

# FINANCIAL STATEMENTS

FISCAL YEAR ENDED  
JUNE 30, 2024



**COUNTY OF CARROLL, VIRGINIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**COUNTY OF CARROLL, VIRGINIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

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## INTRODUCTORY SECTION

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## COUNTY OF CARROLL, VIRGINIA

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### BOARD OF SUPERVISORS

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Joey Dickson, Chair  
Ronnie Collins  
William Bryant

Tracy D. Moore, Vice Chair  
Jody Early  
Gregory Horton

### SCHOOL BOARD

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Jennifer L. Sowers, Vice Chair  
Leonard "Alvin" Davidson

Brian E. Spencer, Chair

Phillip W. Berrier  
Abigail K. Burnette

### SOCIAL SERVICES BOARD

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Susan Clark, Chair  
Janice Crotts  
Wayburn Mosley

Jody Early  
Fred Bobbitt  
Cheryl Coleman

### OTHER OFFICIALS

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Clerk of the Circuit Court .....	Gerald R. Goad
Commonwealth's Attorney .....	Roger D. Brooks
Commissioner of the Revenue.....	Wade Marion
Treasurer .....	Malette A. Pickett
Sheriff .....	Kevin A. Kemp
Superintendent of Schools .....	Dr. Mark Burnette
County Administrator .....	Michael Watson
County Attorney .....	Steven V. Durbin

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## FINANCIAL SECTION

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# ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Carroll, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Carroll, Virginia, as of and for the year ended June 30, 2024, 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 Carroll, 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.

#### *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 Carroll, 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 Carroll, 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 Carroll, 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 the 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.

### ***Required Supplementary Information (Continued)***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and 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 January 22, 2025, on our consideration of County of Carroll, 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.

**Other Reporting Required by *Government Auditing Standards* (Continued)**

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 Carroll, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Carroll, Virginia's internal control over financial reporting and compliance.

*Robinson, Finner, Cox Associates*

Blacksburg, Virginia  
January 22, 2025

## **Basic Financial Statements**

County of Carroll, Virginia  
Statement of Net Position  
June 30, 2024

	Primary Government	Component Units		
	Governmental Activities	School Board	Public Service Authority	Economic Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,836,014	\$ 6,343,011	\$ 573,632	\$ 1,378,826
Cash held at schools	-	845,816	-	-
Investments	8,466,690	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	22,807,831	-	-	-
Interest receivable	-	-	-	125,785
Accounts receivable	405,731	929,451	486,772	4,550
Other local taxes receivable	316,218	-	-	-
Opioid settlement	716,041	-	-	-
Note receivable	11,197	-	307,476	2,267,459
Lease receivable	-	-	-	21,646
Due from primary government	-	-	-	-
Due from component units	3,324,983	-	-	-
Due from other governmental units	2,332,511	2,683,416	-	-
Prepaid items	121,292	973,776	36,998	21,061
Net pension asset	-	308,013	-	-
Lease purchase receivable	-	-	-	9,201,051
Assets held for resale:				
Industrial sites	-	-	-	979,308
Restricted assets:				
Cash and cash equivalents	-	1,804,243	1,796,108	336,845
Investments	-	390,435	-	-
Capital assets (net of accumulated depreciation/amortization):				
Land	3,530,042	1,343,900	264,837	74,227
Lease land rights	59,296	-	-	-
Buildings and improvements	19,482,175	24,981,980	-	544,683
Improvements other than buildings	-	77,719	-	-
Machinery and equipment	5,702,839	10,853,225	482,565	-
Lease machinery and equipment	1,337	-	-	-
Subscription asset	239,922	-	-	-
Infrastructure	-	-	32,315,373	-
Construction in progress	1,085,187	12,156,530	204,263	63,464
Total assets	\$ 98,439,306	\$ 63,691,515	\$ 36,468,024	\$ 15,018,905
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 2,146,827	\$ 7,560,102	\$ 125,889	\$ -
OPEB related items	116,645	2,463,023	-	-
Total deferred outflows of resources	\$ 2,263,472	\$ 10,023,125	\$ 125,889	\$ -
<b>LIABILITIES</b>				
Accounts payable	\$ 349,438	\$ 1,718,556	\$ 175,104	\$ 7,801
Retainage Payable	-	96,470	-	-
Salaries payable	1,034,524	2,656,880	-	-
Accrued interest payable	75,748	-	48,858	76,056
Customer deposits payable	-	-	126,820	-
Due to other governmental units	46,676	-	-	-
Due to primary government	-	3,229,778	95,205	-
Due to component unit	-	-	-	-
Unearned revenue	-	1,844,406	-	-
Long-term liabilities:				
Due within one year	2,571,227	694,925	847,555	586,917
Due in more than one year	17,892,157	33,346,986	20,013,872	8,819,587
Total liabilities	\$ 21,969,770	\$ 43,588,001	\$ 21,307,414	\$ 9,490,361
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 17,586,776	\$ -	\$ -	\$ -
Pension related items	777,454	3,564,884	85,265	-
OPEB related items	91,460	1,827,653	-	-
Lease related item	-	-	-	18,750
Total deferred inflows of resources	\$ 18,455,690	\$ 5,392,537	\$ 85,265	\$ 18,750
<b>NET POSITION</b>				
Net investment in capital assets	\$ 16,978,645	\$ 49,316,884	\$ 13,026,417	\$ 488,492
Restricted:				
Asset forfeiture	99,135	-	-	-
Opioid settlement	976,884	-	-	-
School cafeterias	-	1,838,261	-	-
School activity fund	-	845,816	-	-
Net pension asset	-	308,013	-	-
Debt service and bond covenants	-	-	1,669,288	336,845
Unrestricted	42,222,654	(27,574,872)	505,529	4,684,457
Total net position	\$ 60,277,318	\$ 24,734,102	\$ 15,201,234	\$ 5,509,794

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

County of Carroll, Virginia  
Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units			
						School Board	Public Service Authority	Economic Development Authority	
<b>PRIMARY GOVERNMENT:</b>									
Governmental activities:									
Judicial administration	\$ 3,254,257	\$ -	\$ 456,585	\$ -	\$ (2,797,672)				
Public safety	1,567,144	19,039	1,067,439	-	(480,666)				
Public works	11,198,286	2,767,622	2,299,371	336,000	(5,795,293)				
Health and welfare	1,404,167	30,467	20,299	-	(1,353,401)				
Education	8,554,185	32,012	7,049,078	-	(1,473,095)				
Parks, recreation, and cultural	11,123,330	-	-	-	(11,123,330)				
Community development	1,364,354	235,713	500	155,513	(972,628)				
Interest on long-term debt	2,733,144	22,933	-	-	(2,710,211)				
Total governmental activities	966,893	-	638,404	-	(328,489)				
	\$ 42,165,760	\$ 3,107,786	\$ 11,531,676	\$ 491,513	\$ (27,034,785)				
Total primary government	\$ 42,165,760	\$ 3,107,786	\$ 11,531,676	\$ 491,513	\$ (27,034,785)				
<b>COMPONENT UNITS:</b>									
School Board	\$ 51,496,149	\$ 1,296,073	\$ 59,861,575	\$ -		\$ 9,661,499	(1,472,673)		
Public Service Authority	4,969,683	3,372,918	124,092	-					
Economic Development Authority	880,218	221,572	-	-					
Total component units	\$ 57,346,050	\$ 4,890,563	\$ 59,985,667	\$ -		\$ 9,661,499	(1,472,673)	\$ (658,646)	
General revenues:									
General property taxes					\$ 25,016,645	\$ -	\$ -	\$ -	
Local sales and use taxes					2,992,142	-	-	-	
Consumer's utility tax					747,061	-	-	-	
Motor vehicle taxes					605,245	-	-	-	
Restaurant food taxes					692,606	-	-	-	
Hotel and motel room taxes					566,265	-	-	-	
Other local taxes					310,640	-	-	-	
Unrestricted revenues from use of money and property					603,293	342,787	94,210	167,240	
Miscellaneous					698,369	170,514	82,947	117,376	
Payments from Primary Government					-	10,417,900	1,425,000	437,500	
Grants and contributions not restricted to specific programs					1,941,821	-	-	-	
Lease purchase revenue					-	-	-	131,060	
Total general revenues					\$ 34,174,087	\$ 10,931,201	\$ 1,602,157	\$ 853,176	
Change in net position					\$ 7,139,302	\$ 20,592,700	\$ 129,484	\$ 194,530	
Net position - beginning					\$ 53,138,016	\$ 4,141,402	\$ 15,071,750	\$ 5,315,264	
Net position - ending					\$ 60,277,318	\$ 24,734,102	\$ 15,201,234	\$ 5,509,794	

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

County of Carroll, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2024

	<u>General</u>	<u>County CIP</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 21,553,385	\$ 8,282,629	\$ 29,836,014
Investments	8,466,690	-	8,466,690
Receivables (net of allowance for uncollectibles):			
Taxes receivable	22,807,831	-	22,807,831
Accounts receivable	405,731	-	405,731
Other local taxes receivable	316,218	-	316,218
Opioid settlement	716,041	-	716,041
Note receivable	11,197	-	11,197
Due from component unit	3,324,983	-	3,324,983
Due from other governmental units	2,332,511	-	2,332,511
Prepaid items	82,792	38,500	121,292
Total assets	<u>\$ 60,017,379</u>	<u>\$ 8,321,129</u>	<u>\$ 68,338,508</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	\$ 330,954	\$ 18,484	\$ 349,438
Salaries payable	1,034,524	-	1,034,524
Due to other governmental units	46,676	-	46,676
Total liabilities	<u>\$ 1,412,154</u>	<u>\$ 18,484</u>	<u>\$ 1,430,638</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	\$ 23,606,138	\$ -	\$ 23,606,138
Deferred revenue - opioid settlement	716,041	-	716,041
Total deferred inflows of resources	<u>\$ 24,322,179</u>	<u>\$ -</u>	<u>\$ 24,322,179</u>
<b>FUND BALANCES</b>			
Fund balances:			
Nonspendable:			
Prepaid items	\$ 82,792	\$ 38,500	\$ 121,292
Note receivable	11,197	-	11,197
Restricted:			
Asset forfeiture	99,135	-	99,135
Opioid settlement	260,843	-	260,843
Committed:			
FY2025 Budget	1,637,437	-	1,637,437
Narcotics funds	57,233	-	57,233
Law Library	20,899	-	20,899
Redistributed ARPA Revenue	1,469,322	-	1,469,322
School Construction	-	100,000	100,000
Construction	-	8,164,145	8,164,145
Assigned:			
Sheriff funds	73,534	-	73,534
County CIP	3,700,000	-	3,700,000
School Accrual Carry-over	3,229,778	-	3,229,778
Excess Highway Safety Fund	407,192	-	407,192
Unassigned	23,233,684	-	23,233,684
Total fund balances	<u>\$ 34,283,046</u>	<u>\$ 8,302,645</u>	<u>\$ 42,585,691</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 60,017,379</u>	<u>\$ 8,321,129</u>	<u>\$ 68,338,508</u>

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



County of Carroll, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2024

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	42,585,691
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	3,530,042
Lease land rights		59,296
Buildings and improvements		19,482,175
Machinery and equipment		5,702,839
Lease machinery and equipment		1,337
Subscription asset		239,922
Construction in progress		<u>1,085,187</u>
		30,100,798
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$	6,019,362
Unavailable revenue - opioid settlement		<u>716,041</u>
		6,735,403
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore are not reported in the funds.		
Pension related items	\$	2,146,827
OPEB related items		<u>94,306</u>
		2,241,133
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	\$	(3,750,000)
Lease liabilities		(65,450)
Subscription liabilities		(142,026)
Loans payable		(344,040)
Lease revenue bonds		(8,857,000)
Unamortized discounts		36,363
Accrued interest payable		(75,748)
Compensated absences		(967,625)
Net pension liability		(5,970,870)
Net OPEB liability		<u>(402,736)</u>
		(20,539,132)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds		
Pension related items	\$	(777,454)
OPEB related items		<u>(69,121)</u>
		(846,575)
Net position of governmental activities	\$	<u><u>60,277,318</u></u>

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

County of Carroll, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2024

	<u>General</u>	<u>County CIP</u>	<u>Total</u>
<b>REVENUES</b>			
General property taxes	\$ 24,811,305	\$ -	\$ 24,811,305
Other local taxes	5,913,959	-	5,913,959
Permits, privilege fees, and regulatory licenses	193,445	-	193,445
Fines and forfeitures	1,025,341	-	1,025,341
Revenue from the use of money and property	635,305	-	635,305
Charges for services	1,856,988	-	1,856,988
Miscellaneous	384,155	-	384,155
Recovered costs	2,300,471	105,553	2,406,024
Intergovernmental:			
Commonwealth	9,683,623	-	9,683,623
Federal	4,281,387	-	4,281,387
Total revenues	<u>\$ 51,085,979</u>	<u>\$ 105,553</u>	<u>\$ 51,191,532</u>
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 2,952,189	\$ 320,263	\$ 3,272,452
Judicial administration	1,743,197	-	1,743,197
Public safety	12,538,977	821,143	13,360,120
Public works	2,478,203	97,300	2,575,503
Health and welfare	8,822,632	-	8,822,632
Education	10,033,182	446,840	10,480,022
Parks, recreation, and cultural	1,361,877	440,770	1,802,647
Community development	2,887,843	-	2,887,843
Nondepartmental	61,935	-	61,935
Debt service:			
Principal retirement	1,845,882	-	1,845,882
Interest and other fiscal charges	964,091	-	964,091
Total expenditures	<u>\$ 45,690,008</u>	<u>\$ 2,126,316</u>	<u>\$ 47,816,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,395,971</u>	<u>\$ (2,020,763)</u>	<u>\$ 3,375,208</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 3,725,000	\$ 3,725,000
Transfers out	(3,725,000)	-	(3,725,000)
Total other financing sources (uses)	<u>\$ (3,725,000)</u>	<u>\$ 3,725,000</u>	<u>\$ -</u>
Net change in fund balances	\$ 1,670,971	\$ 1,704,237	\$ 3,375,208
Fund balances - beginning	32,612,075	6,598,408	39,210,483
Fund balances - ending	<u>\$ 34,283,046</u>	<u>\$ 8,302,645</u>	<u>\$ 42,585,691</u>

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

County of Carroll, Virginia  
Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds	\$	3,375,208
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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/amortization expense. This is the detail of items supporting this adjustment:

Capital outlays	\$ 3,238,243	
Depreciation/amortization expense	(2,078,354)	1,159,889

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

Property taxes	\$ 205,340	
Opioid settlement	314,214	519,554

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

General obligation bonds	\$ 1,250,000	
Lease revenue bonds	454,300	
Leases liabilities	18,548	
Subscription liabilities	44,524	
Loans payable	78,510	1,845,882

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	\$ (12,120)	
Change in accrued interest payable	4,510	
Amortization of bond discount	(7,312)	
Change in pension related items	210,047	
Change in OPEB related items	43,644	238,769

Change in net position of governmental activities	\$	<u>7,139,302</u>
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The accompanying notes to the financial statements are an integral part of this statement.

County of Carroll, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2024

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	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 178,777
Total assets	<u>\$ 178,777</u>
<b>NET POSITION</b>	
Restricted:	
Amounts held for social services clients	\$ 98,265
Amounts held for performance bonds	37,500
Amounts held for School Board employees	38,661
Amounts held for County employees	4,351
Total net position	<u>\$ 178,777</u>

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

County of Carroll, Virginia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2024

	<b><u>Custodial Funds</u></b>
<b>ADDITIONS</b>	
Interest income	\$ 65
Special welfare collections	100,300
Performance bond payment	15,000
Employee FSA contributions	78,941
Total additions	<u>\$ 194,306</u>
<b>DEDUCTIONS</b>	
Special welfare payments	\$ 123,961
Performance bond withdrawal	12,500
FSA distributions	80,748
Total deductions	<u>\$ 217,209</u>
Net increase (decrease) in fiduciary net position	\$ (22,903)
Net position, beginning of year	<u>201,680</u>
Net position, end of year	<u><u>\$ 178,777</u></u>

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

COUNTY OF CARROLL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

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

**A. Financial Reporting Entity**

The County of Carroll, Virginia (“the County”) is a political subdivision governed by an elected six-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.

Blended component units - None

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

The Carroll County School Board operates the elementary and secondary public schools in the County. School Board members are elected by popular vote. 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. The School Board does not issue separate financial statements.

The Carroll County Public Service Authority provides water and sewer service to County residents. The Public Service Authority is fiscally dependent upon the County because the County significantly funds Authority operations. In addition, the County Board appoints the Public Service Authority’s Board. A copy of the Public Service Authority’s report can be obtained from the Public Service Authority.

The Carroll County Economic Development Authority promotes industrial development in the County. The Authority is fiscally dependent upon the County. In addition, the Authority’s Board is appointed by the County Board of Supervisors. A copy of the Economic Development Authority’s report can be obtained from the Economic Development Authority.

Related Organizations - The County Board appoints board members to outside organizations, but the County’s accountability for these organizations do not extend beyond making the appointments.

**Note 1-Summary of Significant Accounting Policies: (continued)**

**A. Financial Reporting Entity (continued)**

**Jointly Governed Organizations:**

The County along with the Counties of Wythe, Bland, Grayson, Smyth and the City of Galax participate in supporting the Mt. Rogers Community Services Board. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2024, the County contributed \$130,500 to the Community Services Board.

The County along with the City of Galax participates in supporting the Galax-Carroll Regional Library. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2024, the County contributed \$367,261 to the Library.

The County along with the County of Grayson and the City of Galax participate in supporting the Carroll-Grayson-Galax Regional Solid Waste Authority through user charges. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions.

