

**COUNTY OF CRAIG, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

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

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**COUNTY OF CRAIG, VIRGINIA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025**

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**INTRODUCTORY SECTION**

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# COUNTY OF CRAIG, VIRGINIA

## BOARD OF SUPERVISORS

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Jordan Labiosa, Vice Chair Keith Dunbar	Jesse Spence, Chair	Jason Matyas Carl Bailey
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## COUNTY SCHOOL BOARD

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Darren Gilreath, Vice Chair Walter Marsden	Trace Bellassai, Chair  Jessica Belcher, Clerk	Y. Kevin Altizer Faye Powers
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## COUNTY WELFARE BOARD

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Carrie Crawford, Vice Chair Angela Gardner	Jenette McClanahan, Chair	Angela Huffman Nicole Dudding
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## OTHER OFFICIALS

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Clerk of the Circuit Court .....	Sharon Oliver
Commonwealth's Attorney .....	Matt Dunne
Commissioner of the Revenue .....	Danielle Snider
Treasurer .....	Jackie M. Parsons
Sheriff .....	Trevor Craddock
Superintendent of Schools.....	Dr. Jason A. Wheeler
Director of Social Services.....	Pat Franklin
County Administrator.....	R.R. Dan Collins
County Attorney .....	Mike Bedsaul

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**FINANCIAL SECTION**

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**Independent Auditors' Report**

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Craig, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Craig, Virginia'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, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Craig, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Principle***

As described in Note 21 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 21 to the financial statements, in 2025, the County and the School Board 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 Craig, 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 Craig, 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 Craig, 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 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other 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 November 26, 2025, on our consideration of the County of Craig, 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 Craig, 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 the County of Craig, Virginia's internal control over financial reporting and compliance.

*Robinson, Famer, Cox Associates*

Blacksburg, Virginia  
November 26, 2025

## **Basic Financial Statements**

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

	Primary Government Governmental Activities	Component Unit School Board	Component Unit EDA
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,450,942	\$ 528,875	\$ 89,291
Investments	330,103	-	157,117
Receivables (net of allowance for uncollectibles):			
Taxes receivable	2,247,809	-	-
Accounts receivable	193,670	-	-
Due from component unit	344,670	-	-
Due from other governments	374,374	430,239	-
Prepaid items	-	90,951	-
Net pension asset	154,139	235,603	-
Restricted assets:			
Cash and cash equivalents	62,177	-	-
Capital assets not being depreciated:			
Land	106,619	79,830	411,566
Construction in progress	1,130,345	-	-
Capital assets, net of accumulated depreciation/amortization:			
Buildings and improvements	2,775,489	6,487,121	832,145
Machinery, equipment, and vehicles	356,390	1,153,143	-
Intangible right-to-use assets:			
Machinery, equipment, and vehicles lease assets	-	22,148	-
Buildings and improvements lease assets	573,307	-	-
Subscription assets	-	26,264	-
Total assets	<u>\$ 18,100,034</u>	<u>\$ 9,054,174</u>	<u>\$ 1,490,119</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 485,580	\$ 1,344,354	\$ -
OPEB related items	38,507	126,249	-
Total deferred outflows of resources	<u>\$ 524,087</u>	<u>\$ 1,470,603</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 148,854	\$ 54,648	\$ -
Accounts payable - construction	9,249	-	-
Accrued payroll liabilities	-	384,632	-
Accrued interest payable	21,152	-	-
Due to primary government	-	344,670	-
Unearned revenues	329,190	-	-
Noncurrent liabilities:			
Due within one year	334,173	209,913	-
Due in more than one year	1,679,816	4,635,066	-
Total liabilities	<u>\$ 2,522,434</u>	<u>\$ 5,628,929</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	\$ 1,968,993	\$ -	\$ -
Pension related items	313,171	906,358	-
OPEB related items	18,603	127,668	-
Total deferred inflows of resources	<u>\$ 2,300,767</u>	<u>\$ 1,034,026</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 3,266,440	\$ 7,731,820	\$ 1,243,711
Restricted:			
Opioid abatement	159,299	-	-
Future pension costs	154,139	235,603	-
Cafeteria	-	25,405	-
Asset forfeiture	10,566	-	-
Unrestricted	10,210,476	(4,131,006)	246,408
Total net position	<u>\$ 13,800,920</u>	<u>\$ 3,861,822</u>	<u>\$ 1,490,119</u>

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

County of Craig, 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		Primary Governmental Activities	Component Units	
			Capital Grants and Contributions	School Board		EDA	
<b>PRIMARY GOVERNMENT:</b>							
Governmental activities:							
General government administration	\$ 1,155,185	\$ 230	\$ 288,459	\$ -	\$ (866,496)		
Judicial administration	666,289	1,072	513,020	-	(152,197)		
Public safety	2,615,937	323,433	828,938	1,062,126	(401,440)		
Public works	774,609	17,532	12,871	-	(744,206)		
Health and welfare	2,311,555	35,134	1,664,841	-	(611,580)		
Education	5,251,793	-	-	-	(5,251,793)		
Parks, recreation, and cultural	54,181	-	13,532	-	(40,649)		
Community development	169,424	1,739	-	-	(167,685)		
Interest on long-term debt	77,282	-	-	-	(77,282)		
Total primary government	\$ 13,076,255	\$ 379,140	\$ 3,321,661	\$ 1,062,126	\$ (8,313,328)		
<b>COMPONENT UNITS:</b>							
School Board	\$ 8,957,346	\$ 67,807	\$ 6,988,308	\$ 39,310	\$ (1,861,921)		
EDA	34,638	-	-	-	-		(34,638)
Total component units	\$ 8,991,984	\$ 67,807	\$ 6,988,308	\$ 39,310	\$ (1,861,921)		(34,638)
General revenues:							
General property taxes					\$ 5,575,576		\$ -
Other local taxes:							
Local sales and use taxes					319,732		-
Consumers' utility taxes					114,588		-
Consumption taxes					12,973		-
Cigarette taxes					11,280		-
Franchise license taxes					4,055		-
Recordation tax					35,513		-
Hotel and motel room taxes					57,098		-
Restaurant food taxes					119,961		-
Unrestricted revenues from use of money					354,313	14	7,162
Miscellaneous					121,130	376,818	2,504
Contributions from County of Craig					-	4,979,398	15,700
Grants and contributions not restricted to specific programs					851,605		-
Total general revenues					\$ 7,577,824	\$ 5,356,230	\$ 25,366
Change in net position					(735,504)	\$ 3,494,309	\$ (9,272)
Net position - beginning, as previously reported					14,595,077	803,929	1,499,391
Restatements					(58,653)	(436,416)	-
Total net position - beginning, as restated					14,536,424	367,513	1,499,391
Net position - ending					\$ 13,800,920	\$ 3,861,822	\$ 1,490,119

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

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

	<u>General</u>	<u>Asset Forfeiture</u>	<u>Capital Improvement</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,193,432	\$ -	\$ 1,257,510	\$ 9,450,942
Investments	330,103	-	-	330,103
Receivables (net of allowance for uncollectibles):				
Taxes receivable	2,247,809	-	-	2,247,809
Accounts receivable	193,670	-	-	193,670
Due from component unit	344,670	-	-	344,670
Due from other governments	374,374	-	-	374,374
Restricted assets:				
Cash and cash equivalents	51,611	10,566	-	62,177
Total assets	<u>\$ 11,735,669</u>	<u>\$ 10,566</u>	<u>\$ 1,257,510</u>	<u>\$ 13,003,745</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 148,854	\$ -	\$ -	\$ 148,854
Accounts payable - construction	-	-	9,249	9,249
Unearned grant revenue	329,190	-	-	329,190
Total liabilities	<u>\$ 478,044</u>	<u>\$ -</u>	<u>\$ 9,249</u>	<u>\$ 487,293</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - opioid revenue	\$ 107,688	\$ -	\$ -	\$ 107,688
Unavailable revenue - property taxes	2,239,705	-	-	2,239,705
Unavailable revenue - EMS billings	2,537	-	-	2,537
Total deferred inflows of resources	<u>\$ 2,349,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349,930</u>
<b>FUND BALANCE</b>				
<b>Restricted:</b>				
Asset Forfeiture	\$ -	\$ 10,566	\$ -	\$ 10,566
Opioid abatement	51,611	-	-	51,611
<b>Committed:</b>				
Law library	15,364	-	-	15,364
Courthouse maintenance	13,457	-	-	13,457
County capital projects	-	-	1,254,570	1,254,570
<b>Assigned:</b>				
School operations - annual carryover	39,446	-	-	39,446
<b>Unassigned</b>	8,787,817	-	(6,309)	8,781,508
Total fund balance	<u>\$ 8,907,695</u>	<u>\$ 10,566</u>	<u>\$ 1,248,261</u>	<u>\$ 10,166,522</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,735,669</u>	<u>\$ 10,566</u>	<u>\$ 1,257,510</u>	<u>\$ 13,003,745</u>

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

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

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

Fund balance per Exhibit 3 - Balance Sheet - Governmental Funds		\$ 10,166,522
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 106,619		
Buildings and improvements	2,775,489		
Machinery, equipment, and vehicles	356,390		
Intangible right-to-use lease assets:			
Buildings and improvements	573,307		
Construction in progress	1,130,345		4,942,150

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.

Unavailable revenue - opioid settlements	\$ 107,688		
Unavailable revenue - property taxes	270,712		
Unavailable revenue-EMS billings	2,537		
Net pension asset	154,139	\$	535,076

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

Pension related items	\$ 485,580		
OPEB related items	38,507		524,087

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

Financed purchases	\$ (1,051,169)		
Compensated absences	(217,082)		
Accrued interest payable	(21,152)		
Transfer station closure	(19,412)		
Lease liabilities	(615,292)		
Net OPEB liability	(111,034)		(2,035,141)

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

Pension related items	\$ (313,171)		
OPEB related items	(18,603)		(331,774)

Net position of governmental activities		\$ 13,800,920
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The notes to the financial statements are an integral part of this statement.

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

	<u>General</u>	<u>Asset Forfeiture</u>	<u>Capital Improvement</u>	<u>Total</u>
<b>REVENUES</b>				
General property taxes	\$ 5,546,030	\$ -	\$ -	\$ 5,546,030
Other local taxes	675,200	-	-	675,200
Permits, privilege fees, and regulatory licenses	37,020	-	-	37,020
Fines and forfeitures	13,901	-	-	13,901
Revenue from the use of money and property	389,437	10	-	389,447
Charges for services	302,559	-	-	302,559
Miscellaneous	128,144	-	-	128,144
Recovered costs	196,183	-	-	196,183
Intergovernmental:				
Commonwealth	3,003,466	2,049	-	3,005,515
Federal	2,229,877	-	-	2,229,877
Total revenues	<u>\$ 12,521,817</u>	<u>\$ 2,059</u>	<u>\$ -</u>	<u>\$ 12,523,876</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,239,172	\$ -	\$ -	\$ 1,239,172
Judicial administration	692,807	-	-	692,807
Public safety	2,340,925	-	-	2,340,925
Public works	703,424	-	-	703,424
Health and welfare	2,301,960	-	-	2,301,960
Education	1,957,887	-	75,822	2,033,709
Parks, recreation, and cultural	54,181	-	-	54,181
Community development	354,974	-	-	354,974
Nondepartmental	76,517	-	-	76,517
Capital projects	1,059,795	-	303,295	1,363,090
Debt service:				
Principal retirement	166,701	-	-	166,701
Interest and other fiscal charges	79,059	-	-	79,059
Total expenditures	<u>\$ 11,027,402</u>	<u>\$ -</u>	<u>\$ 379,117</u>	<u>\$ 11,406,519</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,494,415</u>	<u>\$ 2,059</u>	<u>\$ (379,117)</u>	<u>\$ 1,117,357</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 36,169	\$ 36,169
Transfers out	(36,169)	-	-	(36,169)
Total other financing sources (uses)	<u>\$ (36,169)</u>	<u>\$ -</u>	<u>\$ 36,169</u>	<u>\$ -</u>
Net change in fund balance	\$ 1,458,246	\$ 2,059	\$ (342,948)	\$ 1,117,357
Fund balance - beginning	7,449,449	8,507	1,591,209	9,049,165
Fund balance - ending	<u>\$ 8,907,695</u>	<u>\$ 10,566</u>	<u>\$ 1,248,261</u>	<u>\$ 10,166,522</u>

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

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

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

Net change in fund balance - governmental funds \$ 1,117,357

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 detail of items supporting this adjustment:

Capital asset additions	\$ 1,062,009	
Reversion of assets to schools (net)	(2,775,491)	
Depreciation and amortization expense	(482,451)	(2,195,933)

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

Increase (decrease) in unavailable revenue - property taxes	\$ 29,546	
Increase (decrease) in unavailable revenue - EMS billings	(9,474)	
Increase (decrease) in unavailable revenue - opioid settlement	(7,014)	13,058

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

Principal payments:		
Lease liabilities	\$ 73,424	
Secured notes payable	4,328	
Financed purchases	88,949	166,701

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

Change in compensated absences	\$ 530	
Change in net pension liability and related deferred items	155,361	
Change in net OPEB liability and related deferred items	6,063	
Change in accrued interest payable	1,777	
Change in transfer station closure liability	(418)	163,313

Change in net position of governmental activities \$ (735,504)

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

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

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	<b>Custodial Funds</b>
	<b>Special Welfare Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 17,957
<b>NET POSITION</b>	
Restricted	\$ 17,957

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

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

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	Custodial Funds
	Special Welfare Fund
<b>ADDITIONS</b>	
Contributions:	
Donations	\$ 6,052
Miscellaneous	10
Intergovernmental - Social Security payments	8,487
Total contributions	\$ 14,549
Total additions	\$ 14,549
 <b>DEDUCTIONS</b>	
Other welfare	\$ 15,190
Total deductions	\$ 15,190
Net increase (decrease) in fiduciary net position	\$ (641)
Total net position - beginning	18,598
Total net position - ending	\$ 17,957

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

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**Note 1—Summary of Significant Accounting Policies:**

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

A. Financial Reporting Entity

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

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 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 County of Craig, 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 combined financial statements to emphasize it is legally separate from the government.

The County has no blended component units to be included for the fiscal year ended June 30, 2025.

*Discretely Presented Component Units*

Craig County School Board - Craig County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type and does not issue a separate financial statement.

Craig County Economic Development Authority - Craig County Economic Development Authority (EDA) encourages and provides financing for economic development in the County. The EDA board members are appointed by the Board of Supervisors. The EDA is fiscally dependent upon the County. The Economic Development Authority is presented as an enterprise fund type. The EDA issues separate financial statements that may be obtained from County of Craig, Virginia.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

A. Financial Reporting Entity (Continued)

Related Organizations - The County is also responsible for appointing the members of the boards of other organizations, however, the County's accountability to these organizations does not extend beyond making the appointments.

Jointly Governed Organizations - The County, the County of Botetourt, and the City of Roanoke participate in supporting the Blue Ridge Community Services Board. For the year ended June 30, 2025, the County contributed \$8,328 to the Community Services Board.

