(11,868)
Total shared expenses	<u>\$ 1,603,813</u>	<u>\$ 1,603,813</u>	<u>\$ 1,590,382</u>	<u>\$ (13,431)</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 491,259	\$ 518,909	\$ 458,926	\$ (59,983)
Emergency medical services - two for life	11,000	11,000	10,746	(254)
Children's Services Act	331,365	331,365	330,851	(514)
Litter control	12,513	12,513	11,033	(1,480)
Library grant	112,000	151,391	151,391	-
Wireless board funds	45,000	45,000	53,030	8,030
Commission for the arts grant	4,500	4,500	9,500	5,000
Victim-witness grant	38,400	57,256	23,188	(34,068)
Library of Virginia grant	-	19,665	19,665	-
Fire programs fund	35,000	43,731	43,731	-

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Opioid settlement	\$ -	\$ -	\$ 15,678	\$ 15,678
Emergency services	-	38,466	38,466	-
Port authority grant	2,976,969	2,976,969	31,232	(2,945,737)
Other state aid	1,700,000	2,040,651	1,641,970	(398,681)
Total other categorical aid	<u>\$ 5,758,006</u>	<u>\$ 6,251,416</u>	<u>\$ 2,839,407</u>	<u>\$ (3,412,009)</u>
Total categorical aid	<u>\$ 7,361,819</u>	<u>\$ 7,855,229</u>	<u>\$ 4,429,789</u>	<u>\$ (3,425,440)</u>
Total revenue from the Commonwealth	<u>\$ 8,706,819</u>	<u>\$ 9,200,229</u>	<u>\$ 5,808,270</u>	<u>\$ (3,391,959)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 966,204	\$ 1,016,052	\$ 1,113,226	\$ 97,174
Victim-witness grant	-	-	35,062	35,062
Emergency management	7,500	7,500	7,500	-
American Rescue Plan Act	-	-	17,979	17,979
BEAD	-	-	23,985	23,985
Police cameras	-	-	32,000	32,000
Historic preservation	-	-	29,605	29,605
Justice assistance	-	-	994	994
Ground transportation safety	-	7,199	22,097	14,898
Total categorical aid	<u>\$ 973,704</u>	<u>\$ 1,030,751</u>	<u>\$ 1,282,448</u>	<u>\$ 251,697</u>
Total revenue from the federal government	<u>\$ 973,704</u>	<u>\$ 1,030,751</u>	<u>\$ 1,282,448</u>	<u>\$ 251,697</u>
Total General Fund	<u><u>\$ 29,051,178</u></u>	<u><u>\$ 29,723,349</u></u>	<u><u>\$ 26,624,241</u></u>	<u><u>\$ (3,099,108)</u></u>
Special Revenue Fund:				
Revenue from local sources:				
Other local taxes:				
Meals tax	\$ 367,000	\$ 367,000	\$ 374,882	\$ 7,882
Total other local taxes	<u>\$ 367,000</u>	<u>\$ 367,000</u>	<u>\$ 374,882</u>	<u>\$ 7,882</u>
Fines and forfeitures:				
Wetland fines	\$ -	\$ -	\$ 1,859	\$ 1,859
Total fines and forfeitures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,859</u>	<u>\$ 1,859</u>
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 7,781	\$ 7,781
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,781</u>	<u>\$ 7,781</u>
Miscellaneous:				
Miscellaneous	\$ -	\$ 999	\$ 11,179	\$ 10,180
Total miscellaneous	<u>\$ -</u>	<u>\$ 999</u>	<u>\$ 11,179</u>	<u>\$ 10,180</u>
Total revenue from local sources	<u>\$ 367,000</u>	<u>\$ 367,999</u>	<u>\$ 395,701</u>	<u>\$ 27,702</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Forfeited assets	\$ -	\$ -	\$ 4,806	\$ 4,806
Total categorical aid	\$ -	\$ -	\$ 4,806	\$ 4,806
Total revenue from the Commonwealth	\$ -	\$ -	\$ 4,806	\$ 4,806
Total Special Revenue Fund	\$ 367,000	\$ 367,999	\$ 400,507	\$ 32,508
Total Primary Government	\$ 29,418,178	\$ 30,091,348	\$ 27,024,748	\$ (3,066,600)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 7,000	\$ 7,000	\$ 19,134	\$ 12,134
Total revenue from use of money and property	\$ 7,000	\$ 7,000	\$ 19,134	\$ 12,134
Charges for services:				
Tuition and payments from other divisions	\$ 28,000	\$ 28,000	\$ 29,705	\$ 1,705
Total charges for services	\$ 28,000	\$ 28,000	\$ 29,705	\$ 1,705
Miscellaneous:				
Miscellaneous	\$ 76,900	\$ 92,900	\$ 149,021	\$ 56,121
Total miscellaneous	\$ 76,900	\$ 92,900	\$ 149,021	\$ 56,121
Recovered costs:				
E-rate	\$ 21,000	\$ 21,000	\$ 29,021	\$ 8,021
Medicaid reimbursements	85,000	85,000	56,222	(28,778)
Total recovered costs	\$ 106,000	\$ 106,000	\$ 85,243	\$ (20,757)
Total revenue from local sources	\$ 217,900	\$ 233,900	\$ 283,103	\$ 49,203
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Mathews, Virginia	\$ 9,269,471	\$ 9,786,676	\$ 9,697,162	\$ (89,514)
Total revenues from local governments	\$ 9,269,471	\$ 9,786,676	\$ 9,697,162	\$ (89,514)