The County along with the County of Grayson and the City of Galax participate in supporting the Twin Counties E-911 Program. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. Payments to the program totaled \$463,197 for the fiscal year ended June 30, 2024.

The County along with the Counties of Bland, Floyd, Giles, Grayson, and Wythe and the City of Radford participate in supporting the New River Valley Regional Jail Authority. The monthly payment made by the County to the Regional Jail is based on the number of prisoners housed for the County. For the year ended June 30, 2024, the County paid \$1,746,336 for the confinement of prisoners.

The County, long with the County of Grayson and City of Galax, participate in The Wired Road Authority. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. The primary purpose of the Authority is to develop and construct broadband infrastructure in the participating localities and then lease that infrastructure to third parties. The organization's activities are to be primarily supported by lease revenue.

The County, long with the County of Grayson and City of Galax participate in The Twin County Airport Commission. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. The Commission is charged with operating the Twin County Regional Airport. During the current year, the County contributed \$85,960 to the Commission.

**Note 1-Summary of Significant Accounting Policies: (continued)**

A. Financial Reporting Entity (continued)

Jointly Governed Organizations: (continued)

Blue Ridge Crossroads Economic Development Authority (BRCEDA) is the regional industrial facilities authority that represents the Counties of Carroll and Grayson and the City of Galax. Each jurisdiction appoints two members and an alternate member. A moral obligation for debt service is currently in place for a regional project known as Wildwood. Contributions to BRCEDA during the current year were \$157,800. It is the hope of BRCEDA that this park project will be a catalyst for economic development in the region.

B. Government-wide and fund financial statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all 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 the legally separate *component units* for which the primary government is financially accountable.

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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*.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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**Note 1-Summary of Significant Accounting Policies: (continued)**

**B. Government-wide and fund financial statements (continued)**

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, if any, are reported as separate columns in the fund financial statements.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences 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.

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

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 reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. Certain funds have been merged with the general fund for financial reporting purposes only.

The *County CIP Fund* is the County's only major capital projects fund. It accounts for and reports financial resources to be used for the acquisition or construction of major capital facilities of the County.

Additionally, the County reports the following fund types:

*Fiduciary funds* (Trust and Custodial Funds) account for assets held by the government in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. The Special Welfare, Performance Bond Escrow, County Flexible Spending Arrangement and School Board Flexible Spending Arrangement Funds are reported as custodial funds.

The School Board reports the following major funds:

The *School Operating 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 appropriations from the County and state and federal grants.

The *School Activity Fund* accounts for and reports all funds received from extracurricular school activities, such as entertainment, athletic contest, club dues, fundraisers, etc., and from any and all activities of the individual schools.

The *School Capital Projects Fund* accounts for and reports financial resources to be used for the acquisition or construction of major capital facilities and equipment of the school board.

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

Additionally, the School Board reports the following fund types:

Internal Service Funds account for the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Internal Service Funds consist of the Self Insurance Fund.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Cash and Cash Equivalents

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

2. Investments

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

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

3. Receivables and Payables

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

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

4. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on June 20<sup>th</sup> and December 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.

5. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$1,134,039 at June 30, 2024 and is comprised solely of property taxes.

6. Use of Estimates

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

7. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

8. Capital Assets

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's life are not capitalized.

Property, plant, equipment, and infrastructure of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Capital assets	
Buildings	40
Building improvements	20-40
Improvements other than buildings	20
Structures, lines, and accessories	20-40
Machinery and equipment	4-30
Lease land rights	5-25
Lease machinery and equipment	4-30
Subscription assets	3-5

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only 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.

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

9. Deferred Outflows/Inflows of Resources (continued)

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

10. Pensions

For purposes of measurement 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 and School Board's Retirement Plan and the additions to/deductions from the County and School Board's fiduciary net position have been determined on the same basis as they were reported to 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.

11. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Teacher HIC 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.

In addition to the VRS related OPEB, the School Board allows their retirees to stay on the health insurance plan after retirement. The retiree is required to pay the blended premium cost creating an implicit subsidy OPEB liability. In addition, retirees receive a monthly stipend towards their health insurance cost until the retiree is Medicare eligible.

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

12. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The County accrues salary-related payments associated with the payment of compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

13. Long-term Obligations

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

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

14. Net Position

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

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

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

14. Net Position (continued)

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund 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.

15. Fund Balance

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

The Board of Supervisors is the County's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an action by the Board of Supervisors.

The Board of Supervisors has authorized the County Administrator as the official authorized to assign fund balance to a specific purpose.



**Note 1-Summary of Significant Accounting Policies: (continued)**

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

15. Fund Balance (continued)

The County has designated unassigned fund balance into four categories. Unassigned for fiscal stability/liquidity purposes fund balance represents the funds designated for fiscal cash liquidity purposes (i.e. fiscal reserve) that will provide for sufficient cash flow to minimize the potential of short term tax anticipation borrowing. This amount shall be equal to but not less than 16.7% of the combined budgeted expenditures of the County General fund and the Carroll County School Board Operating Fund, net of the County's local share contribution to the School Board. In the event that unforeseen and unusual circumstances cause this category to fall below 16.7%, a plan must be approved to replenish amounts over the next three subsequent fiscal years prior to any obligation of funds. Unassigned for revenue stabilization represents funds designated for unforeseen, emergency expenditures or unplanned/unforeseen declines in revenues. This amount shall be equal to but not less than 3% of the combined budgeted expenditures of the County General fund and the Carroll County School Board Operating Fund, net of the County's local share contribution to the School Board. Unassigned for capital improvement/reserve fund represents funds designated for capital improvements. This amount shall be approximately 2.0% of the combined budgeted expenditures of the County General Fund and the Carroll County School Board Operating Fund, net of the County's local share contribution to the School Board. The County may use these funds for one-time capital improvement needs or to offset targeted debt service peaks in a given year as part of a comprehensive multi-year plan of finance for capital needs. Unassigned fund balance-no specification represents the funds available for increasing committed fund balances, assigning fund balances, increasing the unassigned balances as noted above, purchase of capital items, or for use as beginning cash balance in support of the annual budget.

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.

16. Leases

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

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

16. Leases (Continued)

Lessee

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

Subscriptions

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

Key Estimates and Judgements

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 subscription liability.

**Note 1-Summary of Significant Accounting Policies: (continued)**

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

16. Leases (Continued)

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 subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or subscription liability.

**Note 2-Stewardship, Compliance, and Accountability:**

A. Budgetary information

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 2-Stewardship, Compliance, and Accountability: (continued)**

B. Expenditures in excess of appropriations

For the fiscal year ended June 30, 2024, there were no functions with expenditures in excess of appropriations.

C. Deficit fund balance

At June 30, 2024, there were no funds with deficit fund balance.

**Note 3-Deposits and Investments:**

Deposits with banks are covered by the Federal Deposit Insurance Corporations (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 and 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).

Credit Risk of Debt Securities:

The County’s policy to reduce credit risk is as follows: Limit investment to the safest types of securities; Pre-qualify the financial institutions, broker/dealers, intermediaries and advisers with which the County will do business; Diversifying the investment portfolio so the potential losses on individual securities will be minimized. The County’s rated debt investments as of June 30, 2024 were rated by Standard and Poor’s and the ratings are presented below using the Standard and Poor’s rating scale.

County's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
LGIP	\$ 8,857,125

Concentration of Credit Risk:

At June 30, 2024, the County did not have any investments requiring concentration of credit risk disclosures that exceeded 5% of total investments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 3-Deposits and Investments: (Continued)**External Investment Pools:

The fair value of the position in the external investment pool (Local Government Investment Pool) 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.

Interest Rate Risk:

The County's policy to minimize interest rate risk is as follows: Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing funds needed to meet operating expenses and capital project needs primarily in the shorter-term securities, money market mutual funds or similar investment pools.

	Investment Maturities (in years)	
	Fair Value	Less than 1 year
LGIP	\$ 8,857,125	\$ 8,857,125

**Note 4-Note Receivable:**

On June 29, 2014, the County issued a note receivable to the Carroll County Economic Development Authority (formerly the Carroll County Industrial Development Authority) for \$1,000,000 for economic development activities. Repayment terms called for monthly payments in the amount of \$10,606, payable over 10 years at 5% per annum. As of June 30, 2024, the balance was \$11,197.

**Note 5-Due from Other Governmental Units:**

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

	Primary Government	Component Unit School Board
<u>Local Governments:</u>		
Carroll-Grayson-Galax Solid Waste Authority	\$ 169,766	\$ -
SBDC	61,982	-
<u>Commonwealth of Virginia:</u>		
Local sales tax	564,399	-
State sales tax	-	829,931
Categorical aid-shared expenses	212,045	-
Noncategorical aid	281,371	-
Virginia public assistance funds	182,806	-
Categorical aid-other	-	827,794
Comprehensive services act	264,310	-
<u>Federal Government:</u>		
Virginia public assistance funds	243,245	-
Other categorical aid	352,587	-
School grants	-	1,025,691
Totals	\$ 2,332,511	\$ 2,683,416

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 6-Interfund Transfers and Balances:**

Interfund transfers for the year ended June 30, 2024, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Primary Government:</b>		
General Fund	\$ -	\$ 3,725,000
CIP Fund	3,725,000	-
School Operating Fund	78,423	358,505
School Activity Fund	358,505	78,423
Total	<u>\$ 4,161,928</u>	<u>\$ 4,161,928</u>

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

**Note 7-Interfund/Component-Unit Obligations:**

<u>Fund</u>	<u>Due to Primary Government/ Component Unit</u>	<u>Due from Primary Government/ Component Unit</u>
<b>Primary Government:</b>		
General Fund	\$ -	\$ 3,324,983
<b>Component Unit - School Board:</b>		
School Operating Fund	3,229,778	-
<b>Component Unit - Public Service Authority:</b>		
PSA	95,205	-
Totals	<u>\$ 3,324,983</u>	<u>\$ 3,324,983</u>

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COUNTY OF CARROLL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 8-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, 2024:

	Balance July 1, 2023	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2024
Direct Borrowings and Placements				
General obligation bonds	\$ 5,000,000	\$ -	\$ (1,250,000)	\$ 3,750,000
Unamortized bond discount	(43,675)	-	7,312	(36,363)
Finance purchases	422,550	-	(78,510)	344,040
Lease revenue bonds	9,311,300	-	(454,300)	8,857,000
Total Direct Borrowings and Placements	\$ 14,690,175	\$ -	\$ (1,775,498)	\$ 12,914,677
Lease liabilities	83,998	-	(18,548)	65,450
Subscription liabilities	186,550	-	(44,524)	142,026
Compensated absences	955,505	728,749	(716,629)	967,625
Net OPEB liability	397,852	208,845	(203,961)	402,736
Net pension liability	4,927,203	4,797,875	(3,754,208)	5,970,870
Total	<u>\$ 21,241,283</u>	<u>\$ 5,735,469</u>	<u>\$ (6,513,368)</u>	<u>\$ 20,463,384</u>

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

Year Ending June 30,	Direct Borrowings and Placements		Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,800,013	\$ 939,042	\$ 6,904	\$ 1,959	\$ 45,904	\$ 4,403
2026	1,798,576	922,029	5,781	1,756	47,327	2,980
2027	1,774,045	905,785	6,181	1,583	48,795	1,513
2028	540,454	214,532	6,599	1,397	-	-
2029	557,282	197,763	7,037	1,199	-	-
2030-2034	3,028,770	718,517	32,948	2,546	-	-
2035-2039	2,170,900	288,777	-	-	-	-
2040-2043	1,281,000	68,211	-	-	-	-
Totals	<u>\$ 12,951,040</u>	<u>\$ 4,254,656</u>	<u>\$ 65,450</u>	<u>\$ 10,440</u>	<u>\$ 142,026</u>	<u>\$ 8,896</u>

COUNTY OF CARROLL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 8-Long-Term Obligations: (continued)**

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

Details of long-term indebtedness:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
<u>Direct Borrowings and Placements</u>						
<u>General Obligation Bonds*</u>						
VPSA (QSCB) general obligation bond	4.50%	2011	2027	\$ 15,000,000	\$ 3,750,000	\$ 1,250,000
Total General Obligation Bonds					\$ 3,750,000	\$ 1,250,000
<u>Lease Revenue Bonds</u>						
County Complex Revenue Bond	3.42%	2017	2036	\$ 5,200,000	\$ 3,808,000	\$ 261,100
Public Facilities Series 2022	2.62%	2022	2043	5,444,000	5,049,000	208,000
Total Lease Revenue Bonds					\$ 8,857,000	\$ 469,100
<u>Finance Purchases</u>						
Bus Lease	3.13%	2016	2027	\$ 490,023	\$ 97,449	\$ 56,828
Fire Truck Lease	2.75%	2018	2034	375,000	246,591	24,085
Total Finance Purchases					\$ 344,040	\$ 80,913
Subtotal Direct Borrowings and Placements					\$ 12,951,040	\$ 1,800,013
Less:						
Unamortized Discount					(36,363)	(7,313)
Total Direct Borrowings and Placements					\$ 12,914,677	\$ 1,792,700
<u>Lease Liabilities</u>						
Leases - Land	3.00%	2009	2032	\$ 114,010	\$ 63,946	\$ 5,400
Leases - Machinery and Equipment	9.21% - 10.28%	2018 - 2020	2023 - 2025	12,436 - 57,260	1,504	1,504
Total Leases					\$ 65,450	\$ 6,904
<u>Subscription Liabilities</u>						
Subscription - Financial Software	3.10%	2023	2027	\$ 229,735	\$ 142,026	\$ 45,904
Total Leases					\$ 142,026	\$ 45,904
<u>Other Long-term Obligations</u>						
Compensated absences					967,625	725,719
Net OPEB liability					402,736	-
Net pension liability					5,970,870	-
Total Other Long-term Obligations					\$ 7,341,231	\$ 725,719
Total Long-term Obligations					\$ 20,463,384	\$ 2,571,227

\*VPSA (Virginia Public School Authority), QSCB (ARRA-Qualified School Construction Bond)

The County's general obligation bonds/literary loans are subject to the State Aid Intercept Program. Under terms of the program, the County state aid is redirected to bond holders to cure any event(s) of default.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 8-Long-Term Obligations: (continued)**Primary Government - Governmental Activities Indebtedness: (continued)

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

Collateral for leases and finance purchases is the underlying assets. Default provisions for leases include repossession of the asset.

The 2011 issuance of the ARRA funded Qualified School Construction Bond contains a face interest rate of 4.50%. However, it contains a federal tax credit resulting in federal revenue to offset the entire interest payment. Therefore, the effective interest rate is 0.00%. However, for fiscal year 2024, the sequester reduction rate was 5.70%.

For financial reporting purposes the lease purchase agreements are treated as revenue bonds of the County as title to the property has passed to the County. The Economic Development Authority acts as a conduit for these obligations and does not retain the asset or related liability.

**Note 9-Long-term Obligations-Component Unit School Board:**Discretely Presented Component Unit-School Board-Indebtedness:

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Net OPEB liabilities	\$ 8,537,790	\$ 2,100,290	\$ (2,222,723)	\$ 8,415,357
Compensated absences	965,472	685,199	(724,104)	926,567
Net pension liability	23,533,968	11,081,469	(9,915,450)	24,699,987
Total	<u>\$ 33,037,230</u>	<u>\$ 13,866,958</u>	<u>\$ (12,862,277)</u>	<u>\$ 34,041,911</u>

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
<b>Other Obligations:</b>		
Net OPEB liabilities	\$ 8,415,357	\$ -
Compensated absences	926,567	694,925
Net pension liability	24,699,987	-
Total Long-Term Obligations	<u>\$ 34,041,911</u>	<u>\$ 694,925</u>

**Note 10-Pension Plans:**

***Plan Description***

All full-time, salaried permanent employees of the County and (nonprofessional) employees of the 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. However, several entities whose financial information is not included in the primary government report, participate in the VRS plan through County of Carroll, Virginia and the participating entities report their proportionate information on the basis of a cost-sharing plan.

Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

***Benefit Structures***

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

- a. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

**Note 10-Pension Plans: (continued)**

***Benefit Structures (Continued)***

- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

***Average Final Compensation and Service Retirement Multiplier***

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

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

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

**Note 10-Pension Plans: (continued)**

***Contributions***

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

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 15.35% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,236,461 and \$1,167,973 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit Public Service Authority's (PSA) contractually required employer contribution rate for the year ended June 30, 2024 was 15.35% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit PSA were \$65,799 and \$60,947 for the years ended June 30, 2024 and June 30, 2023, respectively.

***Net Pension Liability***

At June 30, 2024, the County reported a liability of \$5,970,870 for its proportionate share of the net pension liability. The County's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. In order to allocate the net pension liability to all employers included in the plan, the County is required to determine its proportionate share of the net pension liability.

Contributions as of June 30, 2023 were used as a basis for allocation to determine the County's proportionate share of the net pension liability. At June 30, 2023 and 2022, the County's proportions were 89.2966% and 89.8169%, respectively.