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

B. Government-Wide and Fund Financial Statements (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. Under the current financial reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

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

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

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

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

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.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as 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 and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease 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.

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

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

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 financial statements.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of 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.

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

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

The government reports the following major governmental funds:

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

The *Asset Forfeiture Fund* accounts for and reports financial resources that are restricted to expenditure for the County's seized assets. This fund is considered a major special revenue fund.

The *Capital Improvement Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays. This fund is considered a major capital projects fund.

Additionally, the government reports the following fund types:

*Fiduciary Funds* account for assets held by the County in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds, which include the Special Welfare Fund. These funds utilize the accrual basis of accounting. Fiduciary Funds are not included in the government-wide financial statements.

The Component Unit School Board reports the following major governmental funds:

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

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

The Component Unit School Board reports a nonmajor special revenue fund for School Activity. This fund reports activities of accounts held at each school and maintained by the school principal.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

D. Budgets and Budgetary Accounting

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

1. Prior to May 1<sup>st</sup>, the County Administrator submits to the County Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1<sup>st</sup>. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund, School Operating Fund, and the School Cafeteria Fund.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30<sup>th</sup>, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level for the General Fund and all other funds at the functional level. Only the County Board of Supervisors can change the appropriation by function. The County Administrator is authorized to transfer budgeted amounts within general government activities or departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The School Operating and School Cafeteria Funds are integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30<sup>th</sup> for all County units. The County's practice is to appropriate capital projects by project.
8. All budgetary data presented in the accompanying financial statements is the revised budget as of June 30<sup>th</sup>.
9. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is not part of the County's accounting system.

**Excess of expenditures over appropriations**

For the fiscal year ended June 30, 2025, there were not any funds/departments that over expended appropriations.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

D. Budgets and Budgetary Accounting (continued)

Deficit fund balance

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

E. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/Fund Balance

1. Cash and Cash Equivalents/Investments

The County’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

2. Receivables and Payables

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

3. Property Taxes

Property is assessed at its value on January 1<sup>st</sup>. Property taxes attach as an enforceable lien on property as of January 1<sup>st</sup>. Real estate taxes are payable on December 5<sup>th</sup> and June 5<sup>th</sup>. Personal property taxes are due and collectible annually on December 5<sup>th</sup>. The County bills and collects its own property taxes.

4. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$54,435 at June 30, 2025 and is comprised of property taxes in the amount of \$31,859 and EMS billings in the amount of \$22,576.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

E. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/Fund Balance (Continued)

5. 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.

6. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

7. Capital Assets

Capital assets, tangible and intangible, which include property, plant and equipment lease, subscription, and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Tangible and intangible property, plant equipment, lease assets, and subscription assets of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives (or life of the associated contract for lease and subscription assets):

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Machinery, equipment, and vehicles	4-30
Lease - Building improvements	40
Lease - Machinery, equipment, and vehicles	4-30
Subscription assets	3-5

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

E. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/Fund Balance  
(Continued)

8. Compensated Absences

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

Vacation

The County's policy permits eligible employees to accumulate up to 160 hours of annual leave. Employees who retire or terminate their employment will receive a lump-sum payment for earned, unused, annual leave.

The School Board's policy permits eligible employees to carry over unused annual leave to the following year, but it cannot be accumulated beyond that year. Employees who retire or terminate their employment will receive a lump-sum payment for up to thirty (30) days of earned, unused, annual leave.

Sick Leave

The County's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

The School Board's policy permits employees to accumulate earned but unused sick leave. VRS Plan 1 and Plan 2 employees can accumulate up to 120 sick leave days and VRS Hybrid Plan employees can accumulate up to 90 sick leave days. Employees who retire or terminate their employment will receive a payment for their accumulated unused sick leave at a payout rate of \$40 per day. In addition, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

9. Long-Term Obligations

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

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

E. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/Fund Balance (Continued)

9. Long-Term Obligations (Continued)

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

10. Fund Balance

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaid expenditures) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

The Board of Supervisors is the County’s highest level of decision-making authority and the formal action that is required to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board of Supervisors. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The Board of Supervisors has authorized the County Administrator to assign fund balance for a specific purpose as approved in the County’s fund balance policy.

The County will maintain an unassigned fund balance in the General Fund of 20% of expenditures/operating revenues. The County considers a balance of less than 12% to be cause for concern, barring unusual or deliberate circumstances.

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

E. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/Fund Balance (Continued)

10. Fund Balance (Continued)

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

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a 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 on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple 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, opioid settlements, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

12. Net Position

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related 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 also included in this component of net position.

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

E. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/Fund Balance (Continued)

12. Net Position (Continued)

*The County's net position is classified as follows:*

Net Investment in Capital Assets - This category represents the net value of capital assets (property, plant, and equipment less accumulated depreciation/amortization) reduced by the debt incurred to acquire or construct the asset.

Restricted - This category includes resources for which the County is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted - Unrestricted net position represents resources derived from charges to customers for goods received, services rendered or privileges provided, operating grants and contributions, and capital grants and contributions. These resources are used for transactions relating to the operations of the County and may be used at the County's discretion to meet current expenses for any lawful purposes.

13. Net Position Flow Assumption

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

14. Pensions

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

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

E. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/Fund Balance (Continued)

15. Other Post Employment Benefit (OPEB) Plans

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 OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

16. 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.

*Lessee*

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

*Subscriptions*

The County recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$5,000, 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). Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is measured at the initial amount of the subscription liability, adjusted for subscription payments made before commencement of the subscription term, and capitalizable implementation costs, less any incentives received. Subsequently, the subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

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

E. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/Fund Balance  
(Continued)

16. Leases (Continued)

*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.
- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor) 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 asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability, lease receivable, or subscription liability.

**Note 2—Deposits and Investments:**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board.

Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

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).

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 2—Deposits and Investments: (Continued)**

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County’s investments as of June 30, 2025 were held in the County’s name by the County’s custodial bank.

**Interest Rate Risk:**

The County has not adopted an investment policy for interest rate risk. Listed below are the County’s investments subject to interest rate risk and their corresponding maturity dates.

Investment Type	Investment Maturities (in years)		
	Fair Value	Less than 1 year	1-5 years
Local Government Investment Pool (LGIP)	\$ 330,801	\$ 330,801	\$ -
VML/VACO Virginia Investment Pool (VIP)	6,734,940	6,404,837	330,103
Total	\$ 7,065,741	\$ 6,735,638	\$ 330,103

*The LGIP and VIP less than one year are reported as cash and cash equivalents in the financial statements due to their liquidity.*

**Credit Risk of Debt Securities:**

The County has not adopted an investment policy for credit risk. The County’s rated debt investments as of June 30, 2025 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

Rated Debt Investments	County's Rated Debt Investments' Values		
	Fair Quality Ratings		
	AAAm	AA+f	Total
Local Government Investment Pool (LGIP)	\$ 330,801	\$ -	\$ 330,801
VML/VACO Virginia Investment Pool (VIP)	6,404,837	330,103	6,734,940
Total	\$ 6,735,638	\$ 330,103	\$ 7,065,741

**External Investment Pools:**

**LGIP:**

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

**Virginia Investment Pool (VIP):**

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 County has measured fair value of these investments at the net asset value (NAV). The County is limited to two withdrawals per month.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 3—Due from Other Governmental Units:**

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
<b><u>Commonwealth of Virginia:</u></b>		
Local sales tax	\$ 57,271	\$ -
State sales tax	-	340,152
Noncategorical aid	12,477	-
Categorical aid - shared expenses	109,244	-
Categorical aid - welfare payments	38,520	-
Categorical aid - CSA funds	84,449	-
Categorical aid - other	18,842	-
<b><u>Federal Government:</u></b>		
Categorical aid - welfare payments	52,482	-
Categorical aid - education	-	90,087
Categorical aid - other	1,089	-
Totals	<u>\$ 374,374</u>	<u>\$ 430,239</u>

**Note 4—Interfund Transfers and Balances:**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 36,169
Capital Improvement Fund	36,169	-
Total	<u>\$ 36,169</u>	<u>\$ 36,169</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 or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 4—Interfund Transfers and Balances: (Continued)**

Fund	Due from Primary Government/ Component Unit	Due to Primary Government/ Component Unit
Primary Government:		
General Fund	\$ 344,670	
Component Unit:		
School Board	\$ -	\$ 344,670

**Note 5—Long-Term Obligations:**

**Primary Government - Governmental Activities Indebtedness:**

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

	Beginning Balance	Restatement	Beginning Balance, as restated	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements:						
Secured notes payable	\$ 4,328	\$ -	\$ 4,328	\$ -	\$ (4,328)	\$ -
Lease liabilities	688,716	-	688,716	-	(73,424)	615,292
Financed purchases	1,140,118	-	1,140,118	-	(88,949)	1,051,169
Transfer station closure liability	18,994	-	18,994	418	-	19,412
Compensated absences*	158,959	58,653	217,612	-	(530)	217,082
Net OPEB liability	119,931	-	119,931	49,790	(58,687)	111,034
<b>Total</b>	<b>\$ 2,131,046</b>	<b>\$ 58,653</b>	<b>\$ 2,189,699</b>	<b>\$ 50,208</b>	<b>\$ (225,918)</b>	<b>\$ 2,013,989</b>

\*The change in the compensated absences liability is presented as a net change

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

Year Ending June 30,	Financed Purchases		Lease Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 94,633	\$ 43,147	\$ 76,728	\$ 27,688
2027	100,555	39,225	80,181	24,235
2028	106,724	35,056	83,789	20,627
2029	113,150	30,630	87,559	16,857
2030	119,844	25,936	91,499	12,917
2031-2035	516,263	51,467	195,536	13,295
<b>Totals</b>	<b>\$1,051,169</b>	<b>\$225,461</b>	<b>\$615,292</b>	<b>\$115,619</b>

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 5—Long-Term Obligations: (Continued)**

**Primary Government - Governmental Activities Indebtedness: (Continued)**

Details of long-term indebtedness:

	Interest Rates	Issue/ Commencement Date	Final Maturity Date	Amount of Original Issue	Total Amount	Amount Due Within One Year
<b>Leases Liabilities:</b>						
Space in Botetourt County Jail	4.50%	7/1/2021	11/29/2033	890,555	\$ 615,292	\$ 76,728
<b>Financed Purchases:</b>						
Financed purchase - building renovations	3.98%	7/20/2018	8/1/2033	568,750	\$ 363,173	\$ 36,687
Financed purchase - school energy projects	4.22%	12/20/2018	1/1/2034	922,351	687,996	57,946
Total financed purchases					\$ 1,051,169	\$ 94,633
<b>Other Obligations:</b>						
Transfer station closure liability					\$ 19,412	\$ -
Compensated absences					217,082	162,812
Net OPEB liability					111,034	-
Total other obligations					\$ 347,528	\$ 162,812
Total long-term obligations					\$ 2,013,989	\$ 334,173

**Events of Default:**

The County’s general obligation bonds are subject to the state aid intercept program. Under terms of the program, the County’s State aid is redirected to bond holders to cure any event(s) of default.

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COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 5—Long-Term Obligations: (Continued)**

Long-Term Obligations-Component Unit School Board:

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

	Beginning Balance	Restatement	Beginning Balance, as restated	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Lease liabilities	\$ 28,529	\$ -	\$ 28,529	\$ -	\$ (5,377)	\$ 23,152
Subscription liabilities	26,184	-	26,184	-	(12,650)	13,534
Compensated absences*	108,800	436,416	545,216	33,784	-	579,000
Net pension liability	4,049,957	-	4,049,957	1,543,088	(2,021,316)	3,571,729
Net OPEB liabilities	748,006	-	748,006	153,981	(244,423)	657,564
<b>Total</b>	<b>\$ 4,961,476</b>	<b>\$ 436,416</b>	<b>\$ 5,397,892</b>	<b>\$ 1,730,853</b>	<b>\$ (2,283,766)</b>	<b>\$ 4,844,979</b>

\*The change in the compensated absences liability is presented as a net change

**Details of long-term obligations:**

	Interest Rates	Issue/ Commencement Date	Final Maturity Date	Amount of Original Issue	Total Amount	Amount Due Within One Year
<b><u>Lease Liabilities:</u></b>						
School Copiers	2.00%	7/1/2021	12/16/2023	\$ 40,791	\$ 23,152	\$ 5,818
<b><u>Subscription Liabilities</u></b>						
Imagine Learning	7.00%	9/1/2023	9/1/2025	28,782	\$ 9,579	\$ 9,579
Instructure	7.00%	12/1/2023	12/1/2025	11,885	3,955	3,955
Total Subscription Liabilities					\$ 13,534	\$ 13,534
<b><u>Other Obligations:</u></b>						
Compensated absences					\$ 579,000	\$ 190,561
Net pension liability					3,571,729	-
Net OPEB liability					657,564	-
Total other obligations					\$ 4,808,293	\$ 190,561
Total long-term obligations					\$ 4,844,979	\$ 209,913

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 5—Long-Term Obligations: (Continued)**

Long-Term Obligations-Component Unit School Board: (Continued)

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

Year Ending June 30,	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 5,818	\$ 1,623	\$ 13,534	\$ 948
2027	6,295	1,146	-	-
2028	6,811	630	-	-
2029	4,228	112	-	-
Totals	<u>\$ 23,152</u>	<u>\$ 3,511</u>	<u>\$ 13,534</u>	<u>\$ 948</u>

**Note 6—Pension Plan:**

*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 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.

**Note 6—Pension Plan: (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, defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit 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.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 6—Pension Plan: (Continued)**

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

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

***Employees Covered by Benefit Terms***

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	49	14
Inactive members:		
Vested inactive members	16	5
Non-vested inactive members	20	7
Inactive members active elsewhere in VRS	18	5
Total inactive members	54	17
Active members	48	13
Total covered employees	151	44

***Contributions***

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

The County’s contractually required employer contribution rate for the year ended June 30, 2025 was 9.73% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 6—Pension Plan: (Continued)**

***Contributions (Continued)***

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$254,006 and \$269,682 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 2.00% 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 Craig County School Board's nonprofessional employees were \$7,964 and \$21,771 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. They 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 \$10,955 and 9,268 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 \$9,788 and \$8,915 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,100,184 and \$359,695 for the County and School Board, respectively, for the year ended June 30, 2025.