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Categorical aid:				
Share of state sales tax	\$ 1,150,467	\$ 1,121,475	\$ 1,261,911	\$ 140,436
Basic school aid	2,461,505	2,324,511	2,157,049	(167,462)
Remedial summer education	32,431	32,431	18,689	(13,742)
Regular foster care	-	-	13,291	13,291
Gifted and talented	20,972	20,578	19,489	(1,089)
Lottery proceeds	205,133	200,000	200,000	-
SNAP state security	-	-	192,182	192,182
Special education	447,616	440,514	429,943	(10,571)
Textbook payment	52,475	51,491	48,765	(2,726)
Project graduation	-	3,381	3,381	-
Vocational education	161,219	163,329	149,822	(13,507)
School fringes	482,345	450,150	426,324	(23,826)
Compensation supplement	29,875	97,291	92,406	(4,885)
ISAEF	8,203	8,203	8,027	(176)
Early reading intervention	17,437	17,437	12,206	(5,231)
Homebound	169	169	2,128	1,959
At risk payments	713,261	453,824	431,647	(22,177)
Remediation assistance - SOL	92,078	-	-	-
Technology	128,000	128,000	-	(128,000)
Standards of Learning algebra readiness	14,265	14,265	14,266	1
Class size reduction	89,576	89,576	81,949	(7,627)
Mentor teacher program	203	203	818	615
English as a second language	7,018	7,716	16,835	9,119
Industry certification costs	-	-	3,608	3,608
Preschool	-	154,504	89,513	(64,991)
Payment in lieu of sales tax	-	193,148	193,148	-
Miscellaneous	129,951	-	131,491	131,491
Total categorical aid	<u>\$ 6,244,199</u>	<u>\$ 5,972,196</u>	<u>\$ 5,998,888</u>	<u>\$ 26,692</u>
Total revenue from the Commonwealth	<u>\$ 6,244,199</u>	<u>\$ 5,972,196</u>	<u>\$ 5,998,888</u>	<u>\$ 26,692</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 215,235	\$ 183,500	\$ 266,103	\$ 82,603
Title VI-B, special education flow-through	254,959	222,347	194,086	(28,261)
Carl Perkins	18,362	18,362	18,644	282
Title VI-B, special education pre-school	10,000	10,000	11,237	1,237
Title III	1,761	1,761	-	(1,761)
ESSER/CARES grant	-	-	1,296	1,296
Title IV	15,325	16,634	-	(16,634)
Title II - Part A	50,100	33,625	35,012	1,387
Pandemic bonus	-	-	91,731	91,731
Total categorical aid	<u>\$ 565,742</u>	<u>\$ 486,229</u>	<u>\$ 618,109</u>	<u>\$ 131,880</u>
Total revenue from the federal government	<u>\$ 565,742</u>	<u>\$ 486,229</u>	<u>\$ 618,109</u>	<u>\$ 131,880</u>
Total School Operating Fund	<u><u>\$ 16,297,312</u></u>	<u><u>\$ 16,479,001</u></u>	<u><u>\$ 16,597,262</u></u>	<u><u>\$ 118,261</u></u>
School Capital Projects Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School construction grant	\$ -	\$ -	\$ 154,346	\$ 154,346
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,346</u>	<u>\$ 154,346</u>
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,346</u>	<u>\$ 154,346</u>
Total School Capital Projects Fund	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 154,346</u></u>	<u><u>\$ 154,346</u></u>
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 5,750	\$ 5,750	\$ 9	\$ (5,741)
Total revenue from use of money and property	<u>\$ 5,750</u>	<u>\$ 5,750</u>	<u>\$ 9</u>	<u>\$ (5,741)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Cafeteria Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Cafeteria sales	\$ 10,680	\$ 10,680	\$ 355,237	\$ 344,557
Total charges for services	<u>\$ 10,680</u>	<u>\$ 10,680</u>	<u>\$ 355,237</u>	<u>\$ 344,557</u>
Total revenue from local sources	<u>\$ 16,430</u>	<u>\$ 16,430</u>	<u>\$ 355,246</u>	<u>\$ 338,816</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 21,769	\$ 24,460	\$ 24,173	\$ (287)
Total categorical aid	<u>\$ 21,769</u>	<u>\$ 24,460</u>	<u>\$ 24,173</u>	<u>\$ (287)</u>
Total revenue from the Commonwealth	<u>\$ 21,769</u>	<u>\$ 24,460</u>	<u>\$ 24,173</u>	<u>\$ (287)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 890,557	\$ 791,999	\$ 561,786	\$ (230,213)
Commodities	73,897	73,897	73,897	-
Total categorical aid	<u>\$ 964,454</u>	<u>\$ 865,896</u>	<u>\$ 635,683</u>	<u>\$ (230,213)</u>
Total revenue from the federal government	<u>\$ 964,454</u>	<u>\$ 865,896</u>	<u>\$ 635,683</u>	<u>\$ (230,213)</u>
Total School Cafeteria Fund	<u><u>\$ 1,002,653</u></u>	<u><u>\$ 906,786</u></u>	<u><u>\$ 1,015,102</u></u>	<u><u>\$ 108,316</u></u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,267	\$ 1,267
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,267</u>	<u>\$ 1,267</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,267</u>	<u>\$ 1,267</u>
Total Textbook Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,267</u>	<u>\$ 1,267</u>
School Activity Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 506,684	\$ 506,684
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,684</u>	<u>\$ 506,684</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,684</u>	<u>\$ 506,684</u>
Thrifty Spot Fund:				
Revenue from local sources:				
Charges for services:				
Other charges for services	\$ 79,050	\$ 79,050	\$ 65,709	\$ (13,341)
Total charges for services	<u>\$ 79,050</u>	<u>\$ 79,050</u>	<u>\$ 65,709</u>	<u>\$ (13,341)</u>
Total Thrifty Spot Fund	<u>\$ 79,050</u>	<u>\$ 79,050</u>	<u>\$ 65,709</u>	<u>\$ (13,341)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 17,379,015</u>	<u>\$ 17,464,837</u>	<u>\$ 18,340,370</u>	<u>\$ 875,533</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 149,325	\$ 174,795	\$ 183,019	\$ (8,224)
General and financial administration:				
County administrator	\$ 808,109	\$ 755,109	\$ 681,828	\$ 73,281
Legal services	53,000	53,000	98,823	(45,823)
Commissioner of revenue	352,898	352,898	322,150	30,748
Independent Auditor	78,500	78,500	68,559	9,941
Treasurer	360,523	416,727	395,313	21,414
Information Technology	779,509	782,509	810,832	(28,323)
Total general and financial administration	<u>\$ 2,432,539</u>	<u>\$ 2,438,743</u>	<u>\$ 2,377,505</u>	<u>\$ 61,238</u>
Board of elections:				
Electoral board and officials	\$ 81,998	\$ 76,616	\$ 67,643	\$ 8,973
Registrar	220,260	204,112	172,796	31,316
Total board of elections	<u>\$ 302,258</u>	<u>\$ 280,728</u>	<u>\$ 240,439</u>	<u>\$ 40,289</u>
Total general government administration	<u>\$ 2,884,122</u>	<u>\$ 2,894,266</u>	<u>\$ 2,800,963</u>	<u>\$ 93,303</u>
Judicial administration:				
Courts:				
Circuit court	\$ 34,661	\$ 34,661	\$ 37,318	\$ (2,657)
General district court	18,200	18,200	11,125	7,075
Juvenile and domestic relations court	3,400	3,400	3,149	251
Victim witness	75,986	79,994	79,170	824
Clerk of the circuit court	326,476	346,141	339,655	6,486
Total courts	<u>\$ 458,723</u>	<u>\$ 482,396</u>	<u>\$ 470,417</u>	<u>\$ 11,979</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 320,842	\$ 320,842	\$ 338,183	\$ (17,341)
Total commonwealth's attorney	<u>\$ 320,842</u>	<u>\$ 320,842</u>	<u>\$ 338,183</u>	<u>\$ (17,341)</u>
Total judicial administration	<u>\$ 779,565</u>	<u>\$ 803,238</u>	<u>\$ 808,600</u>	<u>\$ (5,362)</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,856,526	\$ 2,079,627	\$ 1,842,393	\$ 237,234
E-911	844,179	885,495	803,706	81,789
Total law enforcement and traffic control	<u>\$ 2,700,705</u>	<u>\$ 2,965,122</u>	<u>\$ 2,646,099</u>	<u>\$ 319,023</u>
Fire and rescue services:				
Fire department	\$ 187,300	\$ 196,031	\$ 196,098	\$ (67)
Ambulance and rescue services	392,705	432,379	412,771	19,608
Total fire and rescue services	<u>\$ 580,005</u>	<u>\$ 628,410</u>	<u>\$ 608,869</u>	<u>\$ 19,541</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Regional jail	\$ 731,633	\$ 731,633	\$ 649,981	\$ 81,652
Juvenile probation and detention	67,313	67,313	64,447	2,866
Total correction and detention	<u>\$ 798,946</u>	<u>\$ 798,946</u>	<u>\$ 714,428</u>	<u>\$ 84,518</u>
Inspections:				
Building	\$ 253,377	\$ 253,377	\$ 256,728	\$ (3,351)
Total inspections	<u>\$ 253,377</u>	<u>\$ 253,377</u>	<u>\$ 256,728</u>	<u>\$ (3,351)</u>
Other protection:				
Animal control	\$ 192,407	\$ 192,407	\$ 196,035	\$ (3,628)
Medical examiner	140	140	60	80
Total other protection	<u>\$ 192,547</u>	<u>\$ 192,547</u>	<u>\$ 196,095</u>	<u>\$ (3,548)</u>
Total public safety	<u>\$ 4,525,580</u>	<u>\$ 4,838,402</u>	<u>\$ 4,422,219</u>	<u>\$ 416,183</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 6,000	\$ 6,000	\$ 10,403	\$ (4,403)
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 10,403</u>	<u>\$ (4,403)</u>
Sanitation and waste removal:				
Refuse disposal	\$ 1,038,098	\$ 1,038,098	\$ 1,038,099	\$ (1)
Total sanitation and waste removal	<u>\$ 1,038,098</u>	<u>\$ 1,038,098</u>	<u>\$ 1,038,099</u>	<u>\$ (1)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 973,690	\$ 986,312	\$ 997,815	\$ (11,503)
Total maintenance of general buildings and grounds	<u>\$ 973,690</u>	<u>\$ 986,312</u>	<u>\$ 997,815</u>	<u>\$ (11,503)</u>
Total public works	<u>\$ 2,017,788</u>	<u>\$ 2,030,410</u>	<u>\$ 2,046,317</u>	<u>\$ (15,907)</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 178,832	\$ 178,832	\$ 178,832	\$ -
Total health	<u>\$ 178,832</u>	<u>\$ 178,832</u>	<u>\$ 178,832</u>	<u>\$ -</u>
Mental health and mental retardation:				
Gloucester-Mathews free clinic	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Community services board and Puller Center	52,114	52,114	52,114	-
Total mental health and mental retardation	<u>\$ 60,114</u>	<u>\$ 60,114</u>	<u>\$ 60,114</u>	<u>\$ -</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 2,282,977	\$ 2,339,319	\$ 2,178,201	\$ 161,118
Area agency on aging	63,724	63,724	63,724	-
Children's Services Act	601,088	601,088	681,056	(79,968)
Tax relief for the elderly	-	-	219,759	(219,759)
Total welfare	<u>\$ 2,947,789</u>	<u>\$ 3,004,131</u>	<u>\$ 3,142,740</u>	<u>\$ (138,609)</u>
Total health and welfare	<u>\$ 3,186,735</u>	<u>\$ 3,243,077</u>	<u>\$ 3,381,686</u>	<u>\$ (138,609)</u>
Education:				
Other instructional costs:				
Contributions to Rappahannock Community College	\$ 7,713	\$ 7,713	\$ 7,713	\$ -
Contribution to County School Board	9,487,371	9,736,676	9,697,162	39,514
Total education	<u>\$ 9,495,084</u>	<u>\$ 9,744,389</u>	<u>\$ 9,704,875</u>	<u>\$ 39,514</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 110,880	\$ 110,880	\$ 102,757	\$ 8,123
Total parks and recreation	<u>\$ 110,880</u>	<u>\$ 110,880</u>	<u>\$ 102,757</u>	<u>\$ 8,123</u>
Library:				
Contribution to county library	\$ 575,904	\$ 562,354	\$ 513,011	\$ 49,343
Total library	<u>\$ 575,904</u>	<u>\$ 562,354</u>	<u>\$ 513,011</u>	<u>\$ 49,343</u>
Total parks, recreation, and cultural	<u>\$ 686,784</u>	<u>\$ 673,234</u>	<u>\$ 615,768</u>	<u>\$ 57,466</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 296,388	\$ 296,388	\$ 376,871	\$ (80,483)
Planning and zoning boards	11,730	11,730	2,838	8,892
Middle Peninsula planning district commission	77,370	77,370	68,456	8,914
Wetlands board	1,815	1,815	942	873
Economic development	47,650	52,150	40,623	11,527
Total planning and community development	<u>\$ 434,953</u>	<u>\$ 439,453</u>	<u>\$ 489,730</u>	<u>\$ (50,277)</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 9,500	\$ 9,500	\$ 9,500	\$ -
Litter control program	12,513	12,513	11,033	1,480
Total environmental management	<u>\$ 22,013</u>	<u>\$ 22,013</u>	<u>\$ 20,533</u>	<u>\$ 1,480</u>
Cooperative extension program:				
Extension office	\$ 47,568	\$ 47,568	\$ 37,148	\$ 10,420
Total cooperative extension program	<u>\$ 47,568</u>	<u>\$ 47,568</u>	<u>\$ 37,148</u>	<u>\$ 10,420</u>
Total community development	<u>\$ 504,534</u>	<u>\$ 509,034</u>	<u>\$ 547,411</u>	<u>\$ (38,377)</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Capital projects:				
Stormwater drainage improvements	\$ 100,000	\$ 100,000	\$ 106,295	\$ (6,295)
School bus replacement	270,000	270,000	-	270,000
Vehicle purchase	675,000	467,783	613,407	(145,624)
Broadband project - ARPA	-	-	7,429	(7,429)
Infrastructure maintenance	875,000	1,253,321	799,842	453,479
New building	50,000	50,000	34,260	15,740
New fire station	-	575,000	681,561	(106,561)
Subscriptions	-	-	22,760	(22,760)
Other capital projects	5,154,382	5,144,382	1,774,660	3,369,722
Total capital projects	<u>\$ 7,124,382</u>	<u>\$ 7,860,486</u>	<u>\$ 4,040,214</u>	<u>\$ 3,820,272</u>
Debt service:				
Principal retirement	\$ 268,267	\$ 268,267	\$ 332,509	\$ (64,242)
Interest and other fiscal charges	25,750	100,750	215,311	(114,561)
Total debt service	<u>\$ 294,017</u>	<u>\$ 369,017</u>	<u>\$ 547,820</u>	<u>\$ (178,803)</u>
Total General Fund	<u>\$ 31,498,591</u>	<u>\$ 32,965,553</u>	<u>\$ 28,915,873</u>	<u>\$ 4,049,680</u>
Special Revenue Fund:				
Public Safety:				
Other protection:				
Forfeited assets	\$ -	\$ 999	\$ 10,710	\$ (9,711)
Total other protection	<u>\$ -</u>	<u>\$ 999</u>	<u>\$ 10,710</u>	<u>\$ (9,711)</u>
Total public safety	<u>\$ -</u>	<u>\$ 999</u>	<u>\$ 10,710</u>	<u>\$ (9,711)</u>
Total Special Revenue Fund	<u>\$ -</u>	<u>\$ 999</u>	<u>\$ 10,710</u>	<u>\$ (9,711)</u>
Total Primary Government	<u>\$ 31,498,591</u>	<u>\$ 32,966,552</u>	<u>\$ 28,926,583</u>	<u>\$ 4,039,969</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,245,043	\$ 1,246,943	\$ 1,190,660	\$ 56,283
Instruction costs	12,003,832	11,713,719	11,863,298	(149,579)
Pupil transportation	1,461,034	1,501,913	1,577,884	(75,971)
Operation and maintenance of school plant	1,727,389	1,635,001	1,872,304	(237,303)
Total education	<u>\$ 16,437,298</u>	<u>\$ 16,097,576</u>	<u>\$ 16,504,146</u>	<u>\$ (406,570)</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 19,597	\$ (19,597)
Interest and other fiscal charges	-	-	988	(988)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,585</u>	<u>\$ (20,585)</u>
Total School Operating Fund	<u>\$ 16,437,298</u>	<u>\$ 16,097,576</u>	<u>\$ 16,524,731</u>	<u>\$ (427,155)</u>
School Capital Projects Fund:				
Capital projects:				
School capital projects:				
Facilities	\$ -	\$ -	\$ 143,834	\$ (143,834)
Total school capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,834</u>	<u>\$ (143,834)</u>
Total School Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,834</u>	<u>\$ (143,834)</u>
Special Revenue Funds:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,110,181	\$ 1,014,314	\$ 1,013,110	\$ 1,204
Commodities	73,897	73,897	73,897	-
Total school food services	<u>\$ 1,184,078</u>	<u>\$ 1,088,211</u>	<u>\$ 1,087,007</u>	<u>\$ 1,204</u>
Total School Cafeteria Fund	<u>\$ 1,184,078</u>	<u>\$ 1,088,211</u>	<u>\$ 1,087,007</u>	<u>\$ 1,204</u>
Textbook Fund:				
Education:				
Purchase of textbooks	\$ 200,000	\$ 200,000	\$ 135,179	\$ 64,821
Total education	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 135,179</u>	<u>\$ 64,821</u>
Total Textbook Fund	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 135,179</u>	<u>\$ 64,821</u>
School Activity Fund:				
Education:				
School activity funds	\$ -	\$ -	\$ 407,746	\$ (407,746)
Total Education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,746</u>	<u>\$ (407,746)</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,746</u>	<u>\$ (407,746)</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Thrifty Spot Fund:				
Education:				
Administration	\$ 79,050	\$ 79,050	\$ 69,201	\$ 9,849
Total Administration	<u>\$ 79,050</u>	<u>\$ 79,050</u>	<u>\$ 69,201</u>	<u>\$ 9,849</u>
Total Thrifty Spot Fund	<u>\$ 79,050</u>	<u>\$ 79,050</u>	<u>\$ 69,201</u>	<u>\$ 9,849</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 17,900,426</u>	<u>\$ 17,464,837</u>	<u>\$ 18,367,698</u>	<u>\$ (902,861)</u>

OTHER STATISTICAL INFORMATION

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Table 1

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

Fiscal Year	General				Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
	Government Administration	Judicial Administration	Public Safety	Public Works								
2015-16	\$ 1,385,622	\$ 690,064	\$ 2,697,008	\$ 1,164,093	\$ 1,975,002	\$ 7,300,079	\$ 646,223	\$ 2,046,275	\$ 201,364	\$ 18,105,730		
2016-17	1,440,801	693,402	2,582,338	1,191,113	1,794,958	7,097,225	203,087	3,006,530	190,491	18,199,945		
2017-18	1,421,505	632,505	2,858,519	1,387,017	1,935,505	7,648,766	510,214	3,071,375	128,430	19,593,836		
2018-19	1,153,859	716,749	3,023,971	1,463,335	2,272,755	7,887,125	653,065	895,448	92,460	18,158,767		
2019-20	1,819,047	720,527	2,885,141	1,317,894	2,398,408	9,119,754	543,009	533,182	50,842	19,387,804		
2020-21	1,993,310	714,757	4,145,769	1,419,514	2,127,174	8,754,458	611,567	934,167	21,206	20,721,922		
2021-22	2,149,575	773,212	3,806,236	1,570,076	2,283,681	9,290,675	427,821	2,399,447	20,723	22,721,446		
2022-23	2,377,153	857,382	3,944,932	2,244,421	2,828,020	8,347,297	653,386	5,747,529	(7,004)	26,993,116		
2023-24	2,847,629	911,569	4,840,171	1,950,111	3,280,660	9,351,320	681,021	553,120	18,658	24,434,259		
2024-25	2,848,861	939,569	4,716,966	2,906,978	3,448,825	9,704,875	449,378	840,479	288,081	26,144,012		