At June 30, 2024, the Authority reported a liability of \$311,569 for its proportionate share of the net pension liability. The Authority's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The Authority's proportionate share of the same was calculated using creditable compensation as of June 30, 2023 and 2022 as a basis for allocation. At June 30, 2023 and 2022, the Authority's proportions were 4.6596% and 4.3736%, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 10-Pension Plans: (continued)*****Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the Carroll County's Retirement Plan and the Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

**Mortality rates:**

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

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement:**

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 10-Pension Plans: (continued)*****Actuarial Assumptions - General Employees (continued)***

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each 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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

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**Note 10-Pension Plans: (continued)**

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement:**

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

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

**All Others (Non-10 Largest) - 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 10-Pension Plans: (continued)*****Long-Term Expected Rate of Return***

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

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

\* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

\*\*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 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%



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 10-Pension Plans: (continued)**

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% and 112%, respectively, of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the County's and Component Unit PSA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the County Retirement Plan Net Pension Liability	\$ 11,470,469	\$ 5,970,870	\$ 1,498,765
Component Unit Public Service Authority's proportionate share of the County Retirement Plan Net Pension Liability	\$ 598,542	\$ 311,569	\$ 78,207

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 10-Pension Plans: (continued)*****Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2024, the County and Component Unit PSA recognized pension expense of \$1,022,602 and \$4,774 respectively. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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

	Primary Government		Component Unit- Public Service Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 835,579	\$ 245,297	\$ 43,601	\$ 12,273
Change in proportionate share	9,731	-	5,376	25,510
Change in assumptions	65,056	-	3,723	-
Net difference between projected and actual earnings on pension plan investments	-	532,157	7,390	47,482
Employer contributions subsequent to the measurement date	1,236,461	-	65,799	-
Total	<u>\$ 2,146,827</u>	<u>\$ 777,454</u>	<u>\$ 125,889</u>	<u>\$ 85,265</u>

\$1,236,461 and \$65,799 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit PSA's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit Public Service Authority
2025	\$ (130,504)	\$ (32,386)
2026	(323,204)	(26,038)
2027	568,786	32,319
2028	17,834	930

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 10-Pension Plans: (continued)**

***Pension Plan Data***

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

**Component Unit School Board (nonprofessional)**

Additional information related to the plan description, plan contribution requirements, actuarial assumptions, long-term expected rate of return, and discount rate is included in the first section of this note.

***Employees Covered by Benefit Terms***

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b><u>Component Unit School Board Nonprofessional</u></b>
Inactive members or their beneficiaries currently receiving benefits	94
Inactive members:	
Vested inactive members	17
Non-vested inactive members	16
Inactive members active elsewhere in VRS	<u>28</u>
Total inactive members	61
Active members	<u>77</u>
Total covered employees	<u><u>232</u></u>

***Contributions***

The Component Unit School Board's (nonprofessional) contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 5.29% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$102,953 and \$96,464 for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 10-Pension Plans: (continued)****Component Unit School Board (nonprofessional) (continued)*****Net Pension Liability (Asset)***

The net pension liability (asset) 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 Component Unit School Board's (nonprofessional) net pension liability (asset) was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

***Changes in Net Pension Liability (Asset)***

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Balances at June 30, 2022	\$ 11,797,180	\$ 12,233,208	\$ (436,028)
Changes for the year:			
Service cost	\$ 188,048	\$ -	\$ 188,048
Interest	784,955	-	784,955
Differences between expected and actual experience	112,041	-	112,041
Contributions - employer	-	94,402	(94,402)
Contributions - employee	-	96,792	(96,792)
Net investment income	-	773,500	(773,500)
Benefit payments, including refunds of employee contributions	(712,116)	(712,116)	-
Administrative expenses	-	(7,973)	7,973
Other changes	(417)	(109)	(308)
Net changes	\$ 372,511	\$ 244,496	\$ 128,015
Balances at June 30, 2023	\$ 12,169,691	\$ 12,477,704	\$ (308,013)

**Note 10-Pension Plans: (continued)****Component Unit School Board (nonprofessional) (continued)*****Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

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

	Rate		
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 1,022,871	\$ (308,013)	\$ (1,428,732)

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

For the year ended June 30, 2024, the Component Unit School Board (nonprofessional) recognized pension expense of \$32,470. At June 30, 2024, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (nonprofessional)	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 57,387	\$ 12,842
Net difference between projected and actual earnings on pension plan investments	-	207,159
Employer contributions subsequent to the measurement date	<u>102,953</u>	<u>-</u>
Total	<u>\$ 160,340</u>	<u>\$ 220,001</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 10-Pension Plans: (continued)**

**Component Unit School Board (nonprofessional) (continued)**

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

\$102,953 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (asset) in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Component Unit School Board (nonprofessional)</u>
2025	\$ (103,230)
2026	(243,106)
2027	176,846
2028	6,876

**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 regarding the plan description is included in the first section of this note.

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward retirement. Each School Division's contractually required contribution rate for the year ended June 30, 2023 was 16.62% 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, 2021. 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 Board were \$4,055,743 and \$3,857,648 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the School Board's operating grants and contributions on the Statement of Activities.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 10-Pension Plans: (continued)****Component Unit School Board (professional) (continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2024, the school division reported a liability of \$24,699,987 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.2443% as compared to 0.2472% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$1,891,893. 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.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,121,750	\$ 963,899
Net difference between projected and actual earnings on pension plan investments	-	1,605,997
Change of assumptions	1,119,737	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	102,532	774,987
Employer contributions subsequent to the measurement date	4,055,743	-
Total	<u>\$ 7,399,762</u>	<u>\$ 3,344,883</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 10-Pension Plans: (continued)**

**Component Unit School Board (professional) (continued)**

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

\$4,055,743 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 year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Component Unit School Board (professional)</u>
2025	\$ (797,620)
2026	(1,600,933)
2027	1,962,850
2028	434,839

***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

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**Note 10-Pension Plans: (continued)**

**Component Unit School Board (professional) (continued)**

***Actuarial Assumptions (Continued)***

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 10-Pension Plans: (continued)**

**Component Unit School Board (professional) (continued)**

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2023, 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	\$	57,574,609
Plan Fiduciary Net Position		47,467,405
Employers' Net Pension Liability (Asset)	\$	<u>10,107,204</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.45%

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>Rate</b>		
		<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$	43,784,367	\$ 24,699,987	\$ 9,011,139

**Note 10-Pension Plans: (continued)**

**Component Unit School Board (professional) (continued)**

***Pension Plan Fiduciary Net Position***

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

**Note 11-Component Unit School Board Other Postemployment Benefits - Health Insurance:**

**Plan Description**

The Schools administer a single-employer defined benefit healthcare plan, the Carroll County Public Schools Other Postemployment Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Schools’ pension plans. The plan does not issue a publicly available financial report.

**Plan Membership**

At July 1, 2023 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	511
Total retirees with coverage	<u>16</u>
Total	<u>527</u>

**Benefits Provided**

Postemployment benefits are provided to eligible retirees and includes Medical. The benefits that are provided for active employees are the same for eligible retirees, spouses, and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the School Board provides a fixed basic death benefit for all retirees.

**Contributions**

The School Board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$787,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 11-Component Unit School Board Other Postemployment Benefits - Health Insurance:**  
**(continued)**

**Total OPEB Liability**

The Schools' total OPEB liability was measured as of July 1, 2023. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age actuarial cost method
Salary Increases	2.50%
Healthcare Trend Rate	6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Discount Rate	3.86%
Retirement Age	The average age at retirement is 62

Mortality rates for healthy inactive members were based on the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

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

**Discount Rate**

The discount rate has been set equal to 3.86% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

**Changes in Total OPEB Liability**

		Component Unit School Board Total OPEB Liability
Balances at July 1, 2022	\$	3,822,000
Changes for the year:		
Service cost		154,000
Interest		132,000
Difference between expected and actual experience		634,000
Assumption changes		(53,000)
Contributions - employer		(787,000)
Net changes	\$	80,000
Balances at June 30, 2023	\$	3,902,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 11-Component Unit School Board Other Postemployment Benefits - Health Insurance:**  
(continued)**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following amounts present the Total OPEB liability of the Schools, as well as what the Schools' Total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (2.86%) or one-percentage point higher (4.86%) than the current discount rate:

Rate		
1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
\$ 4,226,000	\$ 3,902,000	\$ 3,602,000

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

The following presents the Total OPEB liability of the Schools, as well as what the Schools' Total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage point lower (5.75%) or one-percentage point higher (7.75%) than the current healthcare cost trend rates:

Rate		
1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
\$ 3,486,000	\$ 3,902,000	\$ 4,383,000

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

For the year ended June 30, 2024, the Schools will recognize OPEB expense in the amount of \$(162,000).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 597,000	\$ 775,000
Change of assumptions	292,000	416,000
Employer contributions subsequent to the measurement date	787,000	-
Total	\$ 1,676,000	\$ 1,191,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 11-Component Unit School Board Other Postemployment Benefits - Health Insurance:**  
**(continued)**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Component Unit School Board</u>
2025	\$ (282,000)
2026	(185,000)
2027	12,000
2028	72,000
2029	81,000

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

**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.

The specific information for GLI Plan 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.

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

***Benefit Amounts***

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

***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% ( $1.34\% \times 60\%$ ) and the employer component was 0.54% ( $1.34\% \times 40\%$ ). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the GLI Program from the County were \$45,474 and \$42,714 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Program from the Component Unit-School Board (nonprofessional) were \$12,429 and \$11,525 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Program from the Component Unit-School Board (professional) were \$135,966 and \$128,532 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity did not record a proportionate share in the financial statements.

**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 Program OPEB***

At June 30, 2024, the County reported a liability of \$402,736 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2024, the Component Unit-School Board (nonprofessional) reported a liability of \$108,658 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2024, the Component Unit-School Board (professional) reported a liability of \$1,211,906 for its proportionate share of the Net GLI OPEB Liability.

The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2023, the County's proportion was 0.0360% as compared to 0.0367% at June 30, 2022.

At June 30, 2023, the Component Unit-School Board (nonprofessional) proportion was 0.0091% as compared to 0.0095% at June 30, 2022.

At June 30, 2023, the Component Unit-School Board (professional) proportion was 0.1011% as compared to 0.1038% at June 30, 2022.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$8,083. 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.

For the year ended June 30, 2024, the Component-Unit School Board (nonprofessional) recognized GLI OPEB expense of \$(3,675). 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.

For the year ended June 30, 2024, the Component-Unit School Board (professional) recognized GLI OPEB expense of \$20,195. 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.



COUNTY OF CARROLL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**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)***

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

	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	\$ 40,223	\$ 12,225	\$ 10,852	\$ 3,298	\$ 121,040	\$ 36,788
Net difference between projected and actual earnings on GLI OPEB plan investments	-	16,184	-	4,366	-	48,701
Change in assumptions	8,609	27,903	2,323	7,528	25,905	83,966
Changes in proportion	22,339	35,148	-	12,898	4,609	79,775
Employer contributions subsequent to the measurement date	45,474	-	12,429	-	135,966	-
Total	\$ 116,645	\$ 91,460	\$ 25,604	\$ 28,090	\$ 287,520	\$ 249,230

\$45,474, \$12,429, and \$135,966 reported as deferred outflows of resources related to the GLI OPEB resulting from the County's, Component-Unit School Board (Nonprofessional), and Component-Unit School Board (Professional), respectively, contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit- School Board (Nonprofessional)	Component Unit- School Board (Professional)
2025	\$ (12,088)	\$ (5,468)	\$ (40,020)
2026	(24,822)	(7,714)	(69,282)
2027	5,109	(445)	7,731
2028	5,995	(1,404)	(2,337)
2029	5,517	116	6,232

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

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Informational 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

**Mortality Rates - Teachers**

- Pre-Retirement:  
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:  
Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:  
Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:  
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:  
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees****Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

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

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

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

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

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees****Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

***Actuarial Assumptions: (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 beter 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, 2023, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

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

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

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

\*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

\*\*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 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%.

***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

**Note 12-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)*****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	\$ 596,980	\$ 402,736	\$ 245,687
Component Unit-School Board (Nonprofessional) proportionate share of the GLI Plan			
Net OPEB Liability	\$ 161,065	\$ 108,658	\$ 66,286
Component Unit-School Board (Professional) proportionate share of the GLI Plan			
Net OPEB Liability	\$ 1,796,424	\$ 1,211,906	\$ 739,320

***Group Life Insurance Plan Fiduciary Net Position***

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

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

***Plan Description***

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

***Eligible Employees***

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

***Benefit Amounts***

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

***HIC Plan Notes***

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



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 13-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)*****Employees Covered by Benefit Terms***

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<b>Component Unit - School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	60
Inactive members:	
Vested inactive members	7
Inactive members active elsewhere in VRS	28
Total inactive members	95
Active members	77
Total covered employees	172

***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 Component Unit - School Board's (Nonprofessional) contractually required employer contribution rate for the year ended June 30, 2024 was 2.48% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 Component Unit - School board (Nonprofessional) to the HIC Plan were \$56,632 and \$52,928 for the year ended June 30, 2024 and June 30, 2023, respectively.

***Net HIC OPEB Liability***

The Component Unit-School Board's (Nonprofessional) net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

***Actuarial Assumptions***

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

**Note 13-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)****Mortality Rates - Non-Largest Ten Locality Employers - General Employees (continued)**

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

***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:

**Note 13-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)*****Changes in Net HIC OPEB Liability - Component Unit-School Board (Nonprofessional)******Long-Term Expected Rate of Return (continued)***

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

\*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

\*\*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 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%.

***Discount Rate***

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 13-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)****Changes in Net HIC OPEB Liability - Component Unit-School Board (Nonprofessional)****Discount Rate (continued)**

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 358,142	\$ 30,901	\$ 327,241
Changes for the year:			
Service cost	\$ 2,696	\$ -	\$ 2,696
Interest	23,451	-	23,451
Differences between expected and actual experience	4,165	-	4,165
Contributions - employer	-	52,928	(52,928)
Net investment income	-	2,867	(2,867)
Benefit payments	(26,842)	(26,842)	-
Administrative expenses	-	(65)	65
Other changes	-	320	(320)
Net changes	\$ 3,470	\$ 29,208	\$ (25,738)
Balances at June 30, 2023	\$ 361,612	\$ 60,109	\$ 301,503

**Sensitivity of the Component Unit-School Board's (Nonprofessional) HIC Net OPEB Liability to Changes in the Discount Rate**

The following presents the Component Unit School Board's (nonprofessional) HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the Component Unit School Board's (nonprofessional) 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%)
Component Unit School Board (Nonprofessional) Net HIC OPEB Liability	\$ 334,273	\$ 301,503	\$ 273,219

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 13-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***

For the year ended June 30, 2024, the Component Unit-School Board (Nonprofessional) recognized HIC Plan OPEB expense of \$7,062. At June 30, 2024, the Component Unit-School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit-School Board's (Nonprofessional) HIC Plan from the following sources:

	Component-Unit School Board (Non-professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,661	\$ 43,110
Net difference between projected and actual earnings on HIC OPEB plan investments	548	-
Change in assumptions	26,471	-
Employer contributions subsequent to the measurement date	56,632	-
Total	\$ 86,312	\$ 43,110

\$56,632 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit-School Board's (Nonprofessional) 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, 2025. 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:

Year Ended June 30	Component Unit-School Board (Non-professional)
2025	\$ (24,905)
2026	11,078
2027	377
2028	20

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

***HIC Plan Data***

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

**Note 14-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 Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

**Note 14-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, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$303,746 and \$287,952 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity did not record a proportionate share in the financial statements.

***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, 2024, the school division reported a liability of \$2,891,290 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2023 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, 2022 and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC Program was 0.2387% as compared to 0.2421% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$175,389. 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 difference between actual and expected contributions.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 14-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, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Program OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 127,260
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	1,451	-
Change in assumptions	67,304	2,914
Change in proportionate share and differences between actual and expected contributions	15,086	186,049
Employer contributions subsequent to the measurement date	<u>303,746</u>	<u>-</u>
Total	<u>\$ 387,587</u>	<u>\$ 316,223</u>

\$303,746 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, 2025. 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>	<u>Component Unit- School Board (Professional)</u>
2025	\$ (65,425)
2026	(64,580)
2027	(37,203)
2028	(33,475)
2029	(20,970)
Thereafter	(10,729)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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**Note 14-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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

**Mortality Rates - Teachers**

- Pre-Retirement:  
    Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:  
    Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:  
    Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:  
    Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:  
    Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

***Actuarial Assumptions: (Continued)***

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

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, 2023, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,475,471
Plan Fiduciary Net Position		264,054
Teacher Employee Net HIC OPEB Liability (Asset)	\$	<u>1,211,417</u>

Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	17.90%
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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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 14-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:

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

\*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

\*\*On June 15, 2023, the VRS Board elected a long-term rate of 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%.

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

***Discount Rate***

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, 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, 2023 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 3,270,372	\$ 2,891,290	\$ 2,570,051

***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 2023 Comprehensive Annual Financial Report (Annual Report). A copy of the 2023 Annual VRS Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF CARROLL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 15-Summary of Pension Related Items**

	Primary Government				Component Unit PSA				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans (Note 10):												
County	\$2,146,827	\$ 777,454	\$5,970,870	\$1,022,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Service Authority	-	-	-	-	125,889	85,265	311,569	4,774	-	-	-	-
School Board Nonprofessional	-	-	-	-	-	-	-	-	160,340	220,001	(308,013)	32,470
School Board Professional	-	-	-	-	-	-	-	-	7,399,762	3,344,883	24,699,987	1,891,893
Totals	\$2,146,827	\$ 777,454	\$5,970,870	\$1,022,602	\$125,889	\$ 85,265	\$ 311,569	\$ 4,774	\$7,560,102	\$ 3,564,884	\$ 24,391,974	\$ 1,924,363

**Note 16-Summary of OPEB Related Items**

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
School Stand-Alone Plan (Note 11)	\$ -	\$ -	\$ -	\$ -	\$ 1,676,000	\$ 1,191,000	\$ 3,902,000	\$ (162,000)
VRS OPEB Plans:								
Group Life Insurance Plan (Note 12):								
County		116,645	91,460	402,736	8,083	-	-	-
School Board Nonprofessional	-	-	-	-	-	25,604	28,090	108,658
School Board Professional	-	-	-	-	-	287,520	249,230	1,211,906
School Board (nonprofessional) Health Insurance Credit Plan (Note 13)	-	-	-	-	-	86,312	43,110	301,503
Teacher Health Insurance Credit Plan (Note 14)	-	-	-	-	-	387,587	316,223	2,891,290
Totals	\$ 116,645	\$ 91,460	\$ 402,736	\$ 8,083	\$ 2,463,023	\$ 1,827,653	\$ 8,415,357	\$ 36,971

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

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

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VACORP. VACORP 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.