***Net Pension Asset***

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 6—Pension Plan: (Continued)**

***Actuarial Assumptions - General Employees***

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

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

**Mortality rates:**

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

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvements:

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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**Note 6—Pension Plan: (Continued)**

**Actuarial Assumptions - General Employees (Continued)**

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

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

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

**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits**

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

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 6—Pension Plan: (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 Improvements:

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

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 6—Pension Plan: (Continued)**

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

All Others (Non-10 Largest) - 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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 6—Pension Plan: (Continued)**

***Long-term Expected Rate of Return***

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

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

\*\*On June 15, 2023, the VRS Board elected a long term-rate of return of 6.75% which was roughly at the 45<sup>th</sup> 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 CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 6—Pension Plan: (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers 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	\$ 9,695,861	\$ 9,866,236	\$ (170,375)
Changes for the year:			
Service cost	\$ 308,167	\$ -	\$ 308,167
Interest	651,012	-	651,012
Differences between expected and actual experience	382,930	-	382,930
Contributions - employer	-	269,683	(269,683)
Contributions - employee	-	116,170	(116,170)
Net investment income	-	946,275	(946,275)
Benefit payments, including refunds of employee contributions	(718,825)	(718,825)	-
Administrative expenses	-	(6,445)	6,445
Other changes	-	190	(190)
Net changes	\$ 623,284	\$ 607,048	\$ 16,236
Balances at June 30, 2024	\$ 10,319,145	\$ 10,473,284	\$ (154,139)

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 6—Pension Plan: (Continued)**

*Changes in Net Pension Liability/(Asset)*

	Component Unit - School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 2,133,129	\$ 2,269,876	\$ (136,747)
Changes for the year:			
Service cost	\$ 22,227	\$ -	\$ 22,227
Interest	141,375	-	141,375
Differences between expected and actual experience	(9,654)	-	(9,654)
Contributions - employer	-	21,771	(21,771)
Contributions - employee	-	15,205	(15,205)
Net investment income	-	217,289	(217,289)
Benefit payments, including refunds of employee contributions	(121,828)	(121,828)	-
Administrative expenses	-	(1,504)	1,504
Other changes	-	43	(43)
Net changes	\$ 32,120	\$ 130,976	\$ (98,856)
Balances at June 30, 2024	\$ 2,165,249	\$ 2,400,852	\$ (235,603)

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COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 6—Pension Plan: (Continued)**

***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 Craig County School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County’s and Craig County 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:

	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
County			
Net Pension Liability (Asset)	\$ 1,028,924	\$ (154,139)	\$ (1,132,243)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ (21,496)	\$ (235,603)	\$ (418,293)

***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 \$98,646 and \$(135,075), respectively. At 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:

	<u>Primary Government</u>		<u>Component Unit-School Board (nonprofessional)</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 231,574	\$ 35,312	\$ -	\$ 4,350
Net difference between projected and actual earnings on pension plan investments	-	277,859	-	64,800
Employer contributions subsequent to the measurement date	254,006	-	7,964	-
Total	<u>\$ 485,580</u>	<u>\$ 313,171</u>	<u>\$ 7,964</u>	<u>\$ 69,150</u>

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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**Note 6—Pension Plan: (Continued)**

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

\$254,006 and \$7,964 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:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
2026	\$ (128,467)	\$ (62,462)
2027	158,574	18,803
2028	(53,355)	(12,094)
2029	(58,349)	(13,397)
2030	-	-
Thereafter	-	-

***Pension Plan Data***

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

**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.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 6—Pension Plan: (Continued)**

**Component Unit School Board (Professional) (Continued)**

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding 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 \$649,658 and \$639,323 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 \$15,015 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 \$14,311 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,103,534 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$3,571,729 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2025, the school division's proportion was 0.03805% as compared to 0.04007% at June 30, 2024.

For the year ended June 30, 2025, the school division recognized pension expense of \$252,065. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022, measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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**Note 6—Pension Plan: (Continued)**

**Component Unit School Board (Professional) (Continued)**

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

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

	Component Unit-School Board (professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 619,645	\$ 73,544
Change in assumptions	64,832	-
Net difference between projected and actual earnings on pension plan investments	-	491,651
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,255	272,013
Employer contributions subsequent to the measurement date	<u>649,658</u>	<u>-</u>
Total	<u>\$ 1,336,390</u>	<u>\$ 837,208</u>

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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**Note 6—Pension Plan: (Continued)**

**Component Unit School Board (Professional) (Continued)**

\$649,658 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>	<u>Component Unit School Board (professional)</u>
2026	\$ (328,338)
2027	228,391
2028	19,805
2029	(70,334)
2030	-
Thereafter	-

***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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 6—Pension Plan: (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 Improvements:

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

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

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 6—Pension Plan: (Continued)**

**Component Unit School Board (Professional) (Continued)**

***Net Pension Liability***

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

		<b>Teacher Employee Retirement Plan</b>
Total Pension Liability	\$	60,622,260
Plan Fiduciary Net Position		51,235,326
Employers' Net Pension Liability (Asset)	\$	9,386,934
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:

	<b>1% Decrease (5.75%)</b>		<b>Current Discount Rate (6.75%)</b>		<b>1% Increase (7.75%)</b>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 6,635,572	\$	3,571,729	\$	1,062,539

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 6—Pension Plan: (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	Net Pension Asset	Deferred Inflows	Pension Expense	Deferred Outflows	Net Pension Asset	Deferred Inflows	Net Pension Liability	Pension Expense
VRS Pension Plans:									
Primary Government	\$ 485,580	\$ 154,139	\$ 313,171	\$ 98,646	\$ -	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	7,964	235,603	69,150	-	(135,075)
School Board Professional	-	-	-	-	1,336,390	-	837,208	3,571,729	252,065
Totals	<u>\$ 485,580</u>	<u>\$ 154,139</u>	<u>\$ 313,171</u>	<u>\$ 98,646</u>	<u>\$ 1,344,354</u>	<u>\$ 235,603</u>	<u>\$ 906,358</u>	<u>\$ 3,571,729</u>	<u>\$ 116,990</u>

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COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 7—Capital Assets:**

Primary Government

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

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 106,619	\$ -	\$ -	\$ 106,619
Construction in progress	126,960	1,003,385	-	1,130,345
Total capital assets not being depreciated/amortized	<u>\$ 233,579</u>	<u>\$ 1,003,385</u>	<u>\$ -</u>	<u>\$ 1,236,964</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	\$ 10,781,951	\$ -	\$ (6,000,000)	\$ 4,781,951
Machinery and equipment	2,899,006	58,624	(162,215)	2,795,415
Lease equipment	890,555	-	-	890,555
Total capital assets being depreciated	<u>\$ 14,571,512</u>	<u>\$ 58,624</u>	<u>\$ (6,162,215)</u>	<u>\$ 8,467,921</u>
Accumulated depreciation:				
Buildings and improvements	\$ (5,033,433)	\$ (275,495)	\$ 3,302,466	\$ (2,006,462)
Machinery and equipment	(2,397,246)	(126,037)	84,258	(2,439,025)
Lease equipment	(236,329)	(80,919)	-	(317,248)
Total accumulated depreciation	<u>\$ (7,667,008)</u>	<u>\$ (482,451)</u>	<u>\$ 3,386,724</u>	<u>\$ (4,762,735)</u>
Total capital assets being depreciated, net	<u>\$ 6,904,504</u>	<u>\$ (423,827)</u>	<u>\$ (2,775,491)</u>	<u>\$ 3,705,186</u>
Governmental activities capital assets, net	<u>\$ 7,138,083</u>	<u>\$ 579,558</u>	<u>\$ (2,775,491)</u>	<u>\$ 4,942,150</u>

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

Governmental Activities:	
General government administration	\$ 16,975
Judicial administration	774
Public safety	166,151
Public works	87,520
Health and welfare	23,833
Education	187,198
	<u>187,198</u>
Total depreciation/amortization expense-governmental activities	<u>\$ 482,451</u>

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 7—Capital Assets: (Continued)**

Discretely Presented Component Unit - School Board

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 79,830	\$ -	\$ -	\$ 79,830
Construction in progress	2,875,182	238,787	(3,113,969)	-
Total capital assets not being depreciated	<u>\$ 2,955,012</u>	<u>\$ 238,787</u>	<u>\$ (3,113,969)</u>	<u>\$ 79,830</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 4,529,999	\$ 8,736,115	\$ -	\$ 13,266,114
Machinery and equipment	1,084,831	1,037,804	(19,470)	2,103,165
Lease equipment	30,849	-	-	30,849
Subscription asset	59,449	-	-	59,449
Total capital assets being depreciated	<u>\$ 5,705,128</u>	<u>\$ 9,773,919</u>	<u>\$ (19,470)</u>	<u>\$ 15,459,577</u>
Accumulated depreciation:				
Buildings and improvements	\$ (3,307,388)	\$ (3,471,605)	\$ -	\$ (6,778,993)
Machinery and equipment	(700,353)	(257,125)	7,456	(950,022)
Lease equipment	(2,534)	(6,167)	-	(8,701)
Subscription asset	(15,686)	(17,499)	-	(33,185)
Total accumulated depreciation	<u>\$ (4,025,961)</u>	<u>\$ (3,752,396)</u>	<u>\$ 7,456</u>	<u>\$ (7,770,901)</u>
Total capital assets being depreciated, net	<u>\$ 1,679,167</u>	<u>\$ 6,021,523</u>	<u>\$ (12,014)</u>	<u>\$ 7,688,676</u>
Component Unit School Board capital assets, net	<u>\$ 4,634,179</u>	<u>\$ 6,260,310</u>	<u>\$ (3,125,983)</u>	<u>\$ 7,768,506</u>

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 8—Risk Management:**

The County and its Component Unit - School Board are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County and its Component Unit - School Board participate with other localities in a public entity risk pool for their coverage of general liability, property, crime and auto insurance with the Virginia Association of Counties Risk Pool. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its Component Unit - School Board pay the Risk Pool contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss deficit or depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its Component Unit - School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 9—Contingent Liabilities:**

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

**Note 10—Surety Bonds:**

Primary Government:

<u>Fidelity and Deposit Company of Maryland-Surety:</u>	
Sharon Oliver, Clerk of the Circuit Court	\$ 103,000
Jackie M. Parsons, Treasurer	300,000
Danielle Snider, Commissioner of the Revenue	3,000
Trevor Craddock, Sheriff	30,000
The above constitutional officers' employees-blanket bond	50,000
Board of Supervisors	1,000
 <u>USF&amp;G Insurance Company-Surety:</u>	
Daniel Mayo, Animal Warden	\$ 1,000
R.R. Dan Collins, County Administrator	2,000
Department of Social Services-blanket bond	30,000
 <u>Western Surety Company:</u>	
Department of Social Services-blanket bond	\$ 30,000

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 11—Deferred/Unavailable Revenue:**

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

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Primary Government:		
Deferred property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 270,712
2nd half tax assessments due in December 2025	1,867,516	1,867,516
Prepaid property taxes due in December 2025, but paid in advance by taxpayers	101,477	101,477
Unavailable EMS billing revenue representing uncollected billings that are not available for the funding of current expenditures	-	2,537
Total deferred/unavailable revenue	\$ 1,968,993	\$ 2,242,242

**Note 12-Group Life Insurance (GLI) Plan (OPEB Plan):**

**Plan Description**

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

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

**Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Plan Description (Continued)***

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

***Eligible Employees***

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

***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. The amount is 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 of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the County were \$12,371 and \$13,789 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Contributions (Continued)***

Contributions to the Group Life Insurance Plan from the Component Unit School Board (nonprofessional) were \$1,911 and \$1,951 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (Professional) were \$21,474 and \$22,316 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

**Primary Government**

At June 30, 2025, the entity reported a liability of \$111,034 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 performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.00995% as compared to 0.01000% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$6,308. 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.

**Component Unit School Board (nonprofessional)**

At June 30, 2025, the entity reported a liability of \$15,735 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.00141% as compared to 0.00140% at June 30, 2023.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 12-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)***

Component Unit School Board (nonprofessional) (Continued)

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of (\$260). 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.

Component Unit School Board (professional)

At June 30, 2025, the entity reported a liability of \$179,663 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.01610% as compared to 0.01720% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of (\$1,015). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Primary Government		Component Unit School Board (nonprofessional)		Component Unit School Board (professional)	
	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	\$ 17,513	\$ 2,712	\$ 2,482	\$ 384	\$ 28,337	\$ 4,389
Net difference between projected and actual earnings on GLI OPEB program investments	-	9,359	-	1,326	-	15,144
Change in assumptions	633	5,503	90	780	1,024	8,904
Changes in proportion	7,990	1,029	289	774	-	18,331
Employer contributions subsequent to the measurement date	12,371	-	1,911	-	21,474	-
Total	\$ 38,507	\$ 18,603	\$ 4,772	\$ 3,264	\$ 50,835	\$ 46,768

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 12-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)***

\$12,371, \$1,911, and \$21,474 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2026	\$ (1,730)	\$ (1,188)	\$ (12,699)
2027	4,527	167	(1,433)
2028	2,081	104	(3,228)
2029	1,022	238	(842)
2030	1,633	276	795
Thereafter	-	-	-

***Actuarial Assumptions***

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 12-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 Improvements:

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

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

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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**Note 12-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 years.

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvements:

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

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

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 12-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 Improvements:

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

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions (Continued)**

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

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

**Net GLI OPEB Liability**

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

	<b>GLI OPEB Plan</b>
	<hr/>
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	<hr/> <b>\$ 1,115,922</b> <hr/>

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%
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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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 12-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 Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
	Expected arithmetic nominal return**		7.07%

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

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 12-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 member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and 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 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	\$ 172,673	\$ 111,034	\$ 61,238
Component Unit School Board's (nonprofessional) proportionate share of the GLI Plan Net OPEB Liability	24,469	15,735	8,678
Component Unit School Board's (professional) proportionate share of the GLI Plan Net OPEB Liability	279,400	179,663	99,089

**Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***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.

**Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):**

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Plan (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.

**Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

***HIC Plan Notes***

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

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$55,284 and \$49,868 for the years ended June 30, 2025 and June 30, 2024, respectively.

***Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan 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 \$444,578 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 Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.03847% as compared to 0.04060% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$21,727. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 21,063
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,581
Change in assumptions	7,659	-
Change in proportionate share and differences between actual and expected contributions	558	39,656
Employer contributions subsequent to the measurement date	<u>55,284</u>	<u>-</u>
Total	<u>\$ 63,501</u>	<u>\$ 62,300</u>

\$55,284 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	\$ (12,738)
2027	(9,971)
2028	(11,401)
2029	(9,780)
2030	(6,178)
Thereafter	(4,015)

**Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions**

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

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

**Mortality Rates - Teachers**

Pre-Retirement:

Pub-2010 Amount Weighted 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 Improvements:

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

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 13- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**Actuarial Assumptions (continued)**

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

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

**Net Teacher Employee HIC OPEB Liability**

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

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

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

**Note 13- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**Long-Term Expected Rate of Return**

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

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

\*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 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at the time, providing a median return of 7.14%, including expected inflation of 2.50%.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 13- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

***Discount Rate***

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending 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	\$ 505,596	\$ 444,578	\$ 392,859

***Teacher Employee HIC OPEB Fiduciary Net Position***

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

**Note 14 - Health Insurance Credit (HIC) Plan (OPEB Plan):**

***Plan Description***

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This plan is 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 CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**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>Number</u>
Inactive members or their beneficiaries currently receiving benefits	3
Inactive members active elsewhere in VRS	4
Active members	<u>13</u>
Total covered employees	<u><u>20</u></u>

***Contributions***

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2025 was 1.27% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$5,058 and \$4,589 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

***Net HIC OPEB Liability***

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

***Actuarial Assumptions***

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

***Actuarial Assumptions (Continued)***

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

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

*The remainder of this page is left blank intentionally.*

**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 Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
		Expected arithmetic nominal return**	<u>7.07%</u>

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

\*\*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45<sup>th</sup> 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 CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**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 ending June 30, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

**Changes in Net HIC OPEB Liability**

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 40,680	\$ 7,825	\$ 32,855
Changes for the year:			
Service cost	\$ 322	\$ -	\$ 322
Interest	2,717	-	2,717
Differences between expected and actual experience	(12,798)	-	(12,798)
Contribution - employer	-	4,589	(4,589)
Net investment income	-	932	(932)
Benefit payments	(1,501)	(1,501)	-
Administrative expenses	-	(14)	14
Other changes	-	1	(1)
Net changes	\$ (11,260)	\$ 4,007	\$ (15,267)
Balances at June 30, 2024	\$ 29,420	\$ 11,832	\$ 17,588

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
The School Board's Net HIC OPEB Liability	\$ 20,249	\$ 17,588	\$ 15,289

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

For the year ended June 30, 2025, the School Board recognized HIC Plan OPEB expense of (\$3,578). At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 15,164
Net difference between projected and actual earnings on HIC OPEB plan investments	-	172
Change in assumptions	2,083	-
Employer contributions subsequent to the measurement date	5,058	-
<b>Total</b>	<b>\$ 7,141</b>	<b>\$ 15,336</b>

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**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)***

\$5,058 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (6,070)
2027	(3,942)
2028	(3,181)
2029	(60)
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-LODA (OPEB):**

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 CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 15-LODA (OPEB): (Continued)**

The current-year OPEB expense/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 \$15,658.