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total	
2015-16	\$ 153,117	\$ 4,322,751	\$ 6,227	\$ 11,503,713	\$ 1,299,711	\$ 67,593	\$ 314,643	\$ 1,509,598	\$ 19,177,353		
2016-17	177,396	4,916,062	2,376	12,154,544	1,467,082	72,981	161,285	1,498,151	20,449,877		
2017-18	183,147	5,145,326	115,960	12,014,049	1,545,883	79,942	128,687	1,485,618	20,698,612		
2018-19	190,875	2,888,971	-	12,685,626	1,658,861	85,509	273,653	1,457,195	19,240,690		
2019-20	160,365	3,146,185	-	13,594,047	1,761,888	117,406	86,876	1,426,322	20,293,089		
2020-21	161,504	5,403,931	-	13,391,361	2,049,899	50,284	22,926	1,402,555	22,482,460		
2021-22	208,580	3,782,355	420,954	14,346,281	2,171,108	44,691	123,158	1,400,264	22,497,391		
2022-23	295,020	4,802,960	3,780,280	15,879,835	2,273,891	14,812	139,734	1,362,507	28,549,039		
2023-24	267,446	5,566,366	-	15,908,009	2,456,533	177,642	156,361	1,382,472	25,914,829		
2024-25	273,062	5,708,226	-	16,581,304	2,514,543	293,691	385,121	1,378,481	27,134,428		

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Total
2015-16	\$ 1,382,307	\$ 552,249	\$ 2,640,999	\$ 1,138,343	\$ 1,960,991	\$ 13,040,998	\$ 508,237	\$ 2,047,135	\$ 46,238	\$ 1,171,898	\$ 24,489,395
2016-17	1,396,790	554,889	2,730,324	1,178,431	1,767,509	13,401,128	433,791	2,238,228	110,095	1,195,484	25,006,669
2017-18	1,456,424	527,875	2,900,458	1,174,436	1,901,680	13,920,862	437,507	1,888,573	-	1,170,557	25,378,372
2018-19	1,537,905	587,202	2,925,352	1,303,415	2,234,166	14,698,375	564,295	414,392	-	1,108,590	25,373,692
2019-20	1,736,952	604,080	2,878,985	1,264,875	2,339,464	15,956,912	454,598	386,138	-	1,101,736	26,723,740
2020-21	2,122,327	585,474	3,342,462	1,493,607	2,213,478	16,349,890	523,066	716,016	-	599,274	27,945,594
2021-22	2,167,240	668,691	3,885,798	1,656,920	2,367,457	18,093,902	546,477	456,907	-	631,754	30,475,146
2022-23	2,294,972	713,479	3,630,036	1,651,113	2,779,534	18,194,747	572,158	404,924	-	947,146	31,188,109
2023-24	2,764,507	767,539	4,498,802	1,873,390	3,212,819	18,359,519	596,093	445,833	-	362,312	32,880,814
2024-25	2,800,963	808,600	4,432,929	2,046,317	3,381,686	18,210,992	615,768	547,411	-	568,405	33,413,071

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

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2015-16	\$ 11,568,862	\$ 1,299,711	\$ 83,127	\$ 39,146	\$ 73,942	\$ 392,198	\$ 373,577	\$ 71,345	\$ 11,734,138	\$ 25,636,046
2016-17	12,081,391	1,467,082	94,182	46,665	79,887	446,838	209,560	159,272	12,722,160	27,307,037
2017-18	11,976,884	1,545,883	84,989	51,240	89,114	408,460	160,654	128,000	13,046,134	27,491,358
2018-19	12,687,041	1,658,861	87,209	58,263	98,639	446,255	328,941	127,821	11,132,896	26,625,926
2019-20	13,351,262	1,761,888	73,570	44,280	127,652	368,207	134,255	172,295	11,385,271	27,418,680
2020-21	13,376,538	2,049,899	76,096	46,164	53,979	284,308	348,022	260,260	13,893,792	30,389,058
2021-22	14,248,446	2,171,108	83,157	68,859	57,785	279,550	628,898	196,577	13,633,151	31,367,531
2022-23	15,817,489	2,273,891	90,699	90,475	89,049	362,631	813,248	191,702	19,515,448	39,244,632
2023-24	15,873,926	2,456,533	91,718	68,097	253,754	458,192	726,081	175,762	15,093,714	35,197,777
2024-25	16,421,563	2,514,543	101,220	71,208	361,853	503,533	1,040,826	126,487	14,526,723	35,667,956

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

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2015-16	\$ 12,367,129	\$ 12,159,910	98.32%	\$ 271,688	\$ 12,431,598	100.52%	\$ 652,513	5.28%
2016-17	12,834,564	12,441,192	96.94%	476,210	12,917,402	100.65%	665,125	5.18%
2017-18	12,946,067	12,534,225	96.82%	261,154	12,795,379	98.84%	925,783	7.15%
2018-19	13,930,829	13,140,199	94.32%	370,923	13,511,122	96.99%	1,006,594	7.23%
2019-20	14,693,508	13,968,096	95.06%	250,246	14,218,342	96.77%	1,123,139	7.64%
2020-21	14,814,088	13,904,878	93.86%	311,621	14,216,499	95.97%	1,171,384	7.91%
2021-22	14,807,141	14,584,377	98.50%	483,160	15,067,537	101.76%	1,186,532	8.01%
2022-23	17,377,399	16,066,249	92.45%	526,877	16,593,126	95.49%	1,492,623	8.59%
2023-24	17,140,548	16,274,036	94.94%	390,328	16,664,364	97.22%	1,578,832	9.21%
2024-25	17,199,263	16,747,372	97.37%	421,096	17,168,468	99.82%	1,717,119	9.98%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years and first half of current tax year.

Table 6

County of Mathews, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes (1)	Machinery and Tools	Public Utility (2)		Total
				Real Estate	Personal Property	
2015-16	\$ 1,681,478,871	\$ 103,965,707	\$ 17,435,500	\$ 24,090,612	\$ 1,751	\$ 1,826,972,441
2016-17	1,684,324,064	110,215,374	18,267,027	24,090,612	1,751	1,836,898,828
2017-18	1,603,915,978	121,572,095	17,455,495	26,187,429	-	1,769,130,997
2018-19(3)	1,603,508,419	121,572,095	17,455,495	24,266,079	16,228	1,766,818,316
2019-20	1,621,564,084	136,344,003	-	24,571,965	15,871	1,782,495,923
2020-21	1,634,048,853	140,690,570	-	24,248,498	1,003	1,798,988,924
2021-22	1,640,239,986	156,895,394	-	24,248,498	1,014	1,821,384,892
2022-23	2,096,210,830	182,344,538	-	23,867,387	-	2,302,422,755
2023-24	2,101,031,868	178,357,974	-	26,061,504	-	2,305,451,346
2024-25	2,121,133,660	182,447,826	-	23,836,578	-	2,327,418,064

(1) Real estate and personal property are assessed at 100% of fair market value.

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

(3) FY19 assessed values for personal property, mobile homes and machinery and tools not available. FY18 values reported in table.

Table 7

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

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools
2015-16	\$ 0.54	\$ 0.54	\$ 3.70	\$ 2.14
2016-17	0.575	0.575	3.70	2.14
2017-18	0.575	0.575	3.70	2.14
2018-19	0.645	0.580	3.70	2.14
2019-20	0.645	0.645	3.70	n/a
2020-21	0.645	0.645	3.70	n/a
2021-22	0.640	0.645	3.70	n/a
2022-23	0.560	0.640	3.70	n/a
2023-24	0.560	0.560	3.70	n/a
2024-25	0.600	0.560	3.70	n/a

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Less:		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Debt Assumed by Other Localities (4)			
2015-16	8,978	\$ 1,705,569	\$ 2,009,277	\$ -	\$ -	\$ 2,009,277	0.12%	\$ 224
2016-17	8,978	1,708,415	1,498,002	-	-	1,498,002	0.09%	167
2017-18	8,978	1,630,103	971,900	-	-	971,900	0.06%	108
2018-19	8,704	1,627,774	491,600	-	-	491,600	0.03%	56
2019-20	8,533	1,646,136	-	-	-	-	0.00%	-
2020-21	8,533	1,658,297	-	-	-	-	0.00%	-
2021-22	8,446	1,664,488	-	-	-	-	0.00%	-
2022-23	8,446	2,120,078	-	-	-	-	0.00%	-
2023-24	8,446	2,127,093	-	-	-	-	0.00%	-
2024-25	8,446	2,144,970	-	-	-	-	0.00%	-

(1) Weldon Cooper Center for Public Service at the University of Virginia.

(2) Real property assessed at 100% of fair market value from Table 6.

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

Excludes revenue bonds, landfill closure/post-closure care liability, leases, subscriptions, and compensated absences.

(4) In accordance with the provisions of annexation settlements.

COMPLIANCE

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Mathews Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County of Mathews, Virginia's basic financial statements and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Robinson, Fennell, Cox Associates

Richmond, Virginia
December 15, 2025



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Report on Internal Control over Compliance (Continued)

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

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

Robinson, Fenn, Cox Associates

Richmond, Virginia
December 15, 2025

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Social Services:				
Guardianship Assistance	93.090	1110124/25	\$ 228	\$ -
Title IV-E Prevention Services	93.472	1140124/25	4,830	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950123/24; 0980120	14,158	-
Temporary Assistance for Needy Families	93.558	0400124/25	92,593	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500125	231	-
Low-income Home Energy Assistance	93.568	0600424/25	19,018	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760124/25	18,787	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123/24	351	-
Foster Care - Title IV-E	93.658	1100124/25	104,989	-
Adoption Assistance - Title IV-E	93.659	1120124/25	148,624	-
Social Services Block Grant	93.667	1000124/25	147,952	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123/24	644	-
Children's Health Insurance Program	93.767	0540124/25	3,067	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200124/25	252,166	-
Total Department of Health and Human Services			\$ 807,638	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	775001-52740	\$ 7,500	\$ -
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.555	179001-45707	\$ 73,897	\$ -
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	179001-45707	355,795	-
Sub-total Assistance Listing Number 10.555			\$ 429,692	\$ -
Virginia Department of Education:				
School Breakfast Program (Child Nutrition Cluster)	10.553	179001-40591	\$ 193,517	\$ -
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	10559-301-10	\$ 12,474	\$ -
Total Child Nutrition Cluster			\$ 635,683	\$ -
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010124/25; 0040124/25	305,588	-
Total Department of Agriculture			\$ 941,271	\$ -
Department of the Commerce:				
Pass-through payments:				
Department of Housing and Community Development:				
Broadband Equity, Access, and Deployment Program	11.035	VAAPG002	\$ 23,985	-
Department of Justice:				
Direct payments:				
Body Worn Camera Policy and Implementation	16.835	N/A	\$ 32,000	\$ -
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	3900100-10220	\$ 35,062	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3900100-81100	994	-
Total Department of Justice			\$ 68,056	\$ -

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

Federal Grantor/State Pass - Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	2024 54170	\$ 17,002	\$ -
State and Community Highway Safety (Highway Safety Cluster)	20.600	60507-50287	5,096	-
			\$ 22,098	\$ -
Total Department of Transportation				
Department of the Treasury:				
Direct Payments:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 7,429	\$ -
Pass Through Payments:				
Virginia Department of Education:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	VA0113	\$ 91,731	-
Virginia Department of Elections:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	unavailable	\$ 10,550	-
Sub-total Assistance Listing Number 21.027			\$ 109,710	\$ -
			\$ 109,710	\$ -
Total Department of the Treasury				
Department of Interior:				
Direct Payments:				
Department of Historical Resources:				
Emergency Supplemental Historic Preservation Fund	15.957	N/A	\$ 29,605	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	179001-42901-42999	\$ 266,103	\$ -
Special Education Grants to States (Special Education Cluster)	84.027	179001-43071-61234	194,086	-
Special Education - Preschool Grants (Special Education Cluster)	84.173	179001-62521	11,237	-
Total Special Education Cluster			\$ 205,323	\$ -
Career and Technical Education - Basic Grants to States	84.048	179001-61095	18,644	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	179001-61480	18,129	-
Student Support and Academic Enrichment Program	84.424	S424A180048	16,883	-
Education Stabilization Fund:				
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	84425-197-10	1,295	-
			\$ 526,377	\$ -
Total Department of Education				
			\$ 2,536,240	\$ -
Total Expenditures of Federal Awards				

See accompanying notes to schedule of expenditures of federal awards.