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 VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$63,674.

COUNTY OF CARROLL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 18-Capital Assets:**

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

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,253,102	\$ 276,940	\$ -	\$ 3,530,042
Construction in progress	1,699,376	1,482,829	(2,097,018)	1,085,187
Total capital assets not being depreciated	<u>\$ 4,952,478</u>	<u>\$ 1,759,769</u>	<u>\$ (2,097,018)</u>	<u>\$ 4,615,229</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 36,818,005	\$ 688,437	\$ -	\$ 37,506,442
Machinery and equipment	14,575,588	2,887,055	(41,346)	17,421,297
Lease land	78,024	-	-	78,024
Lease machinery and equipment	65,686	-	(56,473)	9,213
Subscription assets	300,272	-	-	300,272
Total capital assets being depreciated	<u>\$ 51,837,575</u>	<u>\$ 3,575,492</u>	<u>\$ (97,819)</u>	<u>\$ 55,315,248</u>
Accumulated depreciation:				
Buildings and improvements	\$ (16,915,752)	\$ (1,108,515)	\$ -	\$ (18,024,267)
Machinery and equipment	(10,869,652)	(890,152)	41,346	(11,718,458)
Lease land	(12,474)	(6,254)	-	(18,728)
Lease machinery and equipment	(51,102)	(13,247)	56,473	(7,876)
Subscription assets	(164)	(60,186)	-	(60,350)
Total accumulated depreciation	<u>\$ (27,849,144)</u>	<u>\$ (2,078,354)</u>	<u>\$ 97,819</u>	<u>\$ (29,829,679)</u>
Total capital assets being depreciated, net	<u>\$ 23,988,431</u>	<u>\$ 1,497,138</u>	<u>\$ -</u>	<u>\$ 25,485,569</u>
Governmental activities capital assets, net	<u>\$ 28,940,909</u>	<u>\$ 3,256,907</u>	<u>\$ (2,097,018)</u>	<u>\$ 30,100,798</u>

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

Governmental activities:	
General government administration	\$ 274,569
Judicial administration	5,482
Public safety	648,194
Public works	357,641
Health and welfare	23,877
Education	643,308
Parks, recreation, and cultural	99,266
Community development	26,017
Total depreciation/amortization governmental activities	<u>\$ 2,078,354</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 18-Capital Assets: (Continued)**

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

Discretely Presented Component Unit:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,343,900	\$ -	\$ -	\$ 1,343,900
Construction in progress	3,424,953	8,731,577	-	12,156,530
Total capital assets not being depreciated	<u>\$ 4,768,853</u>	<u>\$ 8,731,577</u>	<u>\$ -</u>	<u>\$ 13,500,430</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 55,292,445	\$ 455,399	\$ -	\$ 55,747,844
Improvement other than buildings	153,754	-	-	153,754
Machinery and equipment	9,873,471	9,183,146	(1,318,015)	17,738,602
Total capital assets being depreciated	<u>\$ 65,319,670</u>	<u>\$ 9,638,545</u>	<u>\$ (1,318,015)</u>	<u>\$ 73,640,200</u>
Accumulated depreciation:				
Buildings and improvements	\$ (29,274,821)	\$ (1,491,043)	\$ -	\$ (30,765,864)
Improvement other than buildings	(68,326)	(7,709)	-	(76,035)
Machinery and equipment	(7,048,126)	(1,155,266)	1,318,015	(6,885,377)
Total accumulated depreciation	<u>\$ (36,391,273)</u>	<u>\$ (2,654,018)</u>	<u>\$ 1,318,015</u>	<u>\$ (37,727,276)</u>
Total capital assets being depreciated, net	<u>\$ 28,928,397</u>	<u>\$ 6,984,527</u>	<u>\$ -</u>	<u>\$ 35,912,924</u>
Governmental activities capital assets, net	<u>\$ 33,697,250</u>	<u>\$ 15,716,104</u>	<u>\$ -</u>	<u>\$ 49,413,354</u>

**Note 19-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 VACO Insurance Program. 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 program 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.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024**Note 20-Contingent Liabilities:**

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

**Note 21-Surety Bonds:**

Primary Government:

**Fidelity & Deposit Company of Maryland-Surety:**

Gerald R. Goad, Clerk of the Circuit Court	\$ 1,525,000
Malette A. Pickett, Treasurer	400,000
Wade Marion, Commissioner of the Revenue	3,000
Kevin A. Kemp, Sheriff	30,000

**Note 22-Payroll Expenses:**

All full-time employees of the Component Unit - Public Service Authority are paid through the County and the Authority reimburses the County for these expenses. Part-time employees are paid by the Public Service Authority along with any overtime pay that the Public Service Authority Board approves.

**Note 23-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.

	Government-wide Statements <u>Governmental Activities</u>	Balance Sheet <u>Governmental Funds</u>
Unavailable/deferred revenue		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditure \$	-	\$ 6,019,362
Tax assessments due after June 30	15,826,201	15,826,201
Prepaid property taxes due after June 30 but paid in advance by taxpayers	1,760,575	1,760,575
Total unavailable/deferred revenue	\$ 17,586,776	\$ 23,606,138

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 24-Litigation:**

As of June 30, 2024, 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 25-Self Health Insurance:**

During fiscal year 2023, the Carroll County School Board established a limited risk management program for health insurance for School Board employees. Premiums are paid into the health plan fund from the School Board and are available to pay claims, and administrative costs of the program. During the fiscal year 2024, a total of \$5,133,685 was paid in benefits and administrative costs. The risk assumed by the School Board is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type. Incurred but not reported claims of \$395,840 have been accrued as a liability based primarily on actual cost incurred prior to June 30 but paid after year-end. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions. Changes in the claims liability during fiscal year 2024 and the prior year were as follows:

			Current Year		
		Balance at	Claims and		Balance at
		Beginning of	Changes in	Claim	End of
Fiscal Year		Fiscal Year	Estimates	Payments	Fiscal Year
2023-24	\$	356,000	\$ 5,173,525	\$ (5,133,685)	\$ 395,840
2022-23		-	3,980,878	(3,624,878)	356,000

**Note 26 - Subsequent Events:**

On September 27, 2024, the remnants of Hurricane Helene provided substantial rainfall which resulted in significant flooding in the region surrounding the Authority. As of release of these financial statements, the financial impact of the damages and resulting repairs has not been determined.

**Note 27-Commitments and Contingencies:**

The School Board has obligated funds for the project described below as of June 30, 2024:

Project	Amount of Contract	Amount of Contract Outstanding	Accounts Payable	Retainage Payable
<b>Component Unit-School Board:</b>				
Renovation - CCHS - gym addition	\$ 3,214,500	\$ 1,285,091	\$431,610	\$ 96,470
Renovation - CCHS	988,135	453,655	267,480	-

**Note 28-Upcoming Pronouncements:**

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

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

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

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

## **Required Supplementary Information**

County of Carroll, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 23,325,500	\$ 23,325,500	\$ 24,811,305	\$ 1,485,805
Other local taxes	5,009,500	5,009,500	5,913,959	904,459
Permits, privilege fees, and regulatory licenses	106,500	106,500	193,445	86,945
Fines and forfeitures	900,000	900,000	1,025,341	125,341
Revenue from the use of money and property	317,900	317,900	635,305	317,405
Charges for services	1,663,375	1,663,375	1,856,988	193,613
Miscellaneous	117,750	117,750	384,155	266,405
Recovered costs	2,221,862	2,272,248	2,300,471	28,223
Intergovernmental:				
Commonwealth	10,347,786	10,455,573	9,683,623	(771,950)
Federal	3,452,567	3,560,567	4,281,387	720,820
Total revenues	\$ 47,462,740	\$ 47,728,913	\$ 51,085,979	\$ 3,357,066
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 3,171,416	\$ 3,558,110	\$ 2,952,189	\$ 605,921
Judicial administration	1,877,221	1,981,721	1,743,197	238,524
Public safety	11,697,603	13,171,007	12,538,977	632,030
Public works	2,580,305	2,591,904	2,478,203	113,701
Health and welfare	9,862,882	9,847,882	8,822,632	1,025,250
Education	10,999,996	11,000,296	10,033,182	967,114
Parks, recreation, and cultural	1,529,582	1,567,136	1,361,877	205,259
Community development	2,014,392	4,135,892	2,887,843	1,248,049
Nondepartmental	50,000	50,000	61,935	(11,935)
Debt service:				
Principal retirement	1,662,250	1,662,250	1,845,882	(183,632)
Interest and other fiscal charges	1,017,093	1,017,093	964,091	53,002
Total expenditures	\$ 46,462,740	\$ 50,583,291	\$ 45,690,008	\$ 4,893,283
Excess (deficiency) of revenues over (under) expenditures	\$ 1,000,000	\$ (2,854,378)	\$ 5,395,971	\$ 8,250,349
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (1,000,000)	\$ (3,725,000)	\$ (3,725,000)	\$ -
Net change in fund balances	\$ -	\$ (6,579,378)	\$ 1,670,971	\$ 8,250,349
Fund balances - beginning	-	6,579,378	32,612,075	26,032,697
Fund balances - ending	\$ -	\$ -	\$ 34,283,046	\$ 34,283,046

County of Carroll, Virginia  
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
For the Measurement Dates of June 30, 2014 through June 30, 2023

Date (1)	Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Proportionate Share of the NPLA (3)	Covered Payroll (4)	Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
<b>Primary Government - County Retirement Plan</b>					
2023	89.2966%	\$ 5,970,870	\$ 7,899,507	75.59%	85.63%
2022	89.8169%	4,927,203	7,178,189	68.64%	87.45%
2021	88.6775%	2,887,109	6,414,137	45.01%	92.33%
2020	88.1158%	7,900,060	6,766,101	116.76%	77.93%
2019	87.1068%	6,009,532	6,985,410	86.03%	82.42%
2018	86.9945%	4,586,342	6,835,376	67.10%	85.46%
2017	86.2947%	5,086,211	6,436,392	79.02%	83.27%
2016	86.2946%	6,694,678	6,380,074	104.93%	77.51%
2015	86.5376%	5,285,062	6,286,487	84.07%	81.30%
2014	86.5376%	4,226,206	6,057,711	69.77%	83.61%
<b>Component Unit Public Service Authority</b>					
2023	4.6596%	\$ 311,569	\$ 412,206	75.59%	85.63%
2022	4.3736%	239,929	349,539	68.64%	87.45%
2021	5.0741%	165,196	367,015	45.01%	92.33%
2020	5.9886%	536,910	459,951	116.73%	77.93%
2019	7.3889%	509,765	593,273	85.92%	82.49%
2018	7.5591%	398,515	598,505	66.59%	85.46%
2017	8.2637%	487,063	654,293	74.44%	83.27%
2016	8.2637%	641,092	630,530	101.68%	122.99%
2015	8.2813%	505,758	621,183	81.42%	434.88%
2014	8.2813%	417,602	598,577	69.77%	510.11%
<b>Component Unit School Board (professional)</b>					
2023	0.2443%	\$ 24,699,987	\$ 23,979,706	103.00%	82.45%
2022	0.2472%	23,533,968	22,564,671	104.30%	82.61%
2021	0.2458%	19,080,917	21,327,825	89.46%	85.46%
2020	0.2525%	36,752,658	21,812,692	168.49%	71.47%
2019	0.2544%	33,475,221	21,095,339	158.69%	73.51%
2018	0.2664%	31,333,000	21,324,377	146.94%	74.81%
2017	0.2743%	33,728,000	21,481,554	157.01%	72.92%
2016	0.2663%	37,312,000	20,292,867	183.87%	68.28%
2015	0.2721%	34,245,000	20,216,777	169.39%	70.68%
2014	0.2746%	33,182,000	20,079,764	165.25%	70.88%

County of Carroll, Virginia  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Component Unit School Board (nonprofessional)  
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service cost	\$ 188,048	\$ 180,139	\$ 211,135	\$ 207,924	\$ 209,826	\$ 221,654	\$ 266,275	\$ 270,954	\$ 272,694	\$ 282,837
Interest	784,955	774,080	713,752	706,699	710,318	712,918	711,451	685,210	678,210	650,702
Differences between expected and actual experience	117,041	(104,576)	40,033	(158,321)	(226,345)	(335,847)	(194,378)	24,401	(276,046)	-
Changes of assumptions	(712,116)	(680,349)	426,836	(627,713)	267,717	(620,860)	(120,248)	(569,530)	(559,995)	(521,158)
Benefit payments	-	-	(675,935)	-	(650,875)	-	(639,723)	-	-	-
Refund of contributions	-	-	-	-	-	-	(23,716)	-	-	-
Other changes	(477)	-	-	-	-	-	-	-	-	-
<b>Net change in total pension liability</b>	\$ 372,511	\$ 169,294	\$ 715,821	\$ 128,589	\$ 310,641	\$ 122,151	\$ (339)	\$ 411,741	\$ 114,863	\$ 412,381
<b>Total pension liability - beginning</b>	\$ 11,797,180	\$ 11,627,886	\$ 10,912,065	\$ 10,783,476	\$ 10,472,835	\$ 10,494,970	\$ 10,495,309	\$ 10,083,568	\$ 9,968,705	\$ 9,556,324
<b>Total pension liability - ending (a)</b>	\$ 12,169,691	\$ 11,797,180	\$ 11,627,886	\$ 10,912,065	\$ 10,783,476	\$ 10,472,835	\$ 10,494,970	\$ 10,495,309	\$ 10,083,568	\$ 9,968,705
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 94,402	\$ 94,752	\$ 95,270	\$ 114,129	\$ 113,830	\$ 150,251	\$ 156,370	\$ 240,176	\$ 239,595	\$ 259,093
Contributions - employee	96,792	94,142	93,362	96,800	95,557	97,709	102,599	122,474	122,507	123,499
Net investment income	773,500	(6,792)	2,800,948	200,951	679,146	735,374	1,119,816	160,748	418,458	1,264,799
Benefit payments	(712,116)	(680,349)	(675,935)	(627,713)	(650,875)	(620,860)	(639,723)	(569,530)	(559,995)	(521,158)
Refund of contributions	-	-	-	-	-	-	(23,716)	-	-	-
Administrator charges	(7,973)	(8,038)	(7,248)	(7,083)	(7,034)	(6,533)	(6,738)	(5,902)	(5,839)	(6,876)
Other	(109)	287	261	(238)	(425)	(647)	(984)	(69)	(88)	67
<b>Net change in plan fiduciary net position</b>	\$ 244,496	\$ (505,998)	\$ 2,306,658	\$ (223,154)	\$ 230,199	\$ 355,294	\$ 707,624	\$ (52,103)	\$ 214,638	\$ 1,119,424
<b>Plan fiduciary net position - beginning</b>	\$ 12,233,208	\$ 12,739,206	\$ 10,432,548	\$ 10,655,702	\$ 10,425,503	\$ 10,070,209	\$ 9,362,585	\$ 9,414,688	\$ 9,200,050	\$ 8,080,626
<b>Plan fiduciary net position - ending (b)</b>	\$ 12,477,704	\$ 12,233,208	\$ 12,739,206	\$ 10,432,548	\$ 10,655,702	\$ 10,425,503	\$ 10,070,209	\$ 9,362,585	\$ 9,414,688	\$ 9,200,050
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	\$ (308,013)	\$ (436,028)	\$ (1,111,320)	\$ 479,517	\$ 127,774	\$ 47,332	\$ 424,761	\$ 1,132,724	\$ 668,880	\$ 768,655
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	102.53%	103.70%	109.56%	95.61%	98.82%	99.55%	95.95%	89.21%	93.37%	92.29%
<b>Covered payroll</b>	\$ 2,134,182	\$ 2,053,944	\$ 2,000,063	\$ 2,051,945	\$ 2,014,862	\$ 2,039,840	\$ 2,093,296	\$ 2,483,064	\$ 2,463,253	\$ 2,469,999
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	-14.43%	-21.23%	-55.56%	23.37%	6.34%	2.32%	20.29%	45.62%	27.15%	31.12%

County of Carroll, Virginia  
Schedule of Employer Contributions  
Pension Plans  
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2024	\$ 1,234,461	\$ 1,234,461	\$ -	\$ 8,411,311	14.68%
2023	1,167,973	1,167,973	-	7,899,507	14.79%
2022	938,885	938,885	-	7,178,189	13.08%
2021	729,439	729,439	-	6,414,137	11.37%
2020	653,879	653,879	-	6,766,101	9.66%
2019	679,392	679,392	-	6,985,410	9.73%
2018	749,414	749,414	-	6,835,376	10.96%
2017	742,577	742,577	-	6,436,392	11.54%
2016	770,617	770,617	-	6,380,074	12.08%
2015	762,325	762,325	-	6,286,487	12.13%
<b>Component Unit Public Service Authority</b>					
2024	\$ 65,799	\$ 65,799	\$ -	\$ 447,614	14.70%
2023	60,947	60,947	-	412,206	14.79%
2022	45,719	45,719	-	349,539	13.08%
2021	41,738	41,738	-	367,015	11.37%
2020	44,439	44,439	-	459,951	9.66%
2019	57,630	57,630	-	593,273	9.71%
2018	65,117	65,117	-	598,505	10.88%
2017	71,110	71,110	-	654,293	10.87%
2016	76,159	76,159	-	630,530	12.08%
2015	75,339	75,339	-	621,183	12.13%
<b>Component Unit School Board (nonprofessional)</b>					
2024	\$ 102,953	\$ 102,953	\$ -	\$ 2,283,556	4.51%
2023	96,464	96,464	-	2,134,182	4.52%
2022	97,823	97,823	-	2,053,944	4.76%
2021	105,962	105,962	-	2,000,063	5.30%
2020	114,668	114,668	-	2,051,945	5.59%
2019	113,832	113,832	-	2,014,862	5.65%
2018	150,253	150,253	-	2,039,840	7.37%
2017	160,137	160,137	-	2,093,296	7.65%
2016	241,165	241,165	-	2,483,064	9.71%
2015	239,595	239,595	-	2,463,253	9.73%
<b>Component Unit School Board (professional)</b>					
2024	\$ 4,055,743	\$ 4,055,743	\$ -	\$ 25,103,003	16.16%
2023	3,857,648	3,857,648	-	23,979,706	16.09%
2022	3,672,227	3,672,227	-	22,564,671	16.27%
2021	3,477,251	3,477,251	-	21,327,825	16.30%
2020	3,356,000	3,356,000	-	21,812,692	15.39%
2019	3,257,343	3,257,343	-	21,095,339	15.44%
2018	3,445,000	3,445,000	-	21,324,377	16.16%
2017	3,136,000	3,136,000	-	21,481,554	14.60%
2016	2,844,000	2,844,000	-	20,292,867	14.01%
2015	2,933,000	2,933,000	-	20,216,777	14.51%