**Note 16-Summary of Other Post-Employment Benefits (OPEB):**

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
GLI Plan (Note 12)								
County	\$ 38,507	\$ 18,603	\$ 111,034	\$ 6,308	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	4,772	3,264	15,735	(260)
School Board Professional	-	-	-	-	50,835	46,768	179,663	(1,015)
Teacher HIC Plan (Note 13)	-	-	-	-	63,501	62,300	444,578	21,727
HIC Nonprofessional (Note 14)	-	-	-	-	7,141	15,336	17,588	(3,578)
Totals	<u>\$ 38,507</u>	<u>\$ 18,603</u>	<u>\$ 111,034</u>	<u>\$ 6,308</u>	<u>\$ 126,249</u>	<u>\$ 127,668</u>	<u>\$ 657,564</u>	<u>\$ 16,874</u>

**Note 17—Litigation:**

As of June 30, 2025, there were no matters of litigation involving the County which would materially affect the County’s financial position should any court decisions on pending matters not be favorable.

**Note 18—Transfer Station:**

The County maintains and operates a transfer station and reports a liability in accordance with State and Federal laws for closure of the transfer station. The County reports an estimated liability of \$19,412 as of June 30, 2025. Closure care requirements are mandated under the United States Environmental Protection Agency (EPA) rule, “Solid Waste Disposal Facility Criteria”, and are subject to revisions by the EPA. Federal and state regulations require owners of municipal landfills and transfer stations to demonstrate financial responsibility for closure care, postclosure care, and corrective costs arising from operations of such facilities. The County has demonstrated financial assurance requirements for closure and postclosure care through submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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**Note 19—Unearned Revenue:**

The County has received both allocations of the federal Local Assistance and Tribal Consistency Fund (LATCF) but only spent \$47,900 as of June 30, 2025. Therefore, the County has reported \$329,190 as unearned grant revenue at year end.

**Note 20—Commitments:**

At June 30, 2025, the County had the following outstanding construction and capital commitments:

Project	Amount of Contract	Amount Outstanding	Accounts Payable	Retainage Payable
Trunked Simulcast Radio System at the County	\$ 3,014,521	\$ 2,185,527	\$ -	\$ -

**Note 21—Adoption of Accounting Principle:**

During the current year, the County and the School Board implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the County and the School Board now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The change in accounting principle resulted in the following restatement of net position:

	County	School Board
Net position, as previously reported 6/30/2024	\$ 14,595,077	\$ 803,929
GASB 101 restatement	(58,653)	(436,416)
Net position, as restated 6/30/2024	<u>\$ 14,536,424</u>	<u>\$ 367,513</u>

**Note 22—Subsequent Events:**

On August 12, 2025, the County purchased a building for \$277,137 to renovate into a new County Administration building. On September 4, 2025, the County entered a contract for engineering on the renovations in the amount of \$261,589. On September 9, 2025, the County entered a contract to attempt to obtain historic tax credits for the building renovations where the Consultant shall earn a fee of 14% of the total equity payment and/or other form of investment made by any Historic Tax Credit Investor.

**Note 23—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.

COUNTY OF CRAIG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 23—Upcoming Pronouncements: (continued)**

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

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

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

**Required Supplementary Information**

County of Craig, 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		
<b>REVENUES</b>				
General property taxes	\$ 5,289,023	\$ 5,289,023	\$ 5,546,030	\$ 257,007
Other local taxes	685,353	685,353	675,200	(10,153)
Permits, privilege fees, and regulatory licenses	29,069	29,298	37,020	7,722
Fines and forfeitures	9,144	9,144	13,901	4,757
Revenue from the use of money and property	147,606	147,606	389,437	241,831
Charges for services	263,726	263,726	302,559	38,833
Miscellaneous	53,037	87,179	128,144	40,965
Recovered costs	192,771	192,771	196,183	3,412
Intergovernmental:				
Commonwealth	3,022,313	3,077,863	3,003,466	(74,397)
Federal	1,107,415	3,094,452	2,229,877	(864,575)
Total revenues	\$ 10,799,457	\$ 12,876,415	\$ 12,521,817	\$ (354,598)
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,317,022	\$ 1,335,081	\$ 1,239,172	\$ 95,909
Judicial administration	667,730	712,178	692,807	19,371
Public safety	2,509,973	2,713,893	2,340,925	372,968
Public works	804,297	832,418	703,424	128,994
Health and welfare	2,431,489	2,449,923	2,301,960	147,963
Education	2,022,907	2,205,920	1,957,887	248,033
Parks, recreation, and cultural	49,743	55,442	54,181	1,261
Community development	351,579	419,646	354,974	64,672
Nondepartmental	176,619	131,824	76,517	55,307
Capital projects	-	2,060,499	1,059,795	1,000,704
Debt service:				
Principal retirement	430,986	432,202	166,701	265,501
Interest and other fiscal charges	37,112	38,905	79,059	(40,154)
Total expenditures	\$ 10,799,457	\$ 13,387,931	\$ 11,027,402	\$ 2,360,529
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (511,516)	\$ 1,494,415	\$ 2,005,931
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ -	\$ (36,169)	\$ (36,169)
Total other financing sources (uses)	\$ -	\$ -	\$ (36,169)	\$ (36,169)
Net change in fund balance	\$ -	\$ (511,516)	\$ 1,458,246	\$ 1,969,762
Fund balances - beginning	-	511,516	7,449,449	6,937,933
Fund balances - ending	\$ -	\$ -	\$ 8,907,695	\$ 8,907,695

County of Craig, Virginia  
 Asset Forfeiture 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		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 10	\$ 10
Intergovernmental:				
Commonwealth	-	2,050	2,049	(1)
Total revenues	\$ -	\$ 2,050	\$ 2,059	\$ 9
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ 10,542	\$ -	\$ 10,542
Total expenditures	\$ -	\$ 10,542	\$ -	\$ 10,542
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (8,492)	\$ 2,059	\$ 10,551
Net change in fund balance	\$ -	\$ (8,492)	\$ 2,059	\$ 10,551
Fund balances - beginning	-	8,492	8,507	15
Fund balances - ending	\$ -	\$ -	\$ 10,566	\$ 10,566

County of Craig, Virginia  
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Primary Government  
 Pension Plans

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 308,167	\$ 275,378	\$ 265,054	\$ 247,839	\$ 276,652	\$ 250,942	\$ 243,484	\$ 210,744	\$ 203,107	\$ 204,611
Interest	651,012	646,791	620,589	556,476	536,145	524,921	503,673	490,171	490,983	464,354
Assumption changes	-	-	-	257,917	-	208,309	-	7,806	-	-
Differences between expected and actual experience	382,930	(231,496)	80,732	195,376	28,573	(77,033)	(37,207)	(97,720)	(245,735)	116,725
Benefit payments	(718,825)	(603,047)	(573,989)	(571,703)	(508,638)	(417,602)	(395,194)	(441,058)	(478,837)	(331,733)
<b>Net change in total pension liability</b>	\$ 623,284	\$ 87,626	\$ 392,386	\$ 685,905	\$ 332,732	\$ 489,537	\$ 314,756	\$ 169,943	\$ (30,482)	\$ 453,957
Total pension liability - beginning	9,695,861	9,608,235	9,215,849	8,529,944	8,197,212	7,707,675	7,392,919	7,222,976	7,253,458	6,799,501
<b>Total pension liability - ending (a)</b>	<b>\$ 10,319,145</b>	<b>\$ 9,695,861</b>	<b>\$ 9,608,235</b>	<b>\$ 9,215,849</b>	<b>\$ 8,529,944</b>	<b>\$ 8,197,212</b>	<b>\$ 7,707,675</b>	<b>\$ 7,392,919</b>	<b>\$ 7,222,976</b>	<b>\$ 7,253,458</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 269,683	\$ 249,427	\$ 239,677	\$ 206,669	\$ 231,876	\$ 196,475	\$ 166,660	\$ 157,265	\$ 160,131	\$ 165,490
Contributions - employee	116,170	107,344	102,205	89,566	98,805	83,979	79,741	75,211	68,608	70,729
Net investment income	946,275	608,436	(8,068)	2,138,042	151,245	502,431	529,685	795,684	110,571	300,147
Benefit payments	(718,825)	(603,047)	(573,989)	(571,703)	(508,638)	(417,602)	(395,194)	(441,058)	(478,837)	(331,733)
Administrator charges	(6,445)	(6,145)	(6,108)	(5,446)	(5,213)	(4,996)	(4,606)	(4,711)	(4,299)	(4,142)
Other	190	245	223	200	(178)	(317)	(470)	(703)	(48)	(61)
<b>Net change in plan fiduciary net position</b>	\$ 607,048	\$ 356,260	\$ (246,060)	\$ 1,857,328	\$ (32,103)	\$ 359,970	\$ 375,816	\$ 581,688	\$ (143,874)	\$ 200,430
Plan fiduciary net position - beginning	9,866,236	9,509,976	9,756,036	7,898,708	7,930,811	7,570,841	7,195,025	6,613,337	6,757,211	6,556,781
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 10,473,284</b>	<b>\$ 9,866,236</b>	<b>\$ 9,509,976</b>	<b>\$ 9,756,036</b>	<b>\$ 7,898,708</b>	<b>\$ 7,930,811</b>	<b>\$ 7,570,841</b>	<b>\$ 7,195,025</b>	<b>\$ 6,613,337</b>	<b>\$ 6,757,211</b>
<b>County's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (154,139)</b>	<b>\$ (170,375)</b>	<b>\$ 98,259</b>	<b>\$ (540,187)</b>	<b>\$ 631,236</b>	<b>\$ 266,401</b>	<b>\$ 136,834</b>	<b>\$ 197,894</b>	<b>\$ 609,639</b>	<b>\$ 496,247</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	101.49%	101.76%	98.98%	105.86%	92.60%	96.75%	98.22%	97.32%	91.56%	93.16%
<b>Covered payroll</b>	\$ 2,544,575	\$ 2,349,548	\$ 2,185,869	\$ 1,898,316	\$ 1,852,006	\$ 1,701,824	\$ 1,640,317	\$ 1,534,935	\$ 1,383,512	\$ 1,424,898
<b>County's net pension liability as a percentage of covered payroll</b>	-6.06%	-7.25%	4.50%	-28.46%	34.08%	15.65%	8.34%	12.89%	44.06%	34.83%

County of Craig, Virginia  
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Component Unit School Board (Nonprofessional)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 22,227	\$ 26,392	\$ 24,108	\$ 29,854	\$ 31,304	\$ 27,312	\$ 47,432	\$ 44,753	\$ 55,326	\$ 54,544
Interest	141,375	148,976	149,690	141,713	131,287	125,236	119,763	123,679	124,157	114,416
Assumption changes	-	-	80,470	-	-	51,119	-	(40,139)	-	-
Differences between expected and actual experience	(9,654)	(156,712)	(68,847)	(40,745)	106,044	48,277	11,521	(81,547)	(111,640)	19,496
Benefit payments	(121,828)	(132,365)	(103,276)	(131,167)	(97,188)	(94,887)	(106,168)	(99,209)	(50,123)	(48,491)
<b>Net change in total pension liability</b>	\$ 32,120	\$ (113,709)	\$ 1,675	\$ 80,125	\$ 171,447	\$ 157,057	\$ 72,548	\$ (52,463)	\$ 17,720	\$ 139,965
Total pension liability - beginning	2,133,129	2,246,838	2,245,163	2,165,038	1,993,591	1,836,534	1,763,986	1,816,449	1,798,729	1,658,764
<b>Total pension liability - ending (a)</b>	<b>\$ 2,165,249</b>	<b>\$ 2,133,129</b>	<b>\$ 2,246,838</b>	<b>\$ 2,245,163</b>	<b>\$ 2,165,038</b>	<b>\$ 1,993,591</b>	<b>\$ 1,836,534</b>	<b>\$ 1,763,986</b>	<b>\$ 1,816,449</b>	<b>\$ 1,798,729</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 21,771	\$ 20,242	\$ 27,558	\$ 26,853	\$ 30,475	\$ 32,535	\$ 29,539	\$ 30,714	\$ 42,876	\$ 55,133
Contributions - employee	15,205	14,113	13,484	13,523	13,894	14,853	15,429	16,075	16,146	20,837
Net investment income	217,289	140,565	(1,778)	508,238	35,862	120,519	129,148	193,426	28,337	69,197
Benefit payments	(121,828)	(132,365)	(103,276)	(131,167)	(97,188)	(94,887)	(106,168)	(99,209)	(50,123)	(48,491)
Administrator charges	(1,504)	(1,454)	(1,440)	(1,321)	(1,247)	(1,214)	(1,151)	(1,142)	(967)	(904)
Other	43	56	52	47	(42)	(76)	(113)	(172)	(12)	(16)
<b>Net change in plan fiduciary net position</b>	\$ 130,976	\$ 41,157	\$ (65,400)	\$ 416,173	\$ (18,246)	\$ 71,730	\$ 66,684	\$ 139,692	\$ 36,257	\$ 95,756
Plan fiduciary net position - beginning	2,269,876	2,228,719	2,294,119	1,877,946	1,896,192	1,824,462	1,757,778	1,618,086	1,581,829	1,486,073
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 2,400,852</b>	<b>\$ 2,269,876</b>	<b>\$ 2,228,719</b>	<b>\$ 2,294,119</b>	<b>\$ 1,877,946</b>	<b>\$ 1,896,192</b>	<b>\$ 1,824,462</b>	<b>\$ 1,757,778</b>	<b>\$ 1,618,086</b>	<b>\$ 1,581,829</b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (235,603)</b>	<b>\$ (136,747)</b>	<b>\$ 18,119</b>	<b>\$ (48,956)</b>	<b>\$ 287,092</b>	<b>\$ 97,399</b>	<b>\$ 12,072</b>	<b>\$ 6,208</b>	<b>\$ 198,363</b>	<b>\$ 216,900</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	110.88%	106.41%	99.19%	102.18%	86.74%	95.11%	99.34%	99.65%	89.08%	87.94%
<b>Covered payroll</b>	\$ 361,341	\$ 326,217	\$ 298,672	\$ 285,897	\$ 294,418	\$ 309,022	\$ 317,794	\$ 327,803	\$ 324,831	\$ 416,726
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	-65.20%	-41.92%	6.07%	-17.12%	97.51%	31.52%	3.80%	1.89%	61.07%	52.05%