County of Mathews, Virginia

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

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	\$ 1,282,448
Total primary government	\$ <u>1,282,448</u>
Component Unit School Board:	
School Operating Fund	\$ 618,109
School Cafeteria Fund	635,683
Total component unit school board	\$ <u>1,253,792</u>
Total federal expenditures per basic financial statements	\$ <u>2,536,240</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>2,536,240</u></u>

Note 5 - De Minimis Cost Rate

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

Note 6 - Loan Balances

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

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

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified
 Internal control over financial reporting:
 Material weakness(es) identified? _____ yes ✓ no
 Significant deficiency(ies) identified? _____ yes ✓ none reported
 Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.553/10.555/10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? ✓ yes _____ no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

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

There were no prior year findings.

County of Mathews

January 15, 2026

FOR THE YEAR ENDED JUNE 30, 2025

PRESENTED BY:

TAYLOR STOVER, CPA

ROBINSON, FARMER, COX ASSOCIATES



Table of Contents

- Engagement Summary
- Audit and Attestation Results
- Current Accounting and Reporting Changes
- Brief Overview
- Fund Balance Summary
- Recommendations Included in the Management Letter

Engagement Summary

- You engaged us to perform a financial statement audit and compliance report for the County for the year ended June 30, 2025.
- The audit was subject to:
 - Auditing standards generally accepted in the United States of America (GAAS)
 - *The Specifications for Audits of Counties, Cities, and Towns* issued by the APA
 - The standards for financial audits contained in the *Government Auditing Standards* issued by the Comptroller General (Yellowbook)
 - The Single Audit Act Amendments of 1996
 - The provisions of the Uniform Guidance

Audit and Attestation Results

- We expressed an **unmodified opinion** on each of the following:
 - Financial statements overall as of and for the year ended June 30, 2025
 - Internal control over financial reporting and on compliance and other matters for the year ended June 30, 2025
 - Compliance for each major program and on internal control over federal awards for the year ended June 30, 2025
- VRS Attestation
 - County – One finding for census data not agreeing to supporting documents
 - School board – One finding for census data not agreeing to supporting documents
- Funds which exceed appropriation:
 - Special Revenue Fund, School Operating Fund, and School Capital Projects Fund

Current Accounting and Reporting Changes

- GASB 101 – *Compensated Absences* implemented in FY25.
 - See Note 22 and Note 23 for disclosures regarding the adoption of GASB 101 and the subsequent restatement
- GASB 103 – *Financial Reporting Model Improvements (effective FY26)*
 - MD&A – clear narrative with explanations of why balances changed
 - Budgetary Comparison information with explanations for significant variances

Brief Overview

- Exhibit 1 and Exhibit 2 are “full” accrual statements
 - Similar to public company financial statements
 - Include debt, capital assets, pension, OPEB, leases
 - Net position increased \$990,416 to \$22,020,236
- All other exhibits are modified accrual
 - Helpful for budgeting purposes
 - Fund balances presented on next slide
- Tax collection percentage:
 - 97.37% of current levy
 - 99.82% when including delinquent collections
- Delay in release of OMB Compliance Supplement

Fund Balance Summary - County

	General	Special Revenue	Total
Fund Balance, Beginning	\$8,715,984	(\$18,988)	\$8,696,996
Net Change in Fund Balance	\$3,115,639	\$22,797	\$3,138,436
Fund Balance, Ending	\$11,831,623	\$3,809	\$11,835,432

Fund Balance Summary – School Board

	School Operating (1)	School Capital Projects	School Cafeteria	Textbook	School Activity Funds	Thrifty Spot	Total
Fund Balance, Beginning	\$301,698	\$20	\$287,419	\$23,979	\$232,396	\$19,303	\$864,815
Net Change in Fund Balance	(\$154,736)	\$10,512	\$109,520	(\$33,912)	\$98,938	(\$3,492)	\$26,830
Fund Balance, Ending	\$146,962	\$10,532	\$396,939	(\$9,933)	\$331,334	\$15,811	\$891,645

(1) Reflects "ALL-In" funds of \$142,617 and "Positive Behavior" funds of \$4,345 remaining at 6/30/25



CPAs | CONSULTANTS

Recommendations Included in the Management Letter

- A management letter is a tool to communicate findings that do not arise to the level considered to be a material weakness or significant deficiency
- Immaterial variance in cash operating account bank reconciliation

Refer to the management letter for more detailed information.

Contact

Robinson, Farmer, Cox Associates

Richmond Office

Phone: 804-378-4200

Mail: 401 Southlake Blvd, Suite C-1
Richmond, VA 23236

Taylor Stover, CPA

Email: tstover@rfca.com



DAVENPORT & COMPANY

Mathews County Board of Supervisors

Financial Update and Plan of Finance



January 15, 2026

Introduction/Goal & Objectives

Mathews County, Virginia



Background



- Davenport & Company LLC (“Davenport”), in our role as Financial Advisor to Mathews County (the “County”), was tasked to provide a financial overview of the County in advance of the Fiscal Year 2027 budget process and present a Plan of Finance for the County’s upcoming 2026 Financing.
- In the Summer of 2024, Davenport assisted the County on the successful issuance of the \$5,000,000 Lease Revenue Bond Anticipation Note, Series 2024 (the “2024 BAN”).
- The BAN will need to be permanently financed prior to maturity which is in FY 2030.
- County Staff has provided Davenport with updated capital project needs in the County’s Fiscal Year 2027 – 2031 Capital Improvement Program (“CIP”) totaling approximately \$7 million for Fiscal Year 2027.
- Together, the term-out of the 2024 BAN and the \$7 million of new money are referred to as the 2026 Financing herein.

Goals & Objectives



- As part of the discussion presented herein, Davenport intends to accomplish the following:
 - Present an overview of the County's historical financials;
 - Present the impact of the 2026 Financing on the County's existing Debt Profile;
 - Present a Plan of Finance for the 2026 Financing; and,
 - Evaluate and analyze additional School Capital Funding capacity through leveraging a potential new revenue source (*included in Appendix A of the presentation herein*).



Historical General Fund Financials

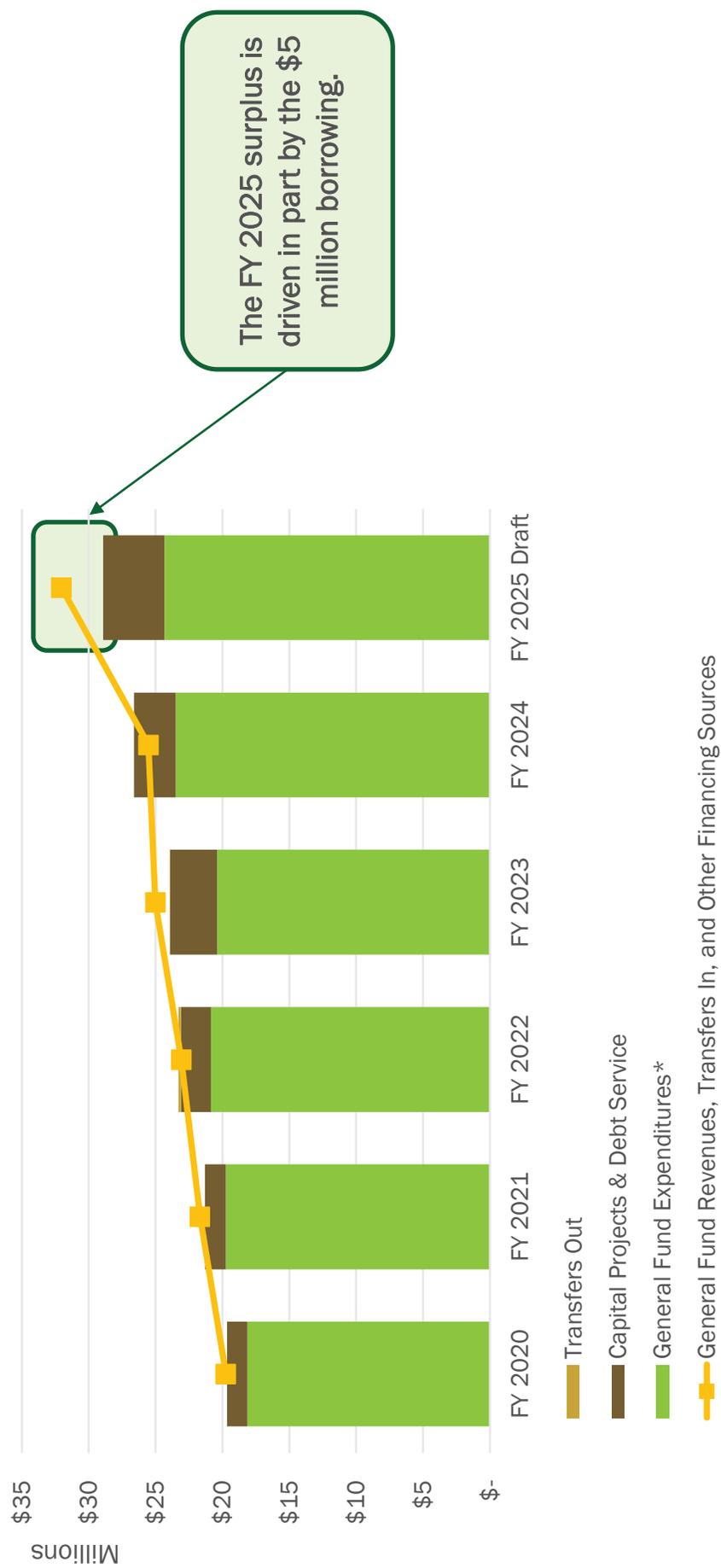
Mathews County, Virginia



Historical Financials

- The County has produced a surplus in four of the last six Fiscal Years. However, the surpluses in FY 2020, FY 2021, and FY 2023 were impacted by substantial one-time federal CARES Act/ARPA funds.

Historical Operating Performance



*General Fund Expenditures on the graph do not include capital projects and debt service.
Note: "CAGR" means "Compounded Annual Growth Rate".

Fund Balance – Overview



- On August 15, 2024, the County Adopted the following Fund Balance Policy guideline:
 - “The County will maintain a minimum Unassigned Fund Balance level of 15% of the County’s Governmental Expenditures” .
- In Fiscal Year 2025, the County’s total Fund Balance increased by roughly \$3.1 million. However, this increase in total Fund Balance is largely driven by the impact of the \$5 million BAN from FY 2025.
- The County is in compliance with its Unassigned Fund Balance policy.
- Fund Balance is arguably the most important financial metric, and it signals to outside lenders/investors the financial strength of a locality.

Note: Governmental Expenditures are defined as expenditures for the General and School Operating Funds, net of the Local Government Contribution to the School Operating Fund.