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



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

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

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

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

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

County of Carroll, Virginia  
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
Component Unit - School Board  
For the Measurement Dates July 1, 2017 through July 1, 2023

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>							
Service cost	\$ 154,000	\$ 197,000	\$ 175,000	\$ 242,000	\$ 232,000	\$ 224,000	\$ 219,000
Interest	132,000	82,000	97,000	149,000	164,000	202,000	190,000
Differences between expected and actual experience	634,000	116,000	(363,000)	(1,361,000)	(377,000)	(1,397,000)	-
Assumption changes	(53,000)	(584,000)	353,000	230,000	188,000	-	-
Employer contributions	-	-	43,000	3,000	-	-	-
Benefit payments	(787,000)	(75,000)	-	-	-	-	(126,000)
Other changes	-	-	-	-	-	(176,000)	-
<b>Net change in total OPEB liability</b>	<b>\$ 80,000</b>	<b>\$ (264,000)</b>	<b>\$ 305,000</b>	<b>\$ (737,000)</b>	<b>\$ 207,000</b>	<b>\$ (1,147,000)</b>	<b>\$ 283,000</b>
<b>Total OPEB liability - beginning</b>	<b>3,822,000</b>	<b>4,086,000</b>	<b>3,781,000</b>	<b>4,518,000</b>	<b>4,311,000</b>	<b>5,458,000</b>	<b>5,175,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 3,902,000</b>	<b>\$ 3,822,000</b>	<b>\$ 4,086,000</b>	<b>\$ 3,781,000</b>	<b>\$ 4,518,000</b>	<b>\$ 4,311,000</b>	<b>\$ 5,458,000</b>
<b>Covered-employee payroll</b>	<b>\$ 23,861,000</b>	<b>\$ 23,861,000</b>	<b>\$ 21,532,000</b>	<b>\$ 21,532,000</b>	<b>\$ 21,669,000</b>	<b>\$ 21,669,000</b>	<b>\$ 23,677,000</b>
<b>Component Unit School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>16.35%</b>	<b>16.02%</b>	<b>18.98%</b>	<b>17.56%</b>	<b>20.85%</b>	<b>19.89%</b>	<b>23.05%</b>

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

**County of Carroll, Virginia**  
**Notes to Required Supplementary Information - Component Unit School Board OPEB**  
**For the Year Ended June 30, 2024**

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Valuation Date: 7/1/2022  
Measurement Date: 7/1/2023

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age actuarial cost method
Salary Increases	2.50%
Healthcare Trend Rate	6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Discount Rate	3.86%
Retirement Age	The average age at retirement is 62
Mortality Rates	RP-2014 Mortality Table, fully generational with base layer 2006, projected using two-dimensional mortality improvement scale MP-2021

County of Carroll, Virginia  
Schedule of Employers's Share of Net OPEB Liability  
Group Life Insurance (GLI) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2023	0.0360%	\$ 402,736	\$ 7,909,960	5.09%	69.30%
2022	0.0367%	397,852	7,121,652	5.59%	67.21%
2021	0.0350%	362,031	6,420,317	5.64%	67.45%
2020	0.0374%	549,849	6,781,524	8.11%	52.64%
2019	0.0410%	581,018	6,999,464	8.30%	52.00%
2018	0.0417%	550,675	6,898,061	7.98%	51.22%
2017	0.0417%	541,068	6,633,359	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2023	0.0091%	\$ 108,658	\$ 2,134,182	5.09%	69.30%
2022	0.0095%	114,630	2,069,816	5.54%	67.21%
2021	0.0098%	113,982	2,021,808	5.64%	67.45%
2020	0.0100%	166,550	2,054,395	8.11%	52.64%
2019	0.0103%	167,283	2,016,295	8.30%	52.00%
2018	0.0108%	164,000	2,050,489	8.00%	51.22%
2017	0.0115%	172,000	2,113,450	8.14%	48.86%
Component Unit School Board (professional)					
2023	0.1011%	\$ 1,211,906	\$ 23,802,149	5.09%	69.30%
2022	0.1038%	1,249,852	22,578,251	5.54%	67.21%
2021	0.1033%	1,202,808	21,329,930	5.64%	67.45%
2020	0.1062%	1,771,637	21,848,331	8.11%	52.64%
2019	0.1078%	1,753,705	21,127,457	8.30%	52.00%
2018	0.1123%	1,706,000	21,360,927	7.99%	51.22%
2017	0.1169%	1,759,000	21,562,338	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 Carroll, Virginia  
Schedule of Employer Contributions  
Group Life Insurance (GLI) Plan  
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2024	\$ 45,474	\$ 45,474	\$ -	\$ 8,421,080	0.54%
2023	42,714	42,714	-	7,909,960	0.54%
2022	38,813	38,813	-	7,121,652	0.54%
2021	34,669	34,669	-	6,420,317	0.54%
2020	35,264	35,264	-	6,781,524	0.52%
2019	36,394	36,394	-	6,999,464	0.52%
2018	35,870	35,870	-	6,898,061	0.52%
2017	34,492	34,492	-	6,633,359	0.52%
<b>Component Unit School Board (nonprofessional)</b>					
2024	\$ 12,429	\$ 12,429	\$ -	\$ 2,301,751	0.54%
2023	11,525	11,525	-	2,134,182	0.54%
2022	11,177	11,177	-	2,069,816	0.54%
2021	10,918	10,918	-	2,021,808	0.54%
2020	10,683	10,683	-	2,054,395	0.52%
2019	10,485	10,485	-	2,016,295	0.52%
2018	10,663	10,663	-	2,050,489	0.52%
2017	10,990	10,990	-	2,113,450	0.52%
2016	11,942	11,942	-	2,487,819	0.48%
2015	11,830	11,830	-	2,464,516	0.48%
<b>Component Unit School Board (professional)</b>					
2024	\$ 135,966	\$ 135,966	\$ -	\$ 25,178,818	0.54%
2023	128,532	128,532	-	23,802,149	0.54%
2022	121,923	121,923	-	22,578,251	0.54%
2021	115,182	115,182	-	21,329,930	0.54%
2020	113,611	113,611	-	21,848,331	0.52%
2019	109,834	109,834	-	21,127,457	0.52%
2018	111,096	111,096	-	21,360,927	0.52%
2017	112,124	112,124	-	21,562,338	0.52%
2016	97,624	97,624	-	20,338,243	0.48%
2015	97,389	97,389	-	20,289,461	0.48%

Schedule is intended to show information for 10 years. Prior to 2017, the PSA's information was consolidated in the County's totals and presented in the County report. Therefore, sufficient information to allocate the prior year balances is not available. Additional years will be included as they become available.

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

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

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

**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 Carroll, Virginia  
**Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios**  
 Component Unit - School Board (nonprofessional)  
 Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
<b>Total HIC OPEB Liability</b>							
Service cost	\$ 2,696	\$ 2,991	\$ 4,170	\$ 7,499	\$ 7,116	\$ 8,000	\$ 12,000
Interest	23,451	20,538	30,343	14,119	14,429	14,000	13,000
Changes of benefit terms	-	-	-	6,983	-	-	-
Differences between expected and actual experience	4,165	(5,790)	(162,760)	(14,596)	19,019	(28,000)	-
Changes of assumptions	-	52,762	6,551	57,324	15,698	-	(29,000)
Benefit payments	(26,842)	(27,275)	(25,838)	(24,561)	(23,028)	(23,000)	(21,000)
Other changes	-	-	-	-	448	(4,000)	(1,000)
<b>Net change in total HIC OPEB liability</b>	<b>\$ 3,470</b>	<b>\$ 43,226</b>	<b>\$ (147,534)</b>	<b>\$ 46,768</b>	<b>\$ 33,682</b>	<b>\$ (33,000)</b>	<b>\$ (26,000)</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>\$ 358,142</b>	<b>\$ 314,916</b>	<b>\$ 462,450</b>	<b>\$ 415,682</b>	<b>\$ 382,000</b>	<b>\$ 415,000</b>	<b>\$ 441,000</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 361,612</b>	<b>\$ 358,142</b>	<b>\$ 314,916</b>	<b>\$ 462,450</b>	<b>\$ 415,682</b>	<b>\$ 382,000</b>	<b>\$ 415,000</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 52,928	\$ 50,938	\$ 49,602	\$ 25,650	\$ 25,185	\$ 20,000	\$ 21,000
Net investment income	2,867	(637)	62	-	-	-	-
Benefit payments	(26,842)	(27,275)	(25,838)	(24,561)	(23,028)	(23,000)	(21,000)
Administrative expense	(65)	(60)	-	-	-	-	-
Other	320	5,975	(8)	-	896	-	(1,000)
<b>Net change in plan fiduciary net position</b>	<b>\$ 29,208</b>	<b>\$ 28,941</b>	<b>\$ 23,818</b>	<b>\$ 1,089</b>	<b>\$ 3,053</b>	<b>\$ (3,000)</b>	<b>\$ (1,000)</b>
<b>Plan fiduciary net position - beginning</b>	<b>\$ 30,901</b>	<b>\$ 1,960</b>	<b>\$ (21,858)</b>	<b>\$ (22,947)</b>	<b>\$ (26,000)</b>	<b>\$ (23,000)</b>	<b>\$ (22,000)</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 60,109</b>	<b>\$ 30,901</b>	<b>\$ 1,960</b>	<b>\$ (21,858)</b>	<b>\$ (22,947)</b>	<b>\$ (26,000)</b>	<b>\$ (23,000)</b>
<b>Employer's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 301,503</b>	<b>\$ 327,241</b>	<b>\$ 312,956</b>	<b>\$ 484,308</b>	<b>\$ 438,629</b>	<b>\$ 408,000</b>	<b>\$ 438,000</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	16.62%	8.63%	0.62%	-4.73%	-5.52%	-6.81%	-5.54%
<b>Covered payroll</b>	\$ 2,134,182	\$ 2,053,944	\$ 2,000,063	\$ 2,051,945	\$ 2,014,862	\$ 2,039,840	\$ 2,093,296
<b>Employer's net HIC OPEB liability as a percentage of covered payroll</b>	14.13%	15.93%	15.65%	23.60%	21.77%	20.00%	20.92%

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 Carroll, Virginia  
Schedule of Employer Contributions  
Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2015 through June 30, 2024

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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 (nonprofessional)</b>					
2023	\$ 56,632	\$ 56,632	\$ -	\$ 2,283,556	2.48%
2023	52,928	52,928	-	2,134,182	2.48%
2022	50,938	50,938	-	2,053,944	2.48%
2021	49,602	49,602	-	2,000,063	2.48%
2020	25,649	25,649	-	2,051,945	1.25%
2019	25,185	25,185	-	2,014,862	1.25%
2018	20,000	20,000	-	2,039,840	0.98%
2017	21,000	21,000	-	2,093,296	1.00%
2016	20,858	20,858	-	2,483,064	0.84%
2015	20,691	20,691	-	2,463,253	0.84%



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

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

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

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

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

County of Carroll, 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, 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.2387%	\$ 2,891,290	\$ 23,797,706	12.15%	17.90%
2022	0.2421%	3,024,067	22,564,671	13.40%	15.08%
2021	0.2412%	3,095,455	21,327,825	14.51%	13.15%
2020	0.2488%	3,245,767	21,812,692	14.88%	9.95%
2019	0.2515%	3,292,380	21,095,339	15.61%	8.97%
2018	0.2637%	3,348,000	21,324,808	15.70%	8.08%
2017	0.2722%	3,453,000	21,483,066	16.07%	7.04%

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

County of Carroll, Virginia  
Schedule of Employer Contributions  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2015 through June 30, 2024

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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)
2024	\$ 303,746	\$ 303,746	\$ -	\$ 25,103,003	1.21%
2023	287,952	287,952	-	23,797,706	1.21%
2022	273,033	273,033	-	22,564,671	1.21%
2021	258,067	258,067	-	21,327,825	1.21%
2020	261,752	261,752	-	21,812,692	1.20%
2019	253,077	253,077	-	21,095,339	1.20%
2018	262,289	262,289	-	21,324,808	1.23%
2017	238,462	238,462	-	21,483,066	1.11%
2016	215,188	215,188	-	20,300,779	1.06%
2015	214,427	214,427	-	20,228,959	1.06%

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

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

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

## **Other Supplementary Information**

County of Carroll, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
County CIP Fund  
For the Year Ended June 30, 2024

	County CIP Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Recovered costs	\$ -	\$ 9,000	\$ 105,553	\$ 96,553
Total revenues	\$ -	\$ 9,000	\$ 105,553	\$ 96,553
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ -	\$ 1,117,004	\$ 320,263	\$ 796,741
Public safety	-	2,325,750	821,143	1,504,607
Public works	-	545,445	97,300	448,145
Education	-	346,840	446,840	(100,000)
Parks, recreation, and cultural	-	528,722	440,770	87,952
Community development	-	50,000	-	50,000
Nondepartmental	-	87,000	-	87,000
Total expenditures	\$ -	\$ 5,000,761	\$ 2,126,316	\$ 2,874,445
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (4,991,761)	\$ (2,020,763)	\$ (2,777,892)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 3,725,000	\$ 3,725,000
Total other financing sources (uses)	\$ -	\$ -	\$ 3,725,000	\$ 3,725,000
Net change in fund balances	\$ -	\$ (4,991,761)	\$ 1,704,237	\$ 947,108
Fund balances - beginning	-	4,991,761	6,598,408	1,606,647
Fund balances - ending	\$ -	\$ -	\$ 8,302,645	\$ 2,553,755

County of Carroll, Virginia  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2024

	Custodial Funds				<u>Total</u>
	<u>Special Welfare Fund</u>	<u>Performance Bond Escrow</u>	<u>School Board FSA</u>	<u>County FSA</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 98,265	\$ 37,500	\$ 38,661	\$ 4,351	\$ 178,777
Total assets	<u>\$ 98,265</u>	<u>\$ 37,500</u>	<u>\$ 38,661</u>	<u>\$ 4,351</u>	<u>\$ 178,777</u>
<b>NET POSITION</b>					
Restricted:					
Amounts held for social services clients	\$ 98,265	\$ -	\$ -	\$ -	\$ 98,265
Amounts held for performance bonds	-	37,500	-	-	37,500
Amounts held for School Board employees	-	-	38,661	-	38,661
Amounts held for County employees	-	-	-	4,351	4,351
Total net position	<u>\$ 98,265</u>	<u>\$ 37,500</u>	<u>\$ 38,661</u>	<u>\$ 4,351</u>	<u>\$ 178,777</u>

County of Carroll, Virginia  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2024

	Custodial Funds				
	Special Welfare Fund	Performance Bond Escrow	School Board FSA	County FSA	Total
<b>ADDITIONS</b>					
Interest income	\$ -	\$ -	\$ 4	\$ 61	\$ 65
Special welfare collections	100,300	-	-	-	100,300
Performance bond payment	-	15,000	-	-	15,000
Employee FSA contributions	-	-	56,541	22,400	78,941
Total additions	<u>\$ 100,300</u>	<u>\$ 15,000</u>	<u>\$ 56,545</u>	<u>\$ 22,461</u>	<u>\$ 194,306</u>
<b>DEDUCTIONS</b>					
Special welfare payments	123,961	\$ -	\$ -	\$ -	\$ 123,961
Performance bond withdrawal	-	12,500	-	-	12,500
Loss on investments	-	-	-	-	-
FSA distributions	-	-	57,165	23,583	80,748
Total deductions	<u>\$ 123,961</u>	<u>\$ 12,500.00</u>	<u>\$ 57,165</u>	<u>\$ 23,583</u>	<u>\$ 217,209</u>
Net increase (decrease) in fiduciary net position	\$ (23,661)	\$ 2,500	\$ (620)	\$ (1,122)	\$ (22,903)
Net position, beginning of year	121,926	35,000	39,281	5,473	201,680
Net position, end of year	<u>\$ 98,265</u>	<u>\$ 37,500</u>	<u>\$ 38,661</u>	<u>\$ 4,351</u>	<u>\$ 178,777</u>



County of Carroll, Virginia  
Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2024