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2024	0.0381%	\$ 3,571,729	\$ 4,121,302	86.67%	84.52%
2023	0.0401%	4,049,957	4,047,115	100.07%	82.45%
2022	0.0406%	3,862,507	3,797,666	101.71%	82.61%
2021	0.0417%	3,234,883	3,680,522	87.89%	85.46%
2020	0.0428%	6,228,524	3,755,972	165.83%	71.47%
2019	0.0425%	5,587,978	3,577,009	156.22%	73.51%
2018	0.0428%	5,030,000	3,483,372	144.40%	74.81%
2017	0.0438%	5,389,000	3,493,365	154.26%	72.92%
2016	0.0461%	6,457,000	3,512,489	183.83%	68.28%
2015	0.0484%	6,087,000	3,595,880	169.28%	70.68%

County of Craig, Virginia  
Schedule of Employer Contributions  
Pension Plans

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)
<b>Primary Government</b>					
2025	\$ 254,006	\$ 254,006	\$ -	\$ 2,610,246	9.73%
2024	269,682	269,682	-	2,544,575	10.60%
2023	249,439	249,439	-	2,349,548	10.62%
2022	239,676	239,676	-	2,185,869	10.96%
2021	208,208	208,208	-	1,898,316	10.97%
2020	210,532	210,532	-	1,852,006	11.37%
2019	196,470	196,470	-	1,701,824	11.54%
2018	166,660	166,660	-	1,640,317	10.16%
2017	157,299	157,299	-	1,534,935	10.25%
2016	160,130	160,130	-	1,383,512	11.57%
<b>Component Unit School Board (nonprofessional)</b>					
2025	\$ 7,964	\$ 7,964	\$ -	\$ 398,229	2.00%
2024	21,771	21,771	-	361,341	6.03%
2023	20,244	20,244	-	326,217	6.21%
2022	27,558	27,558	-	298,672	9.23%
2021	26,851	26,851	-	285,897	9.39%
2020	30,475	30,475	-	294,418	10.35%
2019	32,535	32,535	-	309,022	10.53%
2018	29,539	29,539	-	317,794	9.30%
2017	30,793	30,793	-	327,803	9.39%
2016	42,879	42,879	-	324,831	13.20%
<b>Component Unit School Board (professional)</b>					
2025	\$ 649,658	\$ 649,658	\$ -	\$ 4,571,835	14.21%
2024	639,323	639,323	-	4,121,302	15.51%
2023	632,541	632,541	-	4,047,115	15.63%
2022	602,627	602,627	-	3,797,666	15.87%
2021	589,467	589,467	-	3,680,522	16.02%
2020	568,737	568,737	-	3,755,972	15.14%
2019	543,267	543,267	-	3,577,009	15.19%
2018	553,546	553,546	-	3,483,372	15.89%
2017	503,157	503,157	-	3,493,365	14.40%
2016	489,140	489,140	-	3,512,489	13.93%

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

**County of Craig, Virginia**  
**Notes to Required Supplementary Information**  
**Pension Plans**  
**For the Year Ended June 30, 2025**

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

County of Craig, Virginia  
 Schedule of Employer'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)
<b>Primary Government</b>					
2024	0.00995% \$	111,034 \$	2,544,575	4.36%	73.41%
2023	0.01000%	119,931	2,349,548	5.10%	69.30%
2022	0.01010%	121,012	2,185,869	5.54%	67.21%
2021	0.00920%	106,997	1,898,316	5.64%	67.45%
2020	0.00900%	150,195	1,852,006	8.11%	52.64%
2019	0.00868%	141,247	1,701,824	8.30%	52.00%
2018	0.00863%	131,000	1,640,317	7.99%	51.22%
2017	0.00833%	125,000	1,534,935	8.14%	48.86%
<b>Component Unit-School Board (Non-Professional)</b>					
2024	0.00141% \$	15,735 \$	361,341	4.35%	73.41%
2023	0.00140%	16,670	326,217	5.11%	69.30%
2022	0.00140%	16,617	298,672	5.56%	67.21%
2021	0.00140%	16,067	285,897	5.62%	67.45%
2020	0.00140%	23,698	294,418	8.05%	52.64%
2019	0.00158%	25,711	309,022	8.32%	52.00%
2018	0.00167%	25,000	317,794	7.87%	51.22%
2017	0.00178%	26,000	327,803	7.93%	48.86%
<b>Component Unit-School Board (Professional)</b>					
2024	0.01610% \$	179,663 \$	4,121,302	4.36%	73.41%
2023	0.01720%	206,282	4,047,115	5.10%	69.30%
2022	0.01750%	210,235	3,797,666	5.54%	67.21%
2021	0.01780%	207,590	3,680,522	5.64%	67.45%
2020	0.01820%	304,563	3,755,972	8.11%	52.64%
2019	0.01828%	297,465	3,577,009	8.32%	52.00%
2018	0.01831%	278,000	3,483,372	7.98%	51.22%
2017	0.01894%	285,000	3,493,365	8.16%	48.86%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2025	\$ 12,371	\$ 12,371	\$ -	\$ 2,610,246	0.47%
2024	13,789	13,789	-	2,544,575	0.54%
2023	12,718	12,718	-	2,349,548	0.54%
2022	11,804	11,804	-	2,185,869	0.54%
2021	10,251	10,251	-	1,898,316	0.54%
2020	9,630	9,630	-	1,852,006	0.52%
2019	8,850	8,850	-	1,701,824	0.52%
2018	8,530	8,530	-	1,640,317	0.52%
2017	7,994	7,994	-	1,534,935	0.52%
2016	6,667	6,667	-	1,383,512	0.48%
<b>Component Unit-School Board (Non-Professional)</b>					
2025	\$ 1,911	\$ 1,911	\$ -	\$ 406,479	0.47%
2024	1,951	1,951	-	361,341	0.54%
2023	1,762	1,762	-	326,217	0.54%
2022	1,622	1,622	-	298,672	0.54%
2021	1,544	1,544	-	285,897	0.54%
2020	1,520	1,520	-	294,418	0.52%
2019	1,607	1,607	-	309,022	0.52%
2018	1,652	1,652	-	317,794	0.52%
2017	1,705	1,705	-	327,803	0.52%
2016	1,559	1,559	-	324,831	0.48%
<b>Component Unit-School Board (Professional)</b>					
2025	\$ 21,474	\$ 21,474	\$ -	\$ 4,571,835	0.47%
2024	22,316	22,316	-	4,121,302	0.54%
2023	21,880	21,880	-	4,047,115	0.54%
2022	20,507	20,507	-	3,797,666	0.54%
2021	19,875	19,875	-	3,680,522	0.54%
2020	18,621	18,621	-	3,755,972	0.50%
2019	18,600	18,600	-	3,577,009	0.52%
2018	18,114	18,114	-	3,483,372	0.52%
2017	18,166	18,166	-	3,493,365	0.52%
2016	16,860	16,860	-	3,512,489	0.48%

**County of Craig, Virginia**  
**Notes to Required Supplementary Information**  
**Group Life Insurance (GLI) Plan**  
**For the Year Ended June 30, 2025**

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

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

**Teachers**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.0385%	\$ 444,578	\$ 4,121,302	10.79%	21.82%
2023	0.0406%	492,199	4,047,115	12.16%	17.90%
2022	0.0408%	508,986	3,797,666	13.40%	15.08%
2021	0.0416%	534,222	3,680,522	14.51%	13.15%
2020	0.0428%	558,855	3,755,972	14.88%	9.95%
2019	0.0427%	559,116	3,577,009	15.63%	8.97%
2018	0.0431%	547,000	3,483,372	15.70%	8.08%
2017	0.0441%	560,000	3,493,365	16.03%	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 Craig, Virginia  
 Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2015 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)
<b>Component Unit-School Board (Professional)</b>					
2025	\$ 55,284	\$ 55,284	\$ -	\$ 4,571,835	1.21%
2024	49,868	49,868	-	4,121,302	1.21%
2023	49,026	49,026	-	4,047,115	1.21%
2022	45,952	45,952	-	3,797,666	1.21%
2021	44,535	44,535	-	3,680,522	1.21%
2020	43,038	43,038	-	3,755,972	1.15%
2019	42,924	42,924	-	3,577,009	1.20%
2018	42,846	42,846	-	3,483,372	1.23%
2017	38,658	38,658	-	3,493,365	1.11%
2016	37,232	37,232	-	3,512,489	1.06%
2015	38,116	38,116	-	3,595,880	1.06%

County of Craig, Virginia  
 Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2025

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**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:

**Component Unit-School Board (Professional):**

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 Craig, Virginia  
Schedule of Changes in Net Pension Liability and Related Ratios  
Component Unit School Board (Nonprofessional)  
Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2020 through June 30, 2024

	2024	2023	2022	2021	2020
<b>Total HIC OPEB Liability</b>					
Service cost	\$ 322	\$ 406	\$ 513	\$ 613	\$ -
Interest	2,717	3,312	3,059	2,809	-
Changes in benefit terms	-	-	-	-	41,616
Differences between actual and expected experience	(12,798)	(10,891)	(3,887)	-	-
Changes of assumptions	-	-	5,897	707	-
Benefit payments	(1,501)	(1,606)	(1,868)	-	-
<b>Net change in total HIC OPEB liability</b>	<b>\$ (11,260)</b>	<b>\$ (8,779)</b>	<b>\$ 3,714</b>	<b>\$ 4,129</b>	<b>\$ 41,616</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>40,680</b>	<b>49,459</b>	<b>45,745</b>	<b>41,616</b>	<b>-</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 29,420</b>	<b>\$ 40,680</b>	<b>\$ 49,459</b>	<b>\$ 45,745</b>	<b>\$ 41,616</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 4,589	\$ 4,143	\$ -	\$ 3,116	\$ -
Net investment income	932	399	(32)	454	-
Benefit payments	(1,501)	(1,606)	(1,868)	-	-
Administrator charges	(14)	(12)	(10)	(14)	-
Differences between expected and actual experience	1	-	3,255	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 4,007</b>	<b>\$ 2,924</b>	<b>\$ 1,345</b>	<b>\$ 3,556</b>	<b>\$ -</b>
<b>Plan fiduciary net position - beginning</b>	<b>7,825</b>	<b>4,901</b>	<b>3,556</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 11,832</b>	<b>\$ 7,825</b>	<b>\$ 4,901</b>	<b>\$ 3,556</b>	<b>\$ -</b>
<b>School Division's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 17,588</b>	<b>\$ 32,855</b>	<b>\$ 44,558</b>	<b>\$ 42,189</b>	<b>\$ 41,616</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>40.22%</b>	<b>19.24%</b>	<b>9.91%</b>	<b>7.77%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>\$ 361,341</b>	<b>\$ 326,217</b>	<b>\$ 298,672</b>	<b>\$ 285,897</b>	<b>\$ -</b>
<b>School Division's net HIC OPEB liability as a percentage of covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

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

County of Craig, Virginia  
 Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2021 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)
<b>Component Unit-School Board (Non-Professional)</b>					
2025	\$ 5,058	\$ 5,058	\$ -	\$ 406,479	1.24%
2024	4,589	4,589	-	361,341	1.27%
2023	4,143	4,143	-	326,217	1.27%
2022	3,256	3,256	-	298,672	1.09%
2021	3,116	3,116	-	285,897	1.09%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available because the School Board joined the plan in 2021. However, additional years will be included as they become available.

County of Craig, Virginia  
 Notes to Required Supplementary Information  
 Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2025

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**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 from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## Other Supplementary Information

County of Craig, Virginia  
 Capital Improvement 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		
<b>EXPENDITURES</b>				
Current:				
Education	\$ -	\$ 75,822	\$ 75,822	\$ -
Capital projects	-	635,377	303,295	332,082
Total expenditures	\$ -	\$ 711,199	\$ 379,117	\$ 332,082
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (711,199)	\$ (379,117)	\$ 332,082
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 36,169	\$ 36,169	\$ -
Total other financing sources (uses)	\$ -	\$ 36,169	\$ 36,169	\$ -
Net change in fund balances	\$ -	\$ (675,030)	\$ (342,948)	\$ 332,082
Fund balances - beginning	-	675,030	1,591,209	916,179
Fund balances - ending	\$ -	-	\$ 1,248,261	\$ 1,248,261

County of Craig, Virginia  
Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2025

	School Operating Fund	School Cafeteria Fund	Nonmajor Fund School Activity Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 364,789	\$ 14,327	\$ 149,759	\$ 528,875
Due from other governmental units	394,668	35,571	-	430,239
Total assets	<u>\$ 759,457</u>	<u>\$ 49,898</u>	<u>\$ 149,759</u>	<u>\$ 959,114</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 43,393	\$ 11,255	\$ -	\$ 54,648
Accrued payroll liabilities	371,394	13,238	-	384,632
Due to primary government	344,670	-	-	344,670
Total liabilities	<u>\$ 759,457</u>	<u>\$ 24,493</u>	<u>\$ -</u>	<u>\$ 783,950</u>
<b>FUND BALANCE</b>				
<b>Restricted:</b>				
Cafeteria	\$ -	\$ 25,405	\$ -	\$ 25,405
<b>Committed:</b>				
School activities	-	-	149,759	149,759
<b>Unassigned:</b>				
Total fund balance	<u>\$ -</u>	<u>\$ 25,405</u>	<u>\$ 149,759</u>	<u>\$ 175,164</u>
Total liabilities and fund balance	<u>\$ 759,457</u>	<u>\$ 49,898</u>	<u>\$ 149,759</u>	<u>\$ 959,114</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Fund balance per above				\$ 175,164
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Land			\$ 79,830	
Buildings and improvements			6,487,121	
Machinery and equipment			1,153,143	
Intangible right-to-use assets:				
Machinery, equipment, and vehicles			22,148	
Subscription assets			<u>26,264</u>	7,768,506
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.				
Net pension asset				235,603
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.				
Pension related items			\$ 1,344,354	
OPEB related items			<u>126,249</u>	1,470,603
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.				
Compensated absences			\$ (579,000)	
Lease liabilities			(23,152)	
Subscription liabilities			(13,534)	
Net pension liability			(3,571,729)	
Net OPEB liabilities			<u>(657,564)</u>	(4,844,979)
Certain items reported as expenditures in the fund statements are deferred and shown as assets on the statement of net position.				
Prepaid items				90,951
Deferred inflows of resources are not due and payable for current period and, therefore, are not reported in the funds.				
Pension related items			\$ (906,358)	
OPEB related items			<u>(127,668)</u>	(1,034,026)
Net position of component unit school board				<u>\$ 3,861,822</u>