Why an Unassigned Fund Balance is Important

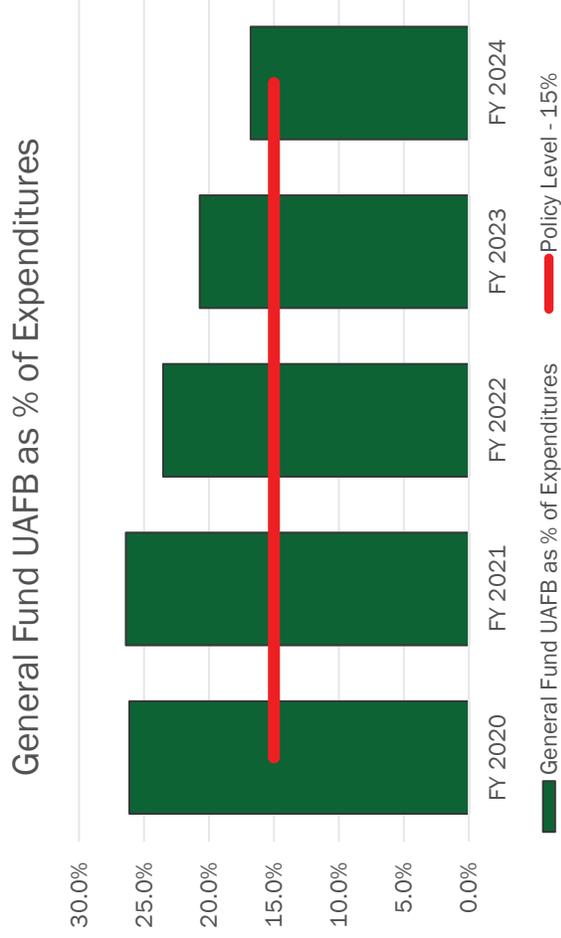
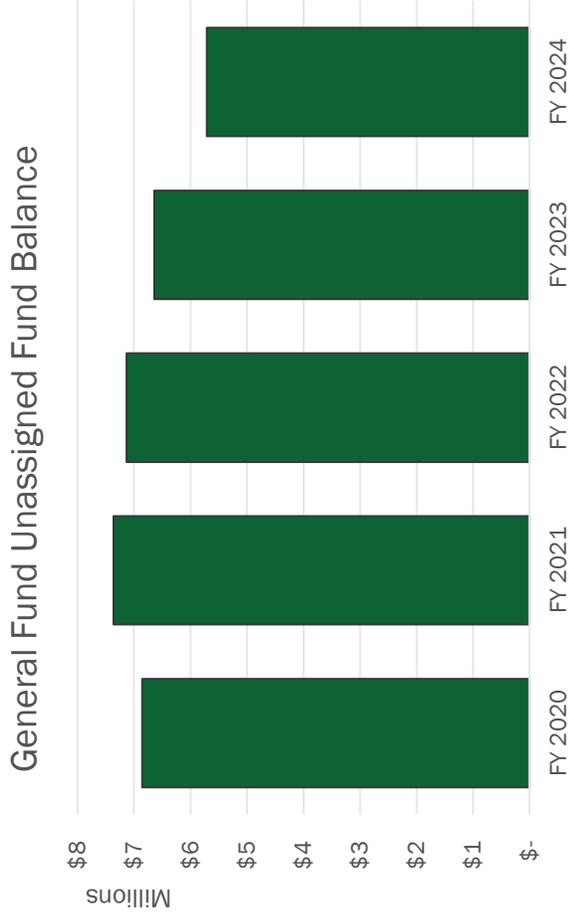


- Why is maintaining a healthy unassigned fund balance important?
 - Provides adequate month-to-month cash flow and eliminates the need for costly cash-flow borrowing.
 - Provides funds for emergency situations (i.e. natural disasters such as hurricanes).
 - Provides funds for unforeseen expenditures or revenue shortfalls that occur during a fiscal year.
 - Allows for bond funded capital projects to begin prior to having borrowed funds on hand.
 - Helps mitigate/offset other financial weaknesses.
 - Provides comfort to potential lenders and the rating agencies as it relates to the County's financial strength/flexibility and thus allows the County to obtain competitive financing.

General Fund – Unassigned Fund Balance



“The County will maintain a minimum Unassigned Fund Balance level of 15% of the County’s Governmental Expenditures.”



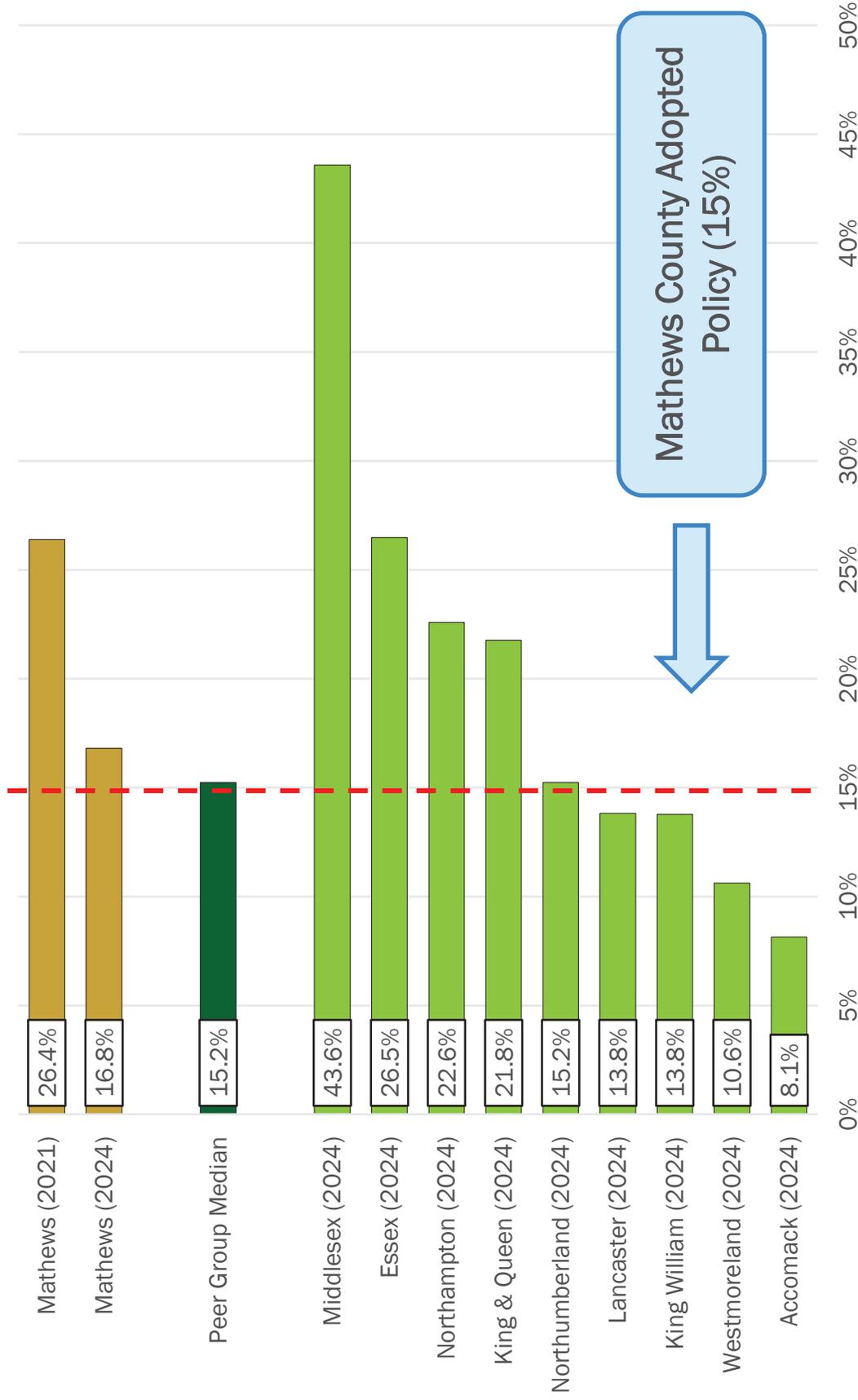
Fiscal Year	General Fund Unassigned Fund Balance	Governmental Expenditures ⁽¹⁾	General Fund UAFB as % of Expenditures
2020	\$6,855,586	\$26,226,875	26.1%
2021	7,360,487	27,867,241	26.4%
2022	7,128,249	30,288,071	23.5%
2023	6,639,008	32,033,761	20.7%
2024	5,707,725	34,012,016	16.8%

Source: County Audit.
 Note: “UAFB” = Unassigned Fund Balance.
 (1) Governmental Expenditures are calculated by General Fund Expenditures plus School Operating Expenditures less local transfer to Schools.



GF Unassigned Fund Balance as a % of Govt. Expenditures

GF Unassigned Fund Balance as % of Governmental Expenditures



Source: Most Recently Available Locality Audits.

Note: "GF" = General Fund; Governmental Expenditures are calculated by General Fund Expenditures plus School Operating Expenditures less local transfer to Schools.



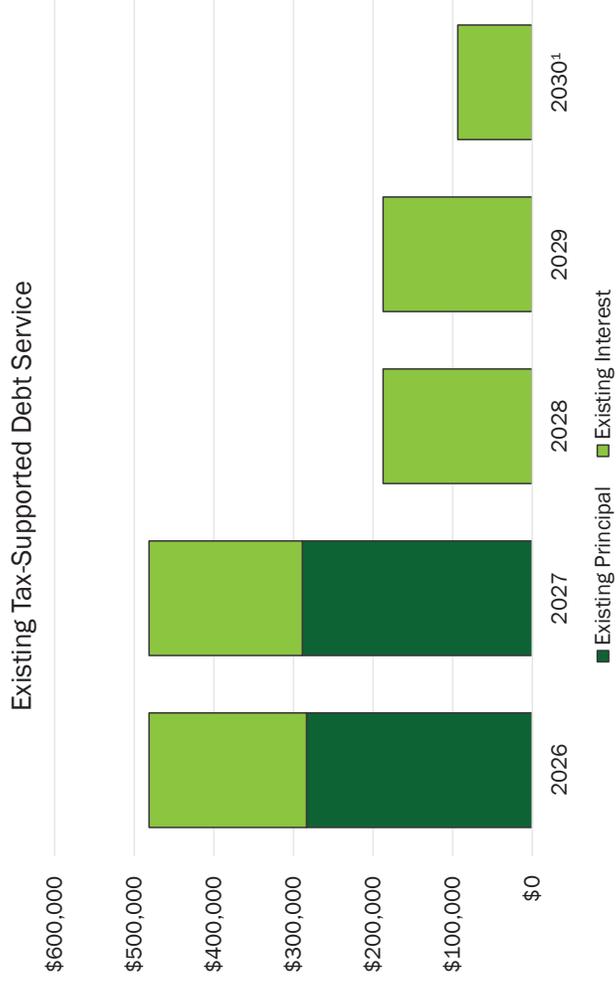
Tax-Supported Debt Management

Mathews County, Virginia

Existing Tax-Supported Debt Service



- The County has a recurring annual payment of \$294,017 related to the Radio System Financing in FY 2026 and FY 2027.
- In addition to the Radio System Financing, the County's \$5 million 2024 BAN is also outstanding. Interest only payments are due until final maturity in Fiscal Year 2030.



FY	Principal	Interest	Total
Total	\$ 572,109	\$ 859,675	\$1,431,784
2026	283,433	198,084	481,517
2027	288,676	192,841	481,517
2028	-	187,500	187,500
2029	-	187,500	187,500
2030 ¹	-	93,750	93,750

Source: Davenport Debt Model.

(1) FY 2030 excludes a \$5 million principal payment at maturity associated with the 2024 BAN. Davenport has included the term out of the 2024 BAN in the presentation herein.

Key Debt Ratios



- The County adopted Financial Policy Guidelines on August 15th, 2024 related to the following industry-wide Key Debt Ratios:

1. Debt vs. Assessed Value (Debt Capacity):

- *Outstanding Tax-Supported Debt as a Percentage of Total Assessed Value of Taxable Property shall not exceed 2.5%.*

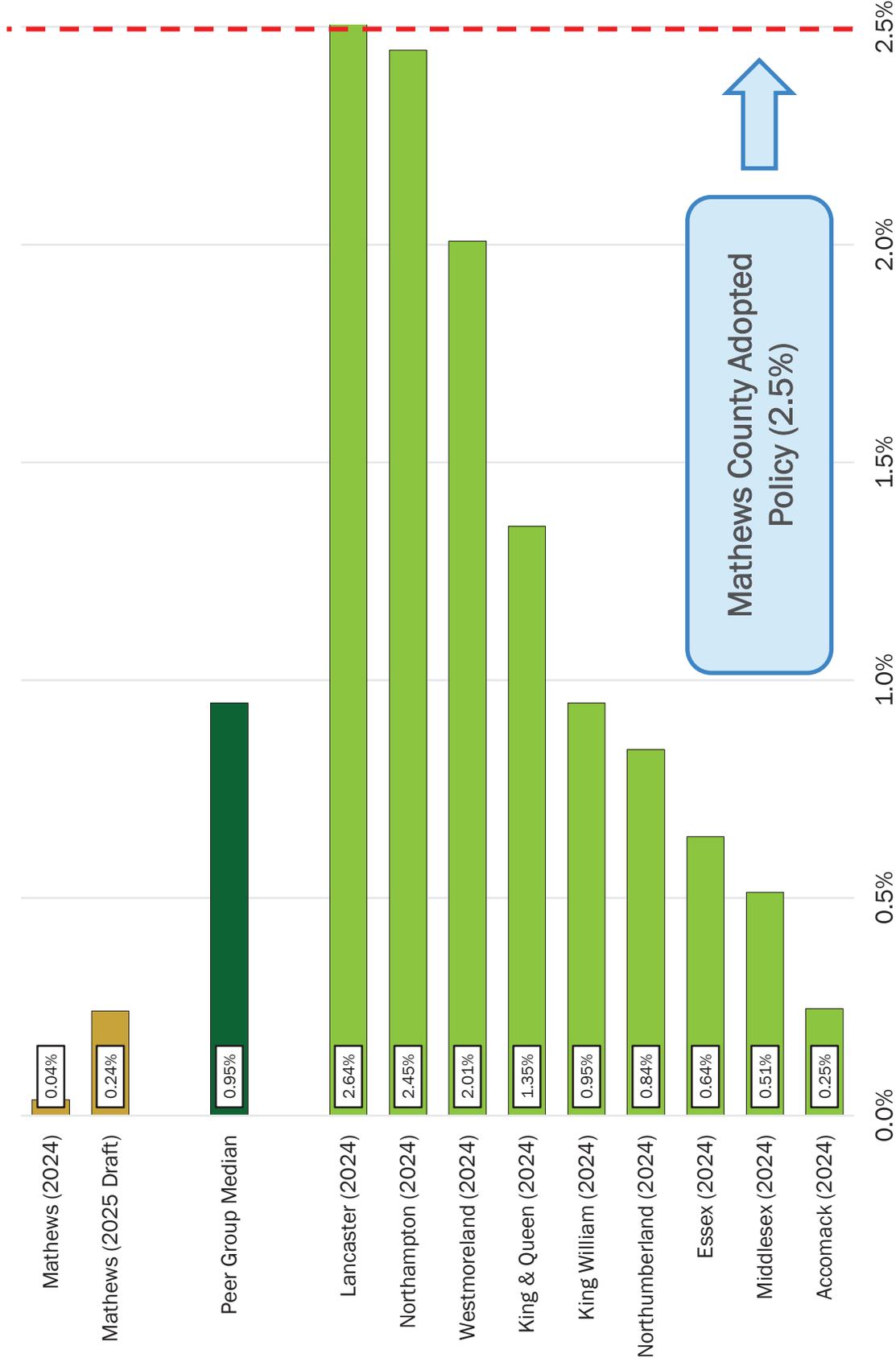
2. Debt Service vs. Expenditures (Debt Affordability):