	School Operating Fund	School Activity Fund	School Capital Projects Fund	Total School Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,237,787	\$ -	\$ 371,070	\$ 4,608,857
Cash held at schools	-	845,816	-	845,816
Receivables (net of allowance for uncollectibles):				
Accounts receivable	929,451	-	-	929,451
Due from other governmental units	2,683,416	-	-	2,683,416
Prepaid items	973,776	-	-	973,776
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	1,804,243	-	-	1,804,243
Investments	390,435	-	-	390,435
Total assets	<u>\$ 11,019,108</u>	<u>\$ 845,816</u>	<u>\$ 371,070</u>	<u>\$ 12,235,994</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,451,076	\$ -	\$ 267,480	\$ 1,718,556
Accrued liabilities	2,261,040	-	-	2,261,040
Retainage payable	96,470	-	-	96,470
Due to primary government	3,229,778	-	-	3,229,778
Unearned revenue	1,844,406	-	-	1,844,406
Total liabilities	<u>\$ 8,882,770</u>	<u>\$ -</u>	<u>267,480</u>	<u>\$ 9,150,250</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 973,776	\$ -	\$ -	\$ 973,776
Restricted:				
Cafeteria operations	1,838,261	-	-	1,838,261
School activity fund	-	845,816	-	845,816
Committed:				
Textbook purchases	262,518	-	-	262,518
Construction	35,559	-	-	35,559
CCHS football bleachers	-	-	103,590	103,590
Unassigned:	(973,776)	-	-	(973,776)
Total fund balances	<u>\$ 2,136,338</u>	<u>\$ 845,816</u>	<u>103,590</u>	<u>\$ 3,085,744</u>
Total liabilities and fund balances	<u>\$ 11,019,108</u>	<u>\$ 845,816</u>	<u>\$ 371,070</u>	<u>\$ 12,235,994</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Total fund balances per above				\$ 3,085,744
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Land		\$ 1,343,900		
Buildings and improvements		24,981,980		
Improvement other than buildings		77,719		
Machinery and equipment		10,853,225		
Construction in progress		<u>12,156,530</u>		49,413,354
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				
Net pension asset				308,013
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.				
Pension related items		\$ 7,560,102		
OPEB related items		<u>2,463,023</u>		10,023,125
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.				
				1,338,314
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Net OPEB liabilities		\$ (8,415,357)		
Compensated absences		(926,567)		
Net pension liability		<u>(24,699,987)</u>		(34,041,911)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items		\$ (3,564,884)		
OPEB related items		<u>(1,827,653)</u>		(5,392,537)
Net position of governmental activities				<u>\$ 24,734,102</u>

County of Carroll, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds - Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2024

	School Operating Fund	School Activity Fund*	School Capital Projects Fund	Total School Funds
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 342,646	\$ -	\$ -	\$ 342,646
Charges for services	8,323	1,287,750	-	1,296,073
Miscellaneous	170,514	-	-	170,514
Recovered costs	433,620	-	-	433,620
Intergovernmental:				
Local government	9,779,830	-	638,070	10,417,900
Commonwealth	39,578,230	-	-	39,578,230
Federal	19,922,990	-	-	19,922,990
Total revenues	<u>\$ 70,236,153</u>	<u>\$ 1,287,750</u>	<u>\$ 638,070</u>	<u>\$ 72,161,973</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 70,078,387	\$ 1,576,158	\$ -	\$ 71,654,545
Capital projects	-	-	534,480	534,480
Total expenditures	<u>\$ 70,078,387</u>	<u>\$ 1,576,158</u>	<u>\$ 534,480</u>	<u>\$ 72,189,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 157,766</u>	<u>\$ (288,408)</u>	<u>\$ 103,590</u>	<u>\$ (27,052)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 78,423	\$ 358,505	\$ -	\$ 436,928
Transfers out	(358,505)	(78,423)	-	(436,928)
Total other financing sources (uses)	<u>\$ (280,082)</u>	<u>\$ 280,082</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (122,316)	\$ (8,326)	\$ 103,590	\$ (27,052)
Fund balances - beginning	2,258,654	854,142	-	3,112,796
Fund balances - ending	<u>\$ 2,136,338</u>	<u>\$ 845,816</u>	<u>\$ 103,590</u>	<u>\$ 3,085,744</u>

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

Net change in fund balances - total governmental funds - per above \$ (27,052)

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	\$ 18,370,122	
Depreciation expense	<u>(2,654,018)</u>	15,716,104

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

State non-employer contribution to the pension plan		360,355
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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	\$ 38,905	
Change in pension related items	2,232,272	
Change in OPEB related items	<u>2,002,532</u>	4,273,709

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

269,584

Change in net position of governmental activities

\$ 20,592,700

\*The School Activity Fund does not require a legally adopted budget.

County of Carroll, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2024

	School Operating Fund				School Capital Projects Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Revenue from the use of money and property	\$ 27,360	\$ 27,360	\$ 342,646	\$ 315,286	\$ -	\$ -	\$ -	\$ -
Charges for services	24,782	24,782	8,323	(16,459)	-	-	-	-
Miscellaneous	152,270	152,270	170,514	18,244	-	-	-	-
Recovered costs	299,735	299,735	433,620	133,885	-	-	-	-
Intergovernmental:								
Local government	10,400,000	10,400,000	9,779,830	(620,170)	-	638,700	638,070	(630)
Commonwealth	33,819,457	36,152,834	39,578,230	3,425,396	-	-	-	-
Federal	21,730,056	22,107,474	19,922,990	(2,184,484)	-	-	-	-
Total revenues	\$ 66,453,660	\$ 69,164,455	\$ 70,236,153	\$ 1,071,698	-	638,700	638,070	(630)
<b>EXPENDITURES</b>								
Current:								
Education	\$ 66,453,660	\$ 69,164,455	\$ 70,078,387	\$ (913,932)	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	638,700	534,480	104,220
Total expenditures	\$ 66,453,660	\$ 69,164,455	\$ 70,078,387	\$ (913,932)	\$ -	\$ 638,700	\$ 534,480	\$ 104,220
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 157,766	\$ 157,766	\$ -	\$ -	\$ 103,590	\$ 103,590
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	\$ -	\$ -	\$ 78,423	\$ 78,423	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(358,505)	(358,505)	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ (280,082)	\$ (280,082)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ (122,316)	\$ (122,316)	-	-	103,590	103,590
Fund balances - beginning	-	-	2,258,654	2,258,654	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 2,136,338	\$ 2,136,338	\$ -	\$ -	\$ 103,590	\$ 103,590

County of Carroll, Virginia  
Statement of Net Position  
Internal Service Funds  
June 30, 2024

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	Self- Insurance <u>Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,734,154
<b>LIABILITIES</b>	
Current liabilities:	
Claims and judgments	\$ 395,840
<b>NET POSITION</b>	
Unrestricted	\$ 1,338,314
Total net position	\$ 1,338,314

County of Carroll, Virginia  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended June 30, 2024

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	<b>Self- Insurance <u>Fund</u></b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Insurance premiums	\$ 5,403,128
<b>OPERATING EXPENSES</b>	
Insurance claims and expenses	\$ 5,133,685
Operating income (loss)	269,443
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	\$ 141
Change in net position	\$ 269,584
Total net position - beginning	\$ 1,068,730
Total net position - ending	\$ 1,338,314

County of Carroll, Virginia  
Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2024

	<u>Self- Insurance Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts for insurance premiums	\$ 5,403,128
Payments for premiums	(5,093,845)
Net cash provided by (used for) operating activities	<u>\$ 309,283</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends received	<u>\$ 141</u>
Net increase (decrease) in cash and cash equivalents	\$ 309,424
Cash and cash equivalents - beginning	1,424,730
Cash and cash equivalents - ending	<u><u>\$ 1,734,154</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	<u>\$ 269,443</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Increase (decrease) in claims payable	\$ 39,840
Total adjustments	<u>\$ 39,840</u>
Net cash provided by (used for) operating activities	<u><u>\$ 309,283</u></u>

## **Supporting Schedules**

County of Carroll, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
Page 1 of 5

<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	\$ 13,586,000	\$ 13,586,000	\$ 14,042,760	\$ 456,760
Real and personal public service corporation taxes	920,000	920,000	848,750	(71,250)
Personal property taxes	6,725,000	6,725,000	7,058,023	333,023
Mobile home taxes	57,000	57,000	69,772	12,772
Machinery and tools taxes	1,175,000	1,175,000	1,489,243	314,243
Merchant's capital taxes	212,500	212,500	316,380	103,880
Penalties	225,000	225,000	389,167	164,167
Interest	425,000	425,000	597,210	172,210
Total general property taxes	\$ 23,325,500	\$ 23,325,500	\$ 24,811,305	\$ 1,485,805
Other local taxes:				
Local sales and use taxes	\$ 2,575,000	\$ 2,575,000	\$ 2,992,142	\$ 417,142
Consumers' utility taxes- electric	685,000	685,000	711,051	26,051
Consumers' utility taxes- telephone	30,000	30,000	36,010	6,010
Consumption taxes	100,000	100,000	85,446	(14,554)
Recordation taxes	172,500	172,500	205,975	33,475
Motor vehicle licenses	627,000	627,000	605,245	(21,755)
Bank stock taxes	20,000	20,000	19,219	(781)
Hotel and motel room taxes	300,000	300,000	566,265	266,265
Restaurant food taxes	500,000	500,000	692,606	192,606
Total other local taxes	\$ 5,009,500	\$ 5,009,500	\$ 5,913,959	\$ 904,459
Permits, privilege fees, and regulatory licenses:				
Building permits	\$ 90,000	\$ 90,000	\$ 161,280	\$ 71,280
Animal licenses	9,500	9,500	9,345	(155)
Other permits and licenses	7,000	7,000	22,820	15,820
Total permits, privilege fees, and regulatory licenses	\$ 106,500	\$ 106,500	\$ 193,445	\$ 86,945
Fines and forfeitures:				
Court fines and forfeitures	\$ 900,000	\$ 900,000	\$ 1,025,341	\$ 125,341
Total fines and forfeitures	\$ 900,000	\$ 900,000	\$ 1,025,341	\$ 125,341
Revenue from use of money and property:				
Revenue from use of money	\$ 292,000	\$ 292,000	\$ 603,293	\$ 311,293
Revenue from use of property	25,900	25,900	32,012	6,112
Total revenue from use of money and property	\$ 317,900	\$ 317,900	\$ 635,305	\$ 317,405
Charges for services:				
Charges for EMS	\$ 1,200,000	\$ 1,200,000	\$ 1,232,656	\$ 32,656
Charges for farmer's market	175,000	175,000	199,697	24,697
Charges for courthouse security	230,000	230,000	304,075	74,075
Charges for parks and recreation	7,000	7,000	24,130	17,130
Charges for sanitation and waste removal	500	500	515	15
Charges for courthouse maintenance	25,000	25,000	29,952	4,952
Charges for cannery	7,000	7,000	11,886	4,886
Charges for circuit court copies	7,000	7,000	7,575	575
Charges for commonwealth's attorney	5,000	5,000	6,548	1,548
Charges for law enforcement and traffic control	6,675	6,675	34,925	28,250
Charges for law library	-	-	4,916	4,916
Other charges for services	200	200	113	(87)
Total charges for services	\$ 1,663,375	\$ 1,663,375	\$ 1,856,988	\$ 193,613
Miscellaneous:				
Miscellaneous	\$ 117,750	\$ 117,750	\$ 244,469	\$ 126,719
Opioid settlement funds	-	-	139,686	139,686
Total miscellaneous revenue	\$ 117,750	\$ 117,750	\$ 384,155	\$ 266,405



County of Carroll, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
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<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)				
Recovered costs:				
Solid Waste Authority	\$ 672,494	\$ 672,794	\$ 677,728	\$ 4,934
BRECEDA	156,246	156,246	118,210	(38,036)
Public Service Authority	749,122	749,122	726,772	(22,350)
Industrial Development Authority	50,000	50,000	-	(50,000)
City of Galax-shared expenses	265,000	265,000	265,000	-
Social services	158,000	158,000	219,883	61,883
School resource officer	90,000	97,500	116,569	19,069
Other recovered costs	81,000	123,586	176,309	52,723
Total recovered costs	\$ 2,221,862	\$ 2,272,248	\$ 2,300,471	\$ 28,223
Total revenue from local sources	\$ 33,662,387	\$ 33,712,773	\$ 37,120,969	\$ 3,408,196
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling taxes	\$ 45,000	\$ 45,000	\$ 114,445	\$ 69,445
Motor vehicle rental taxes	8,000	8,000	7,524	(476)
Telecommunications taxes	705,000	705,000	659,514	(45,486)
Rolling stock taxes	1,000	1,000	635	(365)
State recordation taxes	55,000	55,000	70,595	15,595
Personal property tax relief funds	1,051,552	1,051,552	1,051,552	-
Games of skill	5,000	5,000	-	(5,000)
Total noncategorical aid	\$ 1,870,552	\$ 1,870,552	\$ 1,904,265	\$ 33,713
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 644,806	\$ 644,806	\$ 587,395	\$ (57,411)
Sheriff	1,771,844	1,771,844	1,776,204	4,360
Commissioner of revenue	189,881	189,881	188,076	(1,805)
Treasurer	148,495	148,495	163,446	14,951
Registrar/electoral board	74,000	124,000	104,298	(19,702)
Clerk of the Circuit Court	435,331	435,331	429,896	(5,435)
Total shared expenses	\$ 3,264,357	\$ 3,314,357	\$ 3,249,315	\$ (65,042)
Other categorical aid:				
Public assistance and welfare administration	\$ 2,842,157	\$ 2,842,156	\$ 2,174,200	\$ (667,956)
Comprehensive Services Act	2,013,320	2,013,319	1,809,004	(204,315)
Animal friendly plates	400	400	765	365
Fire program	105,000	105,000	118,284	13,284
Litter control grant	10,000	20,299	20,299	-
Emergency and medical services grant	25,000	25,000	116,802	91,802
Records preservation grant	-	32,490	22,817	(9,673)
School Resource Officer	125,000	125,000	114,736	(10,264)
Victim witness	92,000	92,000	27,331	(64,669)
Asset forfeiture	-	-	19,305	19,305
Agriculture and consumer service grant	-	-	96,000	96,000
Arts grant	-	-	500	500
Public safety grant	-	15,000	10,000	(5,000)
Total other categorical aid	\$ 5,212,877	\$ 5,270,664	\$ 4,530,043	\$ (740,621)
Total categorical aid	\$ 8,477,234	\$ 8,585,021	\$ 7,779,358	\$ (805,663)
Total revenue from the Commonwealth	\$ 10,347,786	\$ 10,455,573	\$ 9,683,623	\$ (771,950)

County of Carroll, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
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<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	\$ 33,000	\$ 33,000	\$ 37,556	\$ 4,556
Categorical aid:				
Public assistance and welfare administration	\$ 2,783,367	\$ 2,783,367	\$ 3,065,874	\$ 282,507
QSCB interest	600,000	600,000	638,404	38,404
Emergency management preparedness grants	-	-	7,500	7,500
USDA library community facility grant	-	-	59,513	59,513
Federal justice assistance grants	1,200	1,200	-	(1,200)
High intensity drug trafficking grant	35,000	35,000	26,372	(8,628)
Homeland security grant	-	108,000	108,500	500
Department of justice grants	-	-	1,668	1,668
Coronavirus state and local fiscal recovery funds	-	-	336,000	336,000
Total categorical aid	\$ 3,419,567	\$ 3,527,567	\$ 4,243,831	\$ 716,264
Total revenue from the federal government	\$ 3,452,567	\$ 3,560,567	\$ 4,281,387	\$ 720,820
Total General Fund	\$ 47,462,740	\$ 47,728,913	\$ 51,085,979	\$ 3,357,066
<b>County CIP Fund:</b>				
Revenue from local sources:				
Recovered costs:				
Other recovered costs	\$ -	\$ 9,000	\$ 105,553	\$ 96,553
Total recovered costs	\$ -	\$ 9,000	\$ 105,553	\$ 96,553
Total revenue from local sources	\$ -	\$ 9,000	\$ 105,553	\$ 96,553
Total County CIP Fund	\$ -	\$ 9,000	\$ 105,553	\$ 96,553
Total Primary Government	\$ 47,462,740	\$ 47,737,913	\$ 51,191,532	\$ 3,453,619
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 306,347	\$ 306,347
Revenue from the use of property	27,360	27,360	36,299	8,939
Total revenue from use of money and property	\$ 27,360	\$ 27,360	\$ 342,646	\$ 315,286
Charges for services:				
Fees from pupils	\$ 16,000	\$ 16,000	\$ -	\$ (16,000)
Tuition from other localities	1,000	1,000	-	(1,000)
Transportation of pupils	5,282	5,282	8,323	3,041
Other payments from other localities	2,500	2,500	-	(2,500)
Total charges for services	\$ 24,782	\$ 24,782	\$ 8,323	\$ (16,459)
Miscellaneous:				
E-rate	\$ 107,520	\$ 107,520	\$ 31,008	\$ (76,512)
Other miscellaneous	44,750	44,750	139,506	94,756
Total miscellaneous	\$ 152,270	\$ 152,270	\$ 170,514	\$ 18,244
Recovered costs:				
Insurance recoveries and rebates	\$ 299,735	\$ 299,735	\$ 433,620	\$ 133,885
Total recovered costs	\$ 299,735	\$ 299,735	\$ 433,620	\$ 133,885
Total revenue from local sources	\$ 504,147	\$ 504,147	\$ 955,103	\$ 450,956