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

	School Operating Fund	School Cafeteria Fund	Nonmajor Fund School Activity Fund	Total
<b>REVENUES</b>				
Charges for services	\$ -	\$ 67,807	\$ -	\$ 67,807
Revenue from the use of money and property	-	14	-	14
Miscellaneous	95,177	-	281,641	376,818
Intergovernmental:				
Local government	2,016,709	-	-	2,016,709
Commonwealth	5,816,192	14,247	-	5,830,439
Federal	812,186	384,993	-	1,197,179
Total revenues	<u>\$ 8,740,264</u>	<u>\$ 467,061</u>	<u>\$ 281,641</u>	<u>\$ 9,488,966</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 8,670,480	\$ 504,798	\$ 231,006	\$ 9,406,284
Debt service:				
Principal retirement	18,027	-	-	18,027
Interest and other fiscal charges	3,898	-	-	3,898
Total expenditures	<u>\$ 8,692,405</u>	<u>\$ 504,798</u>	<u>\$ 231,006</u>	<u>\$ 9,428,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 47,859</u>	<u>\$ (37,737)</u>	<u>\$ 50,635</u>	<u>\$ 60,757</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 47,859	\$ -	\$ 47,859
Transfers out	(47,859)	-	-	(47,859)
Total other financing sources (uses)	<u>\$ (47,859)</u>	<u>\$ 47,859</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ 10,122	\$ 50,635	\$ 60,757
Fund balance - beginning	-	15,283	99,124	114,407
Fund balance - ending	<u>\$ -</u>	<u>\$ 25,405</u>	<u>\$ 149,759</u>	<u>\$ 175,164</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:				
Net change in fund balance - governmental fund - per above				\$ 60,757
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 detail of items supporting this adjustment:				
Capital asset additions			\$ 736,522	
Reversion of assets to schools (net)			2,775,491	
Depreciation and amortization expense			<u>(365,673)</u>	3,146,340
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.				
				(12,013)
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.				
Principal payments - subscription liabilities			\$ 12,650	
Principal payments - leases			<u>5,377</u>	18,027
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.				
Change in compensated absences			\$ (33,784)	
Change in net OPEB liabilities and related deferred items			66,854	
Change in net pension liabilities and related deferred items			<u>543,063</u>	576,133
Certain items reported as expenditures in the fund statements are deferred and shown as assets on the statement of net position.				
Increase (decrease) in prepaid items				(294,935)
Change in net position of component unit school board				<u>\$ 3,494,309</u>

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

	School Operating Fund			School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts Original	Final	Actual	Budgeted Amounts Original	Final	Actual	
<b>REVENUES</b>							
Charges for services	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ 67,807	\$ (12,193)
Revenue from the use of money and property	-	-	-	51	51	14	(37)
Miscellaneous	51,900	103,208	95,177	-	-	-	-
Intergovernmental:							
Local government	2,081,729	2,264,742	2,016,709	-	-	-	-
Commonwealth	5,215,059	5,619,218	5,816,192	14,320	14,320	14,247	(73)
Federal	491,582	814,644	812,186	338,000	338,000	384,993	46,993
Total revenues	\$ 7,840,270	\$ 8,801,812	\$ 8,740,264	\$ 432,371	\$ 432,371	\$ 467,061	\$ 34,690
<b>EXPENDITURES</b>							
Current:							
Education	\$ 7,818,345	\$ 8,731,987	\$ 8,670,480	\$ 432,371	\$ 485,293	\$ 504,798	\$ (19,505)
Debt service:							
Principal retirement	18,027	18,027	18,027	-	-	-	-
Interest and other fiscal charges	3,898	3,898	3,898	-	-	-	-
Total expenditures	\$ 7,840,270	\$ 8,753,912	\$ 8,692,405	\$ 432,371	\$ 485,293	\$ 504,798	\$ (19,505)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 47,900	\$ 47,859	\$ -	\$ (52,922)	\$ (37,737)	\$ 15,185
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 47,859	\$ 7,859
Transfers out	-	(47,900)	(47,859)	-	-	-	-
Total other financing sources and uses	\$ -	\$ (47,900)	\$ (47,859)	\$ -	\$ 40,000	\$ 47,859	\$ 7,859
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ (12,922)	\$ 10,122	\$ 23,044
Fund balance - beginning	-	-	-	-	12,922	15,283	2,361
Fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,405	\$ 25,405

County of Craig, 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>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,600,510	\$ 3,600,510	\$ 3,779,480	\$ 178,970
Real and personal public service corporation taxes	139,765	139,765	184,236	44,471
Personal property taxes	1,397,000	1,397,000	1,404,056	7,056
Mobile home taxes	23,900	23,900	18,011	(5,889)
Machinery and tools taxes	54,318	54,318	69,265	14,947
Merchant's capital	11,500	11,500	12,435	935
Penalties	39,033	39,033	49,311	10,278
Interest	22,997	22,997	29,236	6,239
Total general property taxes	<u>\$ 5,289,023</u>	<u>\$ 5,289,023</u>	<u>\$ 5,546,030</u>	<u>\$ 257,007</u>
Other local taxes:				
Local sales and use taxes	\$ 300,593	\$ 300,593	\$ 319,732	\$ 19,139
Consumers' utility taxes	119,000	119,000	114,588	(4,412)
Consumption taxes	12,500	12,500	12,973	473
Franchise license taxes	3,626	3,626	4,055	429
Recordation tax	32,116	32,116	35,513	3,397
Hotel and motel room taxes	75,400	75,400	57,098	(18,302)
Cigarette tax	24,000	24,000	11,280	(12,720)
Restaurant food taxes	118,118	118,118	119,961	1,843
Total other local taxes	<u>\$ 685,353</u>	<u>\$ 685,353</u>	<u>\$ 675,200</u>	<u>\$ (10,153)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 9,400	\$ 9,629	\$ 8,673	\$ (956)
Transfer fees	254	254	230	(24)
Zoning, subdivision permits, and erosion and sediment control	840	840	1,215	375
Building permits	18,575	18,575	26,902	8,327
Total permits, privilege fees, and regulatory licenses	<u>\$ 29,069</u>	<u>\$ 29,298</u>	<u>\$ 37,020</u>	<u>\$ 7,722</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 8,652	\$ 8,652	\$ 12,671	\$ 4,019
Interest on fines	392	392	380	(12)
Law library costs	100	100	850	750
Total fines and forfeitures	<u>\$ 9,144</u>	<u>\$ 9,144</u>	<u>\$ 13,901</u>	<u>\$ 4,757</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 113,667	\$ 113,667	\$ 354,303	\$ 240,636
Revenue from use of property	33,939	33,939	35,134	1,195
Total revenue from use of money and property	<u>\$ 147,606</u>	<u>\$ 147,606</u>	<u>\$ 389,437</u>	<u>\$ 241,831</u>
Charges for services:				
Charges for courthouse maintenance	\$ 1,000	\$ 1,000	\$ 1,464	\$ 464
Charges for courthouse security	9,015	9,015	10,936	1,921
Charges for Commonwealth's Attorney	274	274	222	(52)
Charges for sanitation and waste removal	13,054	13,054	16,068	3,014
Charges for emergency medical services	225,000	225,000	272,991	47,991
Charges for farmers market	14,790	14,790	524	(14,266)
Jail admission fees	593	593	354	(239)
Total charges for services	<u>\$ 263,726</u>	<u>\$ 263,726</u>	<u>\$ 302,559</u>	<u>\$ 38,833</u>

County of Craig, 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>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 53,037	\$ 74,708	\$ 114,779	\$ 40,071
Opioid settlement revenue	-	12,471	13,365	894
Total miscellaneous revenue	<u>\$ 53,037</u>	<u>\$ 87,179</u>	<u>\$ 128,144</u>	<u>\$ 40,965</u>
Recovered costs:				
Mt Castle salary reimbursement	\$ 177,453	\$ 177,453	\$ 176,876	\$ (577)
Other recovered costs	15,318	15,318	19,307	3,989
Total recovered costs	<u>\$ 192,771</u>	<u>\$ 192,771</u>	<u>\$ 196,183</u>	<u>\$ 3,412</u>
Total revenue from local sources	<u>\$ 6,669,729</u>	<u>\$ 6,704,100</u>	<u>\$ 7,288,474</u>	<u>\$ 584,374</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 204	\$ 204	\$ 406	\$ 202
Mobile home titling tax	4,826	4,826	17,360	12,534
Grantor's tax	10,893	10,893	10,617	(276)
Motor vehicle rental tax	-	-	538	538
Communication tax	75,878	75,878	74,897	(981)
Personal property tax relief funds	341,055	341,055	341,055	-
Total noncategorical aid	<u>\$ 432,856</u>	<u>\$ 432,856</u>	<u>\$ 444,873</u>	<u>\$ 12,017</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 222,954	\$ 222,954	\$ 215,269	\$ (7,685)
Sheriff	678,408	678,408	662,343	(16,065)
Commissioner of revenue	94,476	94,476	104,794	10,318
Treasurer	119,796	119,796	119,674	(122)
Registrar/electoral board	60,400	60,400	63,991	3,591
Clerk of the Circuit Court	256,802	276,242	294,459	18,217
Total shared expenses	<u>\$ 1,432,836</u>	<u>\$ 1,452,276</u>	<u>\$ 1,460,530</u>	<u>\$ 8,254</u>
Other categorical aid:				
Welfare payments	\$ 525,448	\$ 543,753	\$ 441,679	\$ (102,074)
CSA payments	532,655	532,655	524,961	(7,694)
Litter control grant	-	12,871	12,871	-
Four-for-life	6,200	6,200	12,263	6,063
Fire program	30,000	30,000	30,000	-
Library grant	12,598	13,532	13,532	-
State E-911 program	49,720	53,720	59,265	5,545
VJCCA grant	-	-	3,292	3,292
Emergency services	-	-	200	200
Total other categorical aid	<u>\$ 1,156,621</u>	<u>\$ 1,192,731</u>	<u>\$ 1,098,063</u>	<u>\$ (94,668)</u>
Total categorical aid	<u>\$ 2,589,457</u>	<u>\$ 2,645,007</u>	<u>\$ 2,558,593</u>	<u>\$ (86,414)</u>
Total revenue from the Commonwealth	<u>\$ 3,022,313</u>	<u>\$ 3,077,863</u>	<u>\$ 3,003,466</u>	<u>\$ (74,397)</u>

County of Craig, 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>
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 369,520	\$ 369,520	\$ 406,732	\$ 37,212
Categorical aid:				
Welfare payments	\$ 698,201	\$ 698,201	\$ 698,201	\$ -
DMV grants	7,600	7,600	4,380	(3,220)
Emergency preparedness grant	7,500	7,500	7,500	-
Criminal Justice grants	-	1,000,000	-	(1,000,000)
Forest reserve	17,994	17,994	3,038	(14,956)
COVID-19 CSLFRF	-	987,037	1,062,126	75,089
LATCF grant	-	-	47,900	47,900
Forest service grant	6,600	6,600	-	(6,600)
Total categorical aid	<u>\$ 737,895</u>	<u>\$ 2,724,932</u>	<u>\$ 1,823,145</u>	<u>\$ (901,787)</u>
Total revenue from the federal government	<u>\$ 1,107,415</u>	<u>\$ 3,094,452</u>	<u>\$ 2,229,877</u>	<u>\$ (864,575)</u>
Total General Fund	<u>\$ 10,799,457</u>	<u>\$ 12,876,415</u>	<u>\$ 12,521,817</u>	<u>\$ (354,598)</u>
<b>Special Revenue Fund:</b>				
<b>Asset Forfeiture Fund</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 10	\$ 10
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>
Revenue from the Commonwealth:				
Categorical aid:				
Forfeited assets	\$ -	\$ 2,050	\$ 2,049	\$ (1)
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ 2,050</u>	<u>\$ 2,049</u>	<u>\$ (1)</u>
Total Asset Forfeiture Fund	<u>\$ -</u>	<u>\$ 2,050</u>	<u>\$ 2,059</u>	<u>\$ 9</u>
Total Primary Government	<u>\$ 10,799,457</u>	<u>\$ 12,878,465</u>	<u>\$ 12,523,876</u>	<u>\$ (354,589)</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ 51,900	\$ 103,208	\$ 95,177	\$ (8,031)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Craig, Virginia	\$ 2,081,729	\$ 2,264,742	\$ 2,016,709	\$ (248,033)

County of Craig, 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>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 887,062	\$ 887,062	\$ 861,453	\$ (25,609)
Basic school aid	1,980,931	2,107,543	2,107,141	(402)
Foster care	15,804	15,804	5,751	(10,053)
Gifted and talented	17,600	17,600	18,318	718
Special education	346,696	356,444	360,841	4,397
Special education regional payments	146,621	146,621	126,045	(20,576)
Textbook payment	44,738	44,738	46,563	1,825
Special education foster care	-	-	13,542	13,542
Jobs for Virginia graduates	60,000	60,000	60,000	-
Early intervention	16,273	16,273	16,273	-
Vocational standards of quality payments	167,062	167,062	173,878	6,816
Homebound education	250	250	2,959	2,709
Fringe benefits	414,862	414,862	431,787	16,925
Vocational education - equipment	4,653	4,653	4,912	259
At-risk payments	488,981	488,981	507,916	18,935
Primary class size	76,144	76,144	77,786	1,642
VPSA grants	102,000	102,000	39,310	(62,690)
Standards of Learning algebra readiness	8,411	8,411	5,547	(2,864)
Lottery proceeds	200,000	200,000	200,000	-
ISAEF	8,203	8,203	8,027	(176)
English Second Language	1,637	1,637	1,637	-
Hold Harmless grant	132,998	132,998	132,998	-
Compensation supplement	90,282	90,282	93,964	3,682
School security grant	-	23,872	218,362	194,490
PBIS	-	-	50,000	50,000
Virginia Preschool Initiative	-	187,788	187,788	-
Other state funds	3,851	59,990	63,394	3,404
Total categorical aid	<u>\$ 5,215,059</u>	<u>\$ 5,619,218</u>	<u>\$ 5,816,192</u>	<u>\$ 196,974</u>
Total revenue from the Commonwealth	<u>\$ 5,215,059</u>	<u>\$ 5,619,218</u>	<u>\$ 5,816,192</u>	<u>\$ 196,974</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 176,561	\$ 193,735	\$ 210,311	\$ 16,576
Forest reserve fund	-	17,216	17,216	-
Title VI-B, special education flow-through	168,820	168,820	162,093	(6,727)
Vocational education	12,940	12,940	14,127	1,187
Title VI-B, special education pre-school	7,322	7,322	6,786	(536)
Title III, Impact aid	61,000	61,000	53,732	(7,268)
Title II, Part A	24,233	24,233	21,714	(2,519)
COVID-19 CSLFRF funding	-	-	51,805	51,805
Other federal funds	40,706	329,378	274,402	(54,976)
Total categorical aid	<u>\$ 491,582</u>	<u>\$ 814,644</u>	<u>\$ 812,186</u>	<u>\$ (2,458)</u>
Total revenue from the federal government	<u>\$ 491,582</u>	<u>\$ 814,644</u>	<u>\$ 812,186</u>	<u>\$ (2,458)</u>
Total School Operating Fund	<u>\$ 7,840,270</u>	<u>\$ 8,801,812</u>	<u>\$ 8,740,264</u>	<u>\$ (61,548)</u>