- *Tax-Supported Debt Service payments (principal and interest) shall not exceed 12% of Total Governmental Expenditures.*

Peer Comparison – Existing Debt vs. Assessed Value



Debt Outstanding vs. Assessed Value

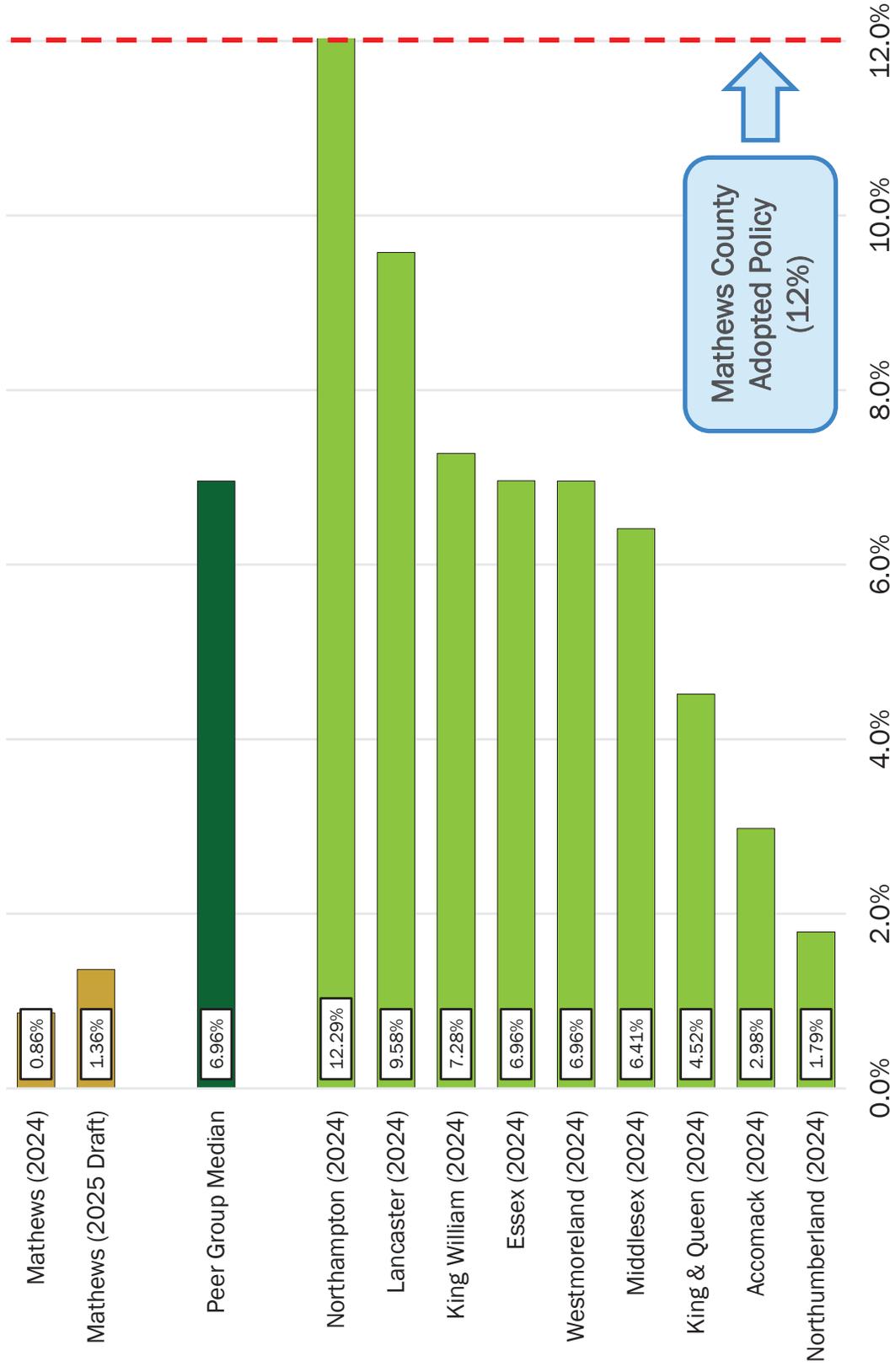


Source: Respective Locality Audits.

Peer Comparison – Debt Service vs. Govt. Expenditures



Debt Service vs. Governmental Expenditures



Source: Respective Locality Audits.
 Note: Governmental Expenditures is General Fund Expenditures plus School Operating Funds less Local Government Contribution.

Proposed Issuance of 2026 Financing



- In FY 2025, the County issued \$5 million via the 2024 BAN for the Debt Funded CIP projects contemplated for FY 2026.
- The Final Maturity for the 2024 BAN is in FY 2030 at which time principal will be due in full. The planning herein contemplates permanently financing the \$5 million BAN in concert with the approximately \$7 million of new CIP needs detailed below:

Project	Amount
Mathews Volunteer Fire Department	\$ 3,150,000
Mathews County Public Schools	2,097,323
Facilities & Grounds	565,000
Technology	500,000
Mathews Volunteer Rescue Squad	200,000
Mathews Sheriff's Department	169,190
Public Infrastructure	150,000
Public Access/Waterways Management	100,000
Total	\$ 6,931,513

- Altogether, the total financing is approximately \$12 million.

Key Assumptions

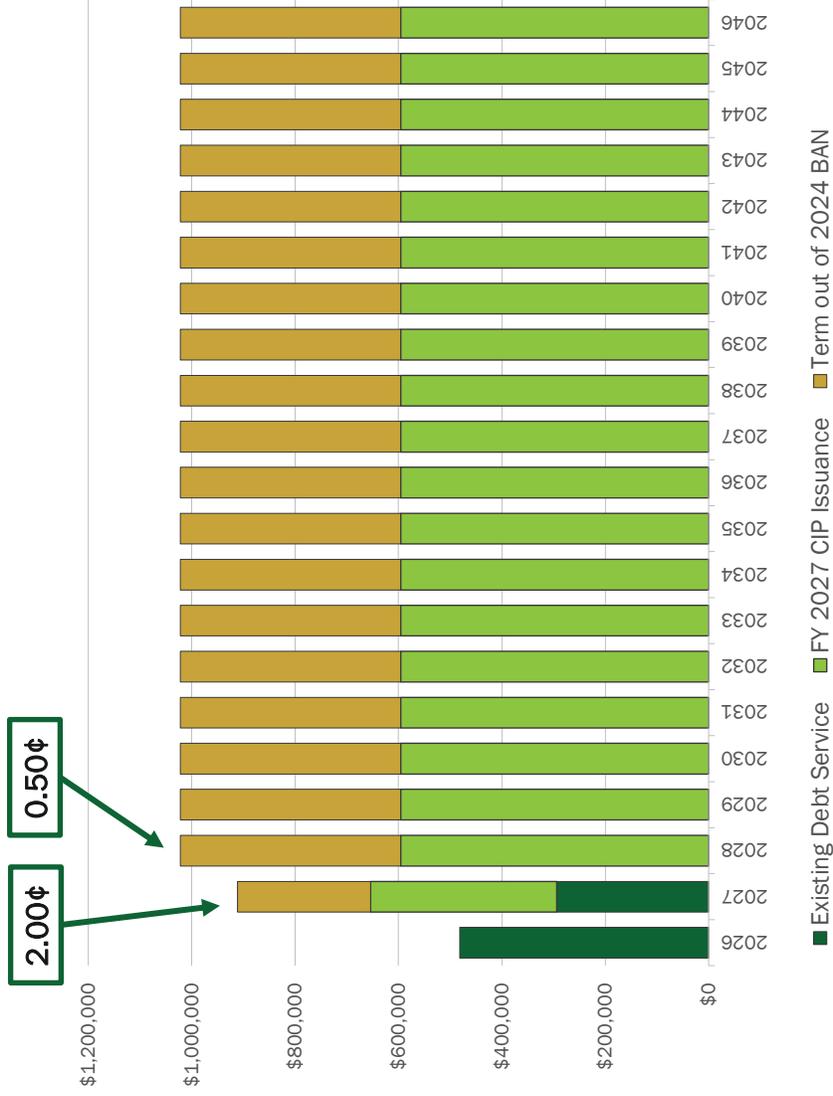


- Below, please find the key assumptions Davenport utilized in calculating the impact of the \$12 million borrowing:
 - Issuance closing by the end of the Fiscal Year 2026;
 - Estimated Planning Interest Rate of 5%; and,
 - Structuring of 1-year Interest Only and 19-years of Principal Amortization (20-year term).

Proposed Debt Service Impact



- The below chart incorporates the following:
 - Existing Debt Service;
 - \$ 7 million for Capital Projects associated with the FY 2027 CIP; and,
 - \$ 5 million Term-Out of the Lease Revenue Bond Anticipation Note, Series 2024 (the “2024 Note”).
- The proposed issuance would require a Real Estate Penny Equivalent Increase of approximately 2.50¢.



Note: Penny Value utilized in the analysis herein is \$210,600.

Proposed Debt Service Adopted Debt Management Policies



- Below, Davenport has presented the impact of the proposed debt on the County's Financial Policies.
- The County would stay in compliance with its Financial Policies if it issues the proposed debt.

Debt Service vs. Expenditures



6-Year CAGR	6.39%
Assumption for Analysis	1.00%
Current Expenditures ⁽¹⁾	\$35,743,442

Debt vs. Assessed Value



6-Year CAGR	5.48%
Assumption for Analysis	1.00%
Current Assessed Value ⁽¹⁾	\$ 2,327,418,064

Note: Governmental Expenditures is General Fund Expenditures plus School Operating Funds less Local Government Contribution.
 (1) Current Expenditures and Current Assessed Value are based on the FY 2025 Draft Audit.