County of Carroll, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
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<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:				
Revenues from local governments:				
Contribution from County of Carroll, Virginia	\$ 10,400,000	\$ 10,400,000	\$ 9,779,830	\$ (620,170)
Total revenues from local governments	\$ 10,400,000	\$ 10,400,000	\$ 9,779,830	\$ (620,170)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 5,296,021	\$ 5,296,021	\$ 5,053,820	\$ (242,201)
Basic school aid	12,906,055	13,331,581	13,585,488	253,907
Remedial summer education	203,466	203,466	156,972	(46,494)
Regular foster care	-	-	26,155	26,155
Gifted and talented	131,483	131,483	130,941	(542)
Remedial education	578,525	578,525	576,141	(2,384)
Alternative education	220,201	220,201	236,944	16,743
Special education	1,463,047	1,463,047	1,457,017	(6,030)
Textbook payment	316,468	316,468	315,163	(1,305)
School construction	-	-	3,122,810	3,122,810
Vocational standards of quality payments	525,932	525,932	523,764	(2,168)
Vocational education - equipment	36,849	36,849	13,403	(23,446)
Social security fringe benefits	839,100	839,100	835,642	(3,458)
Retirement fringe benefits	1,955,510	1,955,510	1,947,450	(8,060)
Group life insurance instructional	59,765	59,765	59,519	(246)
State lottery payments	965,677	965,677	964,011	(1,666)
Homebound education	15,182	15,182	6,171	(9,011)
School nutrition	85,313	85,313	63,796	(21,517)
Special education - foster children	40,182	40,182	20,985	(19,197)
Special education - regional	90,283	90,283	174,669	84,386
Salary supplement	1,915,517	2,159,415	2,150,695	(8,720)
At risk payments	1,967,016	1,967,016	2,008,052	41,036
Early reading intervention	155,573	155,573	106,445	(49,128)
Standards of Learning algebra readiness	74,830	74,830	69,123	(5,707)
Primary class size	546,387	546,387	539,004	(7,383)
Breakfast after the Bell Initiative	26,567	26,567	13,039	(13,528)
Mentor teacher program	1,011	1,011	960	(51)
ISAP	16,405	16,405	16,346	(59)
Jobs for VA grads	50,000	50,000	60,000	10,000
CTE industry credentials	19,500	19,500	36,768	17,268
JROTC	336,000	336,000	-	(336,000)
English as a second language	152,289	152,289	153,400	1,111
Project graduation	8,255	8,255	8,255	-
School security grant	-	-	171,569	171,569
Extended Year Grant	-	761,947	308,973	(452,974)
Virginia preschool initiative	604,436	604,436	842,548	238,112
Hold harmless for rebench	599,558	599,558	599,558	-
Compensation supplement	730,654	730,654	749,993	19,339
All In Virginia Initiative	-	602,006	769,463	167,457
Other state funds	885,500	1,185,500	1,703,178	517,678
Total categorical aid	\$ 33,819,457	\$ 36,152,834	\$ 39,578,230	\$ 3,425,396
Total revenue from the Commonwealth	\$ 33,819,457	\$ 36,152,834	\$ 39,578,230	\$ 3,425,396
Revenue from the federal government:				
Categorical aid:				
Forest reserve	\$ 9,837	\$ 9,837	\$ 8,378	\$ (1,459)
Title I	1,109,592	1,109,592	1,266,877	157,285
Title VI-B, flow-through	1,049,029	1,049,029	1,073,829	24,800
Title VI-B, preschool	29,749	29,749	28,122	(1,627)

County of Carroll, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Schedule 1  
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<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 federal government: (Continued)				
Categorical aid: (Continued)				
Title VI-B, rural and low income	\$ -	\$ -	\$ 61,343	\$ 61,343
Vocational education	89,837	89,837	73,992	(15,845)
Teacher quality	162,683	162,683	190,698	28,015
Migrant education	66,768	66,768	57,714	(9,054)
School breakfast program	809,263	809,263	874,874	65,611
National school lunch program	2,106,000	2,106,000	2,263,799	157,799
Other school nutrition funds	-	128,775	128,769	(6)
Summer feeding program	-	-	137,078	137,078
Title III	15,017	15,017	11,607	(3,410)
Twenty first century learning centers	-	248,643	197,100	(51,543)
Title IV, Part A	86,494	86,494	89,030	2,536
ESSER	8,019,749	8,019,749	5,137,522	(2,882,227)
ARPA funds	676,038	676,038	319,822	(356,216)
Electric bus program	7,500,000	7,500,000	7,899,180	399,180
Other federal funds	-	-	103,256	103,256
Total categorical aid	<u>\$ 21,730,056</u>	<u>\$ 22,107,474</u>	<u>\$ 19,922,990</u>	<u>\$ (2,184,484)</u>
Total revenue from the federal government	<u>\$ 21,730,056</u>	<u>\$ 22,107,474</u>	<u>\$ 19,922,990</u>	<u>\$ (2,184,484)</u>
Total School Operating Fund	<u>\$ 66,453,660</u>	<u>\$ 69,164,455</u>	<u>\$ 70,236,153</u>	<u>\$ 1,071,698</u>
<b>Capital Projects Fund:</b>				
<b>School Capital Improvements Fund:</b>				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Carroll, Virginia	\$ -	\$ 638,700	\$ 638,070	\$ (630)
Total revenues from local governments	<u>\$ -</u>	<u>\$ 638,700</u>	<u>\$ 638,070</u>	<u>\$ (630)</u>
Total School Capital Improvements Fund	<u>\$ -</u>	<u>\$ 638,700</u>	<u>\$ 638,070</u>	<u>\$ (630)</u>

County of Carroll, Virginia  
Schedule of Expenditures - Budget and Actual  
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<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	\$ 526,089	\$ 526,089	\$ 393,551	\$ 132,538
General and financial administration:				
County administrator	\$ 417,224	\$ 399,752	\$ 376,100	\$ 23,652
Central purchasing	2,500	2,500	2,595	(95)
County attorney	75,000	110,000	97,765	12,235
Commissioner of revenue	513,679	513,679	470,614	43,065
Treasurer	556,712	556,712	489,461	67,251
Finance	344,642	623,808	372,845	250,963
Management information systems	350,065	350,065	332,506	17,559
Mapping	19,860	19,860	13,774	6,086
Human resources	9,170	9,170	9,051	119
Total general and financial administration	\$ 2,288,852	\$ 2,585,546	\$ 2,164,711	\$ 420,835
Board of elections:				
Electoral board and officials	\$ 145,508	\$ 235,508	\$ 187,753	\$ 47,755
Registrar	210,967	210,967	206,174	4,793
Total board of elections	\$ 356,475	\$ 446,475	\$ 393,927	\$ 52,548
Total general government administration	\$ 3,171,416	\$ 3,558,110	\$ 2,952,189	\$ 605,921
Judicial administration:				
Courts:				
Circuit court	\$ 70,061	\$ 70,061	\$ 62,012	\$ 8,049
General district court	16,165	19,665	18,373	1,292
Juvenile court	10,750	11,750	12,238	(488)
Special magistrates	3,665	4,665	4,025	640
Victim witness	98,235	98,235	98,259	(24)
Clerk of the circuit court	660,497	718,489	688,704	29,785
Law library	1,000	1,000	306	694
Town E-Summons	-	41,008	54,776	(13,768)
Total courts	\$ 860,373	\$ 964,873	\$ 938,693	\$ 26,180
Commonwealth's attorney:				
Commonwealth's attorney	\$ 1,016,848	\$ 1,016,848	\$ 804,504	\$ 212,344
Total judicial administration	\$ 1,877,221	\$ 1,981,721	\$ 1,743,197	\$ 238,524
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,467,802	\$ 3,612,215	\$ 3,675,080	\$ (62,865)
Courtroom Security	469,274	469,274	458,980	10,294
Total law enforcement and traffic control	\$ 3,937,076	\$ 4,081,489	\$ 4,134,060	\$ (52,571)
Fire and rescue services:				
Volunteer fire departments	\$ 551,305	\$ 616,304	\$ 603,717	\$ 12,587
Rescue squads	389,580	389,580	283,617	105,963
Carroll EMS	2,258,226	3,254,507	3,135,820	118,687
Total fire and rescue services	\$ 3,199,111	\$ 4,260,391	\$ 4,023,154	\$ 237,237

County of Carroll, Virginia  
Schedule of Expenditures - Budget and Actual  
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<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 safety: (Continued)				
Correction and detention:				
Payments to New River Regional Jail	\$ 2,150,000	\$ 2,150,000	\$ 1,746,336	\$ 403,664
Juvenile probation and detention	242,275	242,275	259,170	(16,895)
Total correction and detention	<u>\$ 2,392,275</u>	<u>\$ 2,392,275</u>	<u>\$ 2,005,506</u>	<u>\$ 386,769</u>
Inspections:				
Building	\$ 217,078	\$ 217,078	\$ 205,079	\$ 11,999
Other protection:				
Animal warden	\$ 202,493	\$ 218,493	\$ 199,930	\$ 18,563
Emergency services	304,304	364,878	363,177	1,701
E-911	463,197	463,197	463,197	-
Day reporting program	82,069	82,069	78,381	3,688
Highway safety	900,000	1,091,137	1,066,493	24,644
Total other protection	<u>\$ 1,952,063</u>	<u>\$ 2,219,774</u>	<u>\$ 2,171,178</u>	<u>\$ 48,596</u>
Total public safety	<u>\$ 11,697,603</u>	<u>\$ 13,171,007</u>	<u>\$ 12,538,977</u>	<u>\$ 632,030</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 667,894	\$ 669,194	\$ 671,264	\$ (2,070)
Public Service Authority	753,608	753,608	727,395	26,213
Litter control	10,000	20,299	19,462	837
Coronavirus relief - distributions to Public Service Authority	-	-	0	-
Total sanitation and waste removal	<u>\$ 1,431,502</u>	<u>\$ 1,443,101</u>	<u>\$ 1,418,121</u>	<u>\$ 24,980</u>
Maintenance of general buildings and grounds:				
Governmental complex	\$ 382,522	\$ 382,522	\$ 361,808	\$ 20,714
Cannery	29,672	29,672	17,247	12,425
Maintenance force	550,809	550,809	532,041	18,768
Maintenance of other properties	185,800	185,800	148,986	36,814
Total maintenance of general buildings and grounds	<u>\$ 1,148,803</u>	<u>\$ 1,148,803</u>	<u>\$ 1,060,082</u>	<u>\$ 88,721</u>
Total public works	<u>\$ 2,580,305</u>	<u>\$ 2,591,904</u>	<u>\$ 2,478,203</u>	<u>\$ 113,701</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 271,803	\$ 271,803	\$ 274,387	\$ (2,584)
Mental health and mental retardation:				
Community services board	\$ 130,500	\$ 130,500	\$ 130,500	\$ -
Welfare:				
Public assistance and welfare administration	\$ 9,383,220	\$ 9,383,220	\$ 8,355,274	\$ 1,027,946
Opioid disbursements	-	10,000	10,000	-
Senior citizens center	77,359	52,359	52,471	(112)
Total welfare	<u>\$ 9,460,579</u>	<u>\$ 9,445,579</u>	<u>\$ 8,417,745</u>	<u>\$ 1,027,834</u>
Total health and welfare	<u>\$ 9,862,882</u>	<u>\$ 9,847,882</u>	<u>\$ 8,822,632</u>	<u>\$ 1,025,250</u>

County of Carroll, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

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<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>				
Education:				
Other instructional costs:				
Contributions to Community College	\$ 41,426	\$ 41,426	\$ 41,426	\$ -
Contribution to County School Board	10,400,000	10,400,000	9,432,990	967,010
School Board utilities	20,500	20,800	20,696	104
Purchase of school buses	538,070	538,070	538,070	-
Total education	\$ 10,999,996	\$ 11,000,296	\$ 10,033,182	\$ 967,114
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational	\$ 463,593	\$ 463,593	\$ 442,325	\$ 21,268
Farmer's Market	617,240	617,238	444,736	172,502
County Fair	103,000	120,470	107,555	12,915
Total parks and recreation	\$ 1,183,833	\$ 1,201,301	\$ 994,616	\$ 206,685
Library:				
Contribution to Carroll-Galax Regional Library	\$ 345,749	\$ 365,835	\$ 367,261	\$ (1,426)
Total parks, recreation, and cultural	\$ 1,529,582	\$ 1,567,136	\$ 1,361,877	\$ 205,259
Community development:				
Planning and community development:				
Planning commission	\$ 153,452	\$ 153,452	\$ 141,143	\$ 12,309
Economic development	216,115	1,241,115	169,941	1,071,174
Business development	319,970	344,970	308,553	36,417
Tourism	206,788	296,788	198,249	98,539
Contribution to Carroll Industrial Development Authority	425,000	506,000	478,099	27,901
Contribution to Public Service Authority	525,000	1,425,000	1,425,000	-
Contribution to Twin County Airport	85,960	85,960	85,960	-
Total planning and community development	\$ 1,932,285	\$ 4,053,285	\$ 2,806,945	\$ 1,246,340
Environmental management:				
Contribution to soil and water district	\$ 8,500	\$ 8,500	\$ 8,500	\$ -
Cooperative extension program:				
Extension office	\$ 73,607	\$ 74,107	\$ 72,398	\$ 1,709
Total community development	\$ 2,014,392	\$ 4,135,892	\$ 2,887,843	\$ 1,248,049
Nondepartmental:				
Contingencies	\$ 50,000	\$ 50,000	\$ 61,935	\$ (11,935)
Total nondepartmental	\$ 50,000	\$ 50,000	\$ 61,935	\$ (11,935)
Debt service:				
Principal retirement	\$ 1,662,250	\$ 1,662,250	\$ 1,845,882	\$ (183,632)
Interest and other fiscal charges	1,017,093	1,017,093	964,091	53,002
Total debt service	\$ 2,679,343	\$ 2,679,343	\$ 2,809,973	\$ (130,630)
Total General Fund	\$ 46,462,740	\$ 50,583,291	\$ 45,690,008	\$ 4,893,283

County of Carroll, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

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<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>Capital Projects Fund:</b>				
<b>County CIP Fund:</b>				
General government administration	\$ -	\$ 1,117,004	\$ 320,263	\$ 796,741
Public safety	-	2,325,750	821,143	1,504,607
Public works	-	545,445	97,300	448,145
Education	-	346,840	446,840	(100,000)
Parks, recreation, and cultural	-	528,722	440,770	87,952
Community development	-	50,000	-	50,000
Nondepartmental	-	87,000	-	87,000
Total County CIP Fund	\$ -	\$ 5,000,761	\$ 2,126,316	\$ 2,874,445
Total Primary Government	\$ 46,462,740	\$ 55,584,052	\$ 47,816,324	\$ 7,767,728
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
Administration, attendance and health	\$ 1,972,892	\$ 1,972,892	\$ 2,133,208	\$ (160,316)
Instruction costs:				
Instruction	\$ 37,130,327	\$ 39,712,347	\$ 38,723,076	\$ 989,271
Operating costs:				
Pupil transportation	\$ 10,658,364	\$ 10,658,364	\$ 10,494,641	\$ 163,723
Operation and maintenance of school plant	5,574,255	5,574,255	7,482,657	(1,908,402)
Food services and other non-instructional costs	3,027,143	3,155,918	3,594,642	(438,724)
Facilities	8,090,679	8,090,679	7,650,163	440,516
Total operating costs	\$ 27,350,441	\$ 27,479,216	\$ 29,222,103	\$ (1,742,887)
Total education	\$ 66,453,660	\$ 69,164,455	\$ 70,078,387	\$ (913,932)
Total School Operating Fund	\$ 66,453,660	\$ 69,164,455	\$ 70,078,387	\$ (913,932)
<b>School Capital Projects Fund:</b>				
Capital projects expenditures:				
Hish School renovations	\$ -	\$ 638,700	\$ 534,480	\$ 104,220
Total capital projects	\$ -	\$ 638,700	\$ 534,480	\$ 104,220
Total School Capital Projects Fund	\$ -	\$ 638,700	\$ 534,480	\$ 104,220



## **Other Statistical Section**

Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (1)	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Gas Utilities	Total
2023-24	\$ 3,254,257	\$ 1,567,144	\$ 11,198,286	\$ 1,404,167	\$ 8,554,185	\$ 11,123,330	\$ 1,364,354	\$ 2,733,144	\$ 966,893	\$ -	\$ 42,165,760
2022-23	2,676,308	1,427,265	10,326,176	1,361,436	8,653,157	21,935,982	1,149,634	2,340,695	983,275	-	50,853,928
2021-22	3,162,821	1,209,495	8,463,381	1,079,424	8,784,225	15,139,848	496,485	1,312,249	1,178,791	-	40,826,719
2020-21	2,289,316	1,257,756	10,940,758	1,512,193	8,729,925	20,579,644	872,394	1,494,809	1,153,658	-	48,830,453
2019-20	2,567,477	1,213,555	9,789,497	1,147,056	8,804,195	12,511,100	1,138,528	1,521,365	1,239,444	-	39,932,217
2018-19	2,280,229	1,247,142	9,493,344	1,407,677	7,880,057	12,845,681	1,577,633	1,442,217	1,350,968	-	39,524,948
2017-18	2,580,579	1,034,603	9,850,165	1,428,594	6,823,675	13,540,065	1,350,707	1,507,984	1,427,439	-	39,543,811
2016-17	2,567,121	1,005,935	9,090,573	1,485,311	6,039,186	13,443,189	1,399,180	1,574,700	1,535,786	-	38,140,981
2015-16	2,620,043	977,670	9,096,396	1,319,668	5,860,929	13,265,166	852,516	1,794,103	1,653,289	109,257	37,549,037
2014-15	2,160,757	910,625	8,251,074	1,391,661	5,415,823	13,291,086	811,369	1,293,877	1,160,247	386,978	35,073,497

(1) For fiscal year 2020-21, capital assets in the amount of \$7,344,451 (net book value) reverted back to the Component Unit - School Board

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Revenue from Use of Property and Money	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain on Disposal of Capital Asset	Total
2023-24	\$ 3,107,786	\$ 11,531,676	\$ 491,513	\$	\$ 25,016,645	\$ 5,347,694	\$ 603,293	\$ 698,369	\$ 1,941,821	\$ -	\$ 48,738,797
2022-23	2,886,531	13,665,875	50,000		25,751,345	4,767,594	309,734	190,950	1,995,232	-	49,617,261
2021-22	2,825,412	13,764,640	-		24,140,685	5,570,790	67,287	671,553	2,032,753	-	49,073,120
2020-21	2,784,063	15,447,925	101,699		23,942,518	5,212,645	58,709	119,632	2,031,397	-	49,698,588
2019-20 (1)	2,986,997	10,192,681	-		29,919,818	4,685,781	70,665	248,064	2,062,200	-	50,166,206
2018-19	3,965,558	9,534,242	100,000		21,504,558	4,446,707	67,896	226,016	2,101,245	-	41,946,222
2017-18	3,874,439	8,693,825	-		21,549,755	4,394,821	70,791	142,990	2,165,247	-	40,891,868
2016-17	3,503,001	7,738,471	-		20,955,919	4,298,627	114,861	320,193	2,173,636	-	39,104,708
2015-16	2,682,745	7,663,546	500,400		20,002,849	4,240,575	73,852	228,482	2,188,053	-	37,580,502
2014-15	3,239,583	6,644,265	25,000		18,833,801	4,028,765	73,235	348,630	2,218,368	-	35,411,647

(1) For fiscal year 2020, the County went to twice-year collections for real estate property taxes.