County of Craig, 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>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 51	\$ 51	\$ 14	\$ (37)
Charges for services:				
Cafeteria sales	\$ 80,000	\$ 80,000	\$ 67,807	\$ (12,193)
Total revenue from local sources	\$ 80,051	\$ 80,051	\$ 67,821	\$ (12,230)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 14,320	\$ 14,320	\$ 14,247	\$ (73)
Total revenue from the Commonwealth	\$ 14,320	\$ 14,320	\$ 14,247	\$ (73)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 338,000	\$ 338,000	\$ 384,993	\$ 46,993
Total revenue from the federal government	\$ 338,000	\$ 338,000	\$ 384,993	\$ 46,993
Total School Cafeteria Fund	\$ 432,371	\$ 432,371	\$ 467,061	\$ 34,690
<b>School Activity Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 281,641	\$ 281,641
Total School Activity Fund	\$ -	\$ -	\$ 281,641	\$ 281,641
Total Discretely Presented Component Unit - School Board	\$ 8,272,641	\$ 9,234,183	\$ 9,488,966	\$ 254,783

County of Craig, 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>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 56,081	\$ 64,081	\$ 54,983	\$ 9,098
General and financial administration:				
County administrator	\$ 153,447	\$ 153,907	\$ 150,698	\$ 3,209
Commissioner of revenue	226,790	230,349	208,278	22,071
Audit	80,600	84,100	84,086	14
Treasurer	287,824	290,824	280,819	10,005
Accounting/purchasing	147,213	146,753	144,778	1,975
Technology/data processing	203,300	203,300	168,292	35,008
Total general and financial administration	<u>\$ 1,099,174</u>	<u>\$ 1,109,233</u>	<u>\$ 1,036,951</u>	<u>\$ 72,282</u>
Board of elections:				
Electoral board and officials	\$ 47,610	\$ 47,610	\$ 37,491	\$ 10,119
Registrar	114,157	114,157	109,747	4,410
Total board of elections	<u>\$ 161,767</u>	<u>\$ 161,767</u>	<u>\$ 147,238</u>	<u>\$ 14,529</u>
Total general government administration	<u>\$ 1,317,022</u>	<u>\$ 1,335,081</u>	<u>\$ 1,239,172</u>	<u>\$ 95,909</u>
Judicial administration:				
Courts:				
Circuit court	\$ 7,423	\$ 7,423	\$ 8,275	\$ (852)
General district court	4,210	4,210	2,744	1,466
Clerk of the circuit court	356,464	395,312	389,930	5,382
Total courts	<u>\$ 368,097</u>	<u>\$ 406,945</u>	<u>\$ 400,949</u>	<u>\$ 5,996</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 299,633	\$ 305,233	\$ 291,858	\$ 13,375
Total judicial administration	<u>\$ 667,730</u>	<u>\$ 712,178</u>	<u>\$ 692,807</u>	<u>\$ 19,371</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,267,015	\$ 1,283,142	\$ 1,186,417	\$ 96,725
Fire and rescue services:				
Public safety	\$ 200,304	\$ 215,238	\$ 213,679	\$ 1,559
Emergency medical services	785,250	906,645	693,648	212,997
E-911	54,204	94,439	84,950	9,489
Total fire and rescue services	<u>\$ 1,039,758</u>	<u>\$ 1,216,322</u>	<u>\$ 992,277</u>	<u>\$ 224,045</u>
Correction and detention:				
Care of prisoners	\$ 35,000	\$ 45,000	\$ 48,976	\$ (3,976)
Inspections:				
Building	\$ 106,444	\$ 106,444	\$ 104,577	\$ 1,867
Other protection:				
Animal control	\$ 57,579	\$ 57,808	\$ 4,142	\$ 53,666
Medical examiner	400	1,400	1,120	280
Forest service	3,777	3,777	3,416	361
Total other protection	<u>\$ 61,756</u>	<u>\$ 62,985</u>	<u>\$ 8,678</u>	<u>\$ 54,307</u>
Total public safety	<u>\$ 2,509,973</u>	<u>\$ 2,713,893</u>	<u>\$ 2,340,925</u>	<u>\$ 372,968</u>

County of Craig, 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>
<b>General Fund: (Continued)</b>				
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 536,795	\$ 536,845	\$ 481,352	\$ 55,493
Litter control grant	-	12,871	12,871	-
Total sanitation and waste removal	<u>\$ 536,795</u>	<u>\$ 549,716</u>	<u>\$ 494,223</u>	<u>\$ 55,493</u>
Maintenance of general buildings and grounds:				
Maintenance of properties	\$ 267,502	\$ 282,702	\$ 209,201	\$ 73,501
Total public works	<u>\$ 804,297</u>	<u>\$ 832,418</u>	<u>\$ 703,424</u>	<u>\$ 128,994</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 86,544	\$ 86,544	\$ 86,057	\$ 487
Behavioral Health and Development Services:				
Blue Ridge Community Services Board	\$ 8,328	\$ 8,328	\$ 8,328	-
Welfare:				
Welfare administration	\$ 1,496,617	\$ 1,515,051	\$ 1,320,226	\$ 194,825
Children's Services Act (CSA)	775,000	775,000	815,301	(40,301)
Tax relief for the elderly/veterans	65,000	65,000	72,048	(7,048)
Total welfare	<u>\$ 2,336,617</u>	<u>\$ 2,355,051</u>	<u>\$ 2,207,575</u>	<u>\$ 147,476</u>
Total health and welfare	<u>\$ 2,431,489</u>	<u>\$ 2,449,923</u>	<u>\$ 2,301,960</u>	<u>\$ 147,963</u>
Education:				
Other instructional costs:				
Contribution to Community College	\$ 17,000	\$ 17,000	\$ 17,000	-
Contribution to County School Board	2,005,907	2,188,920	1,940,887	248,033
Total education	<u>\$ 2,022,907</u>	<u>\$ 2,205,920</u>	<u>\$ 1,957,887</u>	<u>\$ 248,033</u>
Parks, recreation, and cultural:				
Cultural enrichment:				
League of older Americans	\$ 1,200	\$ 1,200	\$ 1,200	-
Library:				
Regional library	\$ 48,543	\$ 54,242	\$ 52,981	\$ 1,261
Total parks, recreation, and cultural	<u>\$ 49,743</u>	<u>\$ 55,442</u>	<u>\$ 54,181</u>	<u>\$ 1,261</u>
Community development:				
Planning and community development:				
Community development	\$ 51,465	\$ 71,695	\$ 45,923	\$ 25,772
Zoning board	1,625	1,625	-	1,625
Planning	5,595	5,595	5,107	488
Tourism	34,240	77,827	49,855	27,972
Contribution to Virginia's First Regional IFA	10,844	10,844	10,844	-
Fifth planning district	4,892	5,892	5,887	5
Total planning and community development	<u>\$ 108,661</u>	<u>\$ 173,478</u>	<u>\$ 117,616</u>	<u>\$ 55,862</u>

County of Craig, 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>
<b>General Fund: (Continued)</b>				
Environmental management:				
Mountain Castle - soil conservation	\$ 180,453	\$ 180,453	\$ 179,875	\$ 578
Erosion and sediment control	2,500	2,500	-	2,500
Total environmental management	<u>\$ 182,953</u>	<u>\$ 182,953</u>	<u>\$ 179,875</u>	<u>\$ 3,078</u>
Cooperative extension program:				
Extension office	\$ 59,965	\$ 63,215	\$ 57,483	\$ 5,732
Total community development	<u>\$ 351,579</u>	<u>\$ 419,646</u>	<u>\$ 354,974</u>	<u>\$ 64,672</u>
Nondepartmental:				
Fringe benefits	\$ 56,619	\$ 62,074	\$ 61,534	\$ 540
Contingencies	120,000	69,750	14,983	54,767
Total nondepartmental	<u>\$ 176,619</u>	<u>\$ 131,824</u>	<u>\$ 76,517</u>	<u>\$ 55,307</u>
Capital Projects:				
E911 tower project	\$ -	\$ 987,037	\$ 987,037	\$ -
Other Capital Projects	-	1,073,462	72,758	1,000,704
Total Capital Projects	<u>\$ -</u>	<u>\$ 2,060,499</u>	<u>\$ 1,059,795</u>	<u>\$ 1,000,704</u>
Debt service:				
Principal retirement	\$ 430,986	\$ 432,202	\$ 166,701	\$ 265,501
Interest and other fiscal charges	37,112	38,905	79,059	(40,154)
Total debt service	<u>\$ 468,098</u>	<u>\$ 471,107</u>	<u>\$ 245,760</u>	<u>\$ 225,347</u>
Total General Fund	<u>\$ 10,799,457</u>	<u>\$ 13,387,931</u>	<u>\$ 11,027,402</u>	<u>\$ 2,360,529</u>
<b>Special Revenue Fund:</b>				
<b>Asset Forfeiture Fund:</b>				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ -	\$ 10,542	\$ -	\$ 10,542
Total public safety	<u>\$ -</u>	<u>\$ 10,542</u>	<u>\$ -</u>	<u>\$ 10,542</u>
Total Asset Forfeiture Fund	<u>\$ -</u>	<u>\$ 10,542</u>	<u>\$ -</u>	<u>\$ 10,542</u>
<b>Capital Projects Fund:</b>				
<b>Capital Improvements Fund:</b>				
Education:				
Other instructional costs:				
Contribution to County School Board	\$ -	\$ 75,822	\$ 75,822	\$ -
Total Education	<u>\$ -</u>	<u>\$ 75,822</u>	<u>\$ 75,822</u>	<u>\$ -</u>
Capital projects:				
School capital projects	\$ -	\$ 258,287	\$ 255,395	\$ 2,892
LATCF E911 tower	-	377,090	47,900	329,190
Total capital projects	<u>\$ -</u>	<u>\$ 635,377</u>	<u>\$ 303,295</u>	<u>\$ 332,082</u>
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ 711,199</u>	<u>\$ 379,117</u>	<u>\$ 332,082</u>
Total Primary Government	<u>\$ 10,799,457</u>	<u>\$ 14,109,672</u>	<u>\$ 11,406,519</u>	<u>\$ 2,703,153</u>

County of Craig, 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>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
Executive administration services	\$ 675,018	\$ 693,018	\$ 699,544	\$ (6,526)
Instruction costs:				
Instruction costs	\$ 5,510,880	\$ 5,955,922	\$ 5,923,125	\$ 32,797
Technology	440,092	443,092	443,821	(729)
Total instruction costs	<u>\$ 5,950,972</u>	<u>\$ 6,399,014</u>	<u>\$ 6,366,946</u>	<u>\$ 32,068</u>
Operating costs:				
Pupil transportation	\$ 599,158	\$ 599,158	\$ 601,623	\$ (2,465)
Operation and maintenance of school plant	593,197	1,040,797	1,002,367	38,430
Total operating costs	<u>\$ 1,192,355</u>	<u>\$ 1,639,955</u>	<u>\$ 1,603,990</u>	<u>\$ 35,965</u>
Debt service:				
Principal retirement	\$ 18,027	\$ 18,027	\$ 18,027	\$ -
Interest and other fiscal charges	3,898	3,898	3,898	-
Total debt service	<u>\$ 21,925</u>	<u>\$ 21,925</u>	<u>\$ 21,925</u>	<u>\$ -</u>
Total education	<u>\$ 7,840,270</u>	<u>\$ 8,753,912</u>	<u>\$ 8,692,405</u>	<u>\$ 61,507</u>
Total School Operating Fund	<u><u>\$ 7,840,270</u></u>	<u><u>\$ 8,753,912</u></u>	<u><u>\$ 8,692,405</u></u>	<u><u>\$ 61,507</u></u>
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 432,371	\$ 485,293	\$ 504,798	\$ (19,505)
Total School Cafeteria Fund	<u>\$ 432,371</u>	<u>\$ 485,293</u>	<u>\$ 504,798</u>	<u>\$ (19,505)</u>
<b>School Activity Fund:</b>				
Education:				
Instruction costs:				
Instruction costs	\$ -	\$ -	\$ 231,006	\$ (231,006)
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,006</u>	<u>\$ (231,006)</u>
Total Discretely Presented Component Unit - School Board	<u><u>\$ 8,272,641</u></u>	<u><u>\$ 9,239,205</u></u>	<u><u>\$ 9,428,209</u></u>	<u><u>\$ (189,004)</u></u>

## Other Statistical Information

Table 1

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

Fiscal Year	General										Interest on Long-Term Debt	Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development				
2024-25	\$ 1,155,185	\$ 666,289	\$ 2,615,937	\$ 774,609	\$ 2,311,555	\$ 5,251,793	\$ 54,181	\$ 169,424	\$ 77,282	\$ 13,076,255		
2023-24	1,251,170	640,198	2,173,115	955,872	2,314,512	2,903,685	84,237	110,299	83,617	10,516,705		
2022-23	1,084,436	614,929	2,321,033	721,063	1,953,633	1,729,748	174,326	73,927	94,654	8,767,749		
2021-22	1,016,147	574,535	2,514,261	603,061	1,688,267	1,429,768	52,522	84,791	125,720	8,089,072		
2020-21	961,195	379,400	2,384,383	616,027	1,847,197	1,667,811	44,619	147,487	159,699	8,207,818		
2019-20	912,493	369,406	2,008,933	652,904	1,922,459	2,107,155	44,444	83,424	138,356	8,239,574		
2018-19	740,339	312,306	1,758,372	614,928	1,506,879	1,752,410	45,779	42,348	154,488	6,927,849		
2017-18	605,223	301,263	1,741,399	577,668	1,250,607	2,192,694	42,753	149,288	102,784	6,963,679		
2016-17	821,376	326,560	1,625,010	571,442	1,234,904	1,843,293	38,779	140,256	122,050	6,723,670		
2015-16	739,661	304,096	1,467,324	579,770	1,222,920	1,843,269	37,456	142,775	140,070	6,477,341		

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain/Loss on Sale of Capital Assets		
2024-25	\$ 379,140	\$ 3,321,661	\$ 1,062,126	\$	5,575,576	\$ 675,200	\$ 354,313	\$ 121,130	\$	851,605	\$	12,340,751
2023-24	369,126	3,303,489	171,754		5,347,204	689,992	309,803	166,565		834,066	-	11,191,999
2022-23	380,754	2,989,050	9,600		4,996,839	647,110	60,997	236,217		805,110	-	10,125,677
2021-22	287,428	3,186,369	49,500		4,707,828	611,124	28,650	49,487		799,377	-	9,719,763
2020-21	272,783	3,181,644	25,000		4,407,646	573,499	37,232	69,209		816,061	-	9,383,074
2019-20	270,795	2,578,752	-		4,229,625	475,834	52,797	83,988		790,388	-	8,482,179
2018-19	276,769	2,172,849	-		4,140,233	450,251	62,060	54,457		789,654	232,683	8,178,956
2017-18	198,082	2,059,715	28,233		4,060,334	442,686	115,422	73,886		791,477	-	7,769,835
2016-17	225,644	1,929,108	-		3,735,991	531,210	96,023	93,989		657,441	-	7,269,406
2015-16	147,572	2,115,406	-		3,502,061	535,567	80,207	68,671		665,593	-	7,115,077