Plan of Finance

Mathews County, Virginia



Plan of Finance



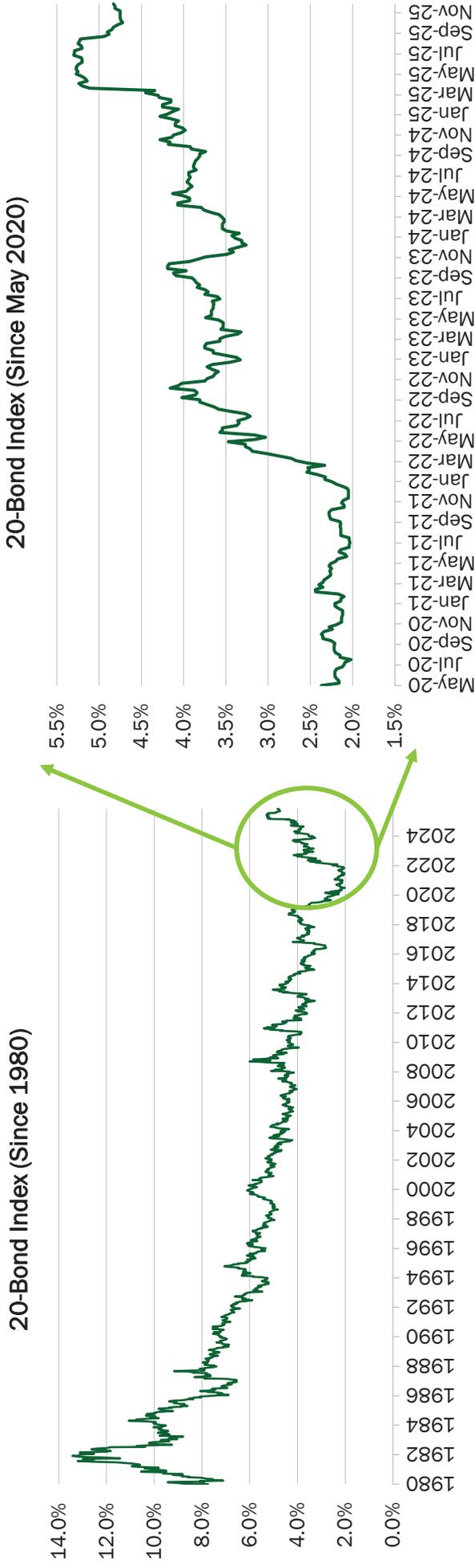
- As previously described in this presentation, the County, in concert with Davenport, plans to issue approximately \$12 million of permanent financing to fund the term-out of the 2024 BAN and the County's Fiscal Year 2027 CIP projects.
- Based on the financing amount and timing, Davenport has identified a Dual Track approach for the 2026 Financing contemplating a simultaneous procurement for a **competitive Direct Bank Loan process** and an application for an issuance through the **Virginia Resource Authority ("VRA") Pooled Financing Program**.
 - Note: A full schedule of Next Steps including various required actions of the respective Board(s) is enclosed.
- The Dual Track approach should result in obtaining the necessary funding by mid-April if a Bank Loan is selected or mid-May if VRA is selected.

Dual Track Approach



- Davenport, on behalf of the County, will pursue a **Direct Bank Loan** and **VRA Pooled Financing Program** as potential sources of financing for the identified capital projects.
- Davenport will distribute a Request for Proposals (“RFP”) to solicit competitive interest rate proposals from local, regional, and national lending institutions.
- Following receipt of the proposals, the County will have the benefit of knowing the terms and conditions of the bank bids.
- Davenport will prepare an analysis of the bank proposals compared to estimates for the VRA Pooled Financing Program under a variety of market scenarios. At this point, Davenport will provide a recommended financing approach.
- If the bank loan is selected, the County can “lock-in” the terms and conditions of the winning proposal, and Davenport will advise on closing logistics/execution.
- If VRA is selected as the more favorable option, Davenport will assist the County in working through the due diligence process and advising on the successful execution of the transaction. *(Note: the interest rate will not be “locked-in” until VRA prices its bonds in the public credit markets, tentatively in late April).*

Interest Rate Environment | Tax-Exempt



Interest rates for tax-exempt borrowings are at historically favorable levels.

The 20-year interest rates above show the Bond Buyer's "20-Bond Index" which consists of 20 tax-exempt bonds with an average rating of 'Aa2'/'AA' (Moody's / S&P) that mature in 20 years. The 20-Bond Index serves as a general indicator of prevailing interest rates for tax-exempt borrowers. Updated as of 12/18/2025.

Next Steps



January 15th, 2026:

Davenport to present informational Plan of Finance (no formal action required).

Competitive Solicitation of a Direct Bank Loan*

Timing	Action
[If necessary] Thursday, February 19	<p>Regularly Scheduled BOS Meeting:</p> <ul style="list-style-type: none"> BOS to authorize Davenport to move forward with the financing process. <i>Note: Consider inviting EDA members to listen to the presentation for educational / informational purposes.</i>
Friday, February 20	Davenport distributes Direct Bank Loan RFP to local, regional, and national banking institutions to solicit proposals for the 2026 Financing.
Wednesday, March 11	Direct Bank Loan responses due from banks.
Thursday, March 19	<p>Regularly Scheduled BOS Meeting:</p> <ul style="list-style-type: none"> Davenport presents comparative analysis of bank proposals and current market estimates for the VRA Spring Pool issuance. If Bank Loan is selected, BOS considers approval of the 2026 Financing and the winning bidder via financing documents provided by Bond Counsel.
[Date - TBD] On or after, March 19	<p>Special Called Economic Development Authority (“EDA”) Board Meeting:</p> <ul style="list-style-type: none"> If Bank Loan is selected, EDA considers approval of financing documents provided by Bond Counsel.

By
Wednesday,
April 15*
If Bank Loan is selected, Closing of the 2026 Financing.
Funds in hand.

2026 VRA Spring Pool Financing*

Timing	Action
By Friday, February 6	Application due to VRA. <i>Note: Applying to VRA is not binding nor does it cost the County.</i>
Thursday, March 19	<p>Regularly Scheduled BOS Meeting:</p> <ul style="list-style-type: none"> Davenport presents comparative analysis of bank proposals and current market estimates for the VRA Spring Pool issuance. If VRA is selected, BOS considers approval of the VRA Spring Pool Financing, if applicable, via Financing Documents provided by Bond Counsel.
By Friday, March 20	VRA Local Approval due.
Tuesday, April 28	If VRA approach is selected, VRA Bond Sale Date through the public credit markets.
Tuesday, May 12	If VRA approach is selected, VRA tentative closing date. Funds in hand.

*Preliminary, subject to change.

Appendix

Mathews County, Virginia





Appendix A: School Capital Funding Opportunities

Mathews County, Virginia

School Capital Funding



- Mathews County Public Schools (the “Schools”) serves the County, and the County makes annual contributions from its General Fund budget.

- Funding for school capital investment could potentially be acquired a number of ways by the County and includes, but is not limited to, the following:
 - The issuance of County debt;
 - Contributions from the County; and,
 - The Commonwealth’s School Capital Funding Initiatives, as outlined on the following pages.

Local Sales Tax Legislation



- The General Assembly is currently contemplating legislation allowing all cities and counties to hold a voter referendum to charge up to an additional 1% Local Sales Tax to fund school construction and renovation.
 - Currently, only nine (9) localities have been permitted to hold a referendum and implement this 1% Local Sales Tax for schools, including the counties of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania and the city of Danville.
- The legislation was passed by the Senate and the House of Delegates on February 19, 2025, with the legislation vetoed by the Governor on March 24, 2025. On April 2, 2025, the Senate sustained the Governor’s veto.
- With new officials in Office in Virginia’s General Assembly, it is anticipated that the additional 1% Local Sales Tax legislation will be brought up again in the near future.
- Advantages of the 1% Local Sales Tax include, but are not limited to:
 - Providing a new revenue source that will not affect the County’s existing General Fund budget; and
 - Maintaining the County’s debt capacity for other projects since revenues outside the General Fund would be used for new school-related debt service.

Local Sales Tax Legislation (cont.)



- The County has historically received between \$500K to \$900K from its local portion of the existing state sales tax that flows to the General Fund.
- It is as of yet unclear what revenues the potential additional 1% sales tax for schools will generate.
 - Note: The basket of goods that the 1% for schools will be applied to is potentially different than the existing state sales tax (i.e. excludes exempt items such as groceries and hygiene products).
- To this end, Davenport ran a series of scenarios to demonstrate the capital funding potentials of the additional 1% sales tax for schools based on the assumptions outlined below.
- Based on the County’s school capital needs, the County would likely need to find additional revenue beyond the revenue from the potential 1% sales tax increase to fund the maximum contemplated project amount.
- Davenport has analyzed possible funding sizes for school projects given the revenue obtained from the potential 1% sales tax increase (for both 20 & 30 years). According to the analysis, \$500K to \$900K of the County’s existing state sales tax would support a debt in the range of \$7 to \$15 million.



Appendix B: Historical Financials

Mathews County, Virginia

Historical Financials



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Draft
General Fund Revenues	\$ 19,649,511	\$ 21,525,089	\$ 21,484,418	\$ 24,260,206	\$ 25,488,125	\$ 26,624,241
General Fund Expenditures ⁽¹⁾	(19,661,956)	(21,318,485)	(23,086,092)	(23,921,312)	(26,623,027)	(28,915,873)
Transfers In	88,565	146,091	130,000	744,462	-	367,000
Transfers Out	-	-	(217,472)	(15,508)	-	-
Other Financing Sources	-	-	1,456,908	-	43,452	5,040,271
Net Change in Fund Balance	\$ 76,120	\$ 352,695	\$ (232,238)	\$ 1,067,848	\$ (1,091,450)	\$ 3,115,639

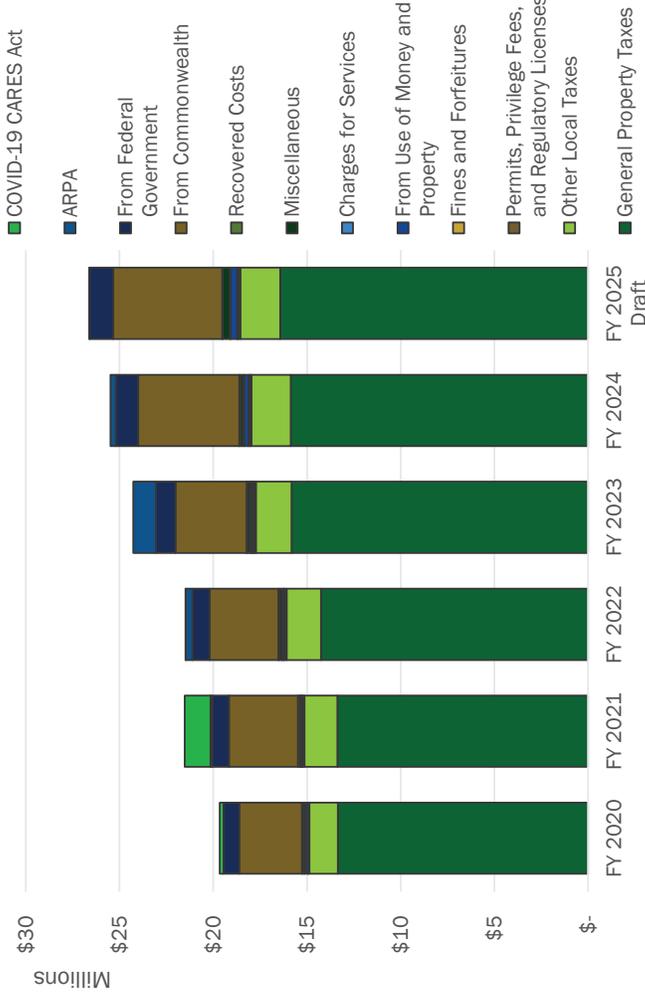
Note: "CAGR" means "Compounded Annual Growth Rate".

(1) General Fund Expenditures in the table include both capital projects and debt service.

General Fund Revenues – Historical Results



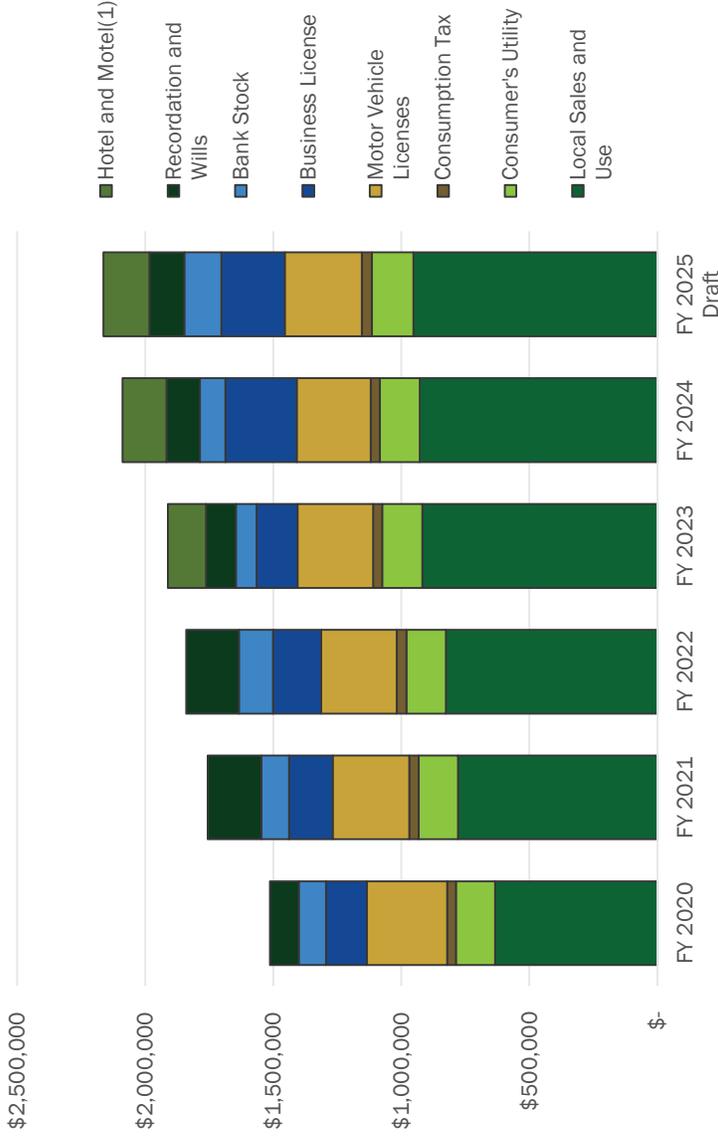
- In FY 2025, General Fund Revenues preliminarily grew approximately 5.0% compared to FY 2024 results.