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Capital Projects (3)	Debt Service	Total
2023-24	\$ 2,952,189	\$ 1,743,197	\$ 12,538,977	\$ 2,478,203	\$ 8,822,632	\$ 71,804,307	\$ 1,361,877	\$ 2,887,843	\$ 61,935	\$ -	\$ 2,809,973	\$ 107,461,133
2022-23	2,918,890	1,594,005	10,332,062	2,361,056	8,809,977	56,040,325	1,327,820	2,493,128	307,148	-	3,979,880	90,164,291
2021-22	2,535,825	1,407,513	10,318,301	2,042,257	9,173,348	53,241,085	1,112,251	1,506,170	-	-	4,250,171	85,586,921
2020-21	2,610,084	1,337,577	11,654,184	2,215,374	8,816,470	46,484,806	822,553	1,664,321	-	-	4,813,706	80,419,075
2019-20	2,518,046	1,322,176	9,465,079	2,092,736	8,993,001	45,496,305	1,107,413	1,623,921	-	-	5,026,716	77,645,393
2018-19	2,399,059	1,293,347	10,200,017	2,451,249	8,143,696	45,064,392	1,298,381	1,593,613	-	-	5,141,130	77,584,884
2017-18	2,594,994	1,308,469	9,630,563	2,479,152	6,978,821	44,565,865	1,363,454	1,609,205	-	-	10,315,508	80,846,031
2016-17	2,899,621	1,261,171	8,890,135	2,499,126	6,143,152	43,766,570	1,384,100	1,716,409	-	-	5,290,451	73,850,735
2015-16	2,775,409	1,246,123	9,145,079	2,534,232	6,053,026	43,035,846	1,183,511	1,939,046	-	222,000	5,663,430	73,797,702
2014-15	2,769,189	1,268,976	8,204,703	2,637,210	5,544,042	41,956,209	1,103,510	2,221,814	-	-	4,082,215	69,787,868

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

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

(3) Expenditures posted to capital projects department in General Fund.

Table 4

**County of Carroll, 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
2023-24	\$ 24,811,305	\$ 5,913,959	\$ 193,445	\$ 1,025,341	\$ 977,951	\$ 3,153,061	\$ 554,669	\$ 2,734,091	\$ 73,466,230	\$ 112,830,052
2022-23	24,917,446	5,302,584	162,904	1,073,504	408,847	3,967,783	538,792	3,275,306	58,640,305	98,287,471
2021-22	23,909,213	5,570,790	184,896	945,041	130,828	4,240,978	242,200	2,896,282	56,041,089	94,161,317
2020-21	24,236,738	5,212,645	183,270	892,657	86,069	2,397,784	271,487	2,705,475	52,006,226	87,992,351
2019-20 (3)	28,997,823	4,685,781	133,625	849,360	109,913	3,123,489	407,435	2,470,093	45,446,334	86,223,853
2018-19	21,411,096	4,446,707	99,809	1,444,000	110,166	3,561,524	378,723	3,171,495	43,272,568	77,896,088
2017-18	21,534,993	4,394,821	100,714	1,461,067	109,982	2,993,777	286,173	3,256,496	41,249,671	75,387,694
2016-17	20,527,734	4,298,627	102,721	1,218,703	151,005	2,922,834	794,857	3,121,436	39,891,611	73,029,528
2015-16	19,809,119	4,240,575	130,250	1,009,917	106,225	2,093,922	373,656	3,464,564	39,462,068	70,690,296
2014-15	19,020,352	4,028,765	101,352	1,376,217	106,735	2,180,195	550,751	4,246,706	37,448,874	69,059,947

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

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

(3) For fiscal year 2020, the County went to twice-year collections for real estate property taxes.

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2023-24	\$ 25,316,916	\$ 23,162,801	91.49%	\$ 1,713,349	\$ 24,876,150	98.26%	\$ 7,487,487	29.58%
2022-23	25,867,221	23,957,777	92.62%	1,245,460	25,203,237	97.43%	8,859,555	34.25%
2021-22	24,706,912	23,077,405	93.40%	1,132,197	24,209,602	97.99%	6,187,261	25.04%
2020-21	24,489,550	23,018,221	93.99%	1,439,482	24,457,703	99.87%	6,233,800	25.45%
2019-20 (3)	30,377,311	27,891,896	91.82%	1,522,449	29,414,345	96.83%	5,759,293	18.96%
2018-19	22,244,137	20,846,566	93.72%	1,030,236	21,876,802	98.35%	5,366,792	24.13%
2017-18	21,830,013	20,577,677	94.26%	1,366,803	21,944,480	100.52%	5,165,172	23.66%
2016-17	21,738,710	19,919,233	91.63%	1,172,082	21,091,315	97.02%	5,490,004	25.25%
2015-16	20,961,120	19,500,727	93.03%	918,697	20,419,424	97.42%	5,321,466	25.39%
2014-15	20,252,227	18,746,563	92.57%	941,768	19,688,331	97.22%	4,721,641	23.31%

(1) Exclusive of penalties and interest.

(2) Does not include land redemption.

(3) For fiscal year 2020, the County went to twice-year collections for real estate property taxes.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property	Machinery and Tools (3)	Merchant's Capital (3)	Farm Equipment (4)	Public Service Corporations (2)	Total
2022-23	\$ 2,428,733,780	\$ 385,799,300	\$ 72,511,735	\$ 46,359,320	\$ -	\$ 128,086,843	3,061,490,978
2023-24	2,414,650,130	417,241,720	60,131,835	32,389,465	-	132,505,903	3,056,919,053
2021-22	2,395,388,314	327,009,750	55,607,740	30,998,375	-	143,109,248	2,952,113,427
2020-21	2,273,499,481	303,857,365	56,020,095	33,601,985	-	137,843,332	2,804,822,258
2019-20 (5)	3,241,667,267	297,040,170	55,356,480	33,517,105	-	137,102,552	3,764,683,574
2018-19	2,151,278,637	286,290,823	49,228,375	33,695,852	-	134,970,964	2,655,464,651
2017-18	2,144,702,296	269,900,405	51,231,145	31,299,875	-	129,718,424	2,626,852,145
2016-17	2,177,124,027	269,848,776	53,794,835	29,157,025	-	125,696,739	2,655,621,402
2015-16	2,171,983,967	260,253,329	52,156,600	29,892,051	-	118,794,393	2,633,080,340
2014-15	2,160,547,151	256,700,342	50,745,280	9,065,040	18,120,000	111,939,519	2,607,117,332

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

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

(3) Prior to 2015 taxes, the County assessed merchant's capital tax at 30%. The 2015 taxes were assessed at 100%.

(4) In fiscal year 2012, the County established a new class of personal property for farm equipment. In fiscal year 2016, the County stopped assessing farm equipment.

(5) For fiscal year 2020, the County went to twice-year collections for real estate property taxes.

Table 7

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

Fiscal Year	Real Estate (5)	Personal Property (6)	Machinery and Tools (2)	Merchant's Capital (4)	Farm Equipment (3)
2023-24	\$ 0.640	\$ 2.30	\$ 2.00	\$ 0.69	\$ -
2022-23	0.590	2.30	2.00	0.69	-
2021-22	0.640	2.30	2.00	0.69	-
2020-21	0.640	2.30	2.00	0.69	-
2019-20	0.730	1.95	1.75	0.69	-
2018-19	0.695	1.95	1.75	0.69	-
2017-18	0.695	1.95	1.75	0.69	-
2016-17	0.660	1.95	1.75	0.69	-
2015-16	0.660	1.95	1.75	0.69	-
2014-15	0.680	1.60	1.30	2.30	0.80

(1) Per \$100 of assessed value.

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

(3) In fiscal year 2012, the County established a new class of personal property for farm equipment.  
In fiscal year 2017, the County did not tax farm equipment.

(4) Starting in fiscal year 2016, the County started assessing merchant's capital at 100%. Prior to this, it was assessed at 30%.

(5) Rate reflects amounts due in June of fiscal year.

(6) For fiscal year 2023, property qualifying for PPTR was taxed at \$2.15.



Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2023-24	29,155	\$ 3,061,491	\$ 12,570,637	\$ 12,570,637	0.41%	431
2022-23	29,155	3,056,919	14,267,625	14,267,625	0.47%	489
2021-22	29,155	2,952,113	17,063,946	17,063,946	0.58%	585
2020-21	29,155	2,804,822	20,043,804	20,043,804	0.71%	687
2019-20	30,042	3,764,684	23,588,658	23,588,658	0.63%	785
2018-19	30,042	2,655,465	27,275,372	27,275,372	1.03%	908
2017-18	30,042	2,626,852	30,954,426	30,954,426	1.18%	1,030
2016-17	30,042	2,655,621	34,528,707	34,528,707	1.30%	1,149
2015-16	30,042	2,633,080	38,189,784	38,189,784	1.45%	1,271
2014-15	30,042	2,607,117	42,069,679	42,069,679	1.61%	1,400

(1) Bureau of the Census.

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

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

Table 9

County of Carroll, 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	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2023-24	\$ 1,845,882	\$ 964,091	\$ 2,809,973	\$ 107,461,133	2.61%
2022-23	2,963,895	1,015,985	3,979,880	90,164,291	4.41%
2021-22	3,192,019	1,058,152	4,250,171	85,586,921	4.97%
2020-21	3,612,154	1,201,552	4,813,706	80,419,075	5.99%
2019-20	3,732,460	1,294,256	5,026,716	77,645,393	6.47%
2018-19	3,716,577	1,424,553	5,141,130	77,584,884	6.63%
2017-18 (2)	3,656,248	1,534,260	5,190,508	80,846,031	6.42%
2016-17	3,648,030	1,642,421	5,290,451	73,850,735	7.16%
2015-16	3,915,936	1,747,494	5,663,430	73,797,702	7.67%
2014-15	2,987,109	1,095,106	4,082,215	69,787,868	5.85%

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

(2) Principal excludes refunding amount of \$5,125,000.

## **Compliance**



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

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**To the Honorable Members of  
the Board of Supervisors  
County of Carroll, 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 the County of Carroll, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Carroll, Virginia's basic financial statements, and have issued our report thereon dated January 22, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County of Carroll, 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 the County of Carroll, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Carroll, 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 identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Carroll, 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 Carroll, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on County of Carroll, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Carroll, 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 on 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.

*Robinson, Fawcett, & Associates*

Blacksburg, Virginia  
January 22, 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 Carroll, Virginia**

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

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

We have audited County of Carroll, 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 Carroll, Virginia's major federal programs for the year ended June 30, 2024. County of Carroll, 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 Carroll, 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, 2024.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of County of Carroll, 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 Carroll, 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 Carroll, 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 Carroll, 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 Carroll, 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 Carroll, 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 Carroll, 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 Carroll, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

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

## Report on Internal Control over Compliance (Continued)

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

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

*Polina, Fawc, Cox Associates*

Blacksburg, Virginia  
January 22, 2025



County of Carroll, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Guardianship Assistance	93.090	1110123; 1110124	\$ 422
Title IV-E Prevention Program	93.472	1140123; 1140124	16,058
MaryLee Allen Promoting Safe and Stable Families Program	93.556	095122; 0950123	24,327
Temporary Assistance for Needy Families	93.558	0400123; 00400124	320,419
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500123; 0500124	1,440
Low-Income Home Energy Assistance	93.568	0600423; 0600424	73,922
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	0770122	(846)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760123; 0760124	68,341
Child Care and Development Funds			
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122; 0900123	269
Foster Care - Title IV-E	93.658	1100123; 1100124	244,598
Adoption Assistance	93.659	1120123; 1120124	967,954
Social Services Block Grant	93.667	1000123; 1000124	304,328
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122; 9150123	3,761
Elder Abuse Prevention Interventions Program	93.747	8,000,321	2,503
Children's Health Insurance Program	93.767	0540123; 054124	5,047
Medicaid Cluster:			
Medical Assistance Program	93.778	1200123; 100124	442,661
Total Department of Health and Human Services			\$ 2,475,204
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Management:			
Emergency Management Performance Grants	97.042	EMP-2022-EP-00006	\$ 7,500
Homeland Security Grant Program	97.067	EMW-2023-SS-00109	108,500
Total Department of Homeland Security			\$ 116,000
Environmental Protection Agency			
Direct Award:			
Diesel Emission Reduction Act National Grants	66.039	Not applicable	\$ 100,000
Clean School Bus Program	66.045	Not applicable	7,899,180
Total Environment Protection Agency			\$ 7,999,180
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Education:			
Child and Adult Care Food Program	10.558	70027, 70028	\$ 76,056
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution (Note 3)	10.555	Not available	\$ 178,175
Virginia Department of Education:			
National School Lunch Program	10.555	40254; 41108	2,009,568
School Breakfast Program	10.553	40253	874,874
Fresh Fruit and Vegetable Program	10.582	40252	128,769
Summer Food Service Program for Children	10.559	60302, 60303	\$ 135,892
Virginia Department of Agriculture and Consumer Services:			
Food Distribution (Note 3)	10.559	Not available	\$ 1,186
137,078			\$ 3,328,464
Virginia Department of Education:			
COVID-19 Pandemic EBT Administrative Costs	10.649	86556	3,256
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	43841	8,378
Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	00101023; 0010124; 0040123; 0040124	568,365
Total Department of Agriculture			\$ 3,984,519
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice:			
		2020V2GX0048;	
		15POVC21GG00602ASSI;	
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$ 59,513
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Not available	1,668
Total Department of Criminal Justice Service-pass through payments:			\$ 61,181
Executive Office of the President:			
Pass Through Payments:			
Financial Commission for Appalachia HIDTA:			
High Intensity Drug Trafficking Areas Program	95.001	Not available	\$ 26,372

County of Carroll, Virginia  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	42901	\$ 1,266,877
Migrant Education - State Grant Program	84.011	42910	51,006
Special Education Cluster:			
Special Education - Grants to States	84.027	40287, 43071	\$ 1,073,829
Special Education - Preschool Grants	84.173	40286, 62521	28,122
Career and Technical Education: Basic Grants to States	84.048	60031	73,992
Twenty-First Century Community Learning Centers	84.287	60565	197,100
Rural Education	84.358	43481	61,343
English Language Acquisition State Grants	84.365	60512	11,607
Migrant Education - Coordination Program	84.144	61399	6,708
Student Support and Academic Enrichment Program	84.424	60019	89,030
Supporting Effective Instruction State Grant	84.367	61480; 61481	190,698
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	50195	\$ 842,494
		60019; 50193; 86834;	
COVID-19 ARP Elementary and Secondary School Emergency Relief Fund	84.425U	50183	4,295,028
			\$ 5,137,522
Total Department of Education			\$ 8,187,834
Department of Treasury:			
Pass Through Payments:			
Virginia Department of Education:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	60054	\$ 319,822
Virginia Department of Social Services:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222	22,305
Virginia Department of Criminal Justice Services:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	336,000
			678,127
Total Department of Treasury			\$ 678,127
Total Expenditures of Federal Awards			\$ 23,528,417

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

**Note 2 -- Summary of Significant Accounting Policies**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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 10% de minimus indirect cost rate because they only request direct costs for reimbursements.

**Note 4 -- Subrecipients**

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

**Note 4 -- Loans and Loan Guarantees:**

The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.

**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	\$ 4,281,387
Less: QSCB subsidy	(638,404)
Less: Payment in lieu of taxes	(37,556)
Total primary government	\$ 3,605,427
Component Unit School Board:	
School Operating Fund	\$ 19,922,990
Total Component Unit School Board	\$ 19,922,990
Total expenditures of federal awards per the basic financial statements	\$ 23,528,417

County of Carroll, Virginia

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

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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:	

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
84.425	COVID-19 Education Stabilization Fund
66.045	Clean School Bus Program

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

County of Carroll, Virginia

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2024

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Section II - Financial Statement Findings

2024-001	Material Weakness
Criteria:	Identification of a material adjustment to the financial statements that was not detected by the Component Unit-School Board's internal controls indicates that a material weakness may exist.
Condition:	Material adjustments were proposed as a result of audit procedures performed for the Component Unit-School Board's trial balances.
Cause:	The Component Unit-School Board's closing process did not accurately find and correct adjustments needed for financial reporting.
Effect:	There is a reasonable possibility that a material misstatement of the Component Unit-School Board's financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
Recommendation:	The Component Unit-School Board should review the auditors' proposed audit adjustments for the fiscal year and develop a plan to ensure the trial balances and related schedules are accurately presented for audit.
Management's Response:	The Component Unit-School Board will review the auditors' proposed audit adjustments for the fiscal year and will develop a plan of action to ensure that all adjusting entries are made prior to final audit fieldwork next year.

Section III - Federal Award Findings and Questioned Costs

None

County of Carroll, Virginia

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

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Section I - Summary of Auditors' Results

There were no prior audit findings.