County of Craig, 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	Capital Projects	Non-departmental	Debt Service	Total
2024-25	\$ 1,239,172	\$ 692,807	\$ 2,340,925	\$ 703,424	\$ 2,301,960	\$ 9,445,209	\$ 54,181	\$ 354,974	\$ 1,363,090	\$ 76,517	\$ 245,760	\$ 18,818,019
2023-24	1,228,583	669,424	2,256,957	669,870	2,303,072	9,948,484	54,394	289,911	570,352	72,173	324,386	18,387,606
2022-23	1,100,235	613,423	2,135,641	599,394	1,914,400	10,561,129	49,327	244,280	237,855	55,721	711,131	18,222,536
2021-22	1,001,969	595,209	2,342,901	550,839	1,711,436	7,889,245	47,652	269,718	136,154	73,482	834,940	15,453,545
2020-21	935,759	372,961	2,195,100	562,529	1,831,127	7,574,433	39,749	314,892	236,590	77,402	776,508	14,917,050
2019-20	876,842	367,366	1,909,116	569,258	1,937,280	7,571,946	39,574	242,263	618,687	58,240	728,872	14,919,444
2018-19	782,851	335,545	1,916,549	534,884	1,529,730	7,146,068	40,909	227,638	1,660,917	35,793	578,611	14,789,495
2017-18	789,421	321,181	1,712,051	484,629	1,264,965	7,234,728	37,856	308,033	356,020	56,336	497,240	13,062,460
2016-17	812,332	331,884	1,577,157	507,774	1,220,066	7,280,787	33,909	295,405	99,678	23,980	506,021	12,688,993
2015-16	807,913	308,648	1,715,254	524,366	1,232,970	7,234,274	32,586	307,491	255,149	29,267	514,620	12,962,538

(1) Includes General, Special Revenue and Capital Projects 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 Craig, 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
2024-25	\$ 5,546,030	\$ 675,200	\$ 37,020	\$ 13,901	\$ 389,461	\$ 370,366	\$ 504,962	\$ 196,183	\$ 12,263,010	\$ 19,996,133
2023-24	5,308,530	689,992	31,760	10,939	343,762	362,916	336,377	196,254	11,447,414	18,727,944
2022-23	4,975,704	647,110	31,248	10,993	96,260	374,105	452,459	203,859	12,525,463	19,317,201
2021-22	4,687,122	665,161	37,751	7,355	28,702	318,229	400,546	236,337	10,445,659	16,826,862
2020-21	4,426,774	573,499	30,557	7,208	37,266	262,871	246,506	224,216	10,003,762	15,812,659
2019-20	4,224,933	475,834	25,027	9,074	52,845	389,646	338,044	213,107	8,800,138	14,528,648
2018-19	4,164,098	450,251	27,594	9,247	62,060	209,797	350,631	216,664	8,415,905	13,906,247
2017-18	4,014,581	442,686	24,386	4,406	115,422	159,797	323,898	205,243	8,129,300	13,419,719
2016-17	3,780,172	531,210	29,472	5,986	96,023	194,461	438,522	196,331	7,910,595	13,182,772
2015-16	3,491,806	535,567	25,773	4,275	80,207	117,524	413,557	172,230	7,963,316	12,804,255

(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 Craig, 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 (1,2)	Total Tax Collections	Percent of		Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	
2024-25	\$ 5,747,760	\$ 5,690,347	99.00%	\$ 118,191	\$ 5,808,538	101.06%	\$ 412,150	7.17%
2023-24	5,614,550	5,442,936	96.94%	136,194	5,579,130	99.37%	332,986	5.93%
2022-23	5,252,888	5,057,901	96.29%	189,053	5,246,954	99.89%	298,664	5.69%
2021-22	4,967,129	4,767,677	95.98%	175,334	4,943,011	99.51%	281,510	5.67%
2020-21	4,645,561	4,498,432	96.83%	198,960	4,697,392	101.12%	282,667	6.08%
2019-20	4,528,811	4,337,840	97.17%	168,149	4,505,989	99.50%	294,883	6.51%
2018-19	4,452,003	4,325,867	97.17%	121,418	4,447,285	99.89%	269,134	6.05%
2017-18	4,324,605	4,241,937	98.09%	67,375	4,309,312	99.65%	281,778	6.52%
2016-17	3,979,080	3,908,195	98.22%	149,256	4,057,451	101.97%	224,479	5.64%
2015-16	3,818,731	3,684,660	96.49%	106,352	3,791,012	99.27%	266,353	6.97%

(1) Exclusive of penalties and interest.

(2) Delinquent tax collections are exclusive of land redemptions.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes (3)	Machinery and Tools	Merchant's Capital	Public Utilities (1)(2)	Total
2024-25	\$ 731,825,200	\$ 55,145,579	\$ 1,965,849	\$ 722,479	\$ 25,284,807	\$ 814,943,914
2023-24	630,510,950	57,539,572	740,366	673,014	19,363,315	708,827,217
2022-23	527,893,100	60,361,804	1,551,929	760,605	20,352,460	610,919,898
2021-22	523,832,800	46,104,541	1,894,768	347,347	21,098,219	593,277,675
2020-21	518,372,550	40,887,341	2,233,193	376,207	20,455,651	582,324,942
2019-20	513,945,350	40,132,122	2,182,037	367,673	20,678,193	577,305,375
2018-19	510,949,900	38,971,378	2,384,170	359,874	23,485,893	576,151,215
2017-18	502,657,721	38,738,626	2,331,275	273,765	17,030,937	561,032,324
2016-17	493,739,433	37,504,338	1,951,604	410,566	18,319,870	551,925,811
2015-16	490,384,380	35,729,749	1,463,786	316,819	16,609,743	544,504,477

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

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

(3) Personal property is assessed at 100% of fair market value.

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital
2024-25	\$ 0.52	\$ 3.50	\$ 3.50	\$ 1.75
2023-24	0.63/.52	3.50	3.50	3.50
2022-23	0.63	3.50	3.50	3.50
2021-22	0.63	3.50	3.50	3.50
2020-21	0.59/.63	3.50	2.20	3.50
2019-20	0.59	3.50	2.20	3.50
2018-19	0.59	3.50	2.20	3.50
2017-18	0.59	3.50	2.20	3.50
2016-17	0.59	3.00	2.20	3.50
2015-16	0.56	3.00	2.20	3.50

(1) Per \$100 of assessed value.

Table 8

**County of Craig, 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)	Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2024-25	\$ 4,829	\$ 708,827	\$ -	0.00%	\$ -
2023-24	4,892	708,827	-	0.00%	-
2022-23	4,892	610,920	-	0.00%	-
2021-22	4,892	582,325	-	0.00%	-
2020-21	5,190	577,305	699,291	0.12%	135
2019-20	5,190	576,151	1,091,602	0.19%	210
2018-19	5,190	561,032	1,474,101	0.26%	284
2017-18	5,190	551,926	1,846,327	0.33%	356
2016-17	5,190	544,504	2,208,543	0.41%	426
2015-16	5,190	540,819	2,560,997	0.47%	493

(1) Bureau of the Census.

(2) Assessed at 100% of fair market value.

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

Excludes net pension and OPEB liabilities, financed purchases, lease liabilities, and compensated absences.

Table 9

**County of Craig, Virginia**  
**Ratio of Annual Debt Service Expenditures for General Bonded**  
**Debt to Total General Governmental Expenditures (1)**  
**Last Ten Fiscal Years**

Fiscal Year	Principal	Interest (2)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2024-25	\$ 166,701	\$ 79,059	\$ 245,760	\$ 18,818,019	1.31%
2023-24	238,394	85,992	324,386	18,387,606	1.76%
2022-23	606,904	104,227	711,131	18,222,536	3.90%
2021-22	698,874	136,066	834,940	15,453,545	5.40%
2020-21	607,093	169,415	776,508	14,917,050	5.21%
2019-20	579,865	149,007	728,872	14,919,444	4.89%
2018-19	453,501	125,110	578,611	14,789,495	3.91%
2017-18	387,225	110,015	497,240	13,062,460	3.81%
2016-17	376,899	129,122	506,021	12,688,993	3.99%
2015-16	366,823	147,797	514,620	12,962,538	3.97%

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

(2) Excludes bond issuance and other costs.

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**COMPLIANCE SECTION**

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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***

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**To the Honorable Members of  
the Board of Supervisors  
County of Craig, 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 Craig, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County of Craig, Virginia's basic financial statements and have issued our report thereon November 26, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Craig, 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 Craig, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Craig, Virginia's internal control.

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

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Craig, 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*.

## County of Craig, Virginia's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on County of Craig, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Craig, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion the response.

## 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.



Blacksburg, Virginia  
November 26, 2025



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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited County of Craig, 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 Craig, Virginia's major federal programs for the year ended June 30, 2025. County of Craig, 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 Craig, 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 Craig, 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 Craig, 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 Craig, 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 Craig, 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 Craig, 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 Craig, 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 Craig, 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 Craig, 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.

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, Famer, Cox Associates*

Blacksburg, Virginia  
November 26, 2025

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

Federal Grantor/State Pass-Through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Pass-through payments from:			
Virginia Department of Social Services:			
Title IV-E Prevention Program	93.472	1140124, 1140125	\$ 2,312
Guardianship Assistance	93.090	1110124, 1110125	107
MaryLee Allen Promoting Safe and Stable Families	93.556	0950123, 0950124, 0980120	7,628
Temporary Assistance for Needy Families	93.558	0400124, 0400125	63,473
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500125	115
Low-Income Home Energy Assistance	93.568	0600424, 0600425	13,229
Child Care and Development Fund Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760124, 0760125	12,923
Chafee Education and Training Vouchers Program (ETV)	93.599	9160123	397
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123, 0900124	256
Foster Care - Title IV-E	93.658	1100124, 1100125	77,799
Adoption Assistance	93.659	1120124, 1120125	194,651
Social Services Block Grant	93.667	1000124, 1000125	63,469
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123, 9150124	866
Children's Health Insurance Program	93.767	0540124, 0540125	1,455
Medicaid Cluster:			
Medical Assistance Program	93.778	1200124, 1200125	118,118
Total Department of Health and Human Services			<u>\$ 556,798</u>
DEPARTMENT OF AGRICULTURE:			
Pass-through payments from:			
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010124, 0010125 0040124, 0040125	141,403
Virginia Department of Agriculture:			
Child Nutrition Cluster:			
National School Lunch Program (Note 3)	10.555	Not available	\$ 41,041
Summer Food Service Program for Children (Note 3)	10.559	Not available	\$ 9,169
Virginia Department of Education:			
National School Lunch Program	10.555	APE40254	220,844
Summer Food Service Program for Children	10.559	APE60302, APE60303	1,344
School Breakfast Program	10.553	APE40253	112,595
Total Child Nutrition Cluster			384,993
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE43841	20,254
Total Department of Agriculture			<u>\$ 546,650</u>
DEPARTMENT OF TREASURY:			
Pass through payments from:			
Virginia Department of Education:			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	Not available	\$ 51,805
Virginia Tourism Corporation:			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	Not available	127
Virginia Department of Criminal Justice Services:			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	Not available	74,962
Virginia Department of Accounts:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	987,037
Local Assistance and Tribal Consistency Fund (LATCF)	21.032	Not available	47,900
Total Department of Treasury			<u>\$ 1,161,831</u>
DEPARTMENT OF TRANSPORTATION:			
Pass-through payments from:			
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BPT-2025-55055-25055 BPT-2024-54109-24109	\$ 4,380
DEPARTMENT OF HOMELAND SECURITY:			
Pass-through payments from:			
Virginia Department of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4831DRVAP0000001	\$ 5,241
Emergency Management Performance Grants	97.042	EMP-2024-EP-05008	7,500
Total Department of Homeland Security			<u>\$ 12,741</u>

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

Federal Grantor/State Pass-Through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF EDUCATION:			
Direct Payments:			
Impact Aid	84.041	Not applicable	\$ 53,732
Rural and Low-income School Program	84.358A	Not applicable	29,803
Pass-through payments from:			
Virginia Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	APE42901	210,311
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	APE43071	\$ 162,093
Special Education - Preschool Grants	84.173	APE62521	6,786
Total Special Education Cluster (IDEA)			168,879
Career and Technical Education: Basic Grants to States	84.048	APE60031	14,127
Student Support and Academic Enrichment Program	84.424	APE60281, APE60155	239,358
Supporting Effective Instruction State Grants	84.367	APE61480	21,714
Total Department of Education			<u>\$ 737,924</u>
Total Expenditures of Federal Awards			<u>\$ 3,020,324</u>

**Notes to Schedule of Expenditures of Federal Awards**

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of County of Craig, Virginia and its discretely presented component units 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 for Federal Awards, (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The County did not elect the 15% de minimis indirect cost rate because they only request direct costs for reimbursement.

Note 3 -- Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, County of Craig, Virginia did not report any commodity inventory, as it was immaterial to the financials.

Note 4 -- Subrecipients

No awards were passed through to subrecipients.

Note 5 -- Relationship to the 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	\$ 2,229,877	
Less: Payment in lieu of taxes	(406,732)	
Total Primary Government	<u>\$ 1,823,145</u>	
Component Unit School Board:		
School Operating Fund	\$ 812,186	
School Cafeteria Fund	384,993	
Total Component Unit School Board	<u>\$ 1,197,179</u>	
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 3,020,324</u>	

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

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**Section I - Summary of Auditors' Results****Financial Statements**

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

**Federal Awards**

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

Identification of major programs:

Assistance Listing #	Name of Federal Program or Cluster
10.553/10.555/10.559 21.027	Child Nutrition Cluster COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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**County of Craig, Virginia**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

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**Section II - Financial Statement Findings**

**2025-001 - Material Weakness**

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**Criteria:** A key concept of internal controls is the segregation of duties. No one employee should have access to both accounting records and related assets.

**Condition:** The County and the School Board lack proper segregation of duties over the following functions: Collections in the Treasurer's office, Accounts Payable and Payroll at the County; and Accounts Payable and Payroll at the School Board.

**Cause:** The County and School Board lack the funding to fully support a completely segregated finance department.

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

**Recommendation:** Management should further try to segregate duties amongst current staff to help alleviate risk created by improper segregation of duties.

**Management's Response:** Management acknowledges that internal controls over the functions listed above lack proper segregation of duties; however, to alleviate same would require additional staff. Due to cost constraints, the County and School Board have decided not to address the aforementioned internal control deficiency.

**Section III - Federal Award Findings and Questioned Costs**

There are no federal award findings to report.

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

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