General Fund Revenues	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Draft
General Property Taxes	\$ 13,351,262	\$ 13,376,538	\$ 14,248,446	\$ 15,817,489	\$ 15,873,926	\$ 16,421,563
Other Local Taxes	1,513,470	1,756,247	1,840,119	1,910,735	2,088,345	2,139,661
Permits, Privilege Fees, and Regulatory Licenses	73,570	76,096	83,157	90,699	91,718	101,220
Fines and Forfeitures	42,535	45,618	68,729	86,785	67,219	69,349
From Use of Money and Property	116,903	50,209	48,505	72,828	230,629	333,662
Charges for Services	42,515	39,244	52,367	55,434	52,320	52,882
Miscellaneous	84,857	22,707	123,158	139,734	156,361	373,942
Recovered Costs	36,902	124,391	71,001	54,933	42,260	41,244
Intergovernmental:						
From Commonwealth	3,340,279	3,676,140	3,651,542	3,786,966	5,409,981	5,808,270
From Federal Government	854,028	892,394	934,297	1,056,554	1,191,819	1,264,469
ARPA	-	80,013	352,181	1,188,049	283,547	17,979
COVID-19 CARES Act	193,190	1,385,492	10,916	-	-	-
Total Revenues	\$ 19,649,511	\$ 21,525,089	\$ 21,484,418	\$ 24,260,206	\$ 25,488,125	\$ 26,624,241



Other Local Tax Revenues – Historical Results



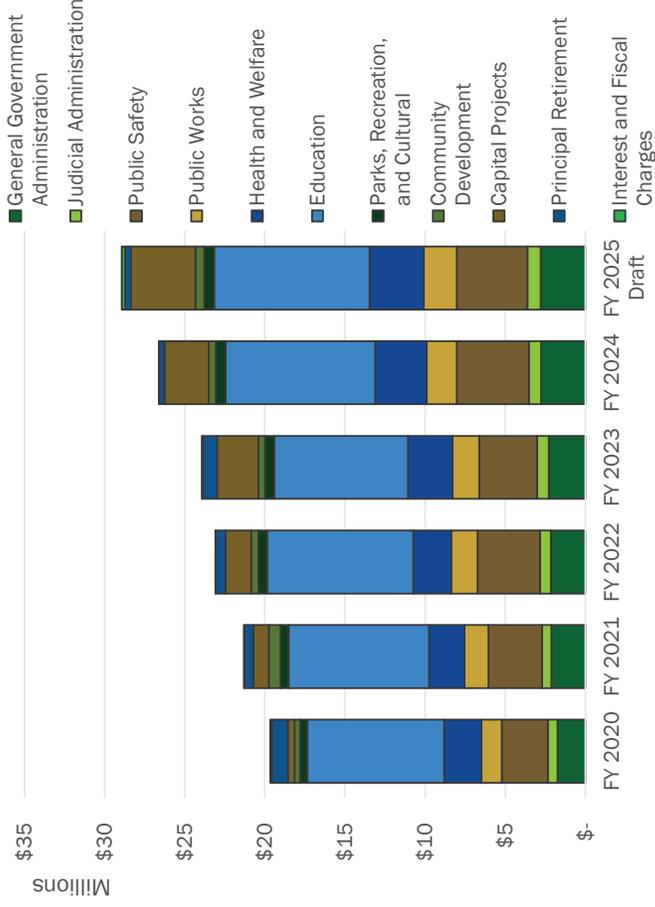
Other Local Taxes	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Draft
Local Sales and Use	\$ 633,773	\$ 778,207	\$ 825,922	\$ 917,934	\$ 927,590	\$ 952,177
Consumer's Utility	152,689	153,824	154,548	157,051	156,144	163,230
Consumption Tax	35,148	37,399	36,791	35,298	35,688	38,265
Motor Vehicle Licenses	313,553	298,725	295,260	295,402	289,834	301,345
Business License	158,108	170,279	188,312	159,447	277,693	247,772
Bank Stock	107,362	107,444	132,659	80,069	99,224	144,408
Recordation and Wills	112,837	210,369	206,627	118,090	131,219	135,567
Hotel and Motel ⁽¹⁾	-	-	-	147,444	170,953	180,000
Total	\$ 1,513,470	\$ 1,756,247	\$ 1,840,119	\$ 1,910,735	\$ 2,088,345	\$ 2,162,764

Source: County Audits.
 (1) Prior to FY 2023, the County budgeted for Hotel and Motel Tax Revenue within General Property Taxes.

General Fund Expenditures – Historical Results



- Preliminary FY 2025 General Fund Expenditures (net of Capital Projects & Debt Service) grew approximately 3.5% compared to FY 2024.
- The County saw a significant increase in cash funded Capital Projects from approximately \$2.8 million to approximately \$4.0 million.



General Fund Expenditures	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 Draft
Current:						
General Government Administration	\$ 1,736,952	\$ 2,122,327	\$ 2,167,240	\$ 2,294,972	\$ 2,764,507	\$ 2,800,963
Judicial Administration	604,080	585,474	668,691	713,479	767,539	808,600
Public Safety	2,871,808	3,337,241	3,878,221	3,630,036	4,491,526	4,422,219
Public Works	1,264,875	1,493,607	1,656,920	1,651,113	1,873,390	2,046,317
Health and Welfare	2,339,464	2,213,478	2,367,457	2,779,534	3,212,819	3,381,686
Education	8,532,916	8,754,458	9,122,675	8,347,297	9,351,320	9,704,875
Parks, Recreation, and Cultural	454,598	523,066	546,477	572,158	596,093	615,768
Community Development	343,782	716,016	456,907	404,924	445,833	547,411
Capital Projects	411,745	973,544	1,589,750	2,580,653	2,774,272	4,040,214
Debt Service:						
Principal Retirement	1,001,600	535,000	591,955	906,352	322,410	332,509
Interest and Fiscal Charges	100,136	64,274	39,799	40,794	23,318	215,311
Total Expenditures	\$ 19,661,956	\$ 21,318,485	\$ 23,086,092	\$ 23,921,312	\$ 26,623,027	\$ 28,915,873

Source: County Audits.

Municipal Advisor Disclaimer



The enclosed information relates to an existing or potential municipal advisor engagement.

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Project	Planned Funding (not appropriated)						FY27-31 TOTAL
	Prior Funding	FY26	FY27	FY28	FY29	FY30	
Public Access/Waterways Management							
Davis Creek dredging (2023)	\$ 1,679,382						\$ 1,679,382
Winter Harbor Dredging & beach protection (2023)	\$ 3,200,000						\$ -
Hole in the Wall dredging & Haven Beach Improvement (Prior to 2023)							\$ 3,200,000
East River Boatyard (2024)	\$ 50,000						\$ -
Gwynn's Island Boat Ramp Repairs (Prior to 2023)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000
Ditching and Drainage	\$ 90,000	\$ 100,000	\$ -	\$ 100,000	\$ 50,000	\$ 50,000	\$ 415,000
Pier repairs and Replacement (2024)							\$ -
Technology							
Enterprise Resource Planning Software		0	500,000		0		\$ 1,000,000
Public Infrastructure							
Main Street Phase II - Food Lion to Hyco	\$ 285,000		\$ 100,000	\$ 470,000	\$ -	\$ -	\$ 855,000
Courthouse Water System upgrades	\$ 50,000	\$ 25,000	\$ 50,000	\$ 2,000,000	TBD	TBD	\$ 2,125,000
Facilities & Grounds							
Maintenance building	\$ 50,000.00		\$ 100,000	\$ -	\$ -	\$ -	\$ 150,000
Parking lot resurface & restripe		\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000
LED lights	\$ 25,000	\$ 20,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 90,000
Library HVAC	\$ 5,000.00		\$ -	\$ 200,000	\$ 200,000	\$ -	\$ 405,000
Repainting Historic Courthouse Green Buildings	\$ 125,000	\$ 175,000	\$ -	\$ 150,000	\$ 150,000	\$ 100,000	\$ 700,000
Field Bathroom Repairs (design FY25)	\$ 30,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 90,000
Port Fun Tennis Courts	\$ 208,000	\$ 208,000	\$ -	\$ -	\$ -	\$ -	\$ -
Haven Beach Parking Expansion			\$ 100,000	\$ 500,000	\$ -	\$ -	\$ 600,000
HITW Septic Repair			\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
Mathews County Public Schools							
Athletic Complex (MHS)			\$ 60,000	\$ 2,500,000	\$ -	\$ -	\$ 2,560,000
Bathroom renovations (MHS/THMS)	\$ 50,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 290,000
HVAC (THMS)			\$ -	\$ 600,000	\$ -	\$ -	\$ 600,000
MCPS Lighting Upgrades	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -
Sidewalk Extension (MHS)	\$ 77,175	\$ 61,237	\$ -	\$ 172,212	\$ -	\$ -	\$ 310,624
Bus Maintenance Shed			\$ -	\$ 100,000	\$ 3,000,000	\$ -	\$ 3,100,000
MHS Roof Repair			\$ -	\$ 3,400,000	\$ -	\$ -	\$ -
MHS & MES Parking resurfacing	\$ 65,000	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000
High School and Elementary School Controls			\$ 1,816,871	\$ -	\$ -	\$ -	\$ -
HVAC High School and Elementary School			\$ -	\$ 853,282	\$ -	\$ -	\$ -
Security and Access control	\$ 40,000	\$ 40,000	\$ 60,452	\$ 60,452	\$ 60,452	\$ 60,452	\$ 342,260
Schools Consolidation Study			\$ 100,000	\$ -	\$ -	\$ -	\$ -
Water Systems Schools			\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
Mathews Sheriff's Department							
Security Camera Upgrade-Liberty Square	\$ 60,000	\$ 60,000	\$ 82,290	\$ 82,290	\$ 82,290	\$ 82,290	\$ 389,160



Mathews County Board of Supervisors
 Fiscal Year 2026-2027 (FY27)
 Budget Preparation and Adoption Schedule

Adopted 10.16.2025

DATE	DESCRIPTION, TIME AND LOCATION
January 14,2026 (Wednesday)	Virginia General Assembly Convenes (2nd Wednesday in January for 60 days in even-numbered years and for 30 days in odd-numbered years, with an option to extend annual sessions for a maximum of 30 days)
January 6th, 2026 (Tuesday)	Organizational Meeting (1:00 p.m.) Budget Requests due from Outside Agencies, County Departments and Constitutional Offices -Historic Courthouse
January 15, 2026 (Thursday)	Regularly Scheduled Board Meeting
January 29,2026 (Thursday)	Budget Workshop (6:00pm) Draft Budget-unrestricted, Budget Guidelines, Department presentations-Historic Courthouse CHANGE TO 1:00 PM
February 5, 2026 (Thursday)	Budget Workshop #2 - Outside Agency presentations (6:00pm)-Historic Courthouse CHANGE TO 1:00 PM
February 19, 2026 (Thursday)	Regular Board of Supervisors Meeting (6:00pm) - Historic Courthouse
March 3, 2026 (Tuesday)	Joint Work Session Mathews BOS and School Board-6:00PM Thomas Hunter Middle School-Brooks Auditorium
March 12, 2026 (Thursday)	Budget Workshop #3-presentation of balanced budget with proposed School budget (6:00pm)-Historic Courthouse
March 19, 2026 (Thursday)	Regular Board of Supervisors Meeting (6:00PM)-Historic Courthouse
March 20, 2026 (Friday)	Adopted School Board Budget delivered to County Administrator
April 16, 2026 (Thursday)	Public Hearing on proposed FY27 County Budget, and proposed Tax Rates (6:00 p.m.)
April 30, 2026 (Thursday)	Adoption of Proposed Budget and Tax Rates (6:00 PM) Historic Courthouse
May 21, 2026 (Thursday)	Regular Board Meeting-Budget amendment if necessary (6:00 PM) Historic Courthouse
June 18, 2026 (Thursday)	Adoption, if necessary, of Amendments to the FY27 County Budget (6:00 p.m.). Appropriation of the FY27 County Budget

**Additional Board of Supervisors Work Sessions will be scheduled as needed. Budget Work Sessions are open to the public